

BROOKINGS COUNTY

AUDIT REPORT

For the Year Ended December 31, 2024

BROOKINGS COUNTY
COUNTY OFFICIALS
December 31, 2024

Board of Commissioners:
Larry Jensen, Chairman
Kelly Vander Wal, Vice Chairman
Michael Bartley
Shawn Hostler
Ryan Krogman

Finance Officer:
Lori Schultz

State's Attorney:
Daniel Nelson

Register of Deeds:
Beverly Chapman

Sheriff:
Martin Stanwick

BROOKINGS COUNTY
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427 SOUTH CHAPELLE
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RUSSELL A. OLSON
AUDITOR GENERAL

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

Independent Auditor's Report

County Commission
Brookings County
Brookings, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis of accounting financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brookings County, South Dakota (County), as of December 31, 2024, and for the year 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 January 20, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item No. 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record, and its distribution is not limited.



Russell A. Olson
Auditor General

January 20, 2026



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RUSSELL A. OLSON
AUDITOR GENERAL

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

County Commission
Brookings County
Brookings, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Brookings County, South Dakota (County), compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs.

In our opinion, Brookings County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Russell A. Olson". The signature is written in a cursive, flowing style.

Russell A. Olson
Auditor General

January 20, 2026

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

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Audit Findings:

The prior audit report contained no written audit findings.

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Section I – Summary of the Auditor's Results

Financial Statements

- a. An unmodified opinion was issued on the financial statements of each opinion unit.
- b. A significant deficiency was disclosed by our audit of the financial statements for internal controls over financial reporting as discussed in current audit finding No. 2024-001.
- c. Our audit did not disclose any noncompliance which was material to the financial statements.

Federal Awards

- d. An unmodified opinion was issued on compliance with the requirements applicable to major programs.
- e. Our audit did not disclose any audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
- f. The federal award tested as a major program was:

ALN # 14.228 – Community Development Block Grant/State's Program
- g. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$750,000.
- h. Brookings County did not qualify as a low-risk auditee.

Section II – Financial Statement Findings

Internal Control-Related Findings - Significant Deficiency:

Internal Control Over Financial Reporting

Finding No. 2024-001:

Criteria:

The County's internal control structure should be designed to provide for the preparation of the annual financial report, which includes having an adequate system for recording and processing entries material to the annual financial report 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 report in accordance with the modified cash basis of accounting. We noted numerous significant reporting errors within the annual report prepared by the County.

Context:

We identified misstatements on the 2024 annual financial report that were either individually material misstatements or required corrections to properly present the annual financial reports. These corrections allowed for the issuance of an unmodified audit opinion on the financial statements.

Effect:

Inaccurate and incomplete information was presented to the users of the annual financial report.

Cause:

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

Recommendation:

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

Views of responsible officials and planned corrective actions:

Management chose not to respond to this finding.

Section III – Federal Award Findings and Questioned Costs

There are no written current federal compliance audit findings to report.



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RUSSELL A. OLSON
AUDITOR GENERAL

Independent Auditor's Report

County Commission
Brookings County
Brookings, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brookings County, South Dakota (County), as of December 31, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying modified cash basis of accounting financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Brookings County as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

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

As discussed in Note 2 and Note 11 to the financial statements, in 2024, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, which has resulted in a restatement of net position and fund balances as of January 1, 2024 due to the correction of an error. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1.c.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the modified cash basis of accounting financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards, which as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Budgetary Comparison Schedules, the Schedule of Changes in Long-Term Debt, and the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Budgetary Comparison Schedules, the Schedule of Changes in Long-Term Debt, and the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



Russell A. Olson
Auditor General

January 20, 2026

BROOKINGS COUNTY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2024

	<u>Primary Government Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	\$ 29,318,474.46
Investments	<u>3,004,000.00</u>
TOTAL ASSETS	<u><u>\$ 32,322,474.46</u></u>
NET POSITION:	
Restricted For: (See Note 5)	
Rural Access Infrastructure Purposes	\$ 1,454,300.87
Detention Center Expansion Debt Service Purposes	1,520,014.97
Other Purposes	307,771.77
Unrestricted	<u>29,040,386.85</u>
TOTAL NET POSITION	<u><u>\$ 32,322,474.46</u></u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 6,644,521.11	\$ 905,834.50	\$ 510,716.12	\$ 240,793.92	\$ (4,987,176.57)
Public Safety	7,105,899.00	1,281,962.95	529,877.99		(5,294,058.06)
Public Works	6,245,695.84	169,382.32	3,027,525.64		(3,048,787.88)
Health and Welfare	995,180.69	27,867.60			(967,313.09)
Culture and Recreation	415,697.22	120,048.54			(295,648.68)
Conservation of Natural Resources	440,507.10	72,420.04			(368,087.06)
Urban and Economic Development	877,949.52	60,899.00	416,848.74		(400,201.78)
Intergovernmental	136,458.44				(136,458.44)
**Interest on Long-Term Debt	139,895.72				(139,895.72)
Total Primary Government	\$ 23,001,804.64	\$ 2,638,414.95	\$ 4,484,968.49	\$ 240,793.92	(15,637,627.28)
General Revenues:					
Taxes:					
Property Taxes					15,511,835.50
Wheel Tax					682,292.16
State Shared Revenues					903,784.79
Grants and Contributions not Restricted to Specific Programs					42,225.09
Unrestricted Investment Earnings					1,465,014.08
Miscellaneous Revenue					263,097.46
Total General Revenues					18,868,249.08
Change in Net Position					3,230,621.80
Net Position - beginning, as previously reported					28,677,686.30
Restatement due to (See Note 11):					
Reclassify the Brookings Fire Association Fund					414,166.36
Net Position - beginning, as restated					29,091,852.66
NET POSITION - ENDING					\$ 32,322,474.46

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

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

	General Fund	Road and Bridge Fund	Courthouse Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 21,242,749.77	\$ 2,756,397.35	\$ 1,754,175.67	\$ 3,565,151.67	\$ 29,318,474.46
Investments	3,004,000.00				3,004,000.00
TOTAL ASSETS	<u>\$ 24,246,749.77</u>	<u>\$ 2,756,397.35</u>	<u>\$ 1,754,175.67</u>	<u>\$ 3,565,151.67</u>	<u>\$ 32,322,474.46</u>
FUND BALANCES: (See Note 1.j.)					
Restricted	\$ 11,981.84	\$	\$	\$ 3,270,105.77	\$ 3,282,087.61
Assigned	19,376,966.88	2,756,397.35	1,754,175.67	295,045.90	24,182,585.80
Unassigned	4,857,801.05				4,857,801.05
TOTAL FUND BALANCES	<u>\$ 24,246,749.77</u>	<u>\$ 2,756,397.35</u>	<u>\$ 1,754,175.67</u>	<u>\$ 3,565,151.67</u>	<u>\$ 32,322,474.46</u>

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

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

	General Fund	Road and Bridge Fund	Courthouse Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
General Property Taxes--Current	\$ 14,210,764.77	\$	\$ 363,076.81	\$ 563,096.77	\$ 15,136,938.35
General Property Taxes--Delinquent	320,604.20		8,247.93	11,410.39	340,262.52
Penalties and Interest	21,743.55		336.46	466.73	22,546.74
Telephone Tax (Outside)	218.04				218.04
Wheel Tax		682,292.16			682,292.16
Other Taxes	11,869.85				11,869.85
Licenses and Permits	64,768.00	10,240.00		7,590.00	82,598.00
Intergovernmental Revenue:					
Federal Grants	113,032.89			47,888.00	160,920.89
Federal Shared Revenue	9,415.95				9,415.95
State Grants	453,236.24	387,345.01		3,813.27	844,394.52
State Shared Revenue:					
Bank Franchise	280,151.32		7,234.80		287,386.12
Motor Vehicle Licenses		2,485,496.00			2,485,496.00
Court Appointed Attorney/Public Defender	17,011.92				17,011.92
Prorate License Fees		125,455.23			125,455.23
63 3/4% Mobile Home		18,294.60			18,294.60
Telecommunications Gross Receipts Tax	54,231.21				54,231.21
Motor Vehicle 1/4%	9,717.60				9,717.60
Renewable Facility Tax	405,791.65		10,429.73		416,221.38
Motor Fuel Tax		10,934.80			10,934.80
911 Remittances				422,993.66	422,993.66
Liquor Tax Reversion (25%)	144,850.29				144,850.29
Other State Shared Revenue				389,749.27	389,749.27
Other Payments in Lieu of Taxes	1,095.79				1,095.79
Other Intergovernmental Revenue		32,809.14			32,809.14
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	108,475.87				108,475.87
Register of Deeds' Fees	359,701.50			18,087.99	377,789.49
Legal Services	284,858.13				284,858.13
Clerk of Courts Fees	31,716.20				31,716.20

Other Fees	54,642.47				54,642.47
Public Safety:					
Law Enforcement	351,696.29				351,696.29
Prisoner Care	735,566.99				735,566.99
Sobriety Testing	18,287.37			69,930.79	88,218.16
Public Works:					
Road Maintenance Contract Charges		159,142.32			159,142.32
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	9,790.52				9,790.52
Food Stamp Administration	15,327.35				15,327.35
Other	2,749.73				2,749.73
Culture and Recreation	120,048.54				120,048.54
Urban and Economic Development	21,900.00				21,900.00
Conservation of Natural Resources	72,420.04				72,420.04
Fines and Forfeits:					
Fines	9,025.28				9,025.28
Costs	74,069.73				74,069.73
Forfeits	17,257.50				17,257.50
Miscellaneous Revenue:					
Investment Earnings	1,233,560.14	125,795.23	84,438.39	21,220.32	1,465,014.08
Rent	21,122.34				21,122.34
Other	76,626.26				76,626.26
Total Revenues	<u>19,737,345.52</u>	<u>4,037,804.49</u>	<u>473,764.12</u>	<u>1,556,247.19</u>	<u>25,805,161.32</u>

Expenditures:

General Government:

Legislative:

Board of County Commissioners

545,570.65

545,570.65

Elections

143,985.49

143,985.49

Judicial System

716,797.94

716,797.94

Financial Administration:

Finance Office

672,802.78

672,802.78

Legal Services:

State's Attorney

735,677.54

735,677.54

Abused and Neglected Child Defense

60,000.00

60,000.00

Other General Government:

General Government Building

1,090,476.14

664,192.00

1,754,668.14

Director of Equalization

648,395.57

648,395.57

Register of Deeds

259,992.68

7,285.48

267,278.16

Veterans Service Officer

157,296.57

157,296.57

Predatory Animal

7,058.92

7,058.92

Information Technology

619,318.03

619,318.03

Human Resources

126,934.41

126,934.41

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

	General Fund	Road and Bridge Fund	Courthouse Building Fund	Other Governmental Funds	Total Governmental Funds
Public Safety:					
Law Enforcement:					
Sheriff	2,258,151.34				2,258,151.34
County Jail	2,786,236.95			16,634.42	2,802,871.37
Coroner	43,989.38				43,989.38
Juvenile Detention	25,122.94				25,122.94
Other Law Enforcement	10,500.00				10,500.00
Protective and Emergency Services:					
Fire Protection	805,327.26				805,327.26
Emergency and Disaster Services				142,287.12	142,287.12
Flood Control	26,906.04				26,906.04
Communication Center	215,404.00			389,139.55	604,543.55
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		6,244,250.50		168,816.56	6,413,067.06
Health and Welfare:					
Economic Assistance:					
Support of Poor	82,923.34				82,923.34
Other	6,000.00				6,000.00
Health Assistance:					
County Nurse	24,811.14				24,811.14
Ambulance	394,900.00				394,900.00
Women, Infants and Children	27,254.45				27,254.45
Social Services:					
Domestic Abuse	45,000.00			9,880.50	54,880.50
Other	75,956.00				75,956.00
Mental Health Services:					
Mentally Ill	55,855.26				55,855.26
Developmentally Disabled	35,000.00				35,000.00
Mental Health Centers	225,000.00				225,000.00
Culture and Recreation:					
Culture:					
Public Library	32,200.00				32,200.00
Historical Museum	5,000.00				5,000.00

Recreation:					
Recreational Programs	372,497.22				372,497.22
Other	6,000.00				6,000.00
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	147,846.87				147,846.87
Soil Conservation Districts	30,000.00				30,000.00
Weed Control	262,660.23				262,660.23
Urban and Economic Development:					
Urban Development:					
Planning and Zoning	238,173.85				238,173.85
Urban and Rural Development	468,305.49				468,305.49
Economic Development:					
Tourism, Industrial or Recreational Development	105,000.00			65,270.18	170,270.18
Other	1,200.00				1,200.00
Intergovernmental Expenditures		136,458.44			136,458.44
Debt Service	12,600.00		121,647.02	509,500.00	643,747.02
Total Expenditures	<u>14,610,128.48</u>	<u>6,380,708.94</u>	<u>785,839.02</u>	<u>1,308,813.81</u>	<u>23,085,490.25</u>
Excess of Revenues Over (Under) Expenditures	<u>5,127,217.04</u>	<u>(2,342,904.45)</u>	<u>(312,074.90)</u>	<u>247,433.38</u>	<u>2,719,671.07</u>
Other Financing Sources (Uses):					
Transfers In	10,010.77	3,091,500.00	215,410.25	135,172.00	3,452,093.02
Transfers Out	(3,442,082.25)			(10,010.77)	(3,452,093.02)
Insurance Proceeds	38,642.83		285,836.70		324,479.53
Sale of County Property	38,838.60	147,632.60			186,471.20
Total Other Financing Sources (Uses)	<u>(3,354,590.05)</u>	<u>3,239,132.60</u>	<u>501,246.95</u>	<u>125,161.23</u>	<u>510,950.73</u>
Net Change in Fund Balance	<u>1,772,626.99</u>	<u>896,228.15</u>	<u>189,172.05</u>	<u>372,594.61</u>	<u>3,230,621.80</u>
Fund Balance - beginning, as previously reported	22,059,956.42	1,860,169.20	1,565,003.62	3,192,557.06	28,677,686.30
Restatement due to (See Note 11):					
Reclassify the Brookings Fire Association Fund	<u>414,166.36</u>				<u>414,166.36</u>
Fund Balance - beginning, as restated	<u>22,474,122.78</u>	<u>1,860,169.20</u>	<u>1,565,003.62</u>	<u>3,192,557.06</u>	<u>29,091,852.66</u>
FUND BALANCE - ENDING	<u>\$ 24,246,749.77</u>	<u>\$ 2,756,397.35</u>	<u>\$ 1,754,175.67</u>	<u>\$ 3,565,151.67</u>	<u>\$ 32,322,474.46</u>

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

BROOKINGS COUNTY
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
December 31, 2024

	<u>Custodial Funds</u>
ASSETS:	
Cash and Cash Equivalents	<u>\$ 1,012,889.42</u>
TOTAL ASSETS	<u><u>\$ 1,012,889.42</u></u>
NET POSITION:	
Restricted For:	
Individuals, Organizations, and Other Governments	<u>\$ 1,012,889.42</u>
TOTAL NET POSITION	<u><u>\$ 1,012,889.42</u></u>

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

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

	Custodial Funds
ADDITIONS:	
Property Tax Collections for Other Governments	\$ 49,636,063.00
State Shared Revenue Collections for Other Governments	11,201,712.13
Other Additions	<u>388,108.54</u>
Total Additions	<u>61,225,883.67</u>
DEDUCTIONS:	
Payments of Property Tax to Other Governments	49,505,035.92
Payments of State Shared Revenue to Other Governments	11,168,282.58
Other Deductions	<u>409,451.14</u>
Total Deductions	<u>61,082,769.64</u>
Change in Net Position	<u>143,114.03</u>
Net Position - beginning, as previously reported	1,283,941.75
Restatement due to (See Note 11):	
Reclassify the Brookings Fire Association Fund	<u>(414,166.36)</u>
Net Position - beginning, as restated	<u>869,775.39</u>
NET POSITION - ENDING	<u><u>\$ 1,012,889.42</u></u>

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

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

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

The Housing and Redevelopment Commission of Brookings County, South Dakota (Commission) was evaluated and determined to be a related organization rather than a component unit. The five members of the Commission are appointed by the County Commission's Chairperson with the approval of the Board of County Commissioners for five-year, staggered terms. The Commission elects its own chairperson and recruits and employs its own management personnel and other workers. The County Commission, though, retains the statutory authority to approve or deny or otherwise modify the Commission's plans to construct a low-income housing unit, or to issue debt, which gives the County Commission the ability to impose its will on the Commission.

The Commission does not own or operate any low-income housing units and has not issued any debt requiring the County Commission approval, thus the County does not have financial benefit burden relationship with the Commission. As of December 31, 2024, the financial activity is not material to the County and has not been disclosed in the County's financial statements.

Separately issued financial statements of the Housing and Redevelopment Commission may be obtained from RAM Enterprises, Inc., P.O. Box 1270, Aberdeen, South Dakota 57402-1270.

b. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary

funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into 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. The County elected to report the Courthouse Building Fund as a major fund in 2024 for consistency in financial reporting.

The remaining special revenue funds are not considered major funds: 911 Service, Emergency Management, Domestic Abuse, 24/7 Sobriety, Modernization and Preservation Relief, Tax Increment Financing District #2 – Prairie Aquatech, and Rural Access Infrastructure. These funds are reported on the fund financial statements as “Other Governmental Funds.”

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

Detention Center Expansion Capital Projects Fund – to account for financial resources to be used for the expansion of the county jail. This is not a major fund.

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

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

Fiduciary Funds:

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

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

c. Measurement Focus and Basis of Accounting:

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

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

Measurement Focus:

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

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

Basis of Accounting:

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

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

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

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

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

d. Deposits and Investments:

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

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

e. Capital Assets:

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

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

f. Long-Term Liabilities:

Long-term liabilities include, but are not limited to, Limited Tax General Obligation Bonds and Leases.

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

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

g. Program Revenues:

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

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

h. 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 nor committed. Fund Balance may be assigned by the County Commissioners.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The County uses restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The County does not have a formal minimum fund balance policy.

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

Major Special Revenue Fund

Road and Bridge Fund
Courthouse Building Fund

Revenue Source

Wheel Tax, Grants, and Motor Vehicle Licenses
Property Taxes

A schedule of fund balances is provided as follows:

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Restricted For:					
Opioid Remediation Purposes	\$ 11,981.84	\$	\$	\$	\$ 11,981.84
911 Service Purposes				100,416.40	100,416.40
Domestic Abuse Purposes				2,673.50	2,673.50
24/7 Sobriety Purposes				111,761.20	111,761.20
Modernization and Preservation Relief Purposes				80,938.83	80,938.83
Rural Access Infrastructure Purposes				1,454,300.87	1,454,300.87
Detention Center Expansion Debt Service Purposes				1,520,014.97	1,520,014.97
Assigned To:					
Road and Bridge Purposes	7,949,673.57	2,756,397.35			10,706,070.92
Highway Shop Purposes	10,000,000.00				10,000,000.00
Brookings Area Transportation Authority Purposes	575,000.00				575,000.00
Brookings Fire Association Purposes	348,018.97				348,018.97
Commissioner's Projects Purposes	504,274.34				504,274.34
Courthouse Building Purposes			1,754,175.67		1,754,175.67
Detention Center Expansion Debt Service Purposes				11,900.00	11,900.00
911 Service Purposes				7,183.56	7,183.56
Emergency Management Purposes				275,962.34	275,962.34
Unassigned	<u>4,857,801.05</u>				<u>4,857,801.05</u>
Total Fund Balances	<u>\$ 24,246,749.77</u>	<u>\$ 2,756,397.35</u>	<u>\$ 1,754,175.67</u>	<u>\$ 3,565,151.67</u>	<u>\$ 32,322,474.46</u>

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2024, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to work within the financial reporting entity and describes the transactions or other events that constitutes those changes. See Note 11 for the effect on beginning net position and beginning fund balance due to an error correction.

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

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

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

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

As of December 31, 2024, the investments reported in the financial statements consist of only certificates of deposit.

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

Custodial Credit Risk – Deposits – The risk that, in the event of a depository failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2024, the County’s deposits in financial institutions were exposed to custodial credit risk as follows:

<u>Depository Name</u>	<u>% Under-Collateralized</u>	<u>At-Risk Amount</u>
BankStar Financial	0.61%	\$ 54,971.54

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. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2024 was as follows:

Major Purposes:

Rural Access Infrastructure Purposes	\$ 1,454,300.87
Detention Center Expansion Debt Service Purposes	<u>1,520,014.97</u>

Other Purposes:

911 Service Purposes	100,416.40
Domestic Abuse Purposes	2,673.50
24/7 Sobriety Purposes	111,761.20
Modernization and Preservation	
Relief Purposes	80,938.83
Opioid Remediation Purposes	<u>11,981.84</u>

Total Other Purposes	<u>307,771.77</u>
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Total Restricted Net Position	<u><u>\$ 3,282,087.61</u></u>
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These balances are restricted due to federal grant, bond covenant, and statutory requirements.

6. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2024, were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>				<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Other Governmental Funds</u>	
Major Funds:					
General Fund	\$	\$ 3,091,500.00	\$ 215,410.25	\$ 135,172.00	\$ 3,442,082.25
Other Governmental Funds:					
Detention Center Expansion Capital Project Fund	10,010.77				10,010.77
Total	<u>\$ 10,010.77</u>	<u>\$ 3,091,500.00</u>	<u>\$ 215,410.25</u>	<u>\$ 135,172.00</u>	<u>\$ 3,452,093.02</u>

The County typically budgets transfers to the Road and Bridge Fund, Courthouse Building Fund, and the Emergency Management Fund (Other Governmental Funds) to conduct the indispensable functions of the County. The County transferred funds to the Detention Center Expansion Debt Service Fund (Other Governmental Funds) from the General Fund to pay for debt service costs associated with the Limited Tax General Obligation Bond, Series 2020. The County transferred funds from the Detention Center Expansion Capital Project Fund (Other Governmental Funds) to the General Fund to recover initial funding costs for the project provided from the General Fund.

7. TAX ABATEMENTS

Brookings County:

The County has created a tax increment district. The Brookings County Tax Increment District No. 2 was created in 2018 under the authority granted by South Dakota Codified Law section 11-9. The tax increment districts were created to stimulate and develop the general economic welfare and prosperity of the County through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the areas will likely enhance significantly the value of substantially all of the other real property in the tax increment districts.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

In 2018, the County entered into a development agreement with South Dakota Soybean Processor. The County agreed to abate a portion of the property taxes and award the increment proceeds to the developers as a discretionary grant to assist in funding the costs of the projects.

The portion of general property taxes collected from the tax increment district that was not available to Brookings County, during the calendar year ended December 31, 2024 was \$14,838.54.

Municipality of Brookings:

The Municipality of Brookings has created tax increment districts under the authority granted by South Dakota Codified Law section 11-9. The tax increment districts were created to stimulate and develop the general economic welfare and prosperity of the Municipality through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

The Municipality of Brookings has ten (10) active tax increment districts. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Brookings County during the life of the tax increment district.

The portion of general property taxes collected from the tax increment districts that was not available to Brookings County, during the calendar year ending December 31, 2024 was \$761,861.63.

Municipality of Elkton:

The Municipality of Elkton has created tax increment districts under the authority granted by South Dakota Codified Law section 11-9. The tax increment districts were created to stimulate and develop the general economic welfare and prosperity of the Municipality through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

The Municipality of Elkton has two (2) active tax increment districts. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Brookings County during the life of the tax increment district.

The portion of general property taxes collected from the tax increment districts that was not available to Brookings County, during the calendar year ended December 31, 2024 was \$14,259.41.

Municipality of Volga:

The Municipality of Volga has created tax increment districts under the authority granted by South Dakota Codified Law section 11-9. The tax increment districts were created to stimulate and develop the general economic welfare and prosperity of the Municipality through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay

for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

The Municipality of Volga has six (6) active tax increment districts. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Brookings County during the life of the tax increment district.

The portion of general property taxes collected from the tax increment districts that was not available to Brookings County, during the calendar year ended December 31, 2024 was \$140,931.72.

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). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. Authority for establishing, administering, and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

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

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

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

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

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

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

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

Contributions:

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

<u>Year</u>	<u>Amount</u>
2024	\$ 454,629.30
2023	\$ 427,407.22
2022	\$ 405,176.72

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

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

Proportionate share of total pension liability	\$ 39,140,445.99
Less proportionate share of net position restricted for pension benefits	<u>39,151,066.51</u>
Proportionate share of net pension asset	<u><u>\$ (10,620.52)</u></u>

The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was based on a projection of the County's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the County's proportion was 0.262366%, which is a decrease of 0.003599% from its proportion measured as of June 30, 2023.

Actuarial Assumptions:

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

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

Mortality Rates:

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

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

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

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

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

Discount Rate:

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability (asset)	\$ 5,396,768.50	\$ (10,620.52)	\$ (4,435,549.11)

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, 2024, the County was involved in several lawsuits. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the County has liability coverage for itself and its employees. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

10. RISK MANAGEMENT

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

Employee Health Insurance:

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

Liability Insurance:

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

	<u>Deductible</u>	<u>Aggregate Limit</u>
General Liability	\$0 each claim	\$1,000,000 each occurrence
Officials Liability	\$0 each claim	\$1,000,000 each occurrence
Law Enforcement Liability	\$2,000 each claim	\$1,000,000 each occurrence
Automobile Liability	\$0 each claim	\$1,000,000 each occurrence
		\$100,000 Under/Uninsured

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

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

During the year ended December 31, 2024, no claims for unemployment benefits were paid. At December 31, 2024, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

11. RESTATEMENTS OF AND ADJUSTMENTS TO BEGINNING BALANCES

Error Correction:

The County budgets every year in the General Fund for the Brookings Fire Association. The Brookings Fire Association can request funds from the County Commission for various needs. In prior years, the County has moved cash equal to the amount of the unspent budget authority for public safety-fire protection line item in the General Fund to the Brookings Fire Association Fund. This fund accumulates funds available to the Brookings Fire Association. These funds are Brookings County funds and require Brookings County Commission approval to spend. The funds should be reported in the General Fund of the County and assigned by the Board of County Commissioners for Brookings Fire Association Purposes.

The County restated the net position and fund balance of the fund(s) indicated below to appropriately reflect the January 1, 2024 balances as follows:

	12/31/2023 as Previously Reported	Error Correction	12/31/2023 as Restated
Government-Wide:			
Governmental Activities	<u>\$ 28,677,686.30</u>	<u>\$ 414,166.36</u>	<u>\$ 29,091,852.66</u>
Governmental Funds:			
Major Funds:			
General Fund	<u>\$ 22,059,956.42</u>	<u>\$ 414,166.36</u>	<u>\$ 22,474,122.78</u>
Fiduciary Funds:			
Brookings Fire Association Fund	<u>\$ 414,166.36</u>	<u>\$ (414,166.36)</u>	<u>\$ 0.00</u>

SUPPLEMENTARY INFORMATION
BROOKINGS COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 14,477,548.00	\$ 14,477,548.00	\$ 14,210,764.77	\$ (266,783.23)
General Property Taxes--Delinquent	5,000.00	5,000.00	320,604.20	315,604.20
Penalties and Interest	14,000.00	14,000.00	21,743.55	7,743.55
Telephone Tax (Outside)	250.00	250.00	218.04	(31.96)
Other Taxes	0.00	0.00	11,869.85	11,869.85
Licenses and Permits	69,400.00	69,400.00	64,768.00	(4,632.00)
Intergovernmental Revenue:				
Federal Grants	168,522.00	168,522.00	113,032.89	(55,489.11)
Federal Shared Revenue	9,000.00	9,000.00	9,415.95	415.95
State Grants	8,750.00	425,798.74	453,236.24	27,437.50
State Shared Revenue:				
Bank Franchise	370,000.00	370,000.00	280,151.32	(89,848.68)
Court Appointed Attorney/Public Defender	15,000.00	15,000.00	17,011.92	2,011.92
Telecommunications Gross Receipts Tax	90,000.00	90,000.00	54,231.21	(35,768.79)
Motor Vehicle 1/4%	9,500.00	9,500.00	9,717.60	217.60
Renewable Facility Tax	420,000.00	420,000.00	405,791.65	(14,208.35)
Liquor Tax Reversion (25%)	140,000.00	140,000.00	144,850.29	4,850.29
State Payments in Lieu of Taxes	800.00	800.00	0.00	(800.00)
Other Payments in Lieu of Taxes	0.00	0.00	1,095.79	1,095.79
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	101,300.00	101,300.00	108,475.87	7,175.87
Register of Deeds' Fees	416,000.00	416,000.00	359,701.50	(56,298.50)
Legal Services	224,500.00	224,500.00	284,858.13	60,358.13
Clerk of Courts Fees	42,000.00	42,000.00	31,716.20	(10,283.80)
Other Fees	50,400.00	50,400.00	54,642.47	4,242.47
Public Safety:				
Law Enforcement	322,000.00	322,000.00	351,696.29	29,696.29
Prisoner Care	611,000.00	611,000.00	735,566.99	124,566.99
Sobriety Testing	11,000.00	11,000.00	18,287.37	7,287.37
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	20,000.00	20,000.00	9,790.52	(10,209.48)
Food Stamp Administration	0.00	0.00	15,327.35	15,327.35
Other	0.00	0.00	2,749.73	2,749.73
Health Assistance:				
Women, Infants and Children	20,000.00	20,000.00	0.00	(20,000.00)
Mental Health Services	1,500.00	1,500.00	0.00	(1,500.00)
Culture and Recreation	112,000.00	112,000.00	120,048.54	8,048.54
Urban and Economic Development	20,000.00	20,000.00	21,900.00	1,900.00
Conservation of Natural Resources	36,700.00	36,700.00	72,420.04	35,720.04
Fines and Forfeits:				
Fines	0.00	0.00	9,025.28	9,025.28
Costs	80,000.00	80,000.00	74,069.73	(5,930.27)
Forfeits	25,000.00	25,000.00	17,257.50	(7,742.50)
Miscellaneous Revenue:				
Investment Earnings	350,000.00	350,000.00	1,233,560.14	883,560.14
Rent	21,350.00	21,350.00	21,122.34	(227.66)
Other	141,369.00	141,369.00	76,626.26	(64,742.74)
Total Revenues	18,403,889.00	18,820,937.74	19,737,345.52	916,407.78
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	587,324.00	1,091,558.34	545,570.65	545,987.69
Contingency	606,000.00	606,000.00		
Amount Transferred		(66,100.00)		539,900.00
Elections	124,915.00	145,513.26	143,985.49	1,527.77
Judicial System	733,000.00	733,000.00	716,797.94	16,202.06
Financial Administration:				
Finance Office	698,654.00	698,654.00	672,802.78	25,851.22
Legal Services:				
State's Attorney	857,002.00	865,299.73	735,677.54	129,622.19
Abused and Neglected Child Defense	60,000.00	60,000.00	60,000.00	0.00
Other General Government:				
General Government Building	710,923.00	1,184,014.77	1,090,476.14	93,538.63
Director of Equalization	627,212.00	648,212.00	648,395.57	(183.57)
Register of Deeds	274,771.00	274,771.00	259,992.68	14,778.32
Veterans Service Officer	166,621.00	166,621.00	157,296.57	9,324.43

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Predatory Animal	7,059.00	7,059.00	7,058.92	0.08
Information Technology	624,279.00	624,279.00	619,318.03	4,960.97
Human Resources	138,031.00	138,031.00	126,934.41	11,096.59
Public Safety:				
Law Enforcement:				
Sheriff	2,350,687.00	2,350,687.00	2,258,151.34	92,535.66
County Jail	3,148,436.00	3,148,436.00	2,786,236.95	362,199.05
Coroner	34,504.00	45,004.00	43,989.38	1,014.62
Juvenile Detention	20,000.00	25,200.00	25,122.94	77.06
Other Law Enforcement	10,500.00	10,500.00	10,500.00	0.00
Protective and Emergency Services:				
Fire Protection	134,500.00	739,179.87	805,327.26	(66,147.39)
Flood Control	51,000.00	51,000.00	26,906.04	24,093.96
Communication Center	215,404.00	215,404.00	215,404.00	0.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	147,907.00	147,907.00	82,923.34	64,983.66
Other	6,000.00	6,000.00	6,000.00	0.00
Health Assistance:				
County Nurse	31,738.00	31,738.00	24,811.14	6,926.86
Ambulance	0.00	394,900.00	394,900.00	0.00
Women, Infants and Children	48,796.00	48,796.00	27,254.45	21,541.55
Social Services:				
Domestic Abuse	45,000.00	45,000.00	45,000.00	0.00
Other	75,956.00	75,956.00	75,956.00	0.00
Mental Health Services:				
Mentally Ill	88,400.00	88,650.00	55,855.26	32,794.74
Developmentally Disabled	35,000.00	35,000.00	35,000.00	0.00
Mental Health Centers	225,000.00	225,000.00	225,000.00	0.00
Culture and Recreation:				
Culture:				
Public Library	32,200.00	32,200.00	32,200.00	0.00
Historical Museum	5,000.00	5,000.00	5,000.00	0.00
Recreation:				
Recreational Programs	424,318.00	431,318.00	372,497.22	58,820.78
Other	6,000.00	6,000.00	6,000.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	153,862.00	153,862.00	147,846.87	6,015.13
Soil Conservation Districts	30,000.00	30,000.00	30,000.00	0.00
Weed Control	321,420.00	321,420.00	262,660.23	58,759.77
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	244,575.00	244,575.00	238,173.85	6,401.15
Urban and Rural Development	51,217.00	468,305.74	468,305.49	0.25
Economic Development:				
Tourism, Industrial or Recreational Development	105,000.00	105,000.00	105,000.00	0.00
Other	1,200.00	1,200.00	1,200.00	0.00
Debt Service	14,000.00	14,000.00	12,600.00	1,400.00
Total Expenditures	14,273,411.00	16,674,151.71	14,610,128.48	2,064,023.23
Excess of Revenues Over (Under) Expenditures	4,130,478.00	2,146,786.03	5,127,217.04	2,980,431.01
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	10,010.77	10,010.77
Transfers Out	(3,218,972.00)	(3,435,582.25)	(3,442,082.25)	(6,500.00)
Insurance Proceeds	7,847.00	7,847.00	38,642.83	30,795.83
Sale of County Property	6,000.00	6,000.00	38,838.60	32,838.60
Total Other Financing Sources (Uses)	(3,205,125.00)	(3,421,735.25)	(3,354,590.05)	67,145.20
Net Change in Fund Balance	925,353.00	(1,274,949.22)	1,772,626.99	3,047,576.21
Fund Balance - beginning, as previously reported	22,059,956.42	22,059,956.42	22,059,956.42	0.00
Restatement due to (See Note 11):				
Reclassify the Brookings Fire Association Fund	414,166.36	414,166.36	414,166.36	0.00
Fund Balance - beginning, as restated	22,474,122.78	22,474,122.78	22,474,122.78	0.00
FUND BALANCE - ENDING	\$ 23,399,475.78	\$ 21,199,173.56	\$ 24,246,749.77	\$ 3,047,576.21

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Wheel Tax	\$ 700,000.00	\$ 700,000.00	\$ 682,292.16	\$ (17,707.84)
Licenses and Permits	8,000.00	8,000.00	10,240.00	2,240.00
Intergovernmental Revenue:				
State Grants	370,000.00	370,000.00	387,345.01	17,345.01
State Shared Revenue:				
Motor Vehicle Licenses	2,200,000.00	2,200,000.00	2,485,496.00	285,496.00
Prorate License Fees	110,000.00	110,000.00	125,455.23	15,455.23
63 3/4% Mobile Home	20,000.00	20,000.00	18,294.60	(1,705.40)
Motor Fuel Tax	19,000.00	19,000.00	10,934.80	(8,065.20)
Other Intergovernmental Revenue	0.00	0.00	32,809.14	32,809.14
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	3,000.00	3,000.00	159,142.32	156,142.32
Miscellaneous Revenue:				
Investment Earnings	80,000.00	80,000.00	125,795.23	45,795.23
Total Revenues	<u>3,510,000.00</u>	<u>3,510,000.00</u>	<u>4,037,804.49</u>	<u>527,804.49</u>
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	6,465,000.00	7,060,425.08	6,244,250.50	816,174.58
Intergovernmental Expenditures	130,000.00	130,000.00	136,458.44	(6,458.44)
Total Expenditures	<u>6,595,000.00</u>	<u>7,190,425.08</u>	<u>6,380,708.94</u>	<u>809,716.14</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,085,000.00)</u>	<u>(3,680,425.08)</u>	<u>(2,342,904.45)</u>	<u>1,337,520.63</u>
Other Financing Sources (Uses):				
Transfers In	3,085,000.00	3,085,000.00	3,091,500.00	6,500.00
Sale of County Property	0.00	0.00	147,632.60	147,632.60
Total Other Financing Sources (Uses)	<u>3,085,000.00</u>	<u>3,085,000.00</u>	<u>3,239,132.60</u>	<u>154,132.60</u>
Net Change in Fund Balance	0.00	(595,425.08)	896,228.15	1,491,653.23
Fund Balance - beginning, as previously reported	<u>1,860,169.20</u>	<u>1,860,169.20</u>	<u>1,860,169.20</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 1,860,169.20</u>	<u>\$ 1,264,744.12</u>	<u>\$ 2,756,397.35</u>	<u>\$ 1,491,653.23</u>

SUPPLEMENTARY INFORMATION
BROOKINGS COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
COURTHOUSE BUILDING FUND
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 373,877.00	\$ 373,877.00	\$ 363,076.81	\$ (10,800.19)
General Property Taxes--Delinquent	200.00	200.00	8,247.93	8,047.93
Penalties and Interest	250.00	250.00	336.46	86.46
Intergovernmental Revenue:				
State Shared Revenue:				
Bank Franchise	8,000.00	8,000.00	7,234.80	(765.20)
Renewable Facility Tax	8,500.00	8,500.00	10,429.73	1,929.73
Miscellaneous Revenue:				
Investment Earnings	34,998.00	34,998.00	84,438.39	49,440.39
Total Revenues	<u>425,825.00</u>	<u>425,825.00</u>	<u>473,764.12</u>	<u>47,939.12</u>
Expenditures:				
General Government:				
Other General Government:				
General Government Building	282,887.00	781,982.86	664,192.00	117,790.86
Debt Service	121,647.00	121,647.00	121,647.02	(0.02)
Total Expenditures	<u>404,534.00</u>	<u>903,629.86</u>	<u>785,839.02</u>	<u>117,790.84</u>
Excess of Revenues Over (Under) Expenditures	<u>21,291.00</u>	<u>(477,804.86)</u>	<u>(312,074.90)</u>	<u>165,729.96</u>
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	215,410.25	215,410.25
Insurance Proceeds	0.00	0.00	285,836.70	285,836.70
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>501,246.95</u>	<u>501,246.95</u>
Net Change in Fund Balance	21,291.00	(477,804.86)	189,172.05	666,976.91
Fund Balance - beginning, as previously reported	<u>1,565,003.62</u>	<u>1,565,003.62</u>	<u>1,565,003.62</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 1,586,294.62</u>	<u>\$ 1,087,198.76</u>	<u>\$ 1,754,175.67</u>	<u>\$ 666,976.91</u>

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

*Last 10 Years

Calendar Year	County's Proportion of the Net Pension Liability/Asset	County's Proportionate Share of the Net Pension Liability/Asset	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2024	0.262366%	\$ (10,620.52)	\$ 6,525,456.16	0.16%	100.00%
2023	0.265965%	\$ (25,959.38)	\$ 6,134,973.35	0.42%	100.10%
2022	0.235465%	\$ (22,252.91)	\$ 5,095,427.69	0.44%	100.10%
2021	0.229974%	\$ (1,761,207.25)	\$ 4,747,472.36	37.10%	105.52%
2020	0.228323%	\$ (9,916.04)	\$ 4,568,907.81	0.22%	100.04%
2019	0.224872%	\$ (23,830.27)	\$ 4,368,794.38	0.55%	100.09%
2018	0.227403%	\$ (5,303.55)	\$ 4,313,335.35	0.12%	100.02%
2017	0.236566%	\$ (21,468.60)	\$ 4,384,863.73	0.49%	100.10%
2016	0.229177%	\$ 774,138.06	\$ 3,985,052.23	19.43%	96.89%
2015	0.230053%	\$ (975,720.93)	\$ 2,302,929.88	42.37%	104.10%

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

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

Changes from Prior Valuation

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

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

Benefit Provision Changes

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

Actuarial Method Changes

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

Actuarial Assumption Changes

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

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

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

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

**SUPPLEMENTARY INFORMATION
BROOKINGS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures 2024
US Department of Housing and Urban Development - Pass-Through Programs: SD Governor's Office of Economic Development, Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii (Note 4)	14.228	B-22-DC-46-0001	\$ 416,848.74	\$ 801,020.91
Total US Department of Housing and Urban Development			416,848.74	801,020.91
US Department of Interior - Direct Programs: Bureau of Land Management, Payments in Lieu of Taxes (Note 3)	15.226		14,734.05	24,150.00
Total US Department of the Interior			14,734.05	24,150.00
US Department of Justice - Direct Programs: COPS Hiring Program	16.068			49,360.68
Total US Department of Justice			0.00	49,360.68
Highway Safety Cluster: US Department of Transportation - Pass-Through Programs: SD Department of Public Safety, State and Community Highway Safety	20.600			44,465.01
Total Highway Safety Cluster			0.00	44,465.01
Total US Department of Transportation			0.00	44,465.01
US General Services Administration - Pass-Through Programs: SD Federal Property Agency, Donation of Federal Surplus Personal Property (Note 5)	39.003			62.35
Total US General Services Administration			0.00	62.35
US Department of Homeland Security - Pass-Through Programs: SD Department of Public Safety - Office of Emergency Management, Disaster Grants-Public Assistance (Presidentially Declared Disasters) Emergency Management Performance Grants Homeland Security Grant Program	97.036 97.042 97.067	DR 4656 EMD-2024-EP-00003-S01		7,887.52 47,888.00 8,385.42
Total US Department of Homeland Security			0.00	64,160.94
GRAND TOTAL			\$ 431,582.79	\$ 983,219.89

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Federal Reimbursement

Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.

Note 4: Major Federal Financial Assistance Program

This represents a Major Federal Financial Assistance Program.

Note 5: Federal Surplus Property

The amount reported represents 23.3% of the original acquisition cost of the federal surplus property received by the County.

**SUPPLEMENTARY INFORMATION
BROOKINGS COUNTY
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Year Ended December 31, 2024**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2024</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2024</u>
Governmental Long-Term Debt:				
Bonds Payable	\$ 6,783,784.56	\$	\$ 490,051.30	\$ 6,293,733.26
Lease Liabilities	36,750.00		12,600.00	24,150.00
Total	<u>\$ 6,820,534.56</u>	<u>\$ 0.00</u>	<u>\$ 502,651.30</u>	<u>\$ 6,317,883.26</u>

Note 1 - Long-Term Debt:

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

General Obligation Bonds:

Limited Tax General Obligation-Series 2012, 2.8% interest rate, final maturity date of December 1, 2029, retired from the Courthouse Building Fund	\$ 513,733.26
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Limited Tax General Obligation-Series 2020, 2.0% interest rate, final maturity date of December 1, 2037, retired from the Detention Center Debt Service Fund	\$ 5,780,000.00
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Lease Liabilities:

Community Health Services rental agreement with Den-Wil Investments Inc. A thirty (36) month agreement beginning December 1, 2023, ending November 30, 2026. Monthly rental of \$1,050.00.	\$ 24,150.00
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