MARSHALL COUNTY

AUDIT REPORT

For the Two Years Ended December 31, 2025

MARSHALL COUNTY
COUNTY OFFICIALS
December 31, 2025

Board of Commissioners:
Jason Bender
Andrea Kilker
Lynda Luttrell
Douglas Medhaug
Matthew Schuller

Auditor:
Megan Biel

Treasurer:
Amanda Streier

State's Attorney:
Victor Rapkoch

Register of Deeds:
Kalissa Stelzer

Sheriff:
Sam Swanson

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

RUSSELL A. OLSON
AUDITOR GENERAL

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
Marshall County
Britton, 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 Marshall County, South Dakota (County), as of December 31, 2025, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 22, 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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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, and contracts, 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*.

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

September 22, 2026

MARSHALL COUNTY
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Audit Finding:

Finding No. 2023-001:

The unassigned fund balance of the General Fund exceeded the maximum allowed by South Dakota Codified Law (SDCL) 7-21-18.1 by approximately $3,250,000.00, as of December 31, 2023. This finding has been resolved.

SCHEDULE OF CURRENT AUDIT FINDINGS

Current Audit Findings:

There are no written current financial statement audit findings to report.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

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

RUSSELL A. OLSON
AUDITOR GENERAL

Independent Auditor's Report

County Commission
Marshall County
Britton, 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 Marshall County, South Dakota (County), as of December 31, 2025, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying modified cash basis of accounting financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Marshall County as of December 31, 2025, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Basis for Opinions

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

Emphasis of Matter

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

As discussed in Note 2 to the financial statements, in 2024, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections;

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

As discussed in Note 2 to the financial statements, in 2025, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 102, Certain Risk Disclosures; however, this implementation did not result in a restatement of the net position as of January 1, 2025. 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 Budgetary Comparison Schedules, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Changes in Long-Term Debt are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Changes in Long-Term Debt are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 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, 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

September 22, 2026

MARSHALL COUNTY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2025

	Primary Government	
		Governmental Activities
ASSETS:		
Cash and Cash Equivalents	$	6,213,739.74
Investments		1,143,063.20
TOTAL ASSETS	$	7,356,802.94
NET POSITION:		
Restricted For: (See Note 6)		
Rural Access Infrastructure Purposes	$	143,749.75
Ambulance Purposes		72,312.20
Other Purposes		49,079.09
Unrestricted		7,091,661.90
TOTAL NET POSITION	$	7,356,802.94

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

MARSHALL COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 8,051,565.52	$ 108,060.35	$ 20,389.44	$ 22,611.89	$ (7,900,503.84)
Public Safety	1,456,929.98	447,015.60	86,842.41		(923,071.97)
Public Works	4,691,435.48		2,116,884.38		(2,574,551.10)
Health and Welfare	290,133.34	207,999.48			(82,133.86)
Culture and Recreation	9,000.00				(9,000.00)
Conservation of Natural Resources	146,924.89	10,555.35			(136,369.54)
Urban and Economic Development	126,887.93				(126,887.93)
**Interest on Long-Term Debt	40,020.99				(40,020.99)
Total Primary Government	$ 14,812,898.13	$ 773,630.78	$ 2,224,116.23	$ 22,611.89	(11,792,539.23)

The County does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

General Revenues:	
Taxes:	
Property Taxes	4,178,396.59
Wheel Tax	138,292.14
State Shared Revenues	123,948.00
Grants and Contributions not Restricted to Specific Programs	6,544.91
Unrestricted Investment Earnings	195,801.34
Debt Issued	5,485,677.28
Miscellaneous Revenue	181,904.18
Total General Revenues	10,310,564.44
Change in Net Position	(1,481,974.79)
Net Position - beginning, as previously reported	8,838,777.73
NET POSITION - ENDING	$ 7,356,802.94

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

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 1,899,431.56	$ 136,725.50	$ 39,262.84	$ 243.35	$ (1,723,199.87)
Public Safety	1,435,684.03	375,118.31	74,690.84		(985,874.88)
Public Works	3,457,398.24	125.00	1,472,963.28		(1,984,309.96)
Health and Welfare	260,630.89	231,004.78			(29,626.11)
Culture and Recreation	9,000.00				(9,000.00)
Conservation of Natural Resources	127,740.27	8,749.59			(118,990.68)
Urban and Economic Development	117,679.53				(117,679.53)
**Interest on Long-Term Debt	9,507.98				(9,507.98)
Total Primary Government	$ 7,317,072.50	$ 751,723.18	$ 1,586,916.96	$ 243.35	(4,978,189.01)

The County does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

General Revenues:	
Taxes:	
Property Taxes	4,026,905.06
Wheel Tax	132,661.24
State Shared Revenues	133,422.76
Grants and Contributions not Restricted to Specific Programs	6,744.45
Unrestricted Investment Earnings	106,744.85
Debt Issued	459,454.17
Miscellaneous Revenue	72,594.17
Total General Revenues	4,938,526.70
Change in Net Position	(39,662.31)
Net Position - beginning, as previously reported	8,878,440.04
NET POSITION - ENDING	$ 8,838,777.73

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

MARSHALL COUNTY
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2025

	General Fund	Road and Bridge Fund	Courthouse Building Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	$ 4,323,099.22	$ 583,604.93	$ 868,414.00	$ 438,621.59	$ 6,213,739.74
Investments	1,143,063.20				1,143,063.20
TOTAL ASSETS	$ 5,466,162.42	$ 583,604.93	$ 868,414.00	$ 438,621.59	$ 7,356,802.94
FUND BALANCES: (See Note 1.j.)					
Restricted	$	$ 15,883.69	$	$ 249,257.35	$ 265,141.04
Assigned	3,775,472.80	567,721.24	868,414.00	189,364.24	5,400,972.28
Unassigned	1,690,689.62				1,690,689.62
TOTAL FUND BALANCES	$ 5,466,162.42	$ 583,604.93	$ 868,414.00	$ 438,621.59	$ 7,356,802.94

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

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MARSHALL COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General Fund	Road and Bridge Fund	Courthouse Building Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
General Property Taxes--Current	$ 3,045,236.84	$ 1,105,908.11	$	$	$ 4,151,144.95
General Property Taxes--Delinquent	11,016.61	3,791.54			14,808.15
Penalties and Interest	9,479.37	2,964.12			12,443.49
Wheel Tax		138,292.14			138,292.14
Licenses and Permits	18,506.00			570.00	19,076.00
Intergovernmental Revenue:					
Federal Grants	11,876.85			1,330.54	13,207.39
Federal Shared Revenue	6,544.91				6,544.91
State Grants	4,000.00	985,842.44			989,842.44
State Shared Revenue:					
Bank Franchise	28,148.38	10,412.46			38,560.84
Motor Vehicle Licenses		1,053,320.42			1,053,320.42
Court Appointed Attorney/Public Defender	2,157.96				2,157.96
Prorate License Fees		52,621.47			52,621.47
63 3/4% Mobile Home		20,571.13			20,571.13
Telecommunications Gross Receipts Tax	8,509.85				8,509.85
Motor Vehicle 1/4%	2,354.63				2,354.63
Motor Fuel Tax		4,528.92			4,528.92
911 Remittances				77,756.87	77,756.87
Liquor Tax Reversion (25%)	31,979.31				31,979.31
Other State Shared Revenue				44,770.00	44,770.00
Other Payments in Lieu of Taxes	128.00				128.00
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	17,013.93				17,013.93
Register of Deeds' Fees	46,387.50			6,239.02	52,626.52
Legal Services	8,825.51				8,825.51

Clerk of Courts Fees	3,600.00				3,600.00
Other Fees	2,605.89				2,605.89
Public Safety:					
Law Enforcement	321,124.63				321,124.63
Sobriety Testing				5,194.00	5,194.00
Other	100.00			119,265.87	119,365.87
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	6,528.98				6,528.98
Veterans Service Officer	2,062.50				2,062.50
Health Assistance:					
Ambulance	200,900.50				200,900.50
Conservation of Natural Resources	10,555.35				10,555.35
Fines and Forfeits:					
Costs	1,331.10				1,331.10
Miscellaneous Revenue:					
Investment Earnings	115,379.22		80,422.12		195,801.34
Rent	2,820.00				2,820.00
Contributions and Donations				7,755.00	7,755.00
Refund of Prior Year's Expenditures	155.49				155.49
Other	1,323.52	584.63			1,908.15
Total Revenues	3,920,652.83	3,378,837.38	80,422.12	262,881.30	7,642,793.63
Expenditures:					
General Government:					
Legislative:					
Board of County Commissioners	158,849.46				158,849.46
Elections	6,006.39				6,006.39
Judicial System	10,810.91				10,810.91
Financial Administration:					
Auditor	180,172.47				180,172.47
Treasurer	166,702.66				166,702.66
Legal Services:					
State's Attorney	122,077.09				122,077.09
Court Appointed Attorney	73,234.60				73,234.60
Other General Government:					
General Government Building	166,151.52				166,151.52
Director of Equalization	255,436.63				255,436.63
Register of Deeds	152,584.25			4,542.73	157,126.98
Veterans Service Officer	27,015.27				27,015.27

MARSHALL COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025
(Continued)

	General Fund	Road and Bridge Fund	Courthouse Building Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Predatory Animal	5,109.92				5,109.92
Public Safety:					
Law Enforcement:					
Sheriff	896,418.64				896,418.64
County Jail	57,802.25			36,254.47	94,056.72
Coroner	20,279.03				20,279.03
Protective and Emergency Services:					
Emergency and Disaster Services				62,202.89	62,202.89
Communication Center				373,972.70	373,972.70
Other Protective and Emergency	10,000.00				10,000.00
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		4,114,457.38		176,351.46	4,290,808.84
Health and Welfare:					
Economic Assistance:					
Support of Poor	29,808.07				29,808.07
Health Assistance:					
County Nurse	14,393.48				14,393.48
Ambulance	232,427.29				232,427.29
Social Services:					
Domestic Abuse				540.00	540.00
Other	1,000.00				1,000.00
Mental Health Services:					
Mental Health Centers	10,800.00				10,800.00
Mental Illness Board	1,164.50				1,164.50
Culture and Recreation:					
Culture:					
Public Library	1,000.00				1,000.00
Historical Museum	3,500.00				3,500.00

Recreation:					
Senior Center	4,500.00				4,500.00
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	69,263.24				69,263.24
Soil Conservation Districts	5,500.00				5,500.00
Weed Control	72,161.65				72,161.65
Urban and Economic Development:					
Urban Development:					
Planning and Zoning	93,840.11				93,840.11
Urban and Rural Development	9,090.82				9,090.82
Economic Development:					
Tourism, Industrial or Recreational Development	457.00				457.00
Other	23,500.00				23,500.00
Debt Service		440,647.63	86,400.00		527,047.63
Capital Outlay			6,636,471.62		6,636,471.62
Total Expenditures	2,881,057.25	4,555,105.01	6,722,871.62	653,864.25	14,812,898.13
Excess of Revenues Over (Under) Expenditures	1,039,595.58	(1,176,267.63)	(6,642,449.50)	(390,982.95)	(7,170,104.50)
Other Financing Sources (Uses):					
Transfers In		725,904.00		314,623.00	1,040,527.00
Transfers Out	(1,040,527.00)				(1,040,527.00)
General Obligation Bonds Issued			5,000,000.00		5,000,000.00
Premium on Bonds Issued			79,373.00		79,373.00
Lease Proceeds		406,304.28			406,304.28
Insurance Proceeds	22,611.89				22,611.89
Sale of County Property	3,110.75	176,729.79			179,840.54
Total Other Financing Sources (Uses)	(1,014,804.36)	1,308,938.07	5,079,373.00	314,623.00	5,688,129.71
Net Change in Fund Balance	24,791.22	132,670.44	(1,563,076.50)	(76,359.95)	(1,481,974.79)
Fund Balance - beginning, as previously reported	5,441,371.20	450,934.49	2,431,490.50	514,981.54	8,838,777.73
FUND BALANCE - ENDING	$ 5,466,162.42	$ 583,604.93	$ 868,414.00	$ 438,621.59	$ 7,356,802.94

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

MARSHALL 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 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
General Property Taxes--Current	$ 2,937,136.30	$ 1,061,122.44	$	$	$ 3,998,258.74
General Property Taxes--Delinquent	12,390.44	4,285.48			16,675.92
Penalties and Interest	9,127.24	2,843.16			11,970.40
Wheel Tax		132,661.24			132,661.24
Licenses and Permits	22,005.90	125.00		380.00	22,510.90
Intergovernmental Revenue:					
Federal Grants	26,284.05	52,333.86		10,225.46	88,843.37
Federal Shared Revenue	6,744.45				6,744.45
State Grants		223,128.96			223,128.96
State Shared Revenue:					
Bank Franchise	68,493.16	25,263.80			93,756.96
Motor Vehicle Licenses		1,031,068.12			1,031,068.12
Court Appointed Attorney/Public Defender	10,621.18				10,621.18
Prorate License Fees		52,064.30			52,064.30
63 3/4% Mobile Home		7,120.03			7,120.03
Telecommunications Gross Receipts Tax	6,793.29				6,793.29
Motor Vehicle 1/4%	2,357.61				2,357.61
Motor Fuel Tax		4,516.94			4,516.94
911 Remittances				57,215.38	57,215.38
Liquor Tax Reversion (25%)	32,748.51				32,748.51
Other State Shared Revenue				102,731.07	102,731.07
Other Payments in Lieu of Taxes	124.00				124.00
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	21,518.17				21,518.17
Register of Deeds' Fees	49,432.50			6,626.49	56,058.99
Legal Services	20,168.51			175.00	20,343.51

Clerk of Courts Fees	3,625.00				3,625.00
Other Fees	7,941.43				7,941.43
Public Safety:					
Law Enforcement	272,376.93				272,376.93
Sobriety Testing				6,007.00	6,007.00
Other	25.00			93,531.88	93,556.88
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	15,008.17				15,008.17
Veterans Service Officer	2,062.50				2,062.50
Health Assistance:					
Ambulance	212,693.25				212,693.25
Women, Infants and Children	2,923.36				2,923.36
Conservation of Natural Resources	8,749.59				8,749.59
Fines and Forfeits:					
Costs	2,652.50			25.00	2,677.50
Forfeits	500.00				500.00
Miscellaneous Revenue:					
Investment Earnings	106,744.85				106,744.85
Rent	3,170.00				3,170.00
Contributions and Donations				7,250.00	7,250.00
Refund of Prior Year's Expenditures	1,000.68				1,000.68
Other	7,377.61				7,377.61
Total Revenues	3,872,796.18	2,596,533.33	0.00	284,167.28	6,753,496.79
Expenditures:					
General Government:					
Legislative:					
Board of County Commissioners	116,616.34				116,616.34
Elections	31,316.17				31,316.17
Judicial System	7,432.71				7,432.71
Financial Administration:					
Auditor	171,890.15				171,890.15
Treasurer	192,567.07				192,567.07
Legal Services:					
State's Attorney	144,596.20				144,596.20
Court Appointed Attorney	69,258.70				69,258.70
Other General Government:					
General Government Building	168,870.30				168,870.30
Director of Equalization	239,544.11				239,544.11

MARSHALL 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 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Register of Deeds	138,642.13			16,513.66	155,155.79
Veterans Service Officer	27,653.12				27,653.12
Predatory Animal	6,021.40				6,021.40
Public Safety:					
Law Enforcement:					
Sheriff	823,526.82				823,526.82
County Jail	72,068.12			1,247.72	73,315.84
Coroner	13,339.96				13,339.96
Protective and Emergency Services:					
Emergency and Disaster Services				66,080.11	66,080.11
Communication Center				349,421.30	349,421.30
Other Protective and Emergency	110,000.00				110,000.00
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		3,218,968.95		48,480.12	3,267,449.07
Health and Welfare:					
Economic Assistance:					
Support of Poor	20,072.93				20,072.93
Health Assistance:					
County Nurse	16,988.78				16,988.78
Ambulance	203,843.94				203,843.94
Social Services:					
Domestic Abuse				800.00	800.00
Other	1,000.00				1,000.00
Mental Health Services:					
Mentally Ill	6,192.51				6,192.51
Mental Health Centers	10,800.00				10,800.00
Mental Illness Board	932.73				932.73

Culture and Recreation:					
Culture:					
Public Library	1,000.00				1,000.00
Historical Museum	3,500.00				3,500.00
Recreation:					
Senior Center	4,500.00				4,500.00
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	63,922.31				63,922.31
Soil Conservation Districts	5,500.00				5,500.00
Weed Control	58,317.96				58,317.96
Urban and Economic Development:					
Urban Development:					
Planning and Zoning	84,779.27				84,779.27
Urban and Rural Development	8,943.26				8,943.26
Economic Development:					
Tourism, Industrial or Recreational Development	457.00				457.00
Other	23,500.00				23,500.00
Debt Service		199,457.15			199,457.15
Capital Outlay			568,509.50		568,509.50
Total Expenditures	2,847,593.99	3,418,426.10	568,509.50	482,542.91	7,317,072.50
Excess of Revenues Over (Under) Expenditures	1,025,202.19	(821,892.77)	(568,509.50)	(198,375.63)	(563,575.71)
Other Financing Sources (Uses):					
Transfers In		210,115.00	3,000,000.00	269,356.00	3,479,471.00
Transfers Out	(3,479,471.00)				(3,479,471.00)
Lease Proceeds		459,454.17			459,454.17
Insurance Proceeds	243.35				243.35
Sale of County Property	1,555.48	62,660.40			64,215.88
Total Other Financing Sources (Uses)	(3,477,672.17)	732,229.57	3,000,000.00	269,356.00	523,913.40
Net Change in Fund Balance	(2,452,469.98)	(89,663.20)	2,431,490.50	70,980.37	(39,662.31)
Fund Balance - beginning, as previously reported	7,893,841.18	540,597.69	0.00	444,001.17	8,878,440.04
FUND BALANCE - ENDING	$ 5,441,371.20	$ 450,934.49	$ 2,431,490.50	$ 514,981.54	$ 8,838,777.73

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

MARSHALL COUNTY
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
December 31, 2025

	Custodial Funds
ASSETS:	
Cash and Cash Equivalents	$ 260,583.85
TOTAL ASSETS	$ 260,583.85
NET POSITION:	
Restricted For:	
Individuals, Organizations, and Other Governments	$ 260,583.85
TOTAL NET POSITION	$ 260,583.85

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

MARSHALL COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
For the Year Ended December 31, 2025

	Custodial Funds
ADDITIONS:	
Property Tax Collections for Other Governments	$ 8,089,173.23
State Shared Revenue Collections for Other Governments	2,730,682.99
Other Additions	79,832.55
Total Additions	10,899,688.77
DEDUCTIONS:	
Payments of Property Tax to Other Governments	8,073,877.41
Payments of State Shared Revenue to Other Governments	2,735,143.79
Other Deductions	109,303.13
Total Deductions	10,918,324.33
Change in Net Position	(18,635.56)
Net Position - beginning, as previously reported	279,219.41
NET POSITION - ENDING	$ 260,583.85

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

MARSHALL 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	$ 8,118,963.76
State Shared Revenue Collections for Other Governments	2,642,109.70
Other Additions	115,942.72
Total Additions	10,877,016.18
DEDUCTIONS:	
Payments of Property Tax to Other Governments	8,077,294.05
Payments of State Shared Revenue to Other Governments	2,673,233.95
Other Deductions	103,992.47
Total Deductions	10,854,520.47
Change in Net Position	22,495.71
Net Position - beginning, as previously reported	256,723.70
NET POSITION - ENDING	$ 279,219.41

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

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 Marshall 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 County has created a Housing and Redevelopment Commission under the authority of South Dakota Codified Law 11-7-7 solely for abdicating its authority over the non-municipal housing projects within the County to the Aberdeen Housing Commission organized by the Municipality of Aberdeen. Therefore, this component unit's financial activity was not included on the County's annual report. The financial activity of this component unit is to be included as a component on the Municipality of Aberdeen's annual report.

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.

The remaining special revenue funds are not considered major funds: 911 Service, Emergency Management, Domestic Abuse, 24/7 Sobriety, Ambulance, Modernization and Preservation Relief, 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).

Courthouse Building Capital Projects Fund – to account for financial resources to be used for the construction of the Courthouse addition. This is 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 elected to not 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 may include, but are not limited to, General Obligation Bonds, Revenue Bonds, Certificates of Participation, Lease Liabilities, Subscription Liabilities, and Other Long-Term Liabilities.

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The County has elected to not 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	**Revenue Source**
Road and Bridge Fund	Wheel Tax, State and Federal Grants, and Motor Vehicle Licenses

A schedule of fund balances is provided as follows:

MARSHALL COUNTY
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Road and Bridge Fund	Courthouse Building Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:					
Restricted For:					
Snow Removal Purposes	$	$ 15,883.69	$	$	$ 15,883.69
Domestic Abuse Purposes				355.00	355.00
Ambulance Purposes				72,312.20	72,312.20
24/7 Sobriety Purposes				6,857.00	6,857.00
Modernization and Preservation Relief Purposes				25,983.40	25,983.40
Rural Access Infrastructure Purposes				143,749.75	143,749.75
Assigned To:					
Applied to Next Year's Budget	540,138.00				540,138.00
Capital Outlay Purposes	3,235,334.80				3,235,334.80
Courthouse Building Capital Project Purposes			868,414.00		868,414.00
Road and Bridge Purposes		567,721.24			567,721.24
Emergency Management Purposes				17,831.98	17,831.98
911 Service Purposes				171,532.26	171,532.26
Unassigned	1,690,689.62				1,690,689.62
Total Fund Balances	$ 5,466,162.42	$ 583,604.93	$ 868,414.00	$ 438,621.59	$ 7,356,802.94

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 constitute those changes. There was no effect on beginning fund balances or net position due to the implementation of this standard.

In 2025, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 102, Certain Risk Disclosures. This statement enhances required risk disclosures by disclosing information about known concentrations and constraints. There was no effect on beginning fund balances, net position, or the notes to the financial statements due to the implementation of this standard.

3. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

	Year Ended 12/31/2024	Year Ended 12/31/2025
Road and Bridge Fund:		
Activity		
Highways, Roads and Bridges	$ (193,902.95)	$ (219,339.13)
Debt Service	$ (52,355.15)	$ (164,400.63)

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

The County Auditor will closely monitor the department budgets and the Board of County Commissioners will approve any necessary budget supplements and contingency transfers.

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

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

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

Investments – In general, SDCL 4-5-6 permits County funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b)

above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

As of December 31, 2025, the investments reported in the financial statements for the General Fund consist of only certificates of deposit.

Credit Risk – State law limits eligible investments for the County, as discussed above. The County has an investment policy that would further limit its investment choices to invest County funds according to state law in banks within Marshall County or SD FIT. Other banks or associations require approval of the Marshall County Commissioners.

As of December 31, 2025, the County had the following investments.

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing. It is regulated by a nine-member board with representation from municipalities, school districts, and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis. The County has $5,088,417.29 in deposits at SDFIT.

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, 2025, the County's deposits in financial institutions were not exposed to custodial credit risk.

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

Interest Rate Risk – The County does 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 deposits and investments to the General Fund. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported.

5. PROPERTY TAXES

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

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

6. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2025, was as follows:

Major Purposes:		
Rural Access Infrastructure Purposes	$ 143,749.75	
Ambulance Purposes	72,312.20	
Other Purposes:		
Modernization and Preservation Relief Purposes	25,983.40	
Road and Bridge Purposes	15,883.69	
24/7 Sobriety Purposes	6,857.00	
Domestic Abuse Purposes	355.00	
Total Other Purposes	49,079.09	
Total Restricted Net Position		**$ 265,141.04**

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

7. INTERFUND TRANSFERS

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

	Transfers To:			
Transfers From:	Road and Bridge Fund	Courthouse Building Capital Project Fund	Other Governmental Funds	Total
Major Funds:				
General Fund	$ 210,115.00	$ 3,000,000.00	$ 269,356.00	$ 3,479,471.00

Interfund transfers for the year ended December 31, 2025, were as follows:

	Transfers To:		
Transfers From:	Road and Bridge Fund	Other Governmental Funds	Total
Major Funds:			
General Fund	$ 725,904.00	$ 314,623.00	$ 1,040,527.00

The County typically budgets transfers to the Road and Bridge Fund and the 911 Service Fund and Emergency Management Fund (Other Governmental Funds) to conduct the indispensable functions of the County. The transfer to the Courthouse Building Capital Projects Fund was to help fund a Courthouse improvement project.

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, 2025, 2024, and 2023, equal to the required contributions each year, were as follows:

Year	Amount
2025	$ 129,920.08
2024	$ 115,649.45
2023	$ 111,212.04

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:
At June 30, 2025, SDRS is 100.10% 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, 2025, are as follows:

Proportionate share of total pension liability	$ 10,418,990.17
Less proportionate share of net position restricted for pension benefits	10,424,796.06
Proportionate share of net pension asset	$ (5,805.89)

The net pension asset was measured as of June 30, 2025, 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, 2025, the County's proportion was 0.068263%, which is an increase of 0.001843% from its proportion measured as of June 30, 2024.

Actuarial Assumptions:
The total pension asset in the June 30, 2025, 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	1.56%

Mortality Rates:
All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020

Active and Terminated Vested Members:
- Teachers, Certified Regents, and Judicial: PubT-2010
- Other Class A Members: PubG-2010
- Public Safety Members: PubS-2010

Retired Members:
- Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65
- Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above
- Public Safety Retirees: PubS-2010, 102% of rates at all ages

Beneficiaries:
- PubG-2010 contingent survivor mortality table

Disabled Members:
- Public Safety: PubS-2010 disabled member mortality table
- Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2025, 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, 2025 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.8%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.9%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
Total	100%	

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

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

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset)	$ 1,422,895.50	$ (5,805.89)	$ (1,176,253.71)

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, 2025, the County was involved in one lawsuit. No determination can be made at this time regarding the potential outcome of this lawsuit. However, as discussed in the Risk Management note, the County has liability coverage for itself and its employees with South Dakota Public Assurance Alliance. Therefore, no material effects are anticipated to the County as a result of the potential outcome of this lawsuit.

10. LEASE OF HOSPITAL

On July 14, 2020, the Board on County Commissioners renewed their lease of the hospital to the Marshall County Memorial Hospital, a nonprofit corporation. The lease will terminate on the last day of December 2044. The Marshall County Healthcare Center board contracts for management services with the Avera Health System. However, since the buildings of the Marshall County Hospital and Clinic are on lease, the County retains title to them.

11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2025, 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:

General liability,
Automobile liability,
County Officials liability,
Law enforcement liability,
Automobile physical damage, and
Property and building coverage

The County carries various deductibles for the above coverages.

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

Worker's Compensation:

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

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

Unemployment Benefits:

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

During the year two years ended December 31, 2025, no claims for unemployment benefits were paid. At December 31, 2025, no claims had been filed for unemployment benefits, and none are anticipated in the next fiscal year.

SUPPLEMENTARY INFORMATION
MARSHALL COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	$ 3,059,549.00	$ 3,059,549.00	$ 3,045,236.84	$ (14,312.16)
General Property Taxes--Delinquent	15,000.00	15,000.00	11,016.61	(3,983.39)
Penalties and Interest	9,000.00	9,000.00	9,479.37	479.37
Licenses and Permits	15,120.00	15,120.00	18,506.00	3,386.00
Intergovernmental Revenue:				
Federal Grants	1,200.00	1,200.00	11,876.85	10,676.85
Federal Shared Revenue	7,000.00	7,000.00	6,544.91	(455.09)
State Grants	0.00	0.00	4,000.00	4,000.00
State Shared Revenue:				
Bank Franchise	20,000.00	20,000.00	28,148.38	8,148.38
Court Appointed Attorney/Public Defender	1,700.00	1,700.00	2,157.96	457.96
Telecommunications Gross Receipts Tax	6,600.00	6,600.00	8,509.85	1,909.85
Motor Vehicle 1/4%	1,800.00	1,800.00	2,354.63	554.63
Liquor Tax Reversion (25%)	32,000.00	32,000.00	31,979.31	(20.69)
Other Payments in Lieu of Taxes	0.00	0.00	128.00	128.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	21,000.00	21,000.00	17,013.93	(3,986.07)
Register of Deeds' Fees	52,000.00	52,000.00	46,387.50	(5,612.50)
Legal Services	8,200.00	8,200.00	8,825.51	625.51
Clerk of Courts Fees	3,500.00	3,500.00	3,600.00	100.00
Other Fees	2,700.00	2,700.00	2,605.89	(94.11)
Public Safety:				
Law Enforcement	311,144.00	311,144.00	321,124.63	9,980.63
Other	0.00	0.00	100.00	100.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	5,000.00	5,000.00	6,528.98	1,528.98
Veterans Service Officer	2,063.00	2,063.00	2,062.50	(0.50)
Health Assistance:				
Ambulance	200,300.00	200,300.00	200,900.50	600.50
Women, Infants and Children	6,000.00	6,000.00	0.00	(6,000.00)
Conservation of Natural Resources	5,000.00	5,000.00	10,555.35	5,555.35
Fines and Forfeits:				
Costs	2,600.00	2,600.00	1,331.10	(1,268.90)
Miscellaneous Revenue:				
Investment Earnings	60,000.00	60,000.00	115,379.22	55,379.22
Rent	3,000.00	3,000.00	2,820.00	(180.00)
Refund of Prior Year's Expenditures	0.00	0.00	155.49	155.49
Other	3,010.00	3,010.00	1,323.52	(1,686.48)
Total Revenues	3,854,486.00	3,854,486.00	3,920,652.83	66,166.83
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	156,866.00	158,866.00	158,849.46	16.54
Contingency	100,000.00	100,000.00		
Amount Transferred		(23,012.00)		76,988.00
Elections	6,000.00	6,007.00	6,006.39	0.61
Judicial System	12,000.00	12,000.00	10,810.91	1,189.09
Financial Administration:				
Auditor	178,277.00	180,177.00	180,172.47	4.53
Treasurer	188,882.00	188,882.00	166,702.66	22,179.34
Legal Services:				
State's Attorney	127,329.00	127,329.00	122,077.09	5,251.91
Court Appointed Attorney	75,000.00	75,000.00	73,234.60	1,765.40

SUPPLEMENTARY INFORMATION
MARSHALL COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2025
(Continued)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Other General Government:				
General Government Building	194,732.00	194,732.00	166,151.52	28,580.48
Director of Equalization	263,899.00	263,899.00	255,436.63	8,462.37
Register of Deeds	152,745.00	152,745.00	152,584.25	160.75
Veterans Service Officer	28,295.00	28,295.00	27,015.27	1,279.73
Predatory Animal	5,110.00	5,110.00	5,109.92	0.08
Public Safety:				
Law Enforcement:				
Sheriff	943,479.00	943,479.00	896,418.64	47,060.36
County Jail	71,055.00	71,055.00	57,802.25	13,252.75
Coroner	9,105.00	20,305.00	20,279.03	25.97
Protective and Emergency Services:				
Other Protective and Emergency	10,000.00	10,000.00	10,000.00	0.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	26,992.00	29,842.00	29,808.07	33.93
Health Assistance:				
County Nurse	15,063.00	15,063.00	14,393.48	669.52
Ambulance	227,599.00	232,499.00	232,427.29	71.71
Social Services:				
Other	1,000.00	1,000.00	1,000.00	0.00
Mental Health Services:				
Mentally Ill	10,000.00	10,000.00	0.00	10,000.00
Mental Health Centers	10,800.00	10,800.00	10,800.00	0.00
Mental Illness Board	2,000.00	2,000.00	1,164.50	835.50
Culture and Recreation:				
Culture:				
Public Library	1,000.00	1,000.00	1,000.00	0.00
Historical Museum	3,500.00	3,500.00	3,500.00	0.00
Recreation:				
Senior Center	4,500.00	4,500.00	4,500.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	76,743.00	76,743.00	69,263.24	7,479.76
Soil Conservation Districts	5,500.00	5,500.00	5,500.00	0.00
Weed Control	73,353.00	73,353.00	72,161.65	1,191.35
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	109,379.00	109,379.00	93,840.11	15,538.89
Urban and Rural Development	9,000.00	9,100.00	9,090.82	9.18
Economic Development:				
Tourism, Industrial or Recreational Development	457.00	457.00	457.00	0.00
Other	23,500.00	23,500.00	23,500.00	0.00
Total Expenditures	3,123,160.00	3,123,105.00	2,881,057.25	242,047.75
Excess of Revenues Over (Under) Expenditures	731,326.00	731,381.00	1,039,595.58	308,214.58
Other Financing Sources (Uses):				
Transfers Out	(1,040,527.00)	(1,040,527.00)	(1,040,527.00)	0.00
Insurance Proceeds	0.00	0.00	22,611.89	22,611.89
Sale of County Property	0.00	0.00	3,110.75	3,110.75
Total Other Financing Sources (Uses)	(1,040,527.00)	(1,040,527.00)	(1,014,804.36)	25,722.64
Net Change in Fund Balance	(309,201.00)	(309,146.00)	24,791.22	333,937.22
Fund Balance - beginning, as previously reported	5,441,371.20	5,441,371.20	5,441,371.20	0.00
FUND BALANCE - ENDING	$ 5,132,170.20	$ 5,132,225.20	$ 5,466,162.42	$ 333,937.22

SUPPLEMENTARY INFORMATION
MARSHALL COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	$ 1,134,524.00	$ 1,134,524.00	$ 1,105,908.11	$ (28,615.89)
General Property Taxes--Delinquent	6,000.00	6,000.00	3,791.54	(2,208.46)
Penalties and Interest	3,000.00	3,000.00	2,964.12	(35.88)
Wheel Tax	140,000.00	140,000.00	138,292.14	(1,707.86)
Licenses and Permits	100.00	100.00	0.00	(100.00)
Intergovernmental Revenue:				
State Grants	445,208.00	445,208.00	985,842.44	540,634.44
State Shared Revenue:				
Bank Franchise	16,000.00	16,000.00	10,412.46	(5,587.54)
Motor Vehicle Licenses	1,000,000.00	1,000,000.00	1,053,320.42	53,320.42
Prorate License Fees	55,000.00	55,000.00	52,621.47	(2,378.53)
63 3/4% Mobile Home	3,500.00	3,500.00	20,571.13	17,071.13
Motor Fuel Tax	4,500.00	4,500.00	4,528.92	28.92
Miscellaneous Revenue:				
Other	0.00	0.00	584.63	584.63
Total Revenues	2,807,832.00	2,807,832.00	3,378,837.38	571,005.38
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	3,149,954.00	3,895,118.25	4,114,457.38	(219,339.13)
Debt Service	276,247.00	276,247.00	440,647.63	(164,400.63)
Total Expenditures	3,426,201.00	4,171,365.25	4,555,105.01	(383,739.76)
Excess of Revenues Over (Under) Expenditures	(618,369.00)	(1,363,533.25)	(1,176,267.63)	187,265.62
Other Financing Sources (Uses):				
Transfers In	725,904.00	725,904.00	725,904.00	0.00
Lease Proceeds	0.00	0.00	406,304.28	406,304.28
Sale of County Property	0.00	0.00	176,729.79	176,729.79
Total Other Financing Sources (Uses)	725,904.00	725,904.00	1,308,938.07	583,034.07
Net Change in Fund Balance	107,535.00	(637,629.25)	132,670.44	770,299.69
Fund Balance - beginning, as previously reported	450,934.49	450,934.49	450,934.49	0.00
FUND BALANCE - ENDING	$ 558,469.49	$ (186,694.76)	$ 583,604.93	$ 770,299.69

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	$ 2,948,757.00	$ 2,948,757.00	$ 2,937,136.30	$ (11,620.70)
General Property Taxes--Delinquent	15,000.00	15,000.00	12,390.44	(2,609.56)
Penalties and Interest	9,000.00	9,000.00	9,127.24	127.24
Licenses and Permits	10,860.00	10,860.00	22,005.90	11,145.90
Intergovernmental Revenue:				
Federal Grants	3,000.00	3,000.00	26,284.05	23,284.05
Federal Shared Revenue	7,000.00	7,000.00	6,744.45	(255.55)
State Shared Revenue:				
Bank Franchise	11,000.00	11,000.00	68,493.16	57,493.16
Court Appointed Attorney/Public Defender	1,500.00	1,500.00	10,621.18	9,121.18
Telecommunications Gross Receipts Tax	8,000.00	8,000.00	6,793.29	(1,206.71)
Motor Vehicle 1/4%	2,500.00	2,500.00	2,357.61	(142.39)
Liquor Tax Reversion (25%)	31,000.00	31,000.00	32,748.51	1,748.51
Other Payments in Lieu of Taxes	0.00	0.00	124.00	124.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	20,500.00	20,500.00	21,518.17	1,018.17
Register of Deeds' Fees	55,000.00	55,000.00	49,432.50	(5,567.50)
Legal Services	11,200.00	11,200.00	20,168.51	8,968.51
Clerk of Courts Fees	3,000.00	3,000.00	3,625.00	625.00
Other Fees	3,500.00	3,500.00	7,941.43	4,441.43
Public Safety:				
Law Enforcement	282,683.00	282,683.00	272,376.93	(10,306.07)
Other	0.00	0.00	25.00	25.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	6,000.00	6,000.00	15,008.17	9,008.17
Veterans Service Officer	1,875.00	1,875.00	2,062.50	187.50
Health Assistance:				
Ambulance	180,500.00	180,500.00	212,693.25	32,193.25
Women, Infants and Children	3,000.00	3,000.00	2,923.36	(76.64)
Other Charges	5,000.00	5,000.00	8,749.59	3,749.59
Fines and Forfeits:				
Costs	2,750.00	2,750.00	2,652.50	(97.50)
Forfeits	0.00	0.00	500.00	500.00
Miscellaneous Revenue:				
Investment Earnings	20,000.00	20,000.00	106,744.85	86,744.85
Rent	2,600.00	2,600.00	3,170.00	570.00
Refund of Prior Year's Expenditures	0.00	0.00	1,000.68	1,000.68
Other	1,015.00	1,015.00	7,377.61	6,362.61
Total Revenues	3,646,240.00	3,646,240.00	3,872,796.18	226,556.18
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	156,306.00	156,306.00	116,616.34	39,689.66
Contingency	100,000.00	100,000.00		
Amount Transferred		(80,805.00)		19,195.00
Elections	27,000.00	31,320.00	31,316.17	3.83
Judicial System	12,000.00	12,000.00	7,432.71	4,567.29
Financial Administration:				
Auditor	166,507.00	171,897.00	171,890.15	6.85
Treasurer	191,228.00	192,573.00	192,567.07	5.93
Legal Services:				
State's Attorney	120,973.00	144,598.00	144,596.20	1.80
Court Appointed Attorney	50,000.00	69,260.00	69,258.70	1.30
Other General Government:				
General Government Building	191,653.00	191,653.00	168,870.30	22,782.70

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Director of Equalization	255,288.00	255,288.00	239,544.11	15,743.89
Register of Deeds	141,299.00	141,299.00	138,642.13	2,656.87
Veterans Service Officer	26,904.00	27,654.00	27,653.12	0.88
Predatory Animal	6,022.00	6,022.00	6,021.40	0.60
Public Safety:				
Law Enforcement:				
Sheriff	811,771.00	823,551.00	823,526.82	24.18
County Jail	94,900.00	94,900.00	72,068.12	22,831.88
Coroner	9,458.00	13,343.00	13,339.96	3.04
Protective and Emergency Services:				
Other Protective and Emergency	0.00	110,000.00	110,000.00	0.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	32,920.00	32,920.00	20,072.93	12,847.07
Health Assistance:				
County Nurse	30,200.00	30,200.00	16,988.78	13,211.22
Ambulance	222,743.00	222,743.00	203,843.94	18,899.06
Social Services:				
Other	1,000.00	1,000.00	1,000.00	0.00
Mental Health Services:				
Mentally Ill	8,000.00	8,000.00	6,192.51	1,807.49
Mental Health Centers	10,800.00	10,800.00	10,800.00	0.00
Mental Illness Board	1,000.00	1,000.00	932.73	67.27
Culture and Recreation:				
Culture:				
Public Library	1,000.00	1,000.00	1,000.00	0.00
Historical Museum	1,000.00	3,500.00	3,500.00	0.00
Recreation:				
Senior Center	4,500.00	4,500.00	4,500.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	61,947.00	63,927.00	63,922.31	4.69
Soil Conservation Districts	5,500.00	5,500.00	5,500.00	0.00
Weed Control	77,561.00	77,561.00	58,317.96	19,243.04
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	91,811.00	91,811.00	84,779.27	7,031.73
Urban and Rural Development	8,900.00	8,945.00	8,943.26	1.74
Economic Development:				
Tourism, Industrial or Recreational Development	457.00	457.00	457.00	0.00
Other	23,500.00	23,500.00	23,500.00	0.00
Debt Service	45,000.00	45,000.00	0.00	45,000.00
Total Expenditures	2,989,148.00	3,093,223.00	2,847,593.99	245,629.01
Excess of Revenues Over (Under) Expenditures	657,092.00	553,017.00	1,025,202.19	472,185.19
Other Financing Sources (Uses):				
Transfers Out	479,471.00	479,471.00	(3,479,471.00)	(3,958,942.00)
Insurance Proceeds	0.00	0.00	243.35	243.35
Sale of County Property	0.00	0.00	1,555.48	1,555.48
Total Other Financing Sources (Uses)	479,471.00	479,471.00	(3,477,672.17)	(3,957,143.17)
Net Change in Fund Balance	1,136,563.00	1,032,488.00	(2,452,469.98)	(3,484,957.98)
Fund Balance - beginning, as previously reported	7,893,841.18	7,893,841.18	7,893,841.18	0.00
FUND BALANCE - ENDING	$ 9,030,404.18	$ 8,926,329.18	$ 5,441,371.20	$ (3,484,957.98)

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	$ 1,090,505.00	$ 1,090,505.00	$ 1,061,122.44	$ (29,382.56)
General Property Taxes--Delinquent	6,000.00	6,000.00	4,285.48	(1,714.52)
Penalties and Interest	3,000.00	3,000.00	2,843.16	(156.84)
Wheel Tax	140,000.00	140,000.00	132,661.24	(7,338.76)
Licenses and Permits	300.00	300.00	125.00	(175.00)
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	52,333.86	52,333.86
State Grants	210,000.00	210,000.00	223,128.96	13,128.96
State Shared Revenue:				
Bank Franchise	5,000.00	5,000.00	25,263.80	20,263.80
Motor Vehicle Licenses	1,000,000.00	1,000,000.00	1,031,068.12	31,068.12
Prorate License Fees	50,000.00	50,000.00	52,064.30	2,064.30
63 3/4% Mobile Home	2,000.00	2,000.00	7,120.03	5,120.03
Motor Fuel Tax	0.00	0.00	4,516.94	4,516.94
Total Revenues	2,506,805.00	2,506,805.00	2,596,533.33	89,728.33
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	3,098,617.00	3,025,066.00	3,218,968.95	(193,902.95)
Debt Service	73,551.00	147,102.00	199,457.15	(52,355.15)
Total Expenditures	3,172,168.00	3,172,168.00	3,418,426.10	(246,258.10)
Excess of Revenues Over (Under) Expenditures	(665,363.00)	(665,363.00)	(821,892.77)	(156,529.77)
Other Financing Sources (Uses):				
Transfers In	210,115.00	210,115.00	210,115.00	0.00
Lease Proceeds	0.00	0.00	459,454.17	459,454.17
Sale of County Property	0.00	0.00	62,660.40	62,660.40
Total Other Financing Sources (Uses)	210,115.00	210,115.00	732,229.57	522,114.57
Net Change in Fund Balance	(455,248.00)	(455,248.00)	(89,663.20)	365,584.80
Fund Balance - beginning, as previously reported	540,597.69	540,597.69	540,597.69	0.00
FUND BALANCE - ENDING	$ 85,349.69	$ 85,349.69	$ 450,934.49	$ 365,584.80

MARSHALL 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
MASRHALL 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)
2025	0.068263%	$ (5,806)	$ 1,907,125	0.30%	100.10%
2024	0.066420%	$ (2,689)	$ 1,742,363	0.15%	100.00%
2023	0.067360%	$ (6,575)	$ 1,640,499	0.40%	100.10%
2022	0.069854%	$ (6,602)	$ 1,549,828	0.43%	100.10%
2021	0.074098%	$ (567,464)	$ 1,552,242	36.56%	105.52%
2020	0.066371%	$ (2,883)	$ 1,365,581	0.21%	100.04%
2019	0.061984%	$ (6,569)	$ 1,207,197	0.54%	100.09%
2018	0.062143%	$ (1,449)	$ 1,212,314	0.12%	100.02%
2017	0.064597%	$ (5,862)	$ 1,230,003	0.48%	100.10%
2016	0.067656%	$ 228,536	$ 1,211,551	18.86%	96.89%

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

Changes from Prior Valuation

The June 30, 2025, Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2024, Actuarial Valuation.

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

Benefit Provision Changes

During the 2025 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, 2024, the FVFR, assuming the long-term COLA is equal to the baseline COLA assumption (2.25%), was less than 100% and the July 2025 SDRS COLA was limited to a restricted maximum of 1.71%. For the June 30, 2024, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 1.71%.

As of June 30, 2025, the FVFR, assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2026 SDRS COLA is limited to a restricted maximum of 1.56%. The July 2026 SDRS COLA will equal inflation, no less than 0% and no greater than 1.56%. For this June 30, 2025, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.56%.

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
MARSHALL COUNTY
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Two Years Ended December 31, 2025

Indebtedness	Long-Term Debt January 1, 2024	Add New Debt	Less Debt Retired	Long-Term Debt December 31, 2025
Governmental Long-Term Debt:				
Bonds Payable	$	$ 5,000,000.00	$	$ 5,000,000.00
Other Long-Term Debt Liabilities	179,055.90	865,758.45	590,575.81	454,238.54
Total	$ 179,055.90	$ 5,865,758.45	$ 590,575.81	$ 5,454,238.54

Note 1 - Long-Term Debt:

Debt payable at December 31, 2025 is comprised of the following:

General Obligation Bonds:

The County issued General Obligation Bonds-Series 2025 for a Courthouse Improvement project. The bonds have a variable interest rate of 4.0% to 5.0%. Annual payments begin in 2026 and will continue until 2045. Payments will be made from the Bond Redemption Fund.	$ 5,000,000.00

Other Long-Term Liabilities:

The County entered into a Financed Purchase Agreement for a 2024 Caterpillar Motor Grader. Annual payments of principle and interest in the amount of $125,906.54 began in 2024 and continue until 2027. Payments are made from the Road and Bridge Fund.	$ 118,667.81
The County entered into a Financed Purchase Agreement for a 2025 John Deere Motor Grader. Annual payments of principle and interest in the amount of $70,733.55 began in 2024 and continue until 2031. Payments are made from the Road and Bridge Fund.	$ 335,570.73