

**MEADE COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2022**

MEADE COUNTY  
COUNTY OFFICIALS  
December 31, 2022

Board of Commissioners:

Rod Bradley  
Doreen Creed  
Ted Seaman  
Talbot Wiczorek  
Rich Liggett

Auditor:  
Helen Hall-Jensen

Treasurer:  
Robin Shrake

State's Attorney:  
Michele Bordewyk

Register of Deeds:  
Lana Anderson

Sheriff:  
Ron Merwin

MEADE COUNTY  
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PIERRE, SD 57501-5070  
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RUSSELL A. OLSON  
AUDITOR GENERAL

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

**Independent Auditor's Report**

County Commission  
Meade County  
Sturgis, 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 Meade County, South Dakota (County), as of December 31, 2022, 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 July 23, 2024.

An adverse opinion for the aggregate discretely presented component unit was issued due to the County's financial statements not including the financial information of the Meade County Housing and Redevelopment Commission. An unmodified opinion was issued for the remaining opinion units.

**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

July 23, 2024

MEADE COUNTY  
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Audit Finding:**

Finding No. 2020-001:

The unassigned fund balance of General Fund exceeded the maximum allowed by SDCL 7-21-18.1. This finding has not been corrected and is restated as current audit finding number 2022-001.

**SCHEDULE OF CURRENT AUDIT FINDINGS**

**Current Audit Findings:**

***Compliance and Other Matters:***

Surplus Unassigned Fund Balance

Finding No. 2022-001:

Criteria:

South Dakota Codified Law (SDCL) 7-21-18.1 states: "The total unassigned fund balance of the general fund may not exceed forty percent of the total amount of all general fund appropriations contained in the budget for the next fiscal year."

Condition:

The unassigned fund balance of the General Fund exceeded the maximum allowed by SDCL 7-21-18.1 by approximately \$3,855,000 as of December 31, 2022. This is the second consecutive audit in which a similar finding was noted.

Context:

Our analysis of the County General Fund indicated an excessive unassigned fund balance existed at December 31, 2022 as follows:

Total Unassigned Fund Balance at December 31, 2022	\$ 10,257,344.31
Less:	
2023 General Fund Appropriations	16,005,598.00
Percentage of Allowable Retainage	<u>40%</u>
Allowable Fund Balance Retainage	<u>(6,402,239.20)</u>
Unassigned Surplus Fund Balance at December 31, 2022 in Excess of the Amount Allowed by SDCL 7-21-18.1	<u>\$ 3,855,105.11</u>

Effect:

The County is in not in compliance with SDCL 7-21-18.1.

Cause:

The Board of County Commissioners has not committed or assigned fund balances for county purpose or reduced taxes to comply with SDCL 7-21-18.1.

Recommendation:

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

Views of responsible officials:

It was noted that we had an excess of unassigned funds allowed by statute. This is due in large part to a significant amount of ARPA funds received by Meade County which relieved some general fund dollars for the 2024 budget. It is known that the county has several road projects that we are trying to allocate funds for, and have been trying to for some time.

Unfunded Reserves

Finding No. 2022-002:

Criteria:

SDCL 31-12-26 states: "Each board of county commissioners and county superintendent of highways in organized counties shall construct, repair, and maintain all secondary roads within the counties not included in any municipality, organized civil township, or county road district organized pursuant to chapter 31-12A".

SDCL 31-12-27 states: "Each board of county commissioners may levy annual a tax upon the taxable property within the county not included in any municipality, organized civil township, or county road district organized pursuant to chapter 31-12A, to carry out the provisions of 31-12-26. If a county levies a tax, the tax shall be certified, become payable and delinquent, and if not paid, shall draw interest and penalty as other county taxes. The tax shall be used for such purposes."

SDCL 34-5-2 states: "The board of county commissioners may establish a county snow removal and special emergency reserve fund by the levy of a tax up to but not exceeding one dollar and twenty cents per thousand dollars of taxable valuation within the county. The tax levy authorized by this section is in addition to all other county tax levies. All money collected and received under the provisions of this tax levy shall be remitted at the times and in the manner required by the laws of this state relating to counties."

Condition:

The County improperly expended \$149,466.95 of Secondary Road Reserve Funds and \$480,036.78 of Snow Removal Reserve Funds and did not maintain adequate reserves for the Secondary Road Reserve and the Snow Removal Reserve as required by SDCL 31-12-27 and SDCL 34-5-2.

Context:

During the calendar year 2022 the County had expenditures in the Road and Bridge Fund that were greater than the amount of available unreserved funds. As a result, the balances of the Secondary Road Reserve and the Snow Removal Reserve were depleted below the required reserve balances. The following shows the required Secondary Road Reserve and the Snow Removal Reserve balance as compared to the December 31, 2022 actual balance of the Reserves, and the amounts that the County will be required to replenish.



As of December 31, 2022

Reserve Name	Required Reserve	Actual Balance	Deficiency in Reserve Amount
Secondary Road	\$ 149,466.95	\$ 0.00	\$ 149,466.95
Snow Removal	\$ 480,036.78	\$ 0.00	\$ 480,036.78

Effect:

The County is not in compliance with SDCL 31-12-27 and SDCL 34-5-2.

Cause:

The County Auditor had not monitored the fund cash balances in the General Ledger during 2021 and 2022 and failed to make authorized cash transfers from the General Fund in order to properly fund the Secondary Road Reserve and Snow Removal Reserve.

Recommendations:

We recommend that the County comply with SDCL 31-12-27 and SDCL 34-5-2.

We recommend the County monitor the cash balances of each fund and make transfers as authorized to avoid having unfunded reserves or negative fund cash balances.

Views of responsible officials:

It is noted that Meade County made the error of not transferring cash from the General Fund to the Secondary Road and Snow Removal Reserve funds. The lack of transfer was due to personnel transitions and new staff during this time frame. The county would also like to note that the funds were properly spent on secondary roads and snow removal in excess of those dollar amounts, but came out of the general fund and not through those funds.



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RUSSELL A. OLSON  
AUDITOR GENERAL

## Independent Auditor's Report

County Commission  
Meade County  
Sturgis, South Dakota

### **Report on the Audit of the Financial Statements**

#### ***Adverse and Unmodified 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 Meade County, South Dakota (County), as of December 31, 2022, 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.

#### ***Adverse Opinion on Aggregate Discretely Presented Component Units***

In our opinion, because of the significance of the matter discussed in the "Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component unit of the County as of December 31, 2022, or the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund***

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 the County as of December 31, 2022, 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 Adverse and Unmodified 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.

### ***Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units***

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, net position, revenues, and expenses of the aggregate discretely presented component unit would have been presented and are not reasonably determined.

### ***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 2022, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases; however, this implementation did not result in a restatement of the net position as of January 1, 2022. 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 July 23, 2024, 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

July 23, 2024

**MEADE COUNTY**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2022**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 17,130,050.33
Investments	1,249,833.61
<b>TOTAL ASSETS</b>	<b>\$ 18,379,883.94</b>
<b>NET POSITION:</b>	
Restricted For: (See Note 6)	
Road and Bridge Purposes	\$ 629,503.73
American Rescue Plan Purposes	5,203,159.00
Other Purposes	507,687.19
Unrestricted	12,039,534.02
<b>TOTAL NET POSITION</b>	<b>\$ 18,379,883.94</b>

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





**MEADE COUNTY  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
December 31, 2022**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 16,833,675.21	\$ (24,611.40)	\$ 64,990.79	\$ 16,874,054.60
Investments	1,249,833.61			1,249,833.61
<b>TOTAL ASSETS</b>	<u><u>\$ 18,083,508.82</u></u>	<u><u>\$ (24,611.40)</u></u>	<u><u>\$ 64,990.79</u></u>	<u><u>\$ 18,123,888.21</u></u>
<b>FUND BALANCES:</b> (See Note 1.k.)				
Restricted	\$ 5,220,030.62	\$ 629,503.73	\$ 489,407.59	\$ 6,338,941.94
Assigned	2,606,133.89		11,141.19	2,617,275.08
Unassigned	10,257,344.31	(654,115.13)	(435,557.99)	9,167,671.19
<b>TOTAL FUND BALANCES</b>	<u><u>\$ 18,083,508.82</u></u>	<u><u>\$ (24,611.40)</u></u>	<u><u>\$ 64,990.79</u></u>	18,123,888.21

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

255,995.73

Net Position - Governmental Activities

\$ 18,379,883.94

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



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**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 10,303,768.17	\$ 302,852.75	\$ 207,416.40	\$ 10,814,037.32
General Property Taxes--Delinquent	9,064.40	231.15	23.90	9,319.45
Penalties and Interest	21,850.80	780.59	68.99	22,700.38
Wheel Tax		940,829.25		940,829.25
Licenses and Permits	524,611.71		6,570.00	531,181.71
Intergovernmental Revenue:				
Federal Grants	2,994,957.94		32,960.98	3,027,918.92
Federal Shared Revenue	65,107.12	35,250.47		100,357.59
Federal Payments in Lieu of Taxes	207,816.00			207,816.00
State Grants	154,340.67	956,163.79	43,461.59	1,153,966.05
State Shared Revenue:				
Bank Franchise	73,863.63	2,026.44	234.00	76,124.07
Motor Vehicle Licenses		2,012,387.12		2,012,387.12
State Highway Fund (former 10% game)		11,823.21		11,823.21
Court Appointed Attorney/Public Defender	14,580.51			14,580.51
Prorate License Fees		129,117.91		129,117.91
Abused and Neglected Child Defense	1,567.30			1,567.30
63 3/4% Mobile Home		86,645.72		86,645.72
Secondary Road Remittances		567,361.28		567,361.28
Telecommunications Gross Receipts Tax	41,275.15			41,275.15
Motor Vehicle 1/4%	9,417.16			9,417.16
Motor Fuel Tax		11,924.42		11,924.42
911 Remittances			241,748.99	241,748.99
Liquor Tax Reversion (25%)	131,065.72			131,065.72
Other State Shared Revenue	0.24			0.24
Other Payments in Lieu of Taxes	9,155.00			9,155.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	144,299.98			144,299.98
Register of Deeds' Fees	503,380.40		24,567.01	527,947.41
Legal Services	139,734.01			139,734.01
Clerk of Courts Fees	51,430.37			51,430.37

Other Fees	34,815.69			34,815.69
Public Safety:				
Law Enforcement	179,205.27			179,205.27
Prisoner Care	496,416.54			496,416.54
Sobriety Testing			23,418.00	23,418.00
Other	21,795.94		273,213.00	295,008.94
Public Works:				
Road Maintenance Contract Charges		21,030.55		21,030.55
Other		35.00		35.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	405.20			405.20
Veterans Service Officer	4,375.00			4,375.00
Other	2,347.11			2,347.11
Conservation of Natural Resources	66,058.46			66,058.46
Other Charges	73.02			73.02
Fines and Forfeits:				
Fines	171.92			171.92
Costs	28,432.72		393.70	28,826.42
Forfeits	34,825.00			34,825.00
Miscellaneous Revenue:				
Investment Earnings	93,936.25			93,936.25
Refund of Prior Year's Expenditures	22,551.20			22,551.20
Other	29,246.30		93.52	29,339.82
Total Revenues	<u>16,415,941.90</u>	<u>5,078,459.65</u>	<u>854,170.08</u>	<u>22,348,571.63</u>

**Expenditures:**

## General Government:

## Legislative:

Board of County Commissioners	368,058.26			368,058.26
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Elections	139,063.67			139,063.67
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Judicial System	47,986.33			47,986.33
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## Financial Administration:

Auditor	221,262.75			221,262.75
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Treasurer	323,215.65			323,215.65
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## Legal Services:

State's Attorney	679,434.52			679,434.52
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Court Appointed Attorney	516,514.18			516,514.18
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Abused and Neglected Child Defense	13,583.89			13,583.89
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## Other General Government:

General Government Building	931,448.56			931,448.56
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Director of Equalization	924,160.14			924,160.14
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Register of Deeds	308,110.72		11,127.38	319,238.10
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Veterans Service Officer	32,446.36			32,446.36
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**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**  
**(Continued)**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Predatory Animal	9,850.77			9,850.77
Other	169,577.01			169,577.01
Information Technology	318,375.50			318,375.50
Human Resources	244,869.40			244,869.40
Public Safety:				
Law Enforcement:				
Sheriff	2,531,524.34			2,531,524.34
County Jail	2,084,998.82		55,797.95	2,140,796.77
Juvenile Detention	183,260.00			183,260.00
Protective and Emergency Services:				
Fire Protection	37,627.01			37,627.01
Emergency and Disaster Services			71,161.57	71,161.57
Communication Center			985,815.90	985,815.90
Other Protective and Emergency Services	173,360.98			173,360.98
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		7,178,472.85	38,200.00	7,216,672.85
Health and Welfare:				
Economic Assistance:				
Support of Poor	4,240.00			4,240.00
Social Services:				
Domestic Abuse			14,922.20	14,922.20
Mental Health Services:				
Mentally Ill	4,384.86			4,384.86
Developmentally Disabled	500.00			500.00
Mental Illness Board	99,407.20			99,407.20
Culture and Recreation:				
Culture:				
Public Library			54,700.00	54,700.00
Recreation:				
County Fair	8,500.00			8,500.00
Senior Center	3,000.00			3,000.00

Conservation of Natural Resources:				
Soil Conservation:				
County Extension	30,725.66			30,725.66
Soil Conservation Districts	25,000.00			25,000.00
Weed Control	157,473.51			157,473.51
Urban and Economic Development:				
Urban Development:				
Urban and Rural Development	6,965.00			6,965.00
Economic Development:				
Tourism, Industrial or Recreational Development	17,000.00			17,000.00
Debt Service			177,054.82	177,054.82
Total Expenditures	<u>10,615,925.09</u>	<u>7,178,472.85</u>	<u>1,408,779.82</u>	<u>19,203,177.76</u>
Excess of Revenues Over (Under) Expenditures	<u>5,800,016.81</u>	<u>(2,100,013.20)</u>	<u>(554,609.74)</u>	<u>3,145,393.87</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In			308,423.52	308,423.52
Transfers Out	(308,423.52)			(308,423.52)
Insurance Proceeds	203,125.63			203,125.63
Sale of County Property		219,200.00		219,200.00
Total Other Financing Sources (Uses)	<u>(105,297.89)</u>	<u>219,200.00</u>	<u>308,423.52</u>	<u>422,325.63</u>
Net Change in Fund Balance	5,694,718.92	(1,880,813.20)	(246,186.22)	3,567,719.50
Fund Balance - Beginning	<u>12,388,789.90</u>	<u>1,856,201.80</u>	<u>311,177.01</u>	<u>14,556,168.71</u>
FUND BALANCE - ENDING	<u>\$ 18,083,508.82</u>	<u>\$ (24,611.40)</u>	<u>\$ 64,990.79</u>	<u>\$ 18,123,888.21</u>
Net Change in Fund Balances - Total Governmental Funds				\$ 3,567,719.50
Amounts reported for governmental activities in the Statement of Activities are different because:				
Internal Service Fund is used by management to charge the costs of medical insurance activities to the individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities.				<u>(158,862.47)</u>
Change in Net Position of Governmental Activities				<u>\$ 3,408,857.03</u>

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

**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2021**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 10,051,168.35	\$ 285,624.23	\$ 147,276.78	\$ 10,484,069.36
General Property Taxes--Delinquent	80,588.29	2,125.12	218.16	82,931.57
Penalties and Interest	26,523.18	875.44	80.04	27,478.66
Wheel Tax		940,295.88		940,295.88
Other Taxes	73.02			73.02
Licenses and Permits	561,578.39		5,640.00	567,218.39
Intergovernmental Revenue:				
Federal Grants	3,198,521.56	144,966.91	42,464.44	3,385,952.91
Federal Shared Revenue		31,562.55		31,562.55
Federal Payments in Lieu of Taxes	199,177.00			199,177.00
State Grants	43,810.00	781,404.24	40,998.68	866,212.92
State Shared Revenue:				
Bank Franchise	57,427.64	1,575.52	181.93	59,185.09
Motor Vehicle Licenses		2,161,949.30		2,161,949.30
State Highway Fund (former 10% game)		11,823.21		11,823.21
Court Appointed Attorney/Public Defender	27,118.45			27,118.45
Prorate License Fees		119,226.56		119,226.56
Abused and Neglected Child Defense	2,467.60			2,467.60
63 3/4% Mobile Home		59,558.27		59,558.27
Secondary Road Remittances		539,835.52		539,835.52
Telecommunications Gross Receipts Tax	67,107.72			67,107.72
Motor Vehicle 1/4%	10,201.26			10,201.26
Motor Fuel Tax		11,074.65		11,074.65
911 Remittances			238,269.74	238,269.74
Liquor Tax Reversion (25%)	138,449.76			138,449.76
Other Payments in Lieu of Taxes	9,904.82			9,904.82
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	152,010.30			152,010.30
Register of Deeds' Fees	551,783.29		28,274.43	580,057.72
Legal Services	152,307.91		2,000.00	154,307.91
Clerk of Courts Fees	24,117.67			24,117.67

Other Fees	49,104.36			49,104.36
Public Safety:				
Law Enforcement	182,076.11			182,076.11
Prisoner Care	324,261.47			324,261.47
Sobriety Testing			23,871.00	23,871.00
Other	64,129.65		162,747.99	226,877.64
Public Works:				
Road Maintenance Contract Charges	7,521.50	71,014.33		78,535.83
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	346.59			346.59
Veterans Service Officer	4,375.00			4,375.00
Other	2,715.83			2,715.83
Conservation of Natural Resources	16,932.27			16,932.27
Other Charges	25,930.29		72.96	26,003.25
Fines and Forfeits:				
Fines	191.75			191.75
Costs	40,604.30		573.50	41,177.80
Forfeits	35,665.50			35,665.50
Miscellaneous Revenue:				
Investment Earnings	11,603.76	4,982.90	589.78	17,176.44
Rent	1,419.99			1,419.99
Contributions and Donations	775.00		500.00	1,275.00
Refund of Prior Year's Expenditures	20,620.00			20,620.00
Other	3,128.60		165.00	3,293.60
Total Revenues	<u>16,145,738.18</u>	<u>5,167,894.63</u>	<u>693,924.43</u>	<u>22,007,557.24</u>

**Expenditures:**

## General Government:

## Legislative:

Board of County Commissioners	214,520.87			214,520.87
Elections	8,066.58			8,066.58
Judicial System	35,508.83			35,508.83

## Financial Administration:

Auditor	160,930.07			160,930.07
Treasurer	361,185.37			361,185.37

## Legal Services:

State's Attorney	661,197.68			661,197.68
Court Appointed Attorney	447,465.77			447,465.77
Abused and Neglected Child Defense	29,725.53			29,725.53

## Other General Government:

General Government Building	932,848.03			932,848.03
Director of Equalization	863,421.11			863,421.11
Register of Deeds	288,392.97		10,597.50	298,990.47

**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2021**  
**(Continued)**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Veterans Service Officer	31,145.00			31,145.00
Predatory Animal	9,850.77			9,850.77
Other	166,388.21			166,388.21
Information Technology	122,883.63			122,883.63
Human Resources	256,954.00			256,954.00
Public Safety:				
Law Enforcement:				
Sheriff	2,349,168.67			2,349,168.67
County Jail	1,916,334.30		44,355.32	1,960,689.62
Juvenile Detention	80,658.00			80,658.00
Protective and Emergency Services:				
Fire Protection	37,627.00			37,627.00
Emergency and Disaster Services			80,461.05	80,461.05
Communication Center			600,311.23	600,311.23
Other Protective and Emergency	182,090.71			182,090.71
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		6,821,362.65		6,821,362.65
Health and Welfare:				
Economic Assistance:				
Support of Poor	1,070.00			1,070.00
Health Assistance:				
County Nurse	33,043.00			33,043.00
Social Services:				
Domestic Abuse			2,685.00	2,685.00
Mental Health Services:				
Mentally Ill	6,317.42			6,317.42
Developmentally Disabled	500.00			500.00
Mental Illness Board	82,169.33			82,169.33
Culture and Recreation:				
Culture:				
Public Library			54,865.00	54,865.00
Recreation:				
County Fair	8,500.00			8,500.00



Senior Center	3,000.00			3,000.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	29,701.92			29,701.92
Soil Conservation Districts	15,000.00			15,000.00
Predator Control Districts	10,000.00			10,000.00
Weed Control	113,769.36			113,769.36
Urban and Economic Development:				
Urban Development:				
Urban and Rural Development	6,965.00			6,965.00
Economic Development:				
Tourism, Industrial or Recreational Development	17,000.00			17,000.00
Debt Service		234,310.40	111,043.27	345,353.67
Total Expenditures	<u>9,483,399.13</u>	<u>7,055,673.05</u>	<u>904,318.37</u>	<u>17,443,390.55</u>
Excess of Revenues Over (Under) Expenditures	<u>6,662,339.05</u>	<u>(1,887,778.42)</u>	<u>(210,393.94)</u>	<u>4,564,166.69</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		2,100,000.00	202,000.00	2,302,000.00
Transfers Out	(2,302,000.00)			(2,302,000.00)
Insurance Proceeds	51,628.70			51,628.70
Total Other Financing Sources (Uses)	<u>(2,250,371.30)</u>	<u>2,100,000.00</u>	<u>202,000.00</u>	<u>51,628.70</u>
Net Change in Fund Balance	4,411,967.75	212,221.58	(8,393.94)	4,615,795.39
Fund Balance - Beginning	<u>7,976,822.15</u>	<u>1,643,980.22</u>	<u>319,570.95</u>	<u>9,940,373.32</u>
FUND BALANCE - ENDING	<u>\$ 12,388,789.90</u>	<u>\$ 1,856,201.80</u>	<u>\$ 311,177.01</u>	<u>\$ 14,556,168.71</u>
Net Change in Fund Balances - Total Governmental Funds				\$ 4,615,795.39
Amounts reported for governmental activities in the Statement of Activities are different because:				
Internal Service Fund is used by management to charge the costs of medical insurance activities to the individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities.				<u>(514,253.97)</u>
Change in Net Position of Governmental Activities				<u>\$ 4,101,541.42</u>

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

**MEADE COUNTY**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**December 31, 2022**

	<b>Internal Service Funds</b>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 255,995.73
<b>TOTAL ASSETS</b>	<b>\$ 255,995.73</b>
<b>NET POSITION:</b>	
Unrestricted	\$ 255,995.73
<b>TOTAL NET POSITION</b>	<b>\$ 255,995.73</b>

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

**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2022**

	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>	
Charges for Goods and Services	\$ 2,022,363.00
Miscellaneous	441,365.21
	2,463,728.21
Total Operating Revenues	2,463,728.21
<b>Operating Expenses:</b>	
Health Premiums	1,043,729.10
Other Current Expense	67,554.79
Claims Paid Gross	1,511,306.79
	2,622,590.68
Total Operating Expenses	2,622,590.68
Change in Net Position	(158,862.47)
Net Position - Beginning	414,858.20
NET POSITION - ENDING	\$ 255,995.73

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

**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2021**

	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>	
Charges for Goods and Services	\$ 2,025,109.63
Miscellaneous	762,570.48
Total Operating Revenues	2,787,680.11
<b>Operating Expenses:</b>	
Health Premiums	962,784.90
Other Current Expense	66,136.06
Claims Paid Gross	2,273,093.89
Total Operating Expenses	3,302,014.85
Operating Income (Loss)	(514,334.74)
<b>Nonoperating Revenues (Expenses):</b>	
Investment Earnings	80.77
Change in Net Position	(514,253.97)
Net Position - Beginning	929,112.17
<b>NET POSITION - ENDING</b>	<b>\$ 414,858.20</b>

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

**MEADE COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**December 31, 2022**

	<b>Custodial Funds</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 1,513,089.95
TOTAL ASSETS	\$ 1,513,089.95
<b>NET POSITION:</b>	
Restricted For:	
Individuals, Organizations, and Other Governments	\$ 1,513,089.95
TOTAL NET POSITION	\$ 1,513,089.95

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

**MEADE COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2022**

	<b>Custodial Funds</b>
<b>ADDITIONS:</b>	
Property Tax Collections for Other Governments	\$ 28,706,319.77
State Shared Revenue Collections for Other Governments	9,882,012.97
Other Additions	657,958.24
Total Additions	39,246,290.98
<b>DEDUCTIONS:</b>	
Payments of Property Tax to Other Governments	28,688,882.97
Payments of State Shared Revenue to Other Governments	9,826,430.80
Other Deductions	572,535.03
Total Deductions	39,087,848.80
Change in Net Position	158,442.18
Net Position - Beginning	1,354,647.77
<b>NET POSITION - ENDING</b>	<b>\$ 1,513,089.95</b>

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

**MEADE COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2021**

	<b>Custodial Funds</b>
<b>ADDITIONS:</b>	
Property Tax Collections for Other Governments	\$ 28,060,368.91
State Shared Revenue Collections for Other Governments	9,375,585.20
Other Additions	1,602,187.41
Total Additions	39,038,141.52
<b>DEDUCTIONS:</b>	
Payments of Property Tax to Other Governments	28,303,275.22
Payments of State Shared Revenue to Other Governments	9,414,468.93
Other Deductions	1,384,473.93
Total Deductions	39,102,218.08
Change in Net Position	(64,076.56)
Net Position - Beginning	1,418,724.33
<b>NET POSITION - ENDING</b>	<b>\$ 1,354,647.77</b>

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

MEADE COUNTY  
NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.c., these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

a. Financial Reporting Entity:

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

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

The Housing and Redevelopment Commission of Meade County, South Dakota (Commission) is a proprietary fund-type, discretely presented component unit. The five members of the Commission are appointed by the County Commission's Chairperson with the approval of the Board of County Commissioners for five-year, staggered terms. The Commission elects its own chairperson and recruits and employs its own management personnel and other workers. The County Commission, though, retains the statutory authority to approve or deny or otherwise modify the Commission's plans to construct a low-income housing unit, or to issue debt, which gives the County Commission the ability to impose its will on the Commission. Separately issued financial statements of the Housing and Redevelopment Commission may be obtained from: Meade County Housing and Redevelopment Commission, 1220 Cedar Street, Sturgis, SD 57785.

The financial activity of the Meade County Housing and Redevelopment Commission, a component unit of Meade County, has not been included in the financial statements presented in this report.

The County participates in a cooperative unit, with six other counties. See detailed note entitled "Joint Ventures" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit but are discussed in these notes because of the nature of their relationship with the County.

b. Basis of Presentation:

*Government-wide Financial Statements:*

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



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

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

*Fund Financial Statements:*

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

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

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

**Governmental Funds:**

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

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

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

The remaining special revenue funds are not considered major funds: 911 Service, Emergency Management, Domestic Abuse, Public Library, 24/7 Sobriety, Drug Abuse,

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

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

Tax Increment Financing District #2 Debt Service Fund – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs. This is not a major fund.

**Proprietary Funds:**

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

**Fiduciary Funds:**

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

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

c. Measurement Focus and Basis of Accounting:

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

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

*Measurement Focus:*

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

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

*Basis of Accounting:*

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

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

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

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

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

d. Deposits and Investments:

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

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

e. Capital Assets:

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

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The County has not elected to modify their cash basis presentation by

recording capital assets arising from cash transactions and depreciating those assets where appropriate, so any capital assets owned by the County and the related depreciation are not reported on the financial statements of the County.

f. Long-Term Liabilities:

Long-term liabilities include, but are not limited to, Notes Payable and Lease Liabilities.

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

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

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. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses and Changes in Net Position, revenues and expenses are classified as operating or non-operating revenues and expenses. Operating revenues and expenses directly relate to the purpose of the fund.

i. Equity Classifications:

*Government-wide Financial Statements:*

Equity is classified as Net Position and is displayed in two components:

1. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

2. Unrestricted Net Position – All other net position that do not meet the definition of Restricted Net Position.

*Fund Financial Statements:*

Governmental fund equity is classified as fund balance, and is distinguished between Nonspendable, Restricted, Committed, Assigned, or Unassigned components. Proprietary fund equity is classified the same as in the government-wide financial statements. Fiduciary fund equity is reported as restricted net position.

j. 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.

k. Fund Balance Classification Policies and Procedures:

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

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund Balance may be assigned by the County Commissioners.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

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

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

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

**Major Special Revenue Fund**

Road and Bridge Fund

**Revenue Source**

General Property Taxes and Motor Vehicle License Fees

A schedule of fund balances is provided as follows:

**MEADE COUNTY  
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances:</b>				
Restricted For:				
American Rescue Plan Purposes	\$ 5,203,159.00	\$	\$	\$ 5,203,159.00
Opioid Purposes	16,871.62			16,871.62
Snow Removal Purposes		480,036.78		480,036.78
Secondary Road Purposes		149,466.95		149,466.95
Emergency Management Purposes			261,799.41	261,799.41
Drug Abuse Purposes			43,830.39	43,830.39
Domestic Abuse Purposes			5,615.00	5,615.00
24/7 Sobriety Purposes			37,726.28	37,726.28
Modernization and Preservation Relief Purposes			90,121.12	90,121.12
Rural Access Infrastructure Purposes			46,260.27	46,260.27
Debt Service Purposes			4,055.12	4,055.12
Assigned To:				
Applied to Next Year's Budget	2,606,133.89			2,606,133.89
Drug Abuse Purposes			138.33	138.33
24/7 Sobriety Purposes			397.88	397.88
Emergency Management Purposes			10,068.19	10,068.19
Modernization and Preservation Relief Purposes			471.77	471.77
Rural Access Infrastructure Purposes			65.02	65.02
Unassigned	10,257,344.31	(654,115.13)	(435,557.99)	9,167,671.19
<b>Total Fund Balances</b>	<u>\$ 18,083,508.82</u>	<u>\$ (24,611.40)</u>	<u>\$ 64,990.79</u>	<u>\$ 18,123,888.21</u>

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2022, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. This statement improves accounting and financial reporting for leases; enhances the comparability of financial statements between governments; and also enhances the relevance, reliability, and consistency of information about the leasing activities of governments. The County prepared and presented the financial statements in accordance with the modified cash basis of accounting described in Note 1.c.; therefore, the implementation of this standard did not affect beginning net position or beginning fund balances.

3. DEFICIT FUND BALANCES / NET POSITION OF INDIVIDUAL NONMAJOR FUNDS

As of December 31, 2022, the following individual nonmajor funds had deficit fund balance/net position in the amounts shown:

911 Fund	\$ 416,223.69
Library Fund	\$ 19,334.30

The Board of County Commissioners plans to take the following actions to address the deficit fund balance/deficit net position:

A cash transfer to the 911 Service Fund and Library Fund will be made to cover the deficit balance.

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, 2022, the investments reported in the financial statements consist of only certificates of deposit.

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

**Custodial Credit Risk – Deposits** – The risk that, in the event of a depository failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2022, 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 investments to the fund making the investment.

5. PROPERTY TAXES

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

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

6. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2022 was as follows:

**Major Purposes:**

Road and Bridge Purposes	\$ 629,503.73
American Rescue Plan Purposes	<u>5,203,159.00</u>

**Other Purposes:**

Drug Abuse Purposes	43,830.39
Domestic Abuse Purposes	5,615.00
Emergency Management Purposes	261,799.41
24/7 Sobriety Purposes	39,134.26
Rural Access Infrastructure Purposes	46,260.27
Debt Service Purposes	4,055.12
Opioid Purposes	16,871.62
Modernization and Preservation Relief Purposes	<u>90,121.12</u>

Total Other Purposes	<u>507,687.19</u>
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**Total Restricted Net Position**

**\$ 6,340,349.92**

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



7. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2022 were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>
	Other Governmental Funds
Major Funds:	
General Fund	\$ 308,423.52

Interfund transfers for the year ended December 31, 2021 were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>		<u>Total</u>
	Road and Bridge Fund	Other Governmental Funds	
Major Funds:			
General Fund	\$ 2,100,000.00	\$ 202,000.00	\$ 2,302,000.00

The County typically budgets transfers to the Road and Bridge Fund, Emergency Management Fund, 911 Service Fund, and Library Fund (Other Governmental Funds) to conduct the indispensable functions of the County.

8. TAX ABATEMENTS

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

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

Meade County:

In 2016, the County created the Meade County Tax Increment District No. 2 under the authority granted by South Dakota Codified Law section 11-9. Because the general property taxes on tax increment district are allocated to the district, the taxes are not available to Meade County during the life of the tax increment district.

In 2016, the County entered into a development agreement with Elk Creek Development Company, LLC (Developer). The County and the Developer agreed to a project plan that included a portion that would be a County road and bridge and the remaining portion that would be development road system improvements and paving. The County's portion of the project plan was approximately 40% of the total estimated project cost and development portion was approximately 60%.

The amount of general property taxes levied for this tax increment district during the two calendar years ended December 31, 2022, was \$291,735.46. Based on the percentage of Meade County's property tax levy in relation to the total levy and the percentage of the development portion of the total project costs, the amount of general property taxes not available to Meade County was approximately \$36,081.84.

Municipality of Sturgis:

The Municipality of Sturgis has eight (8) active tax increments districts. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Meade County during the life of the tax increment district.

The amount of general property taxes levied for these tax increment districts during the two calendar years ended December 31, 2022, was \$834,409.30. Based on the percentage of Meade County's property tax levy in relation to the total levy, the amount of general property taxes not available to Meade County was approximately \$185,345.87.

Municipality of Piedmont:

The Municipality of Piedmont has one (1) active tax increment district. Because the general property taxes on tax increment district are allocated to the district, the taxes are not available to Meade County during the life of the tax increment district.

The amount of general property taxes levied for this tax increment district during the two calendar years ended December 31, 2022, was \$6,449.96. Based on the percentage of Meade County's property tax levy in relation to the total levy, the amount of general property taxes not available to Meade County was approximately \$1,619.72.

Municipality of Summerset:

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

The amount of general property taxes levied for these tax increment districts during the two calendar years ended December 31, 2022, was \$1,365,775.63. Based on the percentage of Meade County's property tax levy in relation to the total levy, the amount of general property taxes not available to Meade County was approximately \$319,843.81.

9. PENSION PLAN

**Plan Information:**

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

**Benefits Provided:**

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

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

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

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

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

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

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

**Contributions:**

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The County's share of contributions to the SDRS for the calendar years ended December 31, 2022, 2021, and 2020, equal to the required contributions each year, were as follows:

Year	Amount
2022	\$ 394,972.31
2021	\$ 373,669.82
2020	\$ 363,818.84

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

At June 30, 2022, SDRS is 100.1% 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, 2022 are as follows:

Proportionate share of total pension liability	\$	38,536,394.21
Less proportionate share of net position restricted for pension benefits		<u>38,562,193.09</u>
Proportionate share of net pension asset	\$	<u>(25,798.88)</u>

The net pension asset was measured as of June 30, 2022 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, 2022, the County's proportion was 0.272986%, which is an increase of 0.009286% from its proportion measured as of June 30, 2021.

**Actuarial Assumptions:**

The total pension asset in the June 30, 2022 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	2.10%

**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, 2022 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, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	3.7%
Fixed Income	30.0%	1.1%
Real Estate	10.0%	2.6%
Cash	<u>2.0%</u>	0.4%
Total	<u>100%</u>	

**Discount Rate:**

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

**Sensitivity of liability (asset) to changes in the discount rate:**

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability (asset)	\$ 5,356,902.13	\$ (25,798.88)	\$ (4,424,887.82)

**Pension Plan Fiduciary Net Position:**

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

10. JOINT VENTURES

The County participates in a joint venture, known as the Western South Dakota Juvenile Services Center Joint Powers Agreement, formed for the purpose of providing juvenile detention services to member counties.

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

Pennington County	57%
Meade County	15%
Lawrence County	13%
Butte County	5%
Custer County	5%
Fall River County	4%
Harding County	1%

The joint venture's governing board is composed of one county commissioner from each county. The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

The County retains no equity in the Net Position of the joint venture but does have a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from the Pennington County Auditor's Office.

#### 11. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2022, the County was involved in several lawsuits. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the County has liability coverage for itself and its employees with South Dakota Public Assurance Alliance. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

#### 12. 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, 2022, the County managed its risks as follows:

##### Employee Health Insurance:

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

The County has established a group health self-insurance fund to pay for medical claims of County employees and their covered dependents. Payments to the fund are the premiums charged to the employees and county departments as approved by the County Commission upon recommendation of the department head and, if needed other transfers as determined by the County Commission and are to cover individual claims up to \$50,000 and any administrative costs relative to the processing of claims. Medical claims exceeding \$50,000 covered through private re-insurance carriers. At December 31, 2022, the County had Net Position in the amount of \$255,995.73. As of January 1, 2023 the County now provides group health insurance through a commercial insurance carrier.

##### 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, officials liability, law enforcement liability, automobile liability, cyber liability, property damage, automobile and mobile equipment damage, electronic data processing equipment and software damage, employee dishonesty, and earthquake and flood.

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

The agreement with the SDPAA provides that the above coverages will be provided to a \$3,000,000 limit (\$2,000,000 Law Enforcement Liability). Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$250,000 for property coverage and \$500,000 for liability coverage to the upper limit.

The County carries a \$10,000 deductible for the law enforcement liability coverage, \$100,000 for cyber liability coverage, \$5,000 deductible for employment related claims, \$500 deductible for comprehensive coverage, \$1,000 deductible for collision coverage, for property damage (real, personal and electronic data processing hardware and software), \$500 to \$1,000 deductible for damage to mobile equipment and \$10,000 deductible for earthquake and flood.

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

#### Worker's Compensation:

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

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

Unemployment Benefits:

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



**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 10,314,366.00	\$ 10,314,366.00	\$ 10,303,768.17	\$ (10,597.83)
General Property Taxes--Delinquent	25,000.00	25,000.00	9,064.40	(15,935.60)
Penalties and Interest	35,000.00	35,000.00	21,850.80	(13,149.20)
Licenses and Permits	436,000.00	436,000.00	524,611.71	88,611.71
Intergovernmental Revenue:				
Federal Grants	239,000.00	239,000.00	2,994,957.94	2,755,957.94
Federal Shared Revenue	0.00	0.00	65,107.12	65,107.12
Federal Payments in Lieu of Taxes	200,000.00	200,000.00	207,816.00	7,816.00
State Grants	207,780.00	207,780.00	154,340.67	(53,439.33)
State Shared Revenue:				
Bank Franchise	60,000.00	60,000.00	73,863.63	13,863.63
Court Appointed Attorney/Public Defender	16,000.00	16,000.00	14,580.51	(1,419.49)
Abused and Neglected Child Defense	2,500.00	2,500.00	1,567.30	(932.70)
Telecommunications Gross Receipts Tax	100,000.00	100,000.00	41,275.15	(58,724.85)
Motor Vehicle 1/4%	9,000.00	9,000.00	9,417.16	417.16
Liquor Tax Reversion (25%)	135,000.00	135,000.00	131,065.72	(3,934.28)
Other State Shared Revenue	0.00	0.00	0.24	0.24
Other Payments in Lieu of Taxes	1,000.00	1,000.00	9,155.00	8,155.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	178,300.00	178,300.00	144,299.98	(34,000.02)
Register of Deeds' Fees	450,500.00	450,500.00	503,380.40	52,880.40
Legal Services	102,750.00	102,750.00	139,734.01	36,984.01
Clerk of Courts Fees	25,000.00	25,000.00	51,430.37	26,430.37
Other Fees	46,750.00	46,750.00	34,815.69	(11,934.31)
Public Safety:				
Law Enforcement	142,400.00	142,400.00	179,205.27	36,805.27
Prisoner Care	420,500.00	420,500.00	496,416.54	75,916.54
Other	15,000.00	15,000.00	21,795.94	6,795.94
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	1,000.00	1,000.00	405.20	(594.80)
Veterans Service Officer	4,375.00	4,375.00	4,375.00	0.00
Other	1,500.00	1,500.00	2,347.11	847.11
Conservation of Natural Resources	30,500.00	30,500.00	66,058.46	35,558.46
Other Charges	0.00	0.00	73.02	73.02
Fines and Forfeits:				
Fines	400.00	400.00	171.92	(228.08)
Costs	47,000.00	47,000.00	28,432.72	(18,567.28)
Forfeits	30,000.00	30,000.00	34,825.00	4,825.00
Miscellaneous Revenue:				
Investment Earnings	20,000.00	20,000.00	93,936.25	73,936.25
Rent	600.00	600.00	0.00	(600.00)
Contributions and Donations	750.00	750.00	0.00	(750.00)
Refund of Prior Year's Expenditures	0.00	0.00	22,551.20	22,551.20
Other	25,000.00	25,000.00	29,246.30	4,246.30
<b>Total Revenues</b>	<b>13,322,971.00</b>	<b>13,322,971.00</b>	<b>16,415,941.90</b>	<b>3,092,970.90</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	359,093.00	359,093.00	368,058.26	(8,965.26)
Contingency	500,000.00	500,000.00		
Amount Transferred		(233,000.00)		267,000.00
Elections	164,775.00	164,775.00	139,063.67	25,711.33
Judicial System	88,350.00	88,350.00	47,986.33	40,363.67
Financial Administration:				
Auditor	200,775.00	232,775.00	221,262.75	11,512.25
Treasurer	390,080.00	390,080.00	323,215.65	66,864.35

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2022**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Legal Services:				
State's Attorney	701,773.00	701,773.00	679,434.52	22,338.48
Court Appointed Attorney	362,500.00	585,500.00	516,514.18	68,985.82
Abused and Neglected Child Defense	30,000.00	30,000.00	13,583.89	16,416.11
Other General Government:				
General Government Building	986,666.00	986,666.00	931,448.56	55,217.44
Director of Equalization	1,020,355.00	1,020,355.00	924,160.14	96,194.86
Register of Deeds	0.00	329,179.00	308,110.72	21,068.28
Veterans Service Officer	33,341.00	33,341.00	32,446.36	894.64
Predatory Animal	11,300.00	11,300.00	9,850.77	1,449.23
Other	175,000.00	175,000.00	169,577.01	5,422.99
Information Technology	325,575.00	325,575.00	318,375.50	7,199.50
Human Resources	279,729.00	279,729.00	244,869.40	34,859.60
Public Safety:				
Law Enforcement:				
Sheriff	2,385,797.00	2,595,897.00	2,531,524.34	64,372.66
County Jail	2,041,348.00	2,202,848.00	2,084,998.82	117,849.18
Juvenile Detention	135,000.00	183,500.00	183,260.00	240.00
Protective and Emergency Services:				
Fire Protection	40,000.00	40,000.00	37,627.01	2,372.99
Other Protective and Emergency Services	221,152.00	221,152.00	173,360.98	47,791.02
Health and Welfare:				
Economic Assistance:				
Support of Poor	12,250.00	12,250.00	4,240.00	8,010.00
Health Assistance:				
County Nurse	24,201.00	24,201.00	0.00	24,201.00
Mental Health Services:				
Mentally Ill	8,000.00	8,000.00	4,384.86	3,615.14
Developmentally Disabled	500.00	500.00	500.00	0.00
Mental Illness Board	45,700.00	106,700.00	99,407.20	7,292.80
Culture and Recreation:				
Recreation:				
County Fair	8,500.00	8,500.00	8,500.00	0.00
Senior Center	3,000.00	3,000.00	3,000.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	30,880.00	30,880.00	30,725.66	154.34
Soil Conservation Districts	25,000.00	25,000.00	25,000.00	0.00
Weed Control	195,014.00	195,014.00	157,473.51	37,540.49
Urban and Economic Development:				
Urban Development:				
Urban and Rural Development	6,965.00	6,965.00	6,965.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	17,000.00	17,000.00	17,000.00	0.00
Total Expenditures	<u>10,829,619.00</u>	<u>11,661,898.00</u>	<u>10,615,925.09</u>	<u>1,045,972.91</u>
Excess of Revenues Over (Under) Expenditures	<u>2,493,352.00</u>	<u>1,661,073.00</u>	<u>5,800,016.81</u>	<u>4,138,943.81</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(4,293,032.00)	(4,293,032.00)	(308,423.52)	3,984,608.48
Insurance Proceeds	35,000.00	35,000.00	203,125.63	168,125.63
Sale of County Property	505,000.00	505,000.00	0.00	(505,000.00)
Total Other Financing Sources (Uses)	<u>(3,753,032.00)</u>	<u>(3,753,032.00)</u>	<u>(105,297.89)</u>	<u>3,647,734.11</u>
Net Change in Fund Balance	(1,259,680.00)	(2,091,959.00)	5,694,718.92	7,786,677.92
Fund Balance - Beginning	<u>12,388,789.90</u>	<u>12,388,789.90</u>	<u>12,388,789.90</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 11,129,109.90</u>	<u>\$ 10,296,830.90</u>	<u>\$ 18,083,508.82</u>	<u>\$ 7,786,677.92</u>

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 292,553.00	\$ 292,553.00	\$ 302,852.75	\$ 10,299.75
General Property Taxes--Delinquent	1,000.00	1,000.00	231.15	(768.85)
Penalties and Interest	1,250.00	1,250.00	780.59	(469.41)
Wheel Tax	900,000.00	900,000.00	940,829.25	40,829.25
Intergovernmental Revenue:				
Federal Shared Revenue	35,000.00	35,000.00	35,250.47	250.47
State Grants	700,000.00	700,000.00	956,163.79	256,163.79
State Shared Revenue:				
Bank Franchise	1,500.00	1,500.00	2,026.44	526.44
Motor Vehicle Licenses	1,950,000.00	1,950,000.00	2,012,387.12	62,387.12
State Highway Fund (former 10% game)	14,500.00	14,500.00	11,823.21	(2,676.79)
Prorate License Fees	110,000.00	110,000.00	129,117.91	19,117.91
63 3/4% Mobile Home	36,500.00	36,500.00	86,645.72	50,145.72
Secondary Road Remittances	515,000.00	515,000.00	567,361.28	52,361.28
Motor Fuel Tax	0.00	0.00	11,924.42	11,924.42
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	0.00	0.00	21,030.55	21,030.55
Other	0.00	0.00	35.00	35.00
Miscellaneous Revenue:				
Investment Earnings	7,000.00	7,000.00	0.00	(7,000.00)
<b>Total Revenues</b>	<u>4,564,303.00</u>	<u>4,564,303.00</u>	<u>5,078,459.65</u>	<u>514,156.65</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	8,336,862.00	8,336,862.00	7,178,472.85	1,158,389.15
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(3,772,559.00)</u>	<u>(3,772,559.00)</u>	<u>(2,100,013.20)</u>	<u>1,672,545.80</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,500,000.00	3,500,000.00	0.00	(3,500,000.00)
Sale of County Property	0.00	0.00	219,200.00	219,200.00
<b>Total Other Financing Sources (Uses)</b>	<u>3,500,000.00</u>	<u>3,500,000.00</u>	<u>219,200.00</u>	<u>(3,280,800.00)</u>
<b>Net Change in Fund Balance</b>	<u>(272,559.00)</u>	<u>(272,559.00)</u>	<u>(1,880,813.20)</u>	<u>(1,608,254.20)</u>
<b>Fund Balance - Beginning</b>	<u>1,856,201.80</u>	<u>1,856,201.80</u>	<u>1,856,201.80</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,583,642.80</u>	<u>\$ 1,583,642.80</u>	<u>\$ (24,611.40)</u>	<u>\$ (1,608,254.20)</u>

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 10,103,610.00	\$ 10,103,610.00	\$ 10,051,168.35	\$ (52,441.65)
General Property Taxes--Delinquent	25,000.00	25,000.00	80,588.29	55,588.29
Penalties and Interest	35,000.00	35,000.00	26,523.18	(8,476.82)
Other Taxes	0.00	0.00	73.02	73.02
Licenses and Permits	287,964.00	287,964.00	561,578.39	273,614.39
Intergovernmental Revenue:				
Federal Grants	250,625.00	250,625.00	3,198,521.56	2,947,896.56
Federal Payments in Lieu of Taxes	190,000.00	190,000.00	199,177.00	9,177.00
State Grants	38,000.00	38,000.00	43,810.00	5,810.00
State Shared Revenue:				
Bank Franchise	54,000.00	54,000.00	57,427.64	3,427.64
Court Appointed Attorney/Public Defender	14,500.00	14,500.00	27,118.45	12,618.45
Abused and Neglected Child Defense	1,750.00	1,750.00	2,467.60	717.60
Telecommunications Gross Receipts Tax	95,000.00	95,000.00	67,107.72	(27,892.28)
Motor Vehicle 1/4%	9,000.00	9,000.00	10,201.26	1,201.26
Liquor Tax Reversion (25%)	124,000.00	124,000.00	138,449.76	14,449.76
Other Payments in Lieu of Taxes	1,100.00	1,100.00	9,904.82	8,804.82
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	124,475.00	124,475.00	152,010.30	27,535.30
Register of Deeds' Fees	353,600.00	353,600.00	551,783.29	198,183.29
Legal Services	99,100.00	99,100.00	152,307.91	53,207.91
Clerk of Courts Fees	25,000.00	25,000.00	24,117.67	(882.33)
Other Fees	44,132.00	44,132.00	49,104.36	4,972.36
Public Safety:				
Law Enforcement	192,100.00	192,100.00	182,076.11	(10,023.89)
Prisoner Care	345,500.00	345,500.00	324,261.47	(21,238.53)
Other	0.00	0.00	64,129.65	64,129.65
Public Works:				
Road Maintenance Contract Charges	2,500.00	2,500.00	7,521.50	5,021.50
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	12,500.00	12,500.00	346.59	(12,153.41)
Veterans Service Officer	0.00	0.00	4,375.00	4,375.00
Other	0.00	0.00	2,715.83	2,715.83
Conservation of Natural Resources	33,500.00	33,500.00	16,932.27	(16,567.73)
Other Charges	6,000.00	6,000.00	25,930.29	19,930.29
Fines and Forfeits:				
Fines	500.00	500.00	191.75	(308.25)
Costs	38,000.00	38,000.00	40,604.30	2,604.30
Forfeits	35,000.00	35,000.00	35,665.50	665.50
Miscellaneous Revenue:				
Investment Earnings	18,000.00	18,000.00	11,603.76	(6,396.24)
Rent	3,900.00	3,900.00	1,419.99	(2,480.01)
Contributions and Donations	250.00	250.00	775.00	525.00
Refund of Prior Year's Expenditures	0.00	0.00	20,620.00	20,620.00
Other	25,000.00	25,000.00	3,128.60	(21,871.40)
<b>Total Revenues</b>	<b>12,588,606.00</b>	<b>12,588,606.00</b>	<b>16,145,738.18</b>	<b>3,557,132.18</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	228,419.00	228,419.00	214,520.87	13,898.13
Contingency	630,000.00	630,000.00		
Amount Transferred		(351,043.00)		278,957.00
Elections	10,800.00	10,800.00	8,066.58	2,733.42
Judicial System	88,350.00	88,350.00	35,508.83	52,841.17
Financial Administration:				
Auditor	261,794.00	261,794.00	160,930.07	100,863.93

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2021**  
**(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Treasurer	386,345.00	386,345.00	361,185.37	25,159.63
Legal Services:				
State's Attorney	666,060.00	666,060.00	661,197.68	4,862.32
Court Appointed Attorney	375,000.00	447,466.00	447,465.77	0.23
Abused and Neglected Child Defense	25,500.00	29,726.00	29,725.53	0.47
Other General Government:				
General Government Building	953,214.00	953,214.00	932,848.03	20,365.97
Director of Equalization	831,385.00	869,385.00	863,421.11	5,963.89
Register of Deeds	309,775.00	309,775.00	288,392.97	21,382.03
Veterans Service Officer	36,835.00	36,835.00	31,145.00	5,690.00
Predatory Animal	11,300.00	11,300.00	9,850.77	1,449.23
Other	150,000.00	166,389.00	166,388.21	0.79
Information Technology	140,334.00	140,334.00	122,883.63	17,450.37
Human Resources	194,434.00	257,934.00	256,954.00	980.00
Public Safety:				
Law Enforcement:				
Sheriff	2,420,437.00	2,420,437.00	2,349,168.67	71,268.33
County Jail	1,839,363.00	1,947,363.00	1,916,334.30	31,028.70
Juvenile Detention	135,000.00	135,000.00	80,658.00	54,342.00
Protective and Emergency Services:				
Fire Protection	31,000.00	37,627.00	37,627.00	0.00
Other Protective and Emergency	223,059.00	223,059.00	182,090.71	40,968.29
Health and Welfare:				
Economic Assistance:				
Support of Poor	12,250.00	12,250.00	1,070.00	11,180.00
Health Assistance:				
County Nurse	33,201.00	33,201.00	33,043.00	158.00
Mental Health Services:				
Mentally Ill	10,000.00	10,000.00	6,317.42	3,682.58
Developmentally Disabled	500.00	500.00	500.00	0.00
Mental Illness Board	40,500.00	82,170.00	82,169.33	0.67
Culture and Recreation:				
Recreation:				
County Fair	8,500.00	8,500.00	8,500.00	0.00
Senior Center	3,000.00	3,000.00	3,000.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	30,888.00	30,888.00	29,701.92	1,186.08
Soil Conservation Districts	15,000.00	15,000.00	15,000.00	0.00
Predator Control Districts	10,000.00	10,000.00	10,000.00	0.00
Weed Control	125,091.00	125,091.00	113,769.36	11,321.64
Urban and Economic Development:				
Urban Development:				
Urban and Rural Development	6,965.00	6,965.00	6,965.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	17,000.00	17,000.00	17,000.00	0.00
Total Expenditures	<u>10,261,299.00</u>	<u>10,261,134.00</u>	<u>9,483,399.13</u>	<u>777,734.87</u>
Excess of Revenues Over (Under) Expenditures	<u>2,327,307.00</u>	<u>2,327,472.00</u>	<u>6,662,339.05</u>	<u>4,334,867.05</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(3,327,633.00)	(3,327,633.00)	(2,302,000.00)	1,025,633.00
Insurance Proceeds	20,000.00	20,000.00	51,628.70	31,628.70
Sale of County Property	5,000.00	5,000.00		(5,000.00)
Total Other Financing Sources (Uses)	<u>(3,302,633.00)</u>	<u>(3,302,633.00)</u>	<u>(2,250,371.30)</u>	<u>1,052,261.70</u>
Net Change in Fund Balance	(975,326.00)	(975,161.00)	4,411,967.75	5,387,128.75
Fund Balance - Beginning	<u>7,976,822.15</u>	<u>7,976,822.15</u>	<u>7,976,822.15</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 7,001,496.15</u>	<u>\$ 7,001,661.15</u>	<u>\$ 12,388,789.90</u>	<u>\$ 5,387,128.75</u>

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 286,251.00	\$ 286,251.00	\$ 285,624.23	\$ (626.77)
General Property Taxes--Delinquent	1,000.00	1,000.00	2,125.12	1,125.12
Penalties and Interest	1,250.00	1,250.00	875.44	(374.56)
Wheel Tax	860,000.00	860,000.00	940,295.88	80,295.88
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	144,966.91	144,966.91
Federal Shared Revenue	32,500.00	32,500.00	31,562.55	(937.45)
State Grants	615,000.00	615,000.00	781,404.24	166,404.24
State Shared Revenue:				
Bank Franchise	1,250.00	1,250.00	1,575.52	325.52
Motor Vehicle Licenses	1,950,000.00	1,950,000.00	2,161,949.30	211,949.30
State Highway Fund (former 10% game)	14,000.00	14,000.00	11,823.21	(2,176.79)
Prorate License Fees	108,250.00	108,250.00	119,226.56	10,976.56
63 3/4% Mobile Home	36,500.00	36,500.00	59,558.27	23,058.27
Secondary Road Remittances	515,000.00	515,000.00	539,835.52	24,835.52
Motor Fuel Tax	0.00	0.00	11,074.65	11,074.65
Other State Shared Revenue	11,500.00	11,500.00	0.00	(11,500.00)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	8,500.00	8,500.00	71,014.33	62,514.33
Miscellaneous Revenue:				
Investment Earnings	9,000.00	9,000.00	4,982.90	(4,017.10)
<b>Total Revenues</b>	<u>4,450,001.00</u>	<u>4,450,001.00</u>	<u>5,167,894.63</u>	<u>717,893.63</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	8,435,988.00	8,435,988.00	6,821,362.65	1,614,625.35
Debt Service	426,935.00	426,935.00	234,310.40	192,624.60
<b>Total Expenditures</b>	<u>8,862,923.00</u>	<u>8,862,923.00</u>	<u>7,055,673.05</u>	<u>1,807,249.95</u>
Excess of Revenues Over (Under) Expenditures	(4,412,922.00)	(4,412,922.00)	(1,887,778.42)	2,525,143.58
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,063,672.00	3,063,672.00	2,100,000.00	(963,672.00)
Net Change in Fund Balance	(1,349,250.00)	(1,349,250.00)	212,221.58	1,561,471.58
Fund Balance - Beginning	1,643,980.22	1,643,980.22	1,643,980.22	0.00
<b>FUND BALANCE - ENDING</b>	<u>\$ 294,730.22</u>	<u>\$ 294,730.22</u>	<u>\$ 1,856,201.80</u>	<u>\$ 1,561,471.58</u>

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

**South Dakota Retirement System**

\*Last 10 Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.272986%	0.263700%	0.280967%	0.288581%	0.284374%	0.282735%	0.295007%	0.313036%	0.327311%
County's proportionate share of net pension liability (asset)	\$ (25,799)	\$ (2,019,491)	\$ (12,202)	\$ (30,582)	\$ (6,632)	\$ (25,658)	\$ 996,505	\$ (1,327,675)	\$ (2,358,143)
County's covered-employee payroll	\$ 6,375,114	\$ 5,488,111	\$ 5,656,517	\$ 5,644,587	\$ 5,455,906	\$ 5,305,557	\$ 5,195,324	\$ 5,277,988	\$ 5,254,542
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.40%	36.80%	0.22%	0.54%	0.12%	0.48%	19.18%	25.15%	44.88%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.10%	105.52%	100.04%	100.09%	100.02%	100.01%	96.89%	104.10%	107.30%

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



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

**Changes from Prior Valuation**

The June 30, 2022 Actuarial Valuation reflects numerous changes to the actuarial assumptions as a result of an experience analysis completed since the June 30, 2021 Actuarial Valuation. In addition, two changes in actuarial methods have been implemented since the prior valuation.

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

**Benefit Provision Changes**

During the 2022 Legislative Session no significant SDRS benefit changes were made and gaming enforcement agents became Class B Public Safety Members.

**Actuarial Assumption Changes**

As a result of an experience analysis covering the period from July 1, 2016, to June 30, 2021, and presented to the SDRS Board of Trustees in April and June 2022, significant changes to the actuarial assumptions were recommended by the SDRS Senior Actuary and adopted by the Board of Trustees first effective for this June 30, 2022, actuarial valuation.

The changes to economic assumptions included increasing the price inflation to 2.50% and increasing the wage inflation to 3.15%. The current assumed investment return assumption of 6.50% was retained, lowering the assumed real investment return to 4.00%. The baseline COLA assumption of 2.25% was also retained. Salary increase assumptions were modified to reflect the increase in assumed wage inflation and recent experience. The assumed interest on accumulated contributions was decreased to 2.25%.

The demographic assumptions were also reviewed and revised. The mortality assumption was changed to the Pub-2010 amount-weighted tables using separate tables for teachers, general, and public safety retirees, with assumptions for retirees adjusted based on credible experience. The mortality assumption for active and terminated vested members was changed to the unadjusted amount-weighted Pub-2010 tables, again by member classification and the assumption for beneficiaries was changed to the amount-weighted Pub-2010 general contingent survivor table. Adjustments based on experience were also made to the assumptions regarding retirement, termination, disability, age of spouses for married Foundation members, percentage of terminated vested members electing a refund, and benefit commencement age for terminated vested Public Safety members with 15 or more years of service.

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% (0.5% prior to 2021) 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, 2021, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was greater than 100% and the full 0% to 3.5% COLA range was payable. For the June 30, 2021, Actuarial Valuation, future COLAs were assumed to equal the baseline COLA assumption of 2.25%.

As of June 30, 2022, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is less than 100% and the July 2023 SDRS COLA is limited to a restricted maximum of 2.10%. The July

2023 SDRS COLA will equal inflation, between 0% and 2.10%. For this June 30, 2022, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 2.10%.

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 7 changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027, Actuarial Valuation.

### **Actuarial Method Changes**

Actuarial method changes with minor impact were implemented for this valuation after recommendation by Cavanaugh Macdonald Consulting as part of their reviews of prior valuations. As a result, liabilities and normal costs for refund benefits and the Generational Variable Retirement Account are now calculated using the entry age normal cost method with normal costs based on the expected value of these accounts rather than the actual balance.

**SUPPLEMENTARY INFORMATION  
 MEADE COUNTY  
 SCHEDULE OF CHANGES IN LONG-TERM DEBT  
 For the Two Years Ended December 31, 2022**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2021</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2022</u>
<b>Governmental Long-Term Debt:</b>				
Other Long-Term Debt Payable	\$ 2,714,361.32	\$	\$ (220,151.77)	\$ 2,494,209.55

Note 1 - Long-Term Debt:

Debt payable at December 31, 2022 is comprised of the following:

Other Long-Term Debt Payable:

Tax Increment District #2 Loan, Maturing 9/1/2035, Interest Rate of 6.5%, Payable from the TIF Debt Service Fund	\$ 2,494,209.55
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