

**MEADE COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2024**

MEADE COUNTY  
COUNTY OFFICIALS  
December 31, 2024

Board of Commissioners:

Doreen Allison Creed  
Gary Deering  
Richard Liggett  
Ted Seaman  
Talbot Wiczorek

Auditor:  
Rhea Crane

Treasurer:  
Robin Shrake

State's Attorney:  
Michele Bordewyk

Register of Deeds:  
Lana Anderson

Sheriff:  
Pat West

MEADE COUNTY  
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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, 2024, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 26, 2026.

An adverse opinion for the aggregate discreetly 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, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



Russell A. Olson  
Auditor General

May 26, 2026



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RUSSELL A. OLSON  
AUDITOR GENERAL

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

**Independent Auditor's Report**

County Commission  
Meade County  
Sturgis, South Dakota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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

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

### **Purpose of this Report**

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



Russell A. Olson  
Auditor General

May 26, 2026

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

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Audit Findings:**

Finding No. 2022-001:

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 finding has been resolved.

Finding No. 2022-002:

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. This finding has been resolved.

**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**

**Section I – Summary of the Auditor’s Results**

***Financial Statements***

- a. An adverse opinion was issued for the omission of the Meade County Housing and Redevelopment Commission, a discretely presented component unit, financial statements. An unmodified opinion was issued for each opinion unit of the primary government’s modified cash basis financial statements.
- b. No material weaknesses or significant deficiencies were disclosed by our audit of the financial statements.
- c. Our audit did not disclose any noncompliance which was material to the financial statements.

***Federal Awards***

- d. An unmodified opinion was issued on compliance with the requirements applicable to major programs.
- e. Our audit did not disclose any audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
- f. The federal award tested as a major program was:
  - ALN # 21.027 Coronavirus State and Local Fiscal Recovery Funds
- g. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$750,000.
- h. Meade County did not qualify as a low-risk auditee.

**Section II – Financial Statement Findings**

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

**Section III – Federal Award Findings and Questioned Costs**

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



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RUSSELL A. OLSON  
AUDITOR GENERAL

## Independent Auditor's Report

County Commission  
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, 2024, 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 Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component unit of the Meade County as of December 31, 2024, and 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 Information***

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 Meade County as of December 31, 2024, 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 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements; however, this implementation did not result in a restatement of the net position as of January 1, 2023. Our opinions are not modified with respect to this matter.

As discussed in Note 2 to the financial statements, in 2024, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections; however, this implementation did not result in a restatement of the net position as of January 1, 2024. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards, which as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Budgetary Comparison Schedules, the Schedule of 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 Schedule of Expenditures of Federal Awards, 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 May 26, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

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

Russell A. Olson  
Auditor General

May 26, 2026

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

	<b>Primary Government Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 22,618,077.09
TOTAL ASSETS	\$ 22,618,077.09
<b>NET POSITION:</b>	
Restricted For: (See Note 7)	
Road and Bridge Purposes	\$ 480,036.78
OPIOID Settlement Purposes	251,555.45
Other Purposes	277,967.04
Unrestricted	21,608,517.82
TOTAL NET POSITION	\$ 22,618,077.09

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 4,980,626.71	\$ 963,968.59	\$ 114,664.54	\$ 65,051.39	\$ (3,836,942.19)
Public Safety	6,378,761.55	977,082.68	452,007.61		(4,949,671.26)
Public Works	6,151,938.08		3,961,608.83		(2,190,329.25)
Health and Welfare	152,516.93	78.00	217,978.02		65,539.09
Culture and Recreation	66,200.00				(66,200.00)
Conservation of Natural Resources	246,860.51	660.00	25,950.00		(220,250.51)
Urban and Economic Development	477,021.35	256,372.78			(220,648.57)
**Interest on Long-Term Debt	120,673.99				(120,673.99)
<b>Total Primary Government</b>	<b>\$ 18,574,599.12</b>	<b>\$ 2,198,162.05</b>	<b>\$ 4,772,209.00</b>	<b>\$ 65,051.39</b>	<b>(11,539,176.68)</b>
<b>General Revenues:</b>					
Taxes:					
					11,800,149.46
					1,008,164.63
					242,055.76
					235,660.00
					880,568.96
					156,265.78
<b>Total General Revenues</b>					<b>14,322,864.59</b>
Change in Net Position					2,783,687.91
Net Position - beginning, as previously reported					19,834,389.18
<b>NET POSITION - ENDING</b>					<b>\$ 22,618,077.09</b>

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

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

**MEADE COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 5,565,567.84	\$ 1,253,412.68	\$ 40,399.88	\$	\$ (4,271,755.28)
Public Safety	6,396,443.09	1,130,303.12	409,203.43	33,233.45	(4,823,703.09)
Public Works	6,566,632.62		4,031,971.06		(2,534,661.56)
Health and Welfare	99,687.20	1,111.01			(98,576.19)
Culture and Recreation	66,200.00				(66,200.00)
Conservation of Natural Resources	232,970.72	80,494.37		10,286.40	(142,189.95)
Urban and Economic Development	33,140.00				(33,140.00)
**Interest on Long-Term Debt	239,245.53				(239,245.53)
<b>Total Primary Government</b>	<b>\$ 19,199,887.00</b>	<b>\$ 2,465,321.18</b>	<b>\$ 4,481,574.37</b>	<b>\$ 43,519.85</b>	<b>(12,209,471.60)</b>
<b>General Revenues:</b>					
Taxes:					
					11,259,516.84
					995,167.03
					248,327.01
					286,344.12
					597,848.16
					276,773.68
<b>Total General Revenues</b>					<b>13,663,976.84</b>
<b>Change in Net Position</b>					<b>1,454,505.24</b>
<b>Net Position - beginning, as previously reported</b>					<b>18,379,883.94</b>
<b>NET POSITION - ENDING</b>					<b>\$ 19,834,389.18</b>

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

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

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

	<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	\$ 20,884,153.82	\$ 1,444,984.61	\$ 288,938.66	\$ 22,618,077.09
<b>TOTAL ASSETS</b>	<u>\$ 20,884,153.82</u>	<u>\$ 1,444,984.61</u>	<u>\$ 288,938.66</u>	<u>\$ 22,618,077.09</u>
<b>FUND BALANCES:</b> (See Note 1.k.)				
Restricted	\$ 251,555.45	\$ 480,036.78	\$ 277,967.04	\$ 1,009,559.27
Assigned	15,547,550.00	964,947.83	87,208.84	16,599,706.67
Unassigned	5,085,048.37		(76,237.22)	5,008,811.15
<b>TOTAL FUND BALANCES</b>	<u>\$ 20,884,153.82</u>	<u>\$ 1,444,984.61</u>	<u>\$ 288,938.66</u>	<u>\$ 22,618,077.09</u>

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, 2024**

	<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	\$ 11,146,303.29	\$ 321,384.92	\$ 296,944.91	\$ 11,764,633.12
General Property Taxes--Delinquent	940.95	28.74	2.23	971.92
Penalties and Interest	19,375.26	694.33	58.52	20,128.11
Wheel Tax		1,008,164.63		1,008,164.63
Tax Deed Revenue	13,436.56	920.37	59.38	14,416.31
Licenses and Permits	445,399.78		3,990.00	449,389.78
Intergovernmental Revenue:				
Federal Grants	142,083.53		24,791.62	166,875.15
Federal Shared Revenue		34,995.40		34,995.40
Federal Payments in Lieu of Taxes	235,660.00			235,660.00
State Grants	41,700.00	827,959.50		869,659.50
State Shared Revenue:				
Bank Franchise	64,717.65			64,717.65
Motor Vehicle Licenses		2,229,843.41		2,229,843.41
State Highway Fund (former 10% game)		11,712.86		11,712.86
Court Appointed Attorney/Public Defender	13,747.66			13,747.66
Prorate License Fees		138,065.67		138,065.67
Abused and Neglected Child Defense	1,694.04			1,694.04
63 3/4% Mobile Home		56,719.04		56,719.04
Secondary Road Remittances		601,776.13		601,776.13
Telecommunications Gross Receipts Tax	47,095.57			47,095.57
Motor Vehicle 1/4%	10,557.46			10,557.46
Motor Fuel Tax		12,043.50		12,043.50
911 Remittances			294,132.46	294,132.46
Liquor Tax Reversion (25%)	127,987.86			127,987.86
Other State Shared Revenue	63,915.38		48,493.32	112,408.70
Other Payments in Lieu of Taxes	2,254.68			2,254.68
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	154,106.94			154,106.94
Register of Deeds' Fees	377,914.15		15,701.49	393,615.64
Legal Services	136,304.24		2,175.00	138,479.24

Clerk of Courts Fees	24,340.00			24,340.00
Other Fees	61,148.42			61,148.42
Public Safety:				
Law Enforcement	154,937.21		155,593.48	310,530.69
Prisoner Care	574,840.98			574,840.98
Sobriety Testing			20,285.00	20,285.00
Other	3,875.50			3,875.50
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	78.00			78.00
Veterans Service Officer	4,812.50			4,812.50
Conservation of Natural Resources	660.00			660.00
Other Charges	29.85			29.85
Fines and Forfeits:				
Fines	747.50			747.50
Costs	18,990.71		531.30	19,522.01
Forfeits	38,550.00			38,550.00
Miscellaneous Revenue:				
Investment Earnings	809,867.24	58,910.68	11,791.04	880,568.96
Rent	3,150.00			3,150.00
Refund of Prior Year's Expenditures	8,429.25		2,095.09	10,524.34
Other	222,504.46			222,504.46
Total Revenues	<u>14,972,156.62</u>	<u>5,303,219.18</u>	<u>876,644.84</u>	<u>21,152,020.64</u>

**Expenditures:**

General Government:

Legislative:

Board of County Commissioners	286,385.52			286,385.52
Elections	157,595.90			157,595.90
Judicial System	44,554.59			44,554.59

Financial Administration:

Auditor	300,991.95			300,991.95
Treasurer	427,779.41			427,779.41

Legal Services:

State's Attorney	715,162.24			715,162.24
Court Appointed Attorney	559,241.28			559,241.28
Abused and Neglected Child Defense	26,839.08			26,839.08

Other General Government:

General Government Building	773,955.88			773,955.88
Director of Equalization	666,285.43			666,285.43
Register of Deeds	275,560.42		12,267.96	287,828.38
Veterans Service Officer	39,849.17			39,849.17
Predatory Animal	9,850.77			9,850.77
Other	199,428.95			199,428.95

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Information Technology	297,473.32			297,473.32
Human Resources	187,404.84			187,404.84
Public Safety:				
Law Enforcement:				
Sheriff	3,039,234.35		2,051.30	3,041,285.65
County Jail	2,245,614.12		86,213.99	2,331,828.11
Juvenile Detention	101,160.00			101,160.00
Protective and Emergency Services:				
Fire Protection	52,948.00			52,948.00
Emergency and Disaster Services			79,128.81	79,128.81
Communication Center			758,285.49	758,285.49
Other Protective and Emergency Services	64,482.66			64,482.66
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		6,151,938.08		6,151,938.08
Health and Welfare:				
Economic Assistance:				
Support of Poor	8,380.00			8,380.00
Health Assistance:				
County Nurse	24,000.00			24,000.00
Social Services:				
Domestic Abuse			4,830.00	4,830.00
Mental Health Services:				
Mentally Ill	14,721.13			14,721.13
Developmentally Disabled	500.00			500.00
Drug Abuse	7,500.00			7,500.00
Mental Illness Board	92,585.80			92,585.80
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



**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2023**

	<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	\$ 10,648,800.94	\$ 313,025.19	\$ 269,583.66	\$ 11,231,409.79
General Property Taxes--Delinquent	6,109.75	69.29	25.47	6,204.51
Penalties and Interest	21,105.61	726.64	70.29	21,902.54
Wheel Tax		995,167.03		995,167.03
Licenses and Permits	448,168.39		6,930.00	455,098.39
Intergovernmental Revenue:				
Federal Grants	97,703.51		73,893.04	171,596.55
Federal Shared Revenue	65,107.12	37,121.50		102,228.62
Federal Payments in Lieu of Taxes	221,237.00			221,237.00
State Grants	14,261.40	833,744.43	42,454.89	890,460.72
State Shared Revenue:				
Bank Franchise	62,261.69	1,822.53	201.17	64,285.39
Motor Vehicle Licenses		2,307,450.96		2,307,450.96
State Highway Fund (former 10% game)		11,617.23		11,617.23
Court Appointed Attorney/Public Defender	15,609.50			15,609.50
Prorate License Fees		138,333.51		138,333.51
63 3/4% Mobile Home		22,434.54		22,434.54
Secondary Road Remittances		636,881.43		636,881.43
Telecommunications Gross Receipts Tax	53,086.63			53,086.63
Motor Vehicle 1/4%	10,815.38			10,815.38
Motor Fuel Tax		11,932.57		11,932.57
911 Remittances			237,606.88	237,606.88
Liquor Tax Reversion (25%)	128,616.47			128,616.47
Other State Shared Revenue	0.01			0.01
Other Payments in Lieu of Taxes	2,338.51			2,338.51
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	154,605.83			154,605.83
Register of Deeds' Fees	416,073.40		16,828.62	432,902.02
Legal Services	101,716.77		3,029.28	104,746.05

Clerk of Courts Fees	63,890.23			63,890.23
Other Fees	36,642.24			36,642.24
Public Safety:				
Law Enforcement	137,457.48		202,118.06	339,575.54
Prisoner Care	680,061.44			680,061.44
Sobriety Testing			21,043.00	21,043.00
Other	10,228.63			10,228.63
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	1,111.01			1,111.01
Veterans Service Officer	4,375.00			4,375.00
Conservation of Natural Resources	80,494.37			80,494.37
Other Charges	4,907.92			4,907.92
Fines and Forfeits:				
Fines	492.38			492.38
Costs	19,872.13		425.00	20,297.13
Forfeits	50,650.00			50,650.00
Miscellaneous Revenue:				
Investment Earnings	566,410.82	24,024.01	7,413.33	597,848.16
Rent	4,200.00			4,200.00
Refund of Prior Year's Expenditures	12,312.13			12,312.13
Other	46,391.55			46,391.55
Total Revenues	<u>14,187,115.24</u>	<u>5,334,350.86</u>	<u>882,032.69</u>	<u>20,403,498.79</u>

**Expenditures:**

## General Government:

## Legislative:

Board of County Commissioners	321,999.14			321,999.14
Elections	21,314.21			21,314.21
Judicial System	81,462.92			81,462.92

## Financial Administration:

Auditor	347,230.51			347,230.51
Treasurer	368,566.51			368,566.51

## Legal Services:

State's Attorney	681,631.15			681,631.15
Court Appointed Attorney	523,082.98			523,082.98
Abused and Neglected Child Defense	4,176.40			4,176.40

## Other General Government:

General Government Building	1,196,584.94			1,196,584.94
Director of Equalization	994,130.52			994,130.52
Register of Deeds	438,758.93		11,683.77	450,442.70
Veterans Service Officer	29,668.94			29,668.94

**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2023**  
**(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	198,768.27			198,768.27
Information Technology	183,899.81			183,899.81
Human Resources	139,473.28			139,473.28
Public Safety:				
Law Enforcement:				
Sheriff	2,485,003.21		116.47	2,485,119.68
County Jail	2,247,997.27		81,478.93	2,329,476.20
Juvenile Detention	85,155.14			85,155.14
Protective and Emergency Services:				
Fire Protection	20,000.00			20,000.00
Emergency and Disaster Services			416,880.17	416,880.17
Communication Center			868,209.84	868,209.84
Other Protective and Emergency	176,387.93			176,387.93
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		6,560,354.38		6,560,354.38
Health and Welfare:				
Economic Assistance:				
Support of Poor	8,680.00			8,680.00
Social Services:				
Domestic Abuse			7,920.00	7,920.00
Mental Health Services:				
Mentally Ill	12,817.51			12,817.51
Developmentally Disabled	500.00			500.00
Mental Illness Board	69,769.69			69,769.69
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	31,950.53			31,950.53
Soil Conservation Districts	25,000.00			25,000.00
Weed Control	175,782.09			175,782.09
Urban and Economic Development:				
Urban Development:				
Urban and Rural Development	14,640.00			14,640.00
Economic Development:				
Tourism, Industrial or Recreational Development	18,500.00			18,500.00
Debt Service			239,245.53	239,245.53
Total Expenditures	<u>10,924,282.65</u>	<u>6,560,354.38</u>	<u>1,680,234.71</u>	<u>19,164,871.74</u>
Excess of Revenues Over (Under) Expenditures	<u>3,262,832.59</u>	<u>(1,226,003.52)</u>	<u>(798,202.02)</u>	<u>1,238,627.05</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		1,085,523.90	893,501.00	1,979,024.90
Transfers Out	(1,979,024.90)			(1,979,024.90)
Insurance Proceeds	33,233.45			33,233.45
Sale of County Property		217,660.00		217,660.00
Total Other Financing Sources (Uses)	<u>(1,945,791.45)</u>	<u>1,303,183.90</u>	<u>893,501.00</u>	<u>250,893.45</u>
Net Change in Fund Balance	1,317,041.14	77,180.38	95,298.98	1,489,520.50
Fund Balance - beginning, as previously reported	<u>18,083,508.82</u>	<u>(24,611.40)</u>	<u>64,990.79</u>	<u>18,123,888.21</u>
FUND BALANCE - ENDING	<u>\$ 19,400,549.96</u>	<u>\$ 52,568.98</u>	<u>\$ 160,289.77</u>	<u>\$ 19,613,408.71</u>
Net Change in Fund Balances - Total Governmental Funds				\$ 1,489,520.50
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>(35,015.26)</u>
Change in Net Position of Governmental Activities				<u>\$ 1,454,505.24</u>

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, 2024**

	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>	
Miscellaneous	\$ 71.00
<b>Operating Expenses</b>	0.00
Operating Income (Loss)	71.00
Transfers Out	(221,051.47)
Change in Net Position	(220,980.47)
Net Position - beginning, as previously reported	220,980.47
<b>NET POSITION - ENDING</b>	<b>\$ 0.00</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, 2023**

	<u>Internal Service Funds</u>
<b>Operating Revenues:</b>	
Charges for Goods and Services	\$ 49,538.88
<b>Operating Expenses:</b>	
Other Current Expense	513.00
Claims Paid Gross	<u>84,041.14</u>
Total Operating Expenses	<u>84,554.14</u>
Change in Net Position	(35,015.26)
Net Position - beginning, as previously reported	<u>255,995.73</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 220,980.47</u></u>

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, 2024**

	<b>Custodial Funds</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 1,223,653.45
TOTAL ASSETS	\$ 1,223,653.45
<b>NET POSITION:</b>	
Restricted For:	
Individuals, Organizations, and Other Governments	\$ 1,223,653.45
TOTAL NET POSITION	\$ 1,223,653.45

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, 2024**

	<b>Custodial Funds</b>
<b>ADDITIONS:</b>	
Property Tax Collections for Other Governments	\$ 34,242,468.74
State Shared Revenue Collections for Other Governments	10,587,809.10
Other Additions	686,375.75
Total Additions	45,516,653.59
<b>DEDUCTIONS:</b>	
Payments of Property Tax to Other Governments	34,235,357.97
Payments of State Shared Revenue to Other Governments	10,544,789.15
Other Deductions	713,707.38
Total Deductions	45,493,854.50
Change in Net Position	22,799.09
Net Position - beginning, as previously reported	1,200,854.36
<b>NET POSITION - ENDING</b>	<b>\$ 1,223,653.45</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, 2023**

	<b>Custodial Funds</b>
<b>ADDITIONS:</b>	
Property Tax Collections for Other Governments	\$ 30,730,735.06
State Shared Revenue Collections for Other Governments	10,022,122.04
Other Additions	762,894.52
Total Additions	41,515,751.62
<b>DEDUCTIONS:</b>	
Payments of Property Tax to Other Governments	30,826,896.66
Payments of State Shared Revenue to Other Governments	10,122,379.43
Other Deductions	878,711.12
Total Deductions	41,827,987.21
Change in Net Position	(312,235.59)
Net Position - beginning, as previously reported	1,513,089.95
<b>NET POSITION - ENDING</b>	<b>\$ 1,200,854.36</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 and the County discontinued the Self-Insured Health Plan and the fund was closed in 2024.*

**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.

The County does not have any investments to report as of December 31, 2024.

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 may include, but are not limited to, General Obligation Bonds, Revenue Bonds, Certificates of Participation, Lease Liabilities, Subscription Liabilities, and Other Long-Term Liabilities.

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The County has 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, 2024**

	<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:				
Opioid Settlement Purposes	\$ 251,555.45	\$	\$	\$ 251,555.45
Snow Removal Purposes		480,036.78		480,036.78
Drug Abuse Purposes			42,072.62	42,072.62
Domestic Abuse Purposes			9,945.58	9,945.58
Modernization and Preservation Relief Purposes			98,699.50	98,699.50
Rural Access Infrastructure Purposes			127,208.48	127,208.48
Debt Service Purposes			40.86	40.86
Assigned To:				
Applied to Next Year's Budget	2,072,550.00			2,072,550.00
Roof Repair Purposes	800,000.00			800,000.00
Building Removal/Repair Purposes	300,000.00			300,000.00
Facilities Equipment Upgrade Purposes	110,000.00			110,000.00
Professional Services Purposes	200,000.00			200,000.00
605 Drive Equipment Purposes	5,000.00			5,000.00
Sheriff Computer Upgrade Purposes	70,000.00			70,000.00
Communications Software Purposes	90,000.00			90,000.00
Information Technology Equipment Purposes	440,000.00			440,000.00
Road Project Purposes	9,775,000.00			9,775,000.00
Highway Buildings Purposes	500,000.00			500,000.00
Highway Equipment Purposes	1,185,000.00			1,185,000.00
Road and Bridge Purposes		964,947.83		964,947.83
Drug Abuse Purposes			3,326.38	3,326.38
Emergency Management Purposes			675.68	675.68
Modernization and Preservation Relief Purposes			7,429.91	7,429.91
Rural Access Infrastructure Purposes			5,930.77	5,930.77
Library Purposes			1,950.47	1,950.47
911 Service Purposes			67,895.63	67,895.63
Unassigned	5,085,048.37		(76,237.22)	5,008,811.15
<b>Total Fund Balances</b>	<u>\$ 20,884,153.82</u>	<u>\$ 1,444,984.61</u>	<u>\$ 288,938.66</u>	<u>\$ 22,618,077.09</u>

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2023, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This statement improves accounting and financial reporting for SBITAs; enhances the comparability of financial statements between governments; and also enhances the understandability, reliability, relevance, and consistency of information about SBITAs. 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 these standards did not affect beginning net position or beginning fund balances.

In 2024, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to work within the financial reporting entity and describes the transactions or other events that constitute those changes. There was no effect on beginning net position due to the implementation of this standard.

3. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

	Year Ended 12/31/2024	Year Ended 12/31/2023
General Fund:		
<u>Activity</u>		
Treasurer	\$ (28,480.41)	
Court Appointed Attorney	\$ (76.28)	
Emergency Management Fund:		
<u>Activity</u>		
Emergency and disaster Service		\$ (298,714.17)
Tax Increment Finance District #2 Fund:		
<u>Activity</u>		
Debt Service	\$ (261,362.32)	\$ (239,245.53)

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

They will review expenditure reports and as needed will approve supplemental budgets.

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

As of December 31, 2024, the following individual nonmajor funds had deficit fund balance/net position in the amounts shown:

24/7 Sobriety Fund	\$ (76,237.22)
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The Board of County Commissioners plans to take the following actions to address the deficit fund balance/deficit net position:

The Board of County Commissioners will authorize the County Auditor to transfer money from the General Fund to subsidize the 24/7 Fund.

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

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

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

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

As of December 31, 2024, the County does not have any investments to report.

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

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

6. 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.

7. RESTRICTED NET POSITION

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

**Major Purposes:**

Road and Bridge Purposes	\$ 480,036.78
Opioid Settlement Purposes	<u>251,555.45</u>

**Other Purposes:**

Drug Abuse Purposes	42,072.62
Domestic Abuse Purposes	9,945.58
Rural Access Infrastructure Purposes	127,208.48
Debt Service Purposes	40.86
Modernization and Preservation Relief Purposes	<u>98,699.50</u>

Total Other Purposes	<u>277,967.04</u>
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**Total Restricted Net Position**

**\$ 1,009,559.27**

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

8. INTERFUND TRANSFERS

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

	<u>Transfers To:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	
<b><u>Transfers From:</u></b>				
Major Funds:				
General Fund	\$	\$ 2,201,500.00	\$ 499,813.45	\$ 2,701,313.45
Internal Service Funds:				
Medical Self-Insurance Fund	<u>170,386.47</u>	<u>39,634.53</u>	<u>11,030.47</u>	<u>221,051.47</u>
Total	<u>\$ 170,386.47</u>	<u>\$ 2,241,134.53</u>	<u>\$ 510,843.92</u>	<u>\$ 2,922,364.92</u>

Interfund transfers for the year ended December 31, 2023, were as follows:

<b>Transfers From:</b>	<b>Transfers To:</b>		<b>Total</b>
	Road and Bridge Fund	Other Governmental Funds	
Major Funds:			
General Fund	\$ 1,085,523.90	\$ 893,501.00	\$ 1,979,024.90

The County typically budgets transfers to the Road and Bridge Fund and the Emergency Management Fund, 911 Service Fund, and Library Fund (Other Governmental Funds) conduct the indispensable functions of the County. The transfers from the Medical Self-Insurance Fund were to close out the fund.

9. TAX ABATEMENTS

Meade 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 enhance significantly the value of substantially all of the other real property in the tax increment district.

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

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 these tax increment districts during the calendar year ended December 31, 2024, was \$261,304.98. 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 \$49,415.76.

The amount of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2023, was \$230,318.11. 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 \$44,455.52.

Municipality of Sturgis:

The Municipality of Sturgis has eleven (11) 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 calendar year ended December 31, 2024, was \$913,678.60. 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 \$180,494.71.

The amount of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2023, was \$638,251.56. 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 \$141,328.20.

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 these tax increment districts during the calendar year ended December 31, 2024, was \$25,559.76. 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 \$5,327.47.

The amount of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2023, was \$19,826.44. 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 \$4,054.70.

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 calendar year ended December 31, 2024, was \$1,125,875.42. 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 \$259,267.05.

The amount of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2023, was \$882,217.14. 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 \$198,710.61.

10. PENSION PLAN

**Plan Information:**

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides

retirement, disability, and survivor benefits. Authority for establishing, administering, and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

**Benefits Provided:**

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

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

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

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

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
  - The increase in the 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, 2024, 2023, and 2022, equal to the required contributions each year, were as follows:

Year	Amount
2024	\$ 469,115.71
2023	\$ 428,612.07
2022	\$ 394,972.31

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

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

Proportionate share of total pension liability	\$ 39,653,783.37
Less proportionate share of net position restricted for pension benefits	<u>39,664,543.18</u>
Proportionate share of net pension asset	<u>\$ (10,759.81)</u>

The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was based on a projection of the County's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the County's proportion was 0.265807%, which is an increase of 0.006008% from its proportion measured as of June 30, 2023.

**Actuarial Assumptions:**

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

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

**Mortality Rates:**

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

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

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

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

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

**Discount Rate:**

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability (asset)	\$ 5,467,548.56	\$ (10,759.81)	\$ (4,493,722.52)

**Pension Plan Fiduciary Net Position:**

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

11. 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.

12. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2024, the County was involved in several lawsuits. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the County has liability coverage for itself and its employees 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.

### 13. RISK MANAGEMENT

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

#### Employee Health Insurance:

The County purchases health, 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.

#### Liability Insurance:

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

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

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), \$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, 2024**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 11,260,282.26	\$ 11,260,282.26	\$ 11,146,303.29	\$ (113,978.97)
General Property Taxes--Delinquent	8,000.00	8,000.00	940.95	(7,059.05)
Penalties and Interest	16,000.00	16,000.00	19,375.26	3,375.26
Tax Deed Revenue	0.00	0.00	13,436.56	13,436.56
Licenses and Permits	486,875.00	486,875.00	445,399.78	(41,475.22)
Intergovernmental Revenue:				
Federal Grants	160,300.00	160,300.00	142,083.53	(18,216.47)
Federal Shared Revenue	65,000.00	65,000.00	0.00	(65,000.00)
Federal Payments in Lieu of Taxes	220,000.00	220,000.00	235,660.00	15,660.00
State Grants	10,300.00	10,300.00	41,700.00	31,400.00
State Shared Revenue:				
Bank Franchise	60,000.00	60,000.00	64,717.65	4,717.65
Court Appointed Attorney/Public Defender	15,000.00	15,000.00	13,747.66	(1,252.34)
Abused and Neglected Child Defense	2,000.00	2,000.00	1,694.04	(305.96)
Telecommunications Gross Receipts Tax	30,000.00	30,000.00	47,095.57	17,095.57
Motor Vehicle 1/4%	9,400.00	9,400.00	10,557.46	1,157.46
Liquor Tax Reversion (25%)	130,000.00	130,000.00	127,987.86	(2,012.14)
Other State Shared Revenue	0.00	0.00	63,915.38	63,915.38
Other Payments in Lieu of Taxes	0.00	0.00	2,254.68	2,254.68
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	169,450.00	169,450.00	154,106.94	(15,343.06)
Register of Deeds' Fees	444,000.00	444,000.00	377,914.15	(66,085.85)
Legal Services	122,500.00	122,500.00	136,304.24	13,804.24
Clerk of Courts Fees	25,000.00	25,000.00	24,340.00	(660.00)
Other Fees	31,295.00	31,295.00	61,148.42	29,853.42
Public Safety:				
Law Enforcement	150,800.00	150,800.00	154,937.21	4,137.21
Prisoner Care	460,000.00	460,000.00	574,840.98	114,840.98
Other	300.00	300.00	3,875.50	3,575.50
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	3,000.00	3,000.00	78.00	(2,922.00)
Veterans Service Officer	4,300.00	4,300.00	4,812.50	512.50
Conservation of Natural Resources	65,000.00	65,000.00	660.00	(64,340.00)
Other Charges	0.00	0.00	29.85	29.85
Fines and Forfeits:				
Fines	300.00	300.00	747.50	447.50
Costs	37,000.00	37,000.00	18,990.71	(18,009.29)
Forfeits	40,000.00	40,000.00	38,550.00	(1,450.00)
Miscellaneous Revenue:				
Investment Earnings	500,000.00	500,000.00	809,867.24	309,867.24
Rent	4,000.00	4,000.00	3,150.00	(850.00)
Contributions and Donations	500.00	500.00	0.00	(500.00)
Refund of Prior Year's Expenditures	400.00	400.00	8,429.25	8,029.25
Other	30,000.00	30,000.00	222,504.46	192,504.46
<b>Total Revenues</b>	<b>14,561,002.26</b>	<b>14,561,002.26</b>	<b>14,972,156.62</b>	<b>411,154.36</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	252,189.00	289,189.00	286,385.52	2,803.48
Contingency	500,000.00	500,000.00		
Amount Transferred		(333,900.00)		166,100.00
Elections	152,477.00	157,977.00	157,595.90	381.10
Judicial System	92,340.00	92,340.00	44,554.59	47,785.41
Financial Administration:				
Auditor	380,451.00	380,451.00	300,991.95	79,459.05
Treasurer	391,699.00	399,299.00	427,779.41	(28,480.41)
Legal Services:				
State's Attorney	716,636.00	716,636.00	715,162.24	1,473.76

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Court Appointed Attorney	533,665.00	559,165.00	559,241.28	(76.28)
Abused and Neglected Child Defense	30,000.00	30,000.00	26,839.08	3,160.92
Other General Government:				
General Government Building	825,883.00	825,883.00	773,955.88	51,927.12
Director of Equalization	631,722.00	666,722.00	666,285.43	436.57
Register of Deeds	293,649.00	293,649.00	275,560.42	18,088.58
Veterans Service Officer	53,134.00	53,134.00	39,849.17	13,284.83
Predatory Animal	10,000.00	10,000.00	9,850.77	149.23
Other	190,000.00	199,500.00	199,428.95	71.05
Information Technology	302,287.00	302,287.00	297,473.32	4,813.68
Human Resources	162,239.00	193,239.00	187,404.84	5,834.16
Public Safety:				
Law Enforcement:				
Sheriff	2,915,446.00	3,055,746.00	3,039,234.35	16,511.65
County Jail	2,400,597.00	2,400,597.00	2,245,614.12	154,982.88
Juvenile Detention	137,000.00	137,000.00	101,160.00	35,840.00
Protective and Emergency Services:				
Fire Protection	40,000.00	53,000.00	52,948.00	52.00
Other Protective and Emergency Services	225,799.00	225,799.00	64,482.66	161,316.34
Health and Welfare:				
Economic Assistance:				
Support of Poor	12,250.00	12,250.00	8,380.00	3,870.00
Health Assistance:				
County Nurse	24,201.00	24,201.00	24,000.00	201.00
Mental Health Services:				
Mentally Ill	8,000.00	15,000.00	14,721.13	278.87
Developmentally Disabled	500.00	500.00	500.00	0.00
Drug Abuse	0.00	7,500.00	7,500.00	0.00
Mental Illness Board	103,700.00	103,700.00	92,585.80	11,114.20
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	33,553.00	48,553.00	48,013.99	539.01
Soil Conservation Districts	25,000.00	25,000.00	25,000.00	0.00
Weed Control	173,955.00	173,955.00	173,846.52	108.48
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	410,951.00	410,951.00	302,307.02	108,643.98
Urban and Rural Development	15,526.00	15,526.00	15,526.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	18,500.00	18,500.00	18,500.00	0.00
Total Expenditures	<u>12,074,849.00</u>	<u>12,074,849.00</u>	<u>11,214,178.34</u>	<u>860,670.66</u>
Excess of Revenues Over (Under) Expenditures	<u>2,486,153.26</u>	<u>2,486,153.26</u>	<u>3,757,978.28</u>	<u>1,271,825.02</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	0.00	0.00	170,386.47	170,386.47
Transfers Out	(4,103,500.00)	(4,103,500.00)	(2,701,313.45)	1,402,186.55
Insurance Proceeds	35,000.00	35,000.00	115,337.56	80,337.56
Sale of County Property	200,000.00	200,000.00	141,215.00	(58,785.00)
Total Other Financing Sources (Uses)	<u>(3,868,500.00)</u>	<u>(3,868,500.00)</u>	<u>(2,274,374.42)</u>	<u>1,594,125.58</u>
Net Change in Fund Balance	(1,382,346.74)	(1,382,346.74)	1,483,603.86	2,865,950.60
Fund Balance - beginning, as previously reported	<u>19,400,549.96</u>	<u>19,400,549.96</u>	<u>19,400,549.96</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 18,018,203.22</u>	<u>\$ 18,018,203.22</u>	<u>\$ 20,884,153.82</u>	<u>\$ 2,865,950.60</u>

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

	<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	\$ 323,939.09	\$ 323,939.09	\$ 321,384.92	\$ (2,554.17)
General Property Taxes--Delinquent	250.00	250.00	28.74	(221.26)
Penalties and Interest	600.00	600.00	694.33	94.33
Wheel Tax	945,000.00	945,000.00	1,008,164.63	63,164.63
Tax Deed Revenue	0.00	0.00	920.37	920.37
Intergovernmental Revenue:				
Federal Shared Revenue	35,000.00	35,000.00	34,995.40	(4.60)
State Grants	750,000.00	750,000.00	827,959.50	77,959.50
State Shared Revenue:				
Bank Franchise	1,700.00	1,700.00	0.00	(1,700.00)
Motor Vehicle Licenses	2,000,000.00	2,000,000.00	2,229,843.41	229,843.41
State Highway Fund (former 10% game)	11,800.00	11,800.00	11,712.86	(87.14)
Prorate License Fees	110,000.00	110,000.00	138,065.67	28,065.67
63 3/4% Mobile Home	36,500.00	36,500.00	56,719.04	20,219.04
Secondary Road Remittances	520,000.00	520,000.00	601,776.13	81,776.13
Motor Fuel Tax	0.00	0.00	12,043.50	12,043.50
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	3,000.00	3,000.00	0.00	(3,000.00)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	58,910.68	58,910.68
<b>Total Revenues</b>	<u>4,737,789.09</u>	<u>4,737,789.09</u>	<u>5,303,219.18</u>	<u>565,430.09</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	7,435,200.00	7,435,200.00	6,151,938.08	1,283,261.92
Excess of Revenues Over (Under) Expenditures	(2,697,410.91)	(2,697,410.91)	(848,718.90)	1,848,692.01
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,500,000.00	3,500,000.00	2,241,134.53	(1,258,865.47)
Net Change in Fund Balance	802,589.09	802,589.09	1,392,415.63	589,826.54
Fund Balance - beginning, as previously reported	52,568.98	52,568.98	52,568.98	0.00
<b>FUND BALANCE - ENDING</b>	<u>\$ 855,158.07</u>	<u>\$ 855,158.07</u>	<u>\$ 1,444,984.61</u>	<u>\$ 589,826.54</u>

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 10,701,944.00	\$ 10,701,944.00	\$ 10,648,800.94	\$ (53,143.06)
General Property Taxes--Delinquent	25,000.00	25,000.00	6,109.75	(18,890.25)
Penalties and Interest	35,000.00	35,000.00	21,105.61	(13,894.39)
Licenses and Permits	436,000.00	436,000.00	448,168.39	12,168.39
Intergovernmental Revenue:				
Federal Grants	239,000.00	239,000.00	97,703.51	(141,296.49)
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	221,237.00	21,237.00
State Grants	207,780.00	207,780.00	14,261.40	(193,518.60)
State Shared Revenue:				
Bank Franchise	60,000.00	60,000.00	62,261.69	2,261.69
Court Appointed Attorney/Public Defender	16,000.00	16,000.00	15,609.50	(390.50)
Abused and Neglected Child Defense	2,500.00	2,500.00	0.00	(2,500.00)
Telecommunications Gross Receipts Tax	100,000.00	100,000.00	53,086.63	(46,913.37)
Motor Vehicle 1/4%	9,000.00	9,000.00	10,815.38	1,815.38
Liquor Tax Reversion (25%)	135,000.00	135,000.00	128,616.47	(6,383.53)
Other state Shared Revenue	0.00	0.00	0.01	0.01
Other Payments in Lieu of Taxes	1,000.00	1,000.00	2,338.51	1,338.51
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	178,000.00	178,000.00	154,605.83	(23,394.17)
Register of Deeds' Fees	450,500.00	450,500.00	416,073.40	(34,426.60)
Legal Services	102,750.00	102,750.00	101,716.77	(1,033.23)
Clerk of Courts Fees	25,000.00	25,000.00	63,890.23	38,890.23
Other Fees	46,750.00	46,750.00	36,642.24	(10,107.76)
Public Safety:				
Law Enforcement	134,900.00	134,900.00	137,457.48	2,557.48
Prisoner Care	420,500.00	420,500.00	680,061.44	259,561.44
Other	15,000.00	15,000.00	10,228.63	(4,771.37)
Public Works:				
Other	7,500.00	7,500.00	0.00	(7,500.00)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	1,000.00	1,000.00	1,111.01	111.01
Veterans Service Officer	4,375.00	4,375.00	4,375.00	0.00
Other	1,500.00	1,500.00	0.00	(1,500.00)
Conservation of Natural Resources	30,500.00	30,500.00	80,494.37	49,994.37
Other Charges	5,300.00	5,300.00	4,907.92	(392.08)
Fines and Forfeits:				
Fines	400.00	400.00	492.38	92.38
Costs	47,000.00	47,000.00	19,872.13	(27,127.87)
Forfeits	30,000.00	30,000.00	50,650.00	20,650.00
Miscellaneous Revenue:				
Investment Earnings	20,000.00	20,000.00	566,410.82	546,410.82
Rent	600.00	600.00	4,200.00	3,600.00
Contributions and Donations	750.00	750.00	0.00	(750.00)
Refund of Prior Year's Expenditures	0.00	0.00	12,312.13	12,312.13
Other	20,000.00	20,000.00	46,391.55	26,391.55
<b>Total Revenues</b>	<b>13,710,549.00</b>	<b>13,710,549.00</b>	<b>14,187,115.24</b>	<b>476,566.24</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	359,093.00	359,093.00	321,999.14	37,093.86
Contingency	1,000,000.00	1,000,000.00		
Amount Transferred		(846,701.00)		153,299.00
Elections	25,000.00	25,000.00	21,314.21	3,685.79
Judicial System	88,350.00	88,350.00	81,462.92	6,887.08

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2023**  
**(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Financial Administration:				
Auditor	212,425.00	351,425.00	347,230.51	4,194.49
Treasurer	390,080.00	403,080.00	368,566.51	34,513.49
Legal Services:				
State's Attorney	701,773.00	701,773.00	681,631.15	20,141.85
Court Appointed Attorney	387,500.00	542,500.00	523,082.98	19,417.02
Abused and Neglected Child Defense	30,000.00	30,000.00	4,176.40	25,823.60
Other General Government:				
General Government Building	1,065,166.00	1,228,198.61	1,196,584.94	31,613.67
Director of Equalization	1,020,355.00	1,020,355.00	994,130.52	26,224.48
Register of Deeds	451,679.00	451,679.00	438,758.93	12,920.07
Veterans Service Officer	35,091.00	35,091.00	29,668.94	5,422.06
Predatory Animal	11,300.00	11,300.00	9,850.77	1,449.23
Other	175,000.00	200,000.00	198,768.27	1,231.73
Information Technology	341,075.00	341,075.00	183,899.81	157,175.19
Human Resources	279,729.00	279,729.00	139,473.28	140,255.72
Public Safety:				
Law Enforcement:				
Sheriff	2,423,797.00	2,643,797.00	2,485,003.21	158,793.79
County Jail	2,111,348.00	2,306,349.00	2,247,997.27	58,351.73
Juvenile Detention	135,000.00	135,000.00	85,155.14	49,844.86
Protective and Emergency Services:				
Fire Protection	40,000.00	40,000.00	20,000.00	20,000.00
Other Protective and Emergency	221,152.00	221,152.00	176,387.93	44,764.07
Health and Welfare:				
Economic Assistance:				
Support of Poor	12,250.00	12,250.00	8,680.00	3,570.00
Health Assistance:				
County Nurse	24,201.00	24,201.00	0.00	24,201.00
Mental Health Services:				
Mentally Ill	8,000.00	13,500.00	12,817.51	682.49
Developmentally Disabled	500.00	500.00	500.00	0.00
Mental Illness Board	45,700.00	73,700.00	69,769.69	3,930.31
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	32,080.00	31,950.53	129.47
Soil Conservation Districts	25,000.00	25,000.00	25,000.00	0.00
Weed Control	198,014.00	198,014.00	175,782.09	22,231.91
Urban and Economic Development:				
Urban Development:				
Urban and Rural Development	22,640.00	22,640.00	14,640.00	8,000.00
Economic Development:				
Tourism, Industrial or Recreational Development	18,500.00	18,500.00	18,500.00	0.00
Total Expenditures	<u>11,902,098.00</u>	<u>12,000,130.61</u>	<u>10,924,282.65</u>	<u>1,075,847.96</u>
Excess of Revenues Over (Under) Expenditures	<u>1,808,451.00</u>	<u>1,710,418.39</u>	<u>3,262,832.59</u>	<u>1,552,414.20</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(4,103,500.00)	(4,103,500.00)	(1,979,024.90)	2,124,475.10
Insurance Proceeds	35,000.00	35,000.00	33,233.45	(1,766.55)
Sale of County Property	505,000.00	505,000.00	0.00	(505,000.00)
Total Other Financing Sources (Uses)	<u>(3,563,500.00)</u>	<u>(3,563,500.00)</u>	<u>(1,945,791.45)</u>	<u>1,617,708.55</u>
Net Change in Fund Balance	(1,755,049.00)	(1,853,081.61)	1,317,041.14	3,170,122.75
Fund Balance - beginning, as previously reported	<u>18,083,508.82</u>	<u>18,083,508.82</u>	<u>18,083,508.82</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 16,328,459.82</u>	<u>\$ 16,230,427.21</u>	<u>\$ 19,400,549.96</u>	<u>\$ 3,170,122.75</u>

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2023**

	<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	\$ 303,822.00	\$ 303,822.00	\$ 313,025.19	\$ 9,203.19
General Property Taxes--Delinquent	1,000.00	1,000.00	69.29	(930.71)
Penalties and Interest	1,250.00	1,250.00	726.64	(523.36)
Wheel Tax	900,000.00	900,000.00	995,167.03	95,167.03
Intergovernmental Revenue:				
Federal Shared Revenue	35,000.00	35,000.00	37,121.50	2,121.50
State Grants	700,000.00	700,000.00	833,744.43	133,744.43
State Shared Revenue:				
Bank Franchise	1,500.00	1,500.00	1,822.53	322.53
Motor Vehicle Licenses	1,950,000.00	1,950,000.00	2,307,450.96	357,450.96
State Highway Fund (former 10% game)	14,500.00	14,500.00	11,617.23	(2,882.77)
Prorate License Fees	110,000.00	110,000.00	138,333.51	28,333.51
63 3/4% Mobile Home	0.00	0.00	22,434.54	22,434.54
Secondary Road Remittances	551,500.00	551,500.00	636,881.43	85,381.43
Motor Fuel Tax	0.00	0.00	11,932.57	11,932.57
Miscellaneous Revenue:				
Investment Earnings	7,000.00	7,000.00	24,024.01	17,024.01
<b>Total Revenues</b>	<u>4,575,572.00</u>	<u>4,575,572.00</u>	<u>5,334,350.86</u>	<u>758,778.86</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	8,547,862.00	8,547,862.00	6,560,354.38	1,987,507.62
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(3,972,290.00)</u>	<u>(3,972,290.00)</u>	<u>(1,226,003.52)</u>	<u>2,746,286.48</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,500,000.00	3,500,000.00	1,085,523.90	(2,414,476.10)
Sale of County Property	0.00	0.00	217,660.00	217,660.00
<b>Total Other Financing Sources (Uses)</b>	<u>3,500,000.00</u>	<u>3,500,000.00</u>	<u>1,303,183.90</u>	<u>(2,196,816.10)</u>
<b>Net Change in Fund Balance</b>	<u>(472,290.00)</u>	<u>(472,290.00)</u>	<u>77,180.38</u>	<u>549,470.38</u>
<b>Fund Balance - beginning, as previously reported</b>	<u>(24,611.40)</u>	<u>(24,611.40)</u>	<u>(24,611.40)</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ (496,901.40)</u>	<u>\$ (496,901.40)</u>	<u>\$ 52,568.98</u>	<u>\$ 549,470.38</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

<u>Calendar Year</u>	<u>County's Proportion of the Net Pension Liability/Asset</u>	<u>County's Proportionate Share of the Net Pension Liability/Asset</u>	<u>County's Covered Payroll</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
2024	0.265807%	\$ (10,760)	\$ 6,730,323	0.16%	100.00%
2023	0.259799%	\$ (25,358)	\$ 6,435,224	0.39%	100.10%
2022	0.272986%	\$ (25,799)	\$ 6,375,114	0.40%	100.10%
2021	0.263700%	\$ (2,019,491)	\$ 5,488,111	36.80%	105.52%
2020	0.280967%	\$ (12,202)	\$ 5,656,517	0.22%	100.04%
2019	0.288581%	\$ (30,582)	\$ 5,644,587	0.54%	100.09%
2018	0.284374%	\$ (6,632)	\$ 5,455,906	0.12%	100.02%
2017	0.282735%	\$ (25,658)	\$ 5,305,557	0.48%	100.01%
2016	0.295007%	\$ 996,505	\$ 5,195,324	19.18%	96.89%
2015	0.313036%	\$ (1,327,675)	\$ 5,277,988	25.15%	104.10%

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

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

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

**Benefit Provision Changes**

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

**Actuarial Method Changes**

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

**Actuarial Assumption Changes**

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

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

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

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

**SUPPLEMENTARY INFORMATION  
 MEADE COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Two Years Ended December 31, 2024**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures 2023	Total Federal Expenditures 2024
Forest Service Schools and Roads Cluster:					
US Department of Agriculture - Pass-Through Programs:					
SD State Auditor, Schools and Roads - Grants to States (Note 3)	10.665		\$ 72,116.90	\$ 74,243.00	\$ 69,990.80
Total for Schools and Roads Cluster			72,116.90	74,243.00	69,990.80
<b>Total US Department of Agriculture</b>			<b>72,116.90</b>	<b>74,243.00</b>	<b>69,990.80</b>
US Department of Interior - Direct Programs:					
Bureau of Land Management,					
Payments in Lieu of Taxes (Note 3)	15.226			221,237.00	235,660.00
BLM Fuels Management and Community Fire Assistance Program Activities	15.228			97,703.51	72,974.92
<b>Total US Department of the Interior</b>			<b>0.00</b>	<b>318,940.51</b>	<b>308,634.92</b>
Highway Safety Cluster:					
US Department of Transportation - Pass-Through Programs:					
SD Department of Public Safety, State and Community Highway Safety	20.600	2024-00-92			40,282.89
Total Highway Safety Cluster			0.00	0.00	40,282.89
<b>Total US Department of Transportation</b>			<b>0.00</b>	<b>0.00</b>	<b>40,282.89</b>
US Department of Treasury - Direct Programs:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Note 4)	21.027			5,503,159.00	
COVID-19 Local Assistance and Tribal Consistency Fund	21.032			65,107.12	
<b>Total US Department of Treasury</b>			<b>0.00</b>	<b>5,568,266.12</b>	<b>0.00</b>
US General Services Administration - Pass-Through Programs:					
SD Federal Property Agency, Donation of Federal Surplus Personal Property (Note 5)	39.003			23,214.94	1,735.38
<b>Total US General Services Administration</b>			<b>0.00</b>	<b>23,214.94</b>	<b>1,735.38</b>
US Elections Assistance Commission - Pass-Through Programs:					
SD Secretary of State, Help America Vote Act Requirements Payments	90.401				9,000.00
<b>Total US Elections Assistance Commission</b>			<b>0.00</b>	<b>0.00</b>	<b>9,000.00</b>
US Department of Homeland Security - Pass-Through Programs:					
SD Department of Public Safety - Office of Emergency Management,					
		Meade County Sheriff's Off-00208			
Homeland Security Grant Program	97.067	HLS-2023-Meade County Emergency Ma-00103 HLS-2024-Meade County Sheriff's Office-00347	73,893.04	73,893.04	43,757.64
<b>Total US Department of Homeland Security</b>			<b>73,893.04</b>	<b>73,893.04</b>	<b>43,757.64</b>
<b>GRAND TOTAL</b>			<b>\$ 146,009.94</b>	<b>\$ 6,058,557.61</b>	<b>\$ 473,401.63</b>

**Note 1: Basis of Presentation**

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

**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Federal Reimbursement**

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

**Note 4: Major Federal Financial Assistance Program**

This represents a Major Federal Financial Assistance Program.

**Note 5: Federal Surplus Property**

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

**SUPPLEMENTARY INFORMATION  
 MEADE COUNTY  
 SCHEDULE OF CHANGES IN LONG-TERM DEBT  
 For the Two Years Ended December 31, 2024**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2023</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2024</u>
<b>Governmental Long-Term Debt:</b>				
Other Long-Term Debt Liabilities	\$ 2,494,209.55	\$	\$ (215,067.96)	\$ 2,279,141.59

Note 1 - Long-Term Debt:

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

Other Long-Term Debt Liabilities:

Tax Increment District #2 Loan, Maturing 9/1/2035, Interest Rate of 6.5%, Payable from the TIF Debt Service Fund	\$ 2,279,141.59
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