

**Stanley County Law Enforcement
(A Component Unit of Stanley County)**

**Independent Auditor's Report
and Financial Statements**

**For the Years Ended
December 31, 2023 and 2022**

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Table of Contents

	Page
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> -----	1-2
Schedule of Current Audit Findings -----	3-4
Corrective Action Plan -----	5-6
Independent Auditor’s Report -----	7-9
Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position – Modified Cash Basis -----	10
Statement of Activities – Modified Cash Basis -----	11-12
Fund Financial Statements	
Balance Sheet - Modified Cash Basis -----	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis-----	14
Notes to Modified Cash Basis Basic Financial Statements -----	15-25
Supplemental Information -----	26
Budgetary Comparison Schedules-Modified Cash Basis-General Fund -----	27-31



**Independent Auditor’s Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

To the Board of Trustees
Stanley County Law Enforcement
Fort Pierre, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis of accounting financial statements of the governmental activities and each major fund of Stanley County Law Enforcement (a component unit of Stanley County), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Organization’s basic financial statements, and have issued our report thereon dated January 21, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stanley County Law Enforcement’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 Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 Organization’s financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings, as item 2023-01 and 2023-02 to be significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters what are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Audit Findings as item 2023-03.

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 Organization'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 Organization'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.



Chamberlain, South Dakota
January 21, 2026

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Schedule of Current Audit Findings
December 31, 2023 and 2022

Schedule of Current Audit Findings

Finding No. 2023-01 – Lack of Segregation of Duties

Criteria: Proper segregation of duties results in increased reliability of reported financial data and decreased potential for loss of public assets.

Condition: A significant deficiency in internal controls was noted due to the lack of proper segregation of duties that exist for revenue, expenditures, payroll, and review of manual journal entries.

Cause: The office manager for Stanley County Law Enforcement does not process the revenue transactions and expenditures from beginning to end. There is a lack of communication and coordination between the Stanley County Auditor and the Stanley County Law Enforcement's office. With the Stanley County Auditor processing these transactions, the sheriff does not have the oversight necessary to properly approve these activities.

Effect: There is an increased likelihood that errors could occur and not be detected in a timely manner by employees in the ordinary course of performing their duties.

Recommendation: We recommend that the Stanley County Law Enforcement office manager process all of the transactions and that the Stanley County sheriff review and approve of these. Additionally, the Board of Directors should be provided with a detailed budget to actual reports on each monthly board meeting to ensure an additional layer of oversight.

Finding No. 2023-02 – Preparation of Financial Statements

Criteria: Establishing internal control over the preparation of the financial statements and drafting the financial statements is the responsibility of management. Stanley County Law Enforcement should have an internal control system designed for the drafting of the financial statements being audited.

Condition: The small size of the Stanley County Law Enforcement limits the ability of the office to prepare the financial statements and notes to the financial statements.

Cause: Stanley County Law Enforcement does not have adequately trained staff to prepare the financial statements and the related footnotes.

Effect: Stanley County Law Enforcement engages the auditor to draft the financial statements and the notes to the financial statements. The possibility of error occurring and not being detected or corrected is present.

Recommendation: Stanley County Law Enforcement officials need to be cognizant of accepting the risk with the auditor drafting the financial. If Stanley County Law Enforcement chooses not to accept the risk, training should be provided to those employees responsible for drafting the financial statements.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Schedule of Current Audit Findings (Continued)
December 31, 2023 and 2022

Finding No. 2023-03 – Violations of SDCL

Criteria: Stanley County Law Enforcement sheriffs office did not submit a line item budget that was compliant with SDCL 9-21-2.

SDCL 9-21-2 requires an annual appropriation ordinance to appropriate enough funds to operate within that budget. As per SDCL 9-21-9, expenditures are limited to appropriated amounts and per SDCL 9-21-7, Stanley County Law Enforcement is not allowed to exceed those expenditures unless it passes a supplemental budget ordinance that authorizes additional spending.

Condition: Stanley County Law Enforcement did not follow the South Dakota Codified Law on the budget process. Per the Joint Powers Agreement, Stanley County Law Enforcement must follow the Department of Legislative Audit's procedures for a Municipality.

Cause: A lack of trained personnel and oversight by the Board of Directors and the City of Fort Pierre and Stanley County allowed Stanley County Law Enforcement to operate without an appropriate budget per the SDCL listed above.

Effect: Violation of SDCL 9-21-2, SDCL 9-21-9, and SDCL 9-21-7

Recommendation: We recommend that management and those in charge of governance ensure that the budget process is compliant with the South Dakota Department of Legislative Audit's Municipality Manual.



STANLEY COUNTY SHERIFF

STANLEY COUNTY COURTHOUSE
08 E. 2nd Ave.
P.O. Box 818
FORT PIERRE, SOUTH DAKOTA 57532
PHONE: (605) 223-7792
FAX: (605) 223-7794

Bradley J. Rathbun
Sheriff

January 12, 2026

Corrective Action Plan (Unaudited)

Stanley County Law Enforcement, respectfully submits the following corrective action plan for the year ended December 31, 2023.

Name and address of independent public accounting firm:

ELO Prof. LLC
316 Sorenson Dr.
Chamberlain, SD 57325

Finding 2023-01 Lack of Segregation of Duties

Management acknowledges the auditor's finding regarding the lack of segregation of duties. Due to staffing constraints, it is not feasible to fully segregate all accounting functions. However, SCLE has taken steps to implement mitigating controls and oversight procedures to reduce the risk associated with this finding.

SCLE has assigned specific oversight responsibilities to supervisory personnel, including the review and approval of monthly bank reconciliations, journal entries, and disbursements. In addition, management has implemented periodic spot checks and cross-training of staff to provide backup and allow for rotating responsibilities where possible.

SCLE will continue to evaluate duties annually and will make adjustments as feasible, including considering the reallocation of tasks or adding part-time support if resources permit. We understand that due to staffing limitations, this may remain a recurring finding in future audits, but we remain committed to minimizing associated risks through compensating controls and diligent oversight.

Projected implementation date: Ongoing

Finding2023-02 Preparation of Financial Statements

We requested that our auditors, ELO Prof. LLC, prepare the financial statements and notes to the financial statements as part of their annual audit. Management personnel have been responsible for oversight of those services provided. SCLE also understands that this may continue to be a finding in future audits.

Projected implementation date: Ongoing

Finding2023-03 Annual Budget Process

Management acknowledges the auditor's finding regarding the lack of preparation of a proper budget process. SCLE has taken steps to implement the budget process that is compliant with South Dakota Codified Law and the Joint Operating Agreement.

SCLE has acquired software to assist in implementing a correct budget process and will follow the SD-DLA Municipality Manual to properly prepare and continuously keep the budget updated. The Sheriff and Governing Body has implemented processes to review and approve the budget and keep it updated.

SCLE will continue to evaluate duties annually and will make adjustments as feasible, including considering the reallocation of tasks or adding part-time support if resources permit.

Projected implementation date: Ongoing



Independent Auditor's Report

To the Board of Trustees
Stanley County Law Enforcement
Fort Pierre, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities and each major fund, of Stanley County Law Enforcement, South Dakota, as of December 31, 2023, and 2022, and for the years then ended, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Stanley County Law Enforcement, South Dakota as of December 31, 2023, and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the 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 Organization and to meet our 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 opinion.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1. c.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also 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 misstatements, 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 Municipality'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 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 judgement 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 judgement 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 purposes of expressing an opinion on the effectiveness of the Municipality'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality'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 Organization's financial statements. The Budgetary Comparison Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2026 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Chamberlain, South Dakota
January 21, 2026

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Statement of Net Position – Modified Cash Basis
December 31, 2023 and 2022

	Primary Government	
	Governmental Activities	
	2023	2022
Assets		
Cash and cash equivalents	\$ 151,461	\$ 23,612
Restricted Cash	97,484	74,694
Total Assets	\$ 248,945	\$ 98,306
Net Position		
Restricted		
24/7	\$ 17,254	\$ 19,464
Capital outlay	80,230	55,230
Unrestricted	151,461	23,612
Total Net Position	\$ 248,945	\$ 98,306

The accompanying Notes to Financial Statements are an integral part of this statement.

Stanley County Law Enforcement
(A Component Unit of Stanley 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)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Primary</u>
					<u>Government</u>
					<u>Governmental</u>
					<u>Activities</u>
Primary Government:					
Governmental Activities:					
Public Safety	\$ 689,167	\$ 721,794	\$ 91,819	\$ 18,000	\$ 142,446
Total Governmental Activities	<u>\$ 689,167</u>	<u>\$ 721,794</u>	<u>\$ 91,819</u>	<u>\$ 18,000</u>	<u>142,446</u>
			General Revenues:		
					230
					554
					<u>7,409</u>
				Total General Revenues	<u>8,193</u>
				Change in Net Position	<u>150,639</u>
				Net position-Beginning of Year	<u>98,306</u>
				Net Position-Ending of Year	<u>\$ 248,945</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Statement of Activities – Modified Cash Basis
For the Year Ended December 31, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Primary</u>
					<u>Government</u>
					<u>Governmental</u>
					<u>Activities</u>
Primary Government:					
Governmental Activities:					
Public Safety	\$ 760,506	\$ 681,413	\$ 34,278	\$ 18,000	\$ (26,815)
Total Governmental Activities	<u>\$ 760,506</u>	<u>\$ 681,413</u>	<u>\$ 34,278</u>	<u>\$ 18,000</u>	<u>(26,815)</u>
			General Revenues:		
			Licenses and permits	525	
			Unrestricted investment earnings	147	
			Miscellaneous revenue	4,232	
			Total General Revenues	<u>4,904</u>	
			Change in Net Position		<u>(21,911)</u>
			Net position-Beginning of Year		<u>120,217</u>
			Net Position-Ending of Year		<u>\$ 98,306</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
 Balance Sheet – Modified Cash Basis
 Governmental Funds
 December 31, 2023 and 2022

	General Fund	
	2023	2022
Assets		
Cash and cash equivalents	\$ 151,461	\$ 23,612
Restricted Cash	97,484	74,694
Total Assets	\$ 248,945	\$ 98,306
Fund Balances		
Restricted:		
24/7	\$ 17,254	\$ 19,464
Capital outlay	80,230	55,230
Unassigned	151,461	23,612
Total Net Position	\$ 248,945	\$ 98,306

The accompanying Notes to Financial Statements are an integral part of this statement.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis
Governmental Funds
For the Years Ended December 31, 2023 and 2022

	Years Ended	
	December 31,	
	2023	2022
Revenues:		
Charges for goods and services	\$ 721,794	\$ 681,413
Intergovernmental	109,819	52,278
Licenses and permits	230	525
Miscellaneous	7,963	4,379
Total Revenue	839,806	738,595
Expenditures:		
Personnel Expenditures:		
Salaries and wages	406,365	421,508
OASI	32,998	32,408
SDRS	33,981	30,021
Workers compensation	10,230	7,598
Health insurance	66,557	66,694
Current Expense Expenditures:		
Insurance	3,895	3,737
Professional fees	3,250	11,768
Testing services	--	255
Dispatch	55,847	53,973
Prisoner transport	2,909	2,491
24/7 state fees	2,210	1,858
Publishing	636	1,379
Lease and lease fees	641	553
Repairs and maintenance	842	260
Motor fuel	33,071	28,203
Vehicle repair	7,686	6,891
Supplies and materials	3,458	13,069
Postage	510	116
Copier	--	291
Clothing	548	2,268
Guns, ammunition, and safety equipment	1,173	3,632
Travel and conferences	400	1,329
Training	--	255
Utilities	1,523	3,790
Cellular telephone	7,667	9,585
Teletype services	4,680	2,340
Dues and fees	1,650	1,594
Pistol permits	--	530
Computer software fees	1,388	7,460
Machinery and equipment	5,052	44,650
Total Expenditures	689,167	760,506
 Change in Fund Balance	 150,639	 (21,911)
 Fund Balance, Beginning of Year	 98,306	 120,217
Fund Balance, End of Year	\$ 248,945	\$ 98,306

The accompanying Notes to Financial Statements are an integral part of this statement.

Stanley County Law Enforcement
(A Component Unit of Stanley County)

Notes to Basic Financial Statements – Modified Cash Basis

December 31, 2023 and 2022

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 the Stanley County Law Enforcement (a component unit of Stanley 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, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); 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. Stanley County is financially accountable if its Governing Board 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 Organization (primary government). The Organization may also be financially accountable for another organization if that organization is fiscally dependent on the Organization.

The Stanley County Law Enforcement is a component unit of Stanley County. The five members of its board consist of two Stanley County Commissioners, the Stanley County Sheriff and two City of Fort Pierre Commissioners. Since the County has the majority on the board it is deemed to control it, thus it's considered a component unit of Stanley 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. The statements have only governmental type activities. 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 Organization'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.

Stanley County Law Enforcement
(A Component Unit of Stanley County)

Notes to Basic Financial Statements – Modified Cash Basis
December 31, 2023 and 2022

1. Summary of Significant Accounting Policies: (Continued)

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. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Organization.

The fund of the Organization’s financial reporting entity is described below:

Governmental Funds:

General Fund – the General Fund is the general operating fund of the Organization. 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.

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 Organization’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:

Government-wide Financial Statements:

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

Fund Financial Statements:

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.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Notes to Basic Financial Statements – Modified Cash Basis
December 31, 2023 and 2022

1. Summary of Significant Accounting Policies: (Continued)

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.

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

d. Deposits and Investments:

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

e. Capital Assets:

Government-wide Financial Statements:

Under the modified cash basis of accounting, capital assets are considered a cost of the program for which they were acquired, for the amount paid in cash. In the Statement of Activities, cash payments for capital assets are recorded in the program category for which they were acquired. Allocations between programs are made, where necessary to match the cost with the program that benefits from the use of the capital assets.

Stanley County Law Enforcement
(A Component Unit of Stanley County)

Notes to Basic Financial Statements – Modified Cash Basis
December 31, 2023 and 2022

1. Summary of Significant Accounting Policies: (Continued)

Fund Financial Statements:

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as expenditures of the governmental fund when paid for in cash.

f. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the Organization'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.

g. Equity Classifications:

Government-wide 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 may distinguish between "Restricted," "Assigned" and "Unassigned" components.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Notes to Basic Financial Statements – Modified Cash Basis
December 31, 2023 and 2022

1. Summary of Significant Accounting Policies: (Continued)

h. Application of Net Position:

It is the Organization'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 position are available.

i. 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 Organization 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 of specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the governing body or Finance Officer.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories.

The Organization uses restricted 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 Organization would first use assigned and then unassigned amounts of unrestricted fund balance when expenditures are made.

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

Stanley County Law Enforcement
(A Component Unit of Stanley County)

Notes to Basic Financial Statements – Modified Cash Basis

December 31, 2023 and 2022

2. Deposits and Investments Credit Risk, Concentrations of Credit Risk and Interest Rate Risk:

The Organization 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 Organization’s cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2, 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 Organization funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

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

Custodial Credit Risk – The risk that, in the event of a depository failure, the Organization’s deposits may not be returned to it. The Organization does not have a deposit policy for custodial credit risk.

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

Interest Rate Risk – The Organization 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.

Stanley County Law Enforcement
(A Component Unit of Stanley County)

Notes to Basic Financial Statements – Modified Cash Basis
December 31, 2023 and 2022

3. Risk Management:

The Organization 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, 2023 and 2022, the Organization managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

The Municipality 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 Municipality'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 Municipality. The Municipality 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 Municipality pays an annual premium to the pool to provide coverage for automobiles and buildings, general and population liability, and law enforcement.

The Organization carries a \$250-\$1,000 deductible for the property coverage, depending on the type of property.

The Organization 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.

Workers' Compensation:

The Organization joined the South Dakota Municipal League Workers' 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 Workers' compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Organization'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 Workers' compensation claims. The Organization pays an annual premium, to provide Workers' 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 \$250,000 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 \$1,750,000 per incident.

Stanley County Law Enforcement
(A Component Unit of Stanley County)

Notes to Basic Financial Statements – Modified Cash Basis
December 31, 2023 and 2022

3. Risk Management: (Continued)

The Organization 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.

Unemployment Benefits:

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

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

Benefits Provided:

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

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirement benefits 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.

Stanley County Law Enforcement
(A Component Unit of Stanley County)

Notes to Basic Financial Statements – Modified Cash Basis
December 31, 2023 and 2022

4. Pension Plan: (Continued)

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

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

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 Organization's share of contributions to the SDRS for the fiscal years ended December 31, 2023, 2022, and 2021 were \$33,981, \$30,021, and \$30,724 respectively, equal to the required contributions each year.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Notes to Basic Financial Statements – Modified Cash Basis
December 31, 2023 and 2022

4. Pension Plan: (Continued)

Pension (Asset):

The Organization is a component unit of Stanley County, South Dakota. See Stanley County audit report for information on the consolidated net position

Actuarial Assumptions:

The total pension (asset) in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation -----	2.50%
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 -----	1.91%

Mortality Rates:

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

Active and Terminated Vested Members:

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

Retired Members:

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2022.

Stanley County Law Enforcement
(A Component Unit of Stanley County)

Notes to Basic Financial Statements – Modified Cash Basis

December 31, 2023 and 2022

4. Pension Plan: (Continued)

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 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, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56.3%	3.8%
Investment Grade Debt	22.8%	1.7%
High Yield Debt	7.0%	2.7%
Real Estate	12.0%	3.5%
Cash	1.9%	0.8%
Total	100%	

Discount Rate:

The discount rate used to measure the total pension liability (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 liability (asset).

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

The Organization is a component unit of Stanley County, South Dakota. See Stanley County audit report for information on the sensitivity to changes in the discount rate.

Pension Plan Fiduciary Net Position:

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

Supplemental Information

Stanley County Law Enforcement
(A Component Unit of Stanley County)
 Budgetary Comparison Schedules – Modified Cash Basis
 General 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>		
Revenues:				
Licenses and Permits Revenues:				
Pistol permit	\$ 700	\$ 700	\$ 230	\$ (470)
Total Licenses and Permits	<u>700</u>	<u>700</u>	<u>230</u>	<u>(470)</u>
Intergovernmental Revenues:				
US justice	650	650	--	(650)
Other federal grant	--	--	80,460	80,460
Office of highway safety grant	--	--	11,359	11,359
Capital contributions from counties and municipalities	--	--	18,000	18,000
Total Intergovernmental	<u>650</u>	<u>650</u>	<u>109,819</u>	<u>109,169</u>
Charges for Goods and Services:				
Law enforcement fees	727,277	727,277	713,491	(13,786)
Civil fees	6,000	6,000	7,838	1,838
Fingerprinting	1,400	1,400	240	(1,160)
Warrant fee	400	400	225	(175)
PBT - 24/7	1,500	1,500	--	(1,500)
Total Charges for Goods and Services	<u>736,577</u>	<u>736,577</u>	<u>721,794</u>	<u>(14,783)</u>
Miscellaneous Revenue:				
Execution fee	100	100	200	100
Interest on investments	50	50	554	504
Other	--	--	7,209	7,209
Total Miscellaneous Revenue	<u>150</u>	<u>150</u>	<u>7,963</u>	<u>7,813</u>
Total Revenue	<u>\$ 738,077</u>	<u>\$ 738,077</u>	<u>\$ 839,806</u>	<u>\$ 101,729</u>

See accompanying Note to Budgetary Comparison Schedules.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
 Budgetary Comparison Schedules – Modified Cash Basis
 General Fund (Continued)
 For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Expenditures:				
Personnel Expenditures:				
Salaries and wages	\$ 407,562	\$ 407,562	\$ 406,365	\$ 1,197
OASI	31,178	31,178	32,998	(1,820)
SDRS	30,043	30,043	33,981	(3,938)
Workers compensation	10,000	10,000	10,230	(230)
Health insurance	81,943	81,943	66,557	15,386
Total Personnel Expenditures	<u>560,726</u>	<u>560,726</u>	<u>550,131</u>	<u>10,595</u>
Current Expense Expenditures:				
Insurance	4,000	4,000	3,895	105
Professional fees	12,500	12,500	3,250	9,250
Testing services	250	250	--	250
Shipping charges	100	100	--	100
Dispatch	55,100	55,100	55,847	(747)
Prisoner transport	2,200	2,200	2,909	(709)
Vehicle towing	400	400	--	400
24/7 state fees	1,000	1,000	2,210	(1,210)
Publishing	500	500	636	(136)
Lease and lease fees	1,000	1,000	641	359
Repairs and maintenance	700	700	842	(142)
Motor fuel	24,000	24,000	33,071	(9,071)
Vehicle repair	8,000	8,000	7,686	314
Supplies and materials	8,000	8,000	3,458	4,542
Postage	750	750	510	240
Copier	400	400	--	400
Clothing	3,500	3,500	548	2,952
Guns, ammunition, and safety equipment	2,500	2,500	1,173	1,327
Travel and conferences	1,700	1,700	400	1,300
Training	1,100	1,100	--	1,100
Utilities	1,450	1,450	1,523	(73)
Cellular telephone	9,000	9,000	7,667	1,333
Teletype services	4,700	4,700	4,680	20
Dues and fees	1,100	1,100	1,650	(550)
Bank charges and fees	500	500	--	500
Pistol permits	900	900	--	900
Computer software fees	7,000	7,000	1,388	5,612
Machinery and equipment	25,000	25,000	5,052	19,948
Total Current Expense Expenditures	<u>177,350</u>	<u>177,350</u>	<u>139,036</u>	<u>38,314</u>
Total Expenditures	<u>738,076</u>	<u>738,076</u>	<u>689,167</u>	<u>48,909</u>
Net Change in Fund Balance	1	1	150,639	150,638
Beginning Budgetary Fund Balance	<u>98,306</u>	<u>98,306</u>	<u>98,306</u>	<u>--</u>
Ending Budgetary Fund Balance	<u>\$ 98,307</u>	<u>\$ 98,307</u>	<u>\$ 248,945</u>	<u>\$ 150,638</u>

See accompanying Note to Budgetary Comparison Schedules.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
 Budgetary Comparison Schedules – Modified Cash Basis
 General Fund
 For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget (Negative) (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and Permits Revenues:				
Pistol permit	\$ 700	\$ 700	\$ 525	\$ (175)
Total Licenses and Permits	<u>700</u>	<u>700</u>	<u>525</u>	<u>(175)</u>
Intergovernmental Revenues:				
US justice	15,650	15,650	16,066	416
Other federal grant	9,800	9,800	9,877	77
Office of highway safety grant	8,300	8,300	8,335	35
Capital contributions from counties and municipalities	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>--</u>
Total Intergovernmental	<u>51,750</u>	<u>51,750</u>	<u>52,278</u>	<u>528</u>
Charges for Goods and Services:				
Law enforcement fees	668,837	668,837	666,837	(2,000)
Civil fees	6,000	6,000	8,438	2,438
Fingerprinting	1,400	1,400	630	(770)
Warrant fee	400	400	75	(325)
PBT - 24/7	<u>1,500</u>	<u>1,500</u>	<u>5,433</u>	<u>3,933</u>
Total Charges for Goods and Services	<u>678,137</u>	<u>678,137</u>	<u>681,413</u>	<u>3,276</u>
Miscellaneous Revenue:				
Interest on investments	500	500	147	(353)
Other	<u>4,600</u>	<u>4,600</u>	<u>4,232</u>	<u>(368)</u>
Total Miscellaneous Revenue	<u>5,100</u>	<u>5,100</u>	<u>4,379</u>	<u>(721)</u>
Total Revenue	<u>\$ 735,687</u>	<u>\$ 735,687</u>	<u>\$ 738,595</u>	<u>\$ 2,908</u>

See accompanying Note to Budgetary Comparison Schedules.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
 Budgetary Comparison Schedules – Modified Cash Basis
 General Fund (Continued)
 For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Personnel Expenditures:				
Salaries and wages	\$ 436,348	\$ 436,348	\$ 421,508	\$ 14,840
OASI	28,783	28,783	32,408	(3,625)
SDRS	28,812	28,812	30,021	(1,209)
Workers compensation	10,000	10,000	7,598	2,402
Health insurance	70,794	70,794	66,694	4,100
Total Personnel Expenditures	<u>574,737</u>	<u>574,737</u>	<u>558,229</u>	<u>16,508</u>
Current Expense Expenditures:				
Insurance	4,000	4,000	3,737	263
Professional fees	12,500	12,500	11,768	732
Testing services	250	250	255	(5)
Shipping charges	100	100	--	100
Dispatch	53,500	53,500	53,973	(473)
Prisoner transport	2,000	2,000	2,491	(491)
Vehicle towing	400	400	--	400
24/7 state fees	1,000	1,000	1,858	(858)
Publishing	500	500	1,379	(879)
Lease and lease fees	500	500	553	(53)
Repairs and maintenance	500	500	260	240
Motor fuel	28,000	28,000	28,203	(203)
Vehicle repair	7,000	7,000	6,891	109
Supplies and materials	14,325	14,325	13,069	1,256
Postage	750	750	116	634
Copier	400	400	291	109
Clothing	3,000	3,000	2,268	732
Guns, ammunition, and safety equipment	2,000	2,000	3,632	(1,632)
Travel and conferences	1,700	1,700	1,329	371
Training	1,100	1,100	255	845
Utilities	1,450	1,450	3,790	(2,340)
Cellular telephone	8,500	8,500	9,585	(1,085)
Teletype services	4,700	4,700	2,340	2,360
Dues and fees	1,100	1,100	1,594	(494)
Bank charges and fees	500	500	--	500
Pistol permits	900	900	530	370
Computer software fees	7,000	7,000	7,460	(460)
Machinery and equipment	44,650	44,650	44,650	--
Total Current Expense Expenditures	<u>202,325</u>	<u>202,325</u>	<u>202,277</u>	<u>48</u>
Total Expenditures	<u>777,062</u>	<u>777,062</u>	<u>760,506</u>	<u>16,556</u>
Net Change in Fund Balance	(41,375)	(41,375)	(21,911)	19,464
Beginning Budgetary Fund Balance	<u>120,217</u>	<u>120,217</u>	<u>120,217</u>	<u>--</u>
Ending Budgetary Fund Balance	<u>\$ 78,842</u>	<u>\$ 78,842</u>	<u>\$ 98,306</u>	<u>\$ 19,464</u>

See accompanying Note to Budgetary Comparison Schedules.

Stanley County Law Enforcement
(A Component Unit of Stanley County)
Note to Budgetary Comparison Schedules
For the Years Ended December 31, 2023 and 2022

Note 1. Budgets and Budgetary Accounting:

The Organization follows these procedures in establishing the budgetary data reflected in the schedules:

1. At the first regular board meeting in September of each year or within ten days thereafter, the Governing Board introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the Governing Board, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total municipal budget and may be transferred by resolution of the Governing Board to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpended appropriations lapse at year end unless encumbered by resolution of the Governing Board.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund.
7. The Organization presents its budget on the modified cash basis of accounting to coincide with the basis of accounting utilized by the basic financial statements. See Note 1.c. to the basic financial statements for a definition of modified cash basis.