

FALL RIVER COUNTY

AUDIT REPORT

For the Two Years Ended December 31, 2019

FALL RIVER COUNTY
COUNTY OFFICIALS
December 31, 2019

Board of Commissioners:

Joe Allen
Joe Falkenburg
Heath Greenough
Paul Nabholz
Deb Russell

Auditor:
Sue Ganje

Treasurer:
Kelli Rhoe

State's Attorney:
Brian Ahrendt

Register of Deeds:
Melody Engebretson

Sheriff:
Robert Evans

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

RUSSELL A. OLSON
AUDITOR GENERAL

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*

County Commission
Fall River County
Hot Springs, 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 Fall River County, South Dakota (County), as of December 31, 2019, 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 December 15, 2020.

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

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) to determine the 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 may exist that have not been identified.

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 determination of financial statement amounts. 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.

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

December 15, 2020



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

RUSSELL A. OLSON
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

County Commission
Fall River County
Hot Springs, South Dakota

Report on Compliance for Each Major Federal Program

We have audited Fall River 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, 2019. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Fall River 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, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

December 15, 2020

FALL RIVER COUNTY
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Audit Findings:

The prior audit report contained no written audit findings.

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Summary of the Independent Auditor's Results:

Financial Statements

- a. An adverse opinion was issued for the omission of the Fall River County Housing and Redevelopment Commission, a discretely presented component unit, financial statements. An unmodified opinion was issued on the primary government's financial statements presented on an other comprehensive basis of accounting – modified cash basis.
- 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:

Payment in Lieu of Taxes CFDA # 15.226
- g. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$750,000.
- h. Fall River County did qualify as a low-risk auditee.

Current Federal Audit Findings:

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

Current Other Audit Findings:

There are no written current other audit findings to report.



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RUSSELL A. OLSON
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

County Commission
Fall River County
Hot Springs, South Dakota

Report on the Financial Statements

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 Fall River County, South Dakota (County), as of December 31, 2019, 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.

Management's Responsibility for the Financial Statements

The County's 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 responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit

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.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component unit of Fall River County as of December 31, 2019, or the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of accounting of the governmental activities, each major fund, and the aggregate remaining fund information of Fall River County as of December 31, 2019, 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 of Accounting

We draw attention to 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.

Emphasis of Matter

As discussed in Notes 2 and 13 to the financial statements, in 2019, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, which has resulted in a restatement of the net position as of January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

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 the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for 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 listed in the Table of Contents 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information 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 December 15, 2020, on our consideration of the County's internal control over financial reporting and 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 the 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

December 15, 2020

FALL RIVER COUNTY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2019

	<u>Primary Government Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	\$ 1,181,494.08
Investments	<u>6,132,329.98</u>
TOTAL ASSETS	<u><u>\$ 7,313,824.06</u></u>
NET POSITION:	
Restricted For: (See Note 7)	
Road and Bridge Purposes	\$ 2,349,849.92
Courthouse Building Purposes	1,158,832.36
Other Purposes	446,862.83
Unrestricted	<u>3,358,278.95</u>
TOTAL NET POSITION	<u><u>\$ 7,313,824.06</u></u>

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

FALL RIVER COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Primary Government:				
Governmental Activities:				
General Government	\$ 2,017,328.59	\$ 343,494.81	\$ 18,795.91	\$ (1,655,037.87)
Public Safety	1,845,367.99	265,510.58	165,967.80	(1,413,889.61)
Public Works	1,878,984.20	31,922.41	1,638,660.66	(208,401.13)
Health and Welfare	187,496.16	7,197.38		(180,298.78)
Culture and Recreation	42,000.00			(42,000.00)
Conservation of Natural Resources	234,646.17	13,761.27	40,532.28	(180,352.62)
Urban and Economic Development	8,143.00			(8,143.00)
Intergovernmental	16,782.57			(16,782.57)
Payments to Local Education Agencies	46,542.34			(46,542.34)
Total Primary Government	<u>\$ 6,277,291.02</u>	<u>\$ 661,886.45</u>	<u>\$ 1,863,956.65</u>	<u>(3,751,447.92)</u>
General Revenues:				
Taxes:				
Property Taxes				3,056,843.11
Wheel Tax				108,208.40
State Shared Revenues				83,547.87
Grants and Contributions not Restricted to Specific Programs				801,290.25
Unrestricted Investment Earnings				132,142.86
Miscellaneous Revenue				19,399.41
Total General Revenues				<u>4,201,431.90</u>
Change in Net Position				449,983.98
Net Position - Beginning				<u>6,863,840.08</u>
NET POSITION - ENDING				<u>\$ 7,313,824.06</u>

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

FALL RIVER COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 1,897,015.45	\$ 331,408.16	\$ 11,572.59	\$	\$ (1,554,034.70)
Public Safety	1,821,755.10	297,281.80	195,958.16	5,618.05	(1,322,897.09)
Public Works	2,097,885.60	30,473.52	1,313,654.93		(753,757.15)
Health and Welfare	174,959.88	7,895.29			(167,064.59)
Culture and Recreation	42,500.00				(42,500.00)
Conservation of Natural Resources	272,823.00	4,938.48	63,368.88		(204,515.64)
Urban and Economic Development	9,685.00				(9,685.00)
Intergovernmental	15,851.53				(15,851.53)
Payments to Local Education Agencies	42,162.28				(42,162.28)
*Interest on Long-Term Debt	121.27				(121.27)
Total Primary Government	\$ 6,374,759.11	\$ 671,997.25	\$ 1,584,554.56	\$ 5,618.05	(4,112,589.25)
General Revenues:					
Taxes:					
Property Taxes					3,051,183.72
Wheel Tax					108,293.15
State Shared Revenues					89,224.69
Grants and Contributions not Restricted to Specific Programs					730,517.71
Unrestricted Investment Earnings					106,705.35
Miscellaneous Revenue					17,040.09
Total General Revenues					4,102,964.71
Change in Net Position					(9,624.54)
Net Position - Beginning					6,873,464.62
NET POSITION - ENDING					\$ 6,863,840.08

* 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.

**FALL RIVER COUNTY
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2019**

	General Fund	Road and Bridge Fund	Courthouse Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 536,002.21	\$ 142,211.13	\$ 53,539.72	\$ 449,741.02	\$ 1,181,494.08
Investments	2,330,285.39	2,207,638.79	1,594,405.80		6,132,329.98
TOTAL ASSETS	<u>\$ 2,866,287.60</u>	<u>\$ 2,349,849.92</u>	<u>\$ 1,647,945.52</u>	<u>\$ 449,741.02</u>	<u>\$ 7,313,824.06</u>
¹² FUND BALANCES: (See Note 1.j.)					
Restricted	\$	\$ 2,349,849.92	\$ 1,158,832.36	\$ 446,862.83	\$ 3,955,545.11
Assigned	1,452,257.00		489,113.16	3,314.77	1,944,684.93
Unassigned	1,414,030.60			(436.58)	1,413,594.02
TOTAL FUND BALANCES	<u>\$ 2,866,287.60</u>	<u>\$ 2,349,849.92</u>	<u>\$ 1,647,945.52</u>	<u>\$ 449,741.02</u>	<u>\$ 7,313,824.06</u>

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

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FALL RIVER COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	General Fund	Road and Bridge Fund	Courthouse Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
General Property Taxes--Current	\$ 2,599,901.36	\$ 255,143.89	\$ 116,208.77	\$ 1,032.35	\$ 2,972,286.37
General Property Taxes--Delinquent	59,536.42	5,145.66	2,663.01	63.78	67,408.87
Penalties and Interest	13,864.74	1,180.94	620.88	7.23	15,673.79
Telephone Tax (Outside)	57.00				57.00
Mobile Home Tax	1,200.53	162.95	53.60		1,417.08
Wheel Tax		108,208.40			108,208.40
Licenses and Permits	13,704.00			1,849.00	15,553.00
Intergovernmental Revenue:					
Federal Grants	20,167.28			50,205.24	70,372.52
Federal Shared Revenue		44,107.25			44,107.25
Federal Payments in Lieu of Taxes	643,819.08	87,715.62	24,027.00	1,621.30	757,183.00
State Grants	29,365.00	567,849.52		961.73	598,176.25
State Shared Revenue:					
Bank Franchise	10,076.63	984.77	449.96	3.99	11,515.35
Motor Vehicle Licenses	2,572.38	774,516.44			777,088.82
State Highway Fund (former 10% game)		24,975.18			24,975.18
Court Appointed Attorney/Public Defender	9,795.91				9,795.91
Energy Minerals Severance Tax		12,894.87			12,894.87
Prorate License Fees		42,397.03			42,397.03
63 3/4% Mobile Home		13,552.07			13,552.07
Secondary Road Motor Vehicle Remittances		195,486.26			195,486.26
Telecommunications Gross Receipts Tax	25,928.63				25,928.63
Motor Fuel Tax		4,416.91			4,416.91
911 Remittances				87,728.52	87,728.52
Liquor Tax Reversion (25%)	40,106.09				40,106.09
Other Payments in Lieu of Taxes	5,740.49		257.31		5,997.80
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	42,924.31				42,924.31
Register of Deeds' Fees	105,462.34			8,875.70	114,338.04

Legal Services	59,992.10			900.00	60,892.10
Clerk of Courts Fees	9,326.40				9,326.40
Other Fees	99,897.46				99,897.46
Public Safety:					
Law Enforcement	137,434.57				137,434.57
Prisoner Care	29,641.53				29,641.53
Sobriety Testing				30,729.00	30,729.00
Other	2,890.50			55,000.00	57,890.50
Public Works:					
Road Maintenance Contract Charges		31,922.41			31,922.41
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	160.00				160.00
Veterans Service Officer	2,812.50				2,812.50
Other	7,037.38				7,037.38
Conservation of Natural Resources	12,711.27				12,711.27
Fines and Forfeits:					
Costs	7,465.98			100.00	7,565.98
Miscellaneous Revenue:					
Investment Earnings	55,780.91	44,336.81	29,196.34	2,828.80	132,142.86
Rent	1,050.00				1,050.00
Contributions and Donations	1,500.00				1,500.00
Refund of Prior Year's Expenditures	6,980.00				6,980.00
Other	6,612.20	913.19		300.29	7,825.68
Total Revenues	<u>4,065,514.99</u>	<u>2,215,910.17</u>	<u>173,476.87</u>	<u>242,206.93</u>	<u>6,697,108.96</u>
Expenditures:					
General Government:					
Legislative:					
Board of County Commissioners	139,964.29				139,964.29
Elections	24,162.32				24,162.32
Judicial System	11,506.27				11,506.27
Financial Administration:					
Auditor	211,329.76				211,329.76
Treasurer	211,725.52				211,725.52
Legal Services:					
State's Attorney	172,057.85				172,057.85
Court Appointed Attorney	287,807.59				287,807.59
Abused and Neglected Child Defense	65,921.10				65,921.10
Other Legal Services	1,585.00				1,585.00
Other Administration:					
General Government Building	258,400.10		72,536.84		330,936.94

FALL RIVER COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019
(Continued)

	General Fund	Road and Bridge Fund	Courthouse Building Fund	Other Governmental Funds	Total Governmental Funds
Director of Equalization	234,560.47				234,560.47
Register of Deeds	123,684.56			1,155.00	124,839.56
Veterans Service Officer	49,537.86				49,537.86
Predatory Animal	5,513.18				5,513.18
Geographic Information System	62,069.58				62,069.58
Information Technology	83,811.30				83,811.30
Public Safety:					
Law Enforcement:					
Sheriff	692,561.58			39,852.97	732,414.55
County Jail	578,418.48				578,418.48
Coroner	25,088.80				25,088.80
Juvenile Detention	47,060.00				47,060.00
Other Law Enforcement	4,296.19				4,296.19
Protective and Emergency Services:					
Fire Protection				1,310.52	1,310.52
Emergency and Disaster Services				105,769.32	105,769.32
Communication Center				341,156.77	341,156.77
Other Protective and Emergency	9,853.36				9,853.36
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		1,878,984.20			1,878,984.20
Health and Welfare:					
Economic Assistance:					
Support of Poor	8,754.36				8,754.36
Health Assistance:					
County Nurse	58,610.12				58,610.12
Social Services:					
Care of Aged	18,300.00				18,300.00
Domestic Abuse				8,124.58	8,124.58
Other	10,500.00				10,500.00
Mental Health Services:					
Mentally Ill	27,170.44				27,170.44

Drug Abuse	12,000.00				12,000.00
Mental Health Centers	7,500.00				7,500.00
Mental Illness Board	36,536.66				36,536.66
Culture and Recreation:					
Culture:					
Public Library	24,000.00				24,000.00
Historical Museum	6,000.00				6,000.00
Recreation:					
County Fair	2,900.00				2,900.00
Senior Center	9,100.00				9,100.00
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	48,007.48				48,007.48
Soil Conservation Districts	20,000.00				20,000.00
Weed and Pest Control	166,638.69				166,638.69
Urban and Economic Development:					
Urban Development:					
Other	1,000.00				1,000.00
Economic Development:					
Tourism, Industrial or Recreational Development	7,143.00				7,143.00
Intergovernmental Expenditures	16,782.57	8,683.19			25,465.76
Payments to Local Education Agencies	37,859.15				37,859.15
Total Expenditures	<u>3,819,717.63</u>	<u>1,887,667.39</u>	<u>72,536.84</u>	<u>497,369.16</u>	<u>6,277,291.02</u>
Excess of Revenues Over (Under) Expenditures	<u>245,797.36</u>	<u>328,242.78</u>	<u>100,940.03</u>	<u>(255,162.23)</u>	<u>419,817.94</u>
Other Financing Sources (Uses):					
Transfers In	73,533.15	150,000.00		242,986.00	466,519.15
Transfers Out	(392,986.00)	(44,336.81)	(29,196.34)		(466,519.15)
Insurance Proceeds	25,572.31				25,572.31
Sale of County Property		4,593.73			4,593.73
Total Other Financing Sources (Uses)	<u>(293,880.54)</u>	<u>110,256.92</u>	<u>(29,196.34)</u>	<u>242,986.00</u>	<u>30,166.04</u>
Net Change in Fund Balance	(48,083.18)	438,499.70	71,743.69	(12,176.23)	449,983.98
Fund Balance - Beginning	<u>2,914,370.78</u>	<u>1,911,350.22</u>	<u>1,576,201.83</u>	<u>461,917.25</u>	<u>6,863,840.08</u>
FUND BALANCE - ENDING	<u>\$ 2,866,287.60</u>	<u>\$ 2,349,849.92</u>	<u>\$ 1,647,945.52</u>	<u>\$ 449,741.02</u>	<u>\$ 7,313,824.06</u>

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

FALL RIVER COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	General Fund	Road and Bridge Fund	Courthouse Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
General Property Taxes--Current	\$ 2,595,548.91	\$ 254,840.64	\$ 115,988.07	\$ 973.79	\$ 2,967,351.41
General Property Taxes--Delinquent	56,771.88	5,669.58	2,537.99	1.04	64,980.49
Penalties and Interest	13,611.07	1,400.34	608.74	1.72	15,621.87
Telephone Tax (Outside)	57.95				57.95
Mobile Home Tax	2,774.09	274.07	123.84		3,172.00
Wheel Tax		108,293.15			108,293.15
Licenses and Permits	12,775.00			1,611.00	14,386.00
Intergovernmental Revenue:					
Federal Grants	33,343.75			73,516.68	106,860.43
Federal Shared Revenue		44,141.78			44,141.78
Federal Payments in Lieu of Taxes	622,183.47	83,533.59	23,272.60	1,528.05	730,517.71
State Grants	57,869.73	249,003.60		19,125.90	325,999.23
State Shared Revenue:					
Bank Franchise	9,674.62	945.59	432.31	3.83	11,056.35
Motor Vehicle Licenses		755,794.83			755,794.83
State Highway Fund (former 10% game)		12,487.59			12,487.59
Court Appointed Attorney/Public Defender	9,034.14				9,034.14
Energy Minerals Severance Tax		4,394.09			4,394.09
Prorate License Fees		42,386.27			42,386.27
63 3/4% Mobile Home		8,671.98			8,671.98
Secondary Road Motor Vehicle Remittances		192,357.88			192,357.88
Telecommunications Gross Receipts Tax	36,682.85				36,682.85
Motor Vehicle 1/4%	2,538.45				2,538.45
Motor Fuel Tax		4,416.91			4,416.91
911 Remittances				73,220.98	73,220.98
Liquor Tax Reversion (25%)	38,706.39				38,706.39
Other State Shared Revenue				750.00	750.00
Other Payments in Lieu of Taxes	2,659.88		119.22		2,779.10
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	42,680.82				42,680.82
Register of Deeds' Fees	106,497.83			9,107.68	115,605.51
Legal Services	58,381.80			425.00	58,806.80

Clerk of Courts Fees	7,492.95				7,492.95
Other Fees	91,883.58				91,883.58
Public Safety:					
Law Enforcement	177,608.39				177,608.39
Prisoner Care	26,361.93				26,361.93
Sobriety Testing				28,013.00	28,013.00
Other				55,000.00	55,000.00
Public Works:					
Road Maintenance Contract Charges		30,473.52			30,473.52
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	1,330.61				1,330.61
Veterans Service Officer	2,812.50				2,812.50
Health Assistance:					
Women, Infants and Children	6,564.68				6,564.68
Mental Health Services					
Conservation of Natural Resources	3,838.48				3,838.48
Fines and Forfeits:					
Costs	7,954.48			84.00	8,038.48
Miscellaneous Revenue:					
Investment Earnings	46,616.53	33,349.72	24,615.20	2,123.90	106,705.35
Rent	1,100.00				1,100.00
Contributions and Donations	1,500.00				1,500.00
Refond of Prior Year's Expenditures	8,160.00			285.62	8,445.62
Other	7,923.81	670.66			8,594.47
Total Revenues	<u>4,092,940.57</u>	<u>1,833,105.79</u>	<u>167,697.97</u>	<u>265,772.19</u>	<u>6,359,516.52</u>

Expenditures:

General Government:

Legislative:

Board of County Commissioners

161,259.11

161,259.11

Elections

52,301.93

52,301.93

Judicial System

18,898.76

18,898.76

Financial Administration:

Auditor

210,637.76

210,637.76

Treasurer

200,335.64

200,335.64

Legal Services:

State's Attorney

184,117.99

184,117.99

Court Appointed Attorney

240,053.59

240,053.59

Abused and Neglected Child Defense

34,812.51

34,812.51

Other Administration:

General Government Building

245,145.83

53,077.45

298,223.28

Director of Equalization

220,378.19

220,378.19

Register of Deeds

133,385.79

870.00

134,255.79

FALL RIVER COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018
(Continued)

	General Fund	Road and Bridge Fund	Courthouse Building Fund	Other Governmental Funds	Total Governmental Funds
Veterans Service Officer	48,982.44				48,982.44
Predatory Animal	5,513.18				5,513.18
Geographic Information System	61,733.51				61,733.51
Information Technology	23,488.19				23,488.19
Public Safety:					
Law Enforcement:					
Sheriff	658,515.86			34,719.68	693,235.54
County Jail	618,275.39				618,275.39
Coroner	21,451.72				21,451.72
Juvenile Detention	27,030.00				27,030.00
Other Law Enforcement	4,931.86				4,931.86
Protective and Emergency Services:					
Fire Protection				45,694.00	45,694.00
Emergency and Disaster Services				121,313.19	121,313.19
Communication Center				288,698.75	288,698.75
Other Protective and Emergency	942.75				942.75
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		2,097,885.60			2,097,885.60
Health and Welfare:					
Economic Assistance:					
Support of Poor	3,302.76				3,302.76
Health Assistance:					
County Nurse	56,480.00				56,480.00
Social Services:					
Care of Aged	19,300.00				19,300.00
Domestic Abuse				5,911.00	5,911.00
Other	10,000.00				10,000.00
Mental Health Services:					
Mentally Ill	39,993.98				39,993.98
Drug Abuse	12,000.00				12,000.00
Mental Health Centers	7,500.00				7,500.00
Mental Illness Board	17,972.14				17,972.14
Other	2,500.00				2,500.00

Culture and Recreation:					
Culture:					
Public Library	24,000.00				24,000.00
Historical Museum	6,000.00				6,000.00
Other	1,000.00				1,000.00
Recreation:					
County Fair	2,900.00				2,900.00
Senior Center	8,600.00				8,600.00
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	53,981.76				53,981.76
Soil Conservation Districts	20,000.00				20,000.00
Weed and Pest Control	198,773.03				198,773.03
Urban and Economic Development:					
Urban Development:					
Other	1,000.00				1,000.00
Economic Development:					
Tourism, Industrial or Recreational Development	8,685.00				8,685.00
Intergovernmental Expenditures	15,851.53	5,634.73			21,486.26
Debt Service	2,347.07			47.89	2,394.96
Payments to Local Education Agencies	36,527.55				36,527.55
Total Expenditures	<u>3,720,906.82</u>	<u>2,103,520.33</u>	<u>53,077.45</u>	<u>497,254.51</u>	<u>6,374,759.11</u>
Excess of Revenues Over (Under) Expenditures	<u>372,033.75</u>	<u>(270,414.54)</u>	<u>114,620.52</u>	<u>(231,482.32)</u>	<u>(15,242.59)</u>
Other Financing Sources (Uses):					
Transfers In	79,808.17			262,955.00	342,763.17
Transfers Out	(262,955.00)	(33,349.72)	(24,615.20)	(21,843.25)	(342,763.17)
Insurance Proceeds	5,618.05				5,618.05
Total Other Financing Sources (Uses)	<u>(177,528.78)</u>	<u>(33,349.72)</u>	<u>(24,615.20)</u>	<u>241,111.75</u>	<u>5,618.05</u>
Net Change in Fund Balance	194,504.97	(303,764.26)	90,005.32	9,629.43	(9,624.54)
Fund Balance - Beginning	<u>2,719,865.81</u>	<u>2,215,114.48</u>	<u>1,486,196.51</u>	<u>452,287.82</u>	<u>6,873,464.62</u>
FUND BALANCE - ENDING	<u>\$ 2,914,370.78</u>	<u>\$ 1,911,350.22</u>	<u>\$ 1,576,201.83</u>	<u>\$ 461,917.25</u>	<u>\$ 6,863,840.08</u>

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

FALL RIVER COUNTY
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
December 31, 2019

	<u>Custodial Funds</u>
ASSETS:	
Cash and Cash Equivalents	<u>\$ 201,939.04</u>
TOTAL ASSETS	<u><u>\$ 201,939.04</u></u>
NET POSITION:	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 201,939.04</u>
TOTAL NET POSITION	<u><u>\$ 201,939.04</u></u>

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

FALL RIVER COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
For the Year Ended December 31, 2019

	Custodial Funds
ADDITIONS:	
Property Tax Collections for Other Governments	\$ 7,660,331.19
State Shared Revenue Collections for Other Governments	1,763,096.09
Other Additions	<u>274,873.63</u>
Total Additions	<u>9,698,300.91</u>
DEDUCTIONS:	
Payments of Property Tax to Other Governments	7,682,039.17
Payments of State Shared Revenue to Other Governments	1,754,084.30
Other Deductions	<u>265,434.52</u>
Total Deductions	<u>9,701,557.99</u>
Change in Net Position	<u>(3,257.08)</u>
Net Position - Beginning	0.00
Restatement - Implementation of GASB 84 (See Note 13)	<u>205,196.12</u>
Net Position - Beginning, as Restated	<u>205,196.12</u>
NET POSITION - ENDING	<u><u>\$ 201,939.04</u></u>

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

FALL RIVER 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 Fall River 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 Fall River 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: 201 South River Street, Hot Springs, SD 57747. The financial activity of the Commission, a component unit of the County, has not been included in the financial statements included 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 two major categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the County or it meets the following criteria:

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

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

Governmental Funds:

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

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

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

Courthouse Building Fund – authorized by SDCL 7-25-1 to account for the accumulation of a special tax levy not to exceed ninety cents per thousand dollars of taxable valuation annually for the acquisition or construction of a courthouse, office, jail building, county extension buildings, grandstands and bleachers, highway maintenance buildings, or public library. This is a major fund.

The remaining special revenue funds are not considered major funds: 911 Service, Fire Protection, Emergency Management, Domestic Abuse, Title III National Forest, Local Emergency Planning Committee, Cheyenne Weed Grant, Alabough Fire Grant (closed in 2018), 24/7 Sobriety, and Modernization and Preservation Relief. These funds are reported on the fund financial statements as "Other Governmental Funds."

Fiduciary Funds:

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

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

c. Measurement Focus and Basis of Accounting:

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

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

Measurement Focus:

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

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

Basis of Accounting:

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

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

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

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

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

d. Deposits and Investments:

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

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

e. Capital Assets:

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

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

f. Long-Term Liabilities:

Long-term liabilities include, but are not limited to, Financing (Capital Acquisition) Leases.

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The County has not elected to modify their cash basis presentation by recording long-term debt arising from cash transactions so any outstanding indebtedness is 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. As of December 31, 2019, the County does not have any outstanding Long-Term Debt.

g. Program Revenues:

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

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

h. Equity Classifications:

Government-wide Financial Statements:

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

1. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
2. Unrestricted Net Position – All other net position that do not meet the definition of Restricted Net Position.

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and is distinguished between Nonspendable, Restricted, Committed, Assigned, or Unassigned components. Fiduciary fund equity is reported as restricted net position.

i. Application of Net Position:

It is the County's policy to first use restricted net position, prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net positions are available for the General and Courthouse Building Funds. It is the County's policy to first use unrestricted net position, prior to the use of restricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available for the remaining Special Revenue Funds.

j. Fund Balance Classification Policies and Procedures:

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

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the County Commission.
- 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 Government would first use *committed, then assigned, and lastly unassigned amounts* of unrestricted fund balance when expenditures are made.

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

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

Major Special Revenue Fund

Road and Bridge Fund
Courthouse Building Fund

Revenue Source

Motor Vehicle Licenses and Taxes
Taxes

A schedule of fund balances is provided as follows:

**FALL RIVER COUNTY
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Restricted For:					
Road and Bridge Purposes	\$	\$ 1,090,372.71	\$	\$	\$ 1,090,372.71
Secondary Road Purposes		1,259,477.21			1,259,477.21
Courthouse Building Purposes			1,158,832.36		1,158,832.36
Fire Purposes				11,342.89	11,342.89
911 Service Purposes				187,560.64	187,560.64
Title III National Forest Purposes				47,359.56	47,359.56
Point of Dispensing Grant Purposes				3,500.61	3,500.61
Forest Service Fuel Reduction Grant Purposes				11,995.28	11,995.28
24/7 Sobriety Purposes				85,709.64	85,709.64
Modernization and Preservation Relief Purposes				57,116.39	57,116.39
Mosquito Control Purposes				5,359.37	5,359.37
Emergency Management Purposes				35,746.55	35,746.55
Local Emergency Planning Commission Purposes				1,171.90	1,171.90
Assigned To:					
Applied to Next Year's Budget	574,257.00				574,257.00
Bridge Replacement Purposes	50,000.00				50,000.00
Courthouse Heating Purposes	450,000.00				450,000.00
Jail Purposes	325,000.00				325,000.00
Election Equipment Purposes	53,000.00				53,000.00
Courthouse Building Purposes			489,113.16		489,113.16
Fire Purposes				3,314.77	3,314.77
Unassigned	1,414,030.60			(436.58)	1,413,594.02
Total Fund Balances	<u>\$ 2,866,287.60</u>	<u>\$ 2,349,849.92</u>	<u>\$ 1,647,945.52</u>	<u>\$ 449,741.02</u>	<u>\$ 7,313,824.06</u>

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2019, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities accounting standard. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this standard required that the County present a Statement of Changes in Fiduciary Net Position for Custodial Funds for 2019. The implementation of this standard required the County to reclassify previously reported agency funds as custodial funds. The implementation relates only to 2019. The impact to the County resulted in certain activities previously reported as fiduciary not being considered fiduciary under GASB 84. The effect of the implementation of this standard on beginning net position is disclosed in Note 13.

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 12/31/2018	Year Ended 12/31/2019
<u>General Fund:</u>		
<u>Activity:</u>		
Board of County Commissioners	\$ 24.93	\$
Treasurer	10,012.48	36.80
Abused and Neglected Child Defense		.10
General Government Buildings	242.23	
Predatory Animal	.18	
Sheriff	30,969.79	
Weed and Pest	11,408.31	
Debt Service	2,347.07	
<u>Road and Bridge Fund:</u>		
<u>Activity:</u>		
Intergovernmental Expenditures	\$ 5,634.73	\$ 8,683.19
<u>Emergency Management Fund:</u>		
<u>Activity:</u>		
Emergency and Disaster Services	\$ 7,923.19	
Debt Service	47.89	

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

Supplement the various budgets as needed before the year end.

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

As of December 31, 2019, the following individual nonmajor funds had deficit fund balance/net position in the amounts shown:

Domestic Abuse Fund \$ 436.58

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

To transfer funds from the General Fund as needed.

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.

Fair Value Measurement – The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of December 31, 2019:

- US Treasury Notes, Level 1.

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.

As of December 31, 2019, the County had the following investments.

Investment	Credit Rating	Maturities	Fair Value
US Treasury Notes	N/A	08/31/21	\$ 1,000,000.00

Concentration of Credit Risk – The County places no limit on the amount that may be invested in any one issuer. More than 5 percent of the County's investments are in US Treasury Notes 100%.

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The County's policy is to credit all income from deposits and investments to the General Fund, except for the 911 Service Fund which retains its investment income. USGAAP, on the other hand, requires income from

deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the government-wide financial statements, they have been eliminated.

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, 2019 was as follows:

Major Purposes:

Road and Bridge Purposes	\$ 2,349,849.92
Courthouse Building Purposes	<u>1,158,832.36</u>

Other Purposes:

911 Service Purposes	187,560.64
Fire Protection Purposes	11,342.89
Title III National Forest Purposes	47,359.56
Point of Dispensing Grant Purposes	3,500.61
Forest Service Fuel Reduction Grant Purposes	11,995.28
Emergency Management Purposes	35,746.55
Local Emergency Planning Commission Purposes	1,171.90
Mosquito Control Purposes	5,359.37
24/7 Sobriety Purposes	85,709.64
Modernization and Preservation Relief Purposes	<u>57,116.39</u>

Total Other Purposes	<u>446,862.83</u>
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Total Restricted Net Position	<u><u>\$ 3,955,545.11</u></u>
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These balances are restricted due to federal grant and statutory requirements.

8. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2019 were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	
Major Funds:				
General Fund	\$	\$ 150,000.00	\$ 242,986.00	\$ 392,986.00
Road and Bridge Fund	44,336.81			44,336.81
Courthouse Building Fund	29,196.34			29,196.34
Total	<u>\$ 73,533.15</u>	<u>\$ 150,000.00</u>	<u>\$ 242,986.00</u>	<u>\$ 466,519.15</u>

Interfund transfers for the year ended December 31, 2018 were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	
Major Funds:			
General Fund	\$	\$ 262,955.00	\$ 262,955.00
Road and Bridge Fund	33,349.72		33,349.72
Courthouse Building Fund	24,615.20		24,615.20
Other Governmental Funds:			
Alabough Grant Fund	<u>21,843.25</u>		<u>21,843.25</u>
Total	<u>\$ 79,808.17</u>	<u>\$ 262,955.00</u>	<u>\$ 342,763.17</u>

The County typically budgets transfers to the Road and Bridge Fund, the Emergency Management Fund, Domestic Abuse Fund, and 911 Fund (Other Governmental Funds) to conduct the indispensable functions of the County. The County also transfers earnings on deposits from special revenue funds except for the 911 Fund to the General Fund. The transfer in 2018 from the Alabough Grant Fund was to close that fund to the General Fund.

9. PENSION PLAN

It should be noted that the amounts shown in Note 9 as they relate to SDRS and for Oglala Lakota County and Fall River County are combined as that is how the information is maintained by the SDRS.

Plan Information:

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS), a cost sharing, multiple employer hybrid defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and

required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

SDRS has three different classes of employees, Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund 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.

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

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

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

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, 2019, 2018, and 2017, equal to the required contributions each year, were as follows:

Year	Amount
2019	\$ 155,093.39
2018	\$ 151,507.67
2017	\$ 147,706.05

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

At June 30, 2019, SDRS is 100.09% 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, 2019 are as follows:

Proportionate share of total pension liability	\$ 14,958,556.01
Less proportionate share of net position restricted for pension benefits	<u>14,971,276.05</u>
Proportionate share of net pension asset	<u>\$ (12,720.04)</u>

The net pension asset was measured as of June 30, 2019 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, 2019, the County's proportion was 0.1200314%, which is an decrease of 0.0002010% from its proportion measured as of June 30, 2018.

Actuarial Assumptions:

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded by years of service, from 6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50% net of plan investment expense
Future COLAs	1.88%

Mortality rates were based on 97% of the RP-2014 Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016, white collar rates for females and total dataset rates for males. Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period of July 1, 2011 to June 30, 2016.

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, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	4.7%
Fixed Income	30.0%	1.7%
Real Estate	10.0%	4.3%
Cash	<u>2.0%</u>	0.9%
Total	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension liability 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)	\$ 2,111,277.94	\$ (12,720.04)	\$ (1,743,394.60)

Pension Plan Fiduciary Net Position:

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

10. JOINT VENTURES

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

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

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

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

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

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

11. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2019, the County was not involved in any litigation.

12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2019, the County managed its risks as follows:

Employee Health Insurance:

The County is a member of the Iowa Laborers District Council Health and Welfare Trust Fund. This is a public entity risk pool currently operating as a common risk management and insurance program for members of Laborers International Union of North America. The County pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members.

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 including public officials, property damage, law enforcement liability, automobile liability, automobile damage, mobile equipment, electronic data processing equipment, employee dishonesty, earthquake and flood.

Effective January 1, 2018, the SDPAA revised the method of calculating the amount available to be refunded to a withdrawing member. Upon giving proper written notice to the SDPAA a member may withdraw. Within 120 days following withdrawal, or as soon thereafter as the next Annual Budget is completed, the SDPAA will advise the withdrawing member of its total calculated portion of contributions made to the SDPAA that shall be refunded. Refunds are calculated based on the pool's total contributions, along with the member's total contributions, current losses, unpaid losses, and loss expenses, the member's loss ratio, and number of membership years.

A member who withdraws from the SDPAA shall receive a calculated portion of their contributions refunded for unpaid casualty losses, based on the following schedule:

<u>Years</u>	<u>Percentage</u>
1	55%
2	50%
3	40%
4	35%
5	30%
6+	20%

All refunds shall be paid to the withdrawing Member over a five-year term.

As of December 31, 2019, the County's balance available to be refunded per the SDPAA was \$231,738.00, which was an increase of \$27,651.00 from the previous year.

The agreement with the SDPAA provides that the above coverages will be provided to a \$5,000,000.00 limit. 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 \$25,000 deductible for the Law Enforcement Liability, \$5,000 deductible for employment related claims, \$250 deductible for property damage (real, personal, mobile equipment and electronic data processing hardware) and for vehicle comprehensive coverage, \$500 deductible for collision and for boiler and equipment breakdown and \$10,000 deductible for earthquake and flood.

Worker's Compensation:

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

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

Unemployment Benefits:

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

During the two years ended December 31, 2019, one claim was filed for unemployment benefits. This claim resulted in the payment of benefits in the amount of \$808.98. Since December 31, 2019, two claims have been filed. It is estimated, based upon historical trends that these claims will result in the future payment of unemployment benefits in the amount of approximately \$7,000.00. It is not anticipated that any additional claims for unemployment benefits will be filed through the end of the next year.

13. IMPLEMENTATION OF NEW STANDARD AND RESTATEMENT

As of January 1, 2019, the County implemented GASB Statement No. 84, *Fiduciary Activities* (GASB 84).

The County restated the net position of the Custodial Funds as indicated below to appropriately reflect the January 1, 2019 balances as follows:

	<u>Net Position December 31, 2018 As previously Stated</u>	<u>Restatement Implementation of GASB 84</u>	<u>Net Position January 1, 2019 As Restated</u>
Custodial Funds	\$ 0.00	\$ 205,196.12	\$ 205,196.12

SUPPLEMENTARY INFORMATION
FALL RIVER COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 2,671,054.00	\$ 2,671,054.00	\$ 2,599,901.36	\$ (71,152.64)
General Property Taxes--Delinquent	24,300.00	24,300.00	59,536.42	35,236.42
Penalties and Interest	7,000.00	7,000.00	13,864.74	6,864.74
Telephone Tax (Outside)	25.00	25.00	57.00	32.00
Mobile Home Tax	3,000.00	3,000.00	1,200.53	(1,799.47)
Licenses and Permits	11,950.00	11,950.00	13,704.00	1,754.00
Intergovernmental Revenue:				
Federal Grants	0.00	20,167.28	20,167.28	0.00
Federal Payments in Lieu of Taxes	570,000.00	588,627.00	643,819.08	55,192.08
State Grants	0.00	29,365.00	29,365.00	0.00
State Shared Revenue:				
Bank Franchise	9,750.00	9,750.00	10,076.63	326.63
Motor Vehicle Licenses	2,400.00	2,400.00	2,572.38	172.38
Court Appointed Attorney/Public Defender	8,500.00	8,500.00	9,795.91	1,295.91
Telecommunications Gross Receipts Tax	20,000.00	20,000.00	25,928.63	5,928.63
Liquor Tax Reversion (25%)	36,000.00	36,000.00	40,106.09	4,106.09
Other Payments in Lieu of Taxes	0.00	5,508.97	5,740.49	231.52
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	39,250.00	39,250.00	42,924.31	3,674.31
Register of Deeds' Fees	84,000.00	84,000.00	105,462.34	21,462.34
Legal Services	50,600.00	50,600.00	59,992.10	9,392.10
Clerk of Courts Fees	8,750.00	8,750.00	9,326.40	576.40
Other Fees	89,020.00	89,020.00	99,897.46	10,877.46
Public Safety:				
Law Enforcement	207,000.00	207,000.00	137,434.57	(69,565.43)
Prisoner Care	18,600.00	18,600.00	29,641.53	11,041.53
Other	0.00	0.00	2,890.50	2,890.50
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	2,000.00	2,000.00	160.00	(1,840.00)
Veterans Service Officer	2,813.00	2,813.00	2,812.50	(0.50)
Other	0.00	6,386.86	7,037.38	650.52
Conservation of Natural Resources	3,800.00	3,800.00	12,711.27	8,911.27
Fines and Forfeits:				
Costs	5,500.00	5,500.00	7,465.98	1,965.98
Miscellaneous Revenue:				
Investment Earnings	81,000.00	81,000.00	55,780.91	(25,219.09)
Rent	800.00	800.00	1,050.00	250.00
Contributions and Donations	0.00	0.00	1,500.00	1,500.00
Refund of Prior Year's Expenditures	0.00	6,980.00	6,980.00	0.00
Other	0.00	6,467.07	6,612.20	145.13
Total Revenues	3,957,112.00	4,050,614.18	4,065,514.99	14,900.81
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	129,784.00	139,964.29	139,964.29	0.00
Contingency	150,000.00	150,000.00		
Amount Transferred		(150,000.00)		0.00
Elections	26,960.00	26,960.00	24,162.32	2,797.68
Judicial System	21,000.00	21,000.00	11,506.27	9,493.73
Financial Administration:				
Auditor	219,843.00	219,843.00	211,329.76	8,513.24
Treasurer	205,220.00	211,688.72	211,725.52	(36.80)
Legal Services:				
State's Attorney	177,734.00	177,734.00	172,057.85	5,676.15
Court Appointed Attorney	190,000.00	287,807.59	287,807.59	0.00
Abused and Neglected Child Defense	35,000.00	65,921.00	65,921.10	(0.10)
Other Administration:	1,585.00	1,585.00	1,585.00	0.00
General Government Building	268,134.00	268,134.00	258,400.10	9,733.90
Director of Equalization	225,572.00	234,560.47	234,560.47	0.00
Register of Deeds	139,626.00	139,626.00	123,684.56	15,941.44
Veterans Service Officer	50,784.00	50,784.00	49,537.86	1,246.14
Predatory Animal	5,514.00	5,514.00	5,513.18	0.82
Geographic Information System	61,635.00	62,069.58	62,069.58	0.00
Information Technology	65,000.00	83,812.00	83,811.30	0.70

SUPPLEMENTARY INFORMATION
FALL RIVER COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2019
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Law Enforcement:				
Sheriff	683,759.00	713,176.81	692,561.58	20,615.23
County Jail	642,458.00	642,458.00	578,418.48	64,039.52
Coroner	25,000.00	25,088.80	25,088.80	0.00
Juvenile Detention	20,000.00	47,060.00	47,060.00	0.00
Other Law Enforcement	5,000.00	5,000.00	4,296.19	703.81
Protective and Emergency Services:				
Other Protective and Emergency	10,500.00	10,500.00	9,853.36	646.64
Health and Welfare:				
Economic Assistance:				
Support of Poor	10,000.00	10,000.00	8,754.36	1,245.64
Health Assistance:				
County Nurse	57,407.00	58,610.12	58,610.12	0.00
Social Services:				
Care of Aged	18,300.00	18,300.00	18,300.00	0.00
Other	10,500.00	10,500.00	10,500.00	0.00
Mental Health Services:				
Mentally Ill	32,000.00	32,000.00	27,170.44	4,829.56
Drug Abuse	12,000.00	12,000.00	12,000.00	0.00
Mental Health Centers	7,500.00	7,500.00	7,500.00	0.00
Mental Illness Board	16,000.00	36,536.66	36,536.66	0.00
Culture and Recreation:				
Culture:				
Public Library	24,000.00	24,000.00	24,000.00	0.00
Historical Museum	6,000.00	6,000.00	6,000.00	0.00
Recreation:				
County Fair	2,900.00	2,900.00	2,900.00	0.00
Senior Center	9,100.00	9,100.00	9,100.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	54,779.00	54,779.00	48,007.48	6,771.52
Soil Conservation Districts	20,000.00	20,000.00	20,000.00	0.00
Weed and Pest Control	142,255.00	166,638.69	166,638.69	0.00
Urban and Economic Development:				
Urban Development:				
Other	1,000.00	1,000.00	1,000.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	8,685.00	8,685.00	7,143.00	1,542.00
Intergovernmental Expenditures	0.00	16,782.57	16,782.57	0.00
Payments to Local Education Agencies	0.00	37,859.15	37,859.15	0.00
Total Expenditures	<u>3,792,534.00</u>	<u>3,973,478.45</u>	<u>3,819,717.63</u>	<u>153,760.82</u>
Excess of Revenues Over (Under) Expenditures	<u>164,578.00</u>	<u>77,135.73</u>	<u>245,797.36</u>	<u>168,661.63</u>
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	73,533.15	73,533.15
Transfers Out	(411,498.00)	(411,498.00)	(392,986.00)	18,512.00
Insurance Proceeds	0.00	25,572.31	25,572.31	0.00
Total Other Financing Sources (Uses)	<u>(411,498.00)</u>	<u>(385,925.69)</u>	<u>(293,880.54)</u>	<u>92,045.15</u>
Net Change in Fund Balance	(246,920.00)	(308,789.96)	(48,083.18)	260,706.78
Fund Balance - Beginning	<u>2,914,370.78</u>	<u>2,914,370.78</u>	<u>2,914,370.78</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 2,667,450.78</u>	<u>\$ 2,605,580.82</u>	<u>\$ 2,866,287.60</u>	<u>\$ 260,706.78</u>

SUPPLEMENTARY INFORMATION
FALL RIVER COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 261,067.00	\$ 261,067.00	\$ 255,143.89	\$ (5,923.11)
General Property Taxes--Delinquent	1,500.00	1,500.00	5,145.66	3,645.66
Penalties and Interest	400.00	400.00	1,180.94	780.94
Mobile Home Tax	200.00	200.00	162.95	(37.05)
Wheel Tax	105,500.00	105,500.00	108,208.40	2,708.40
Intergovernmental Revenue:				
Federal Shared Revenue	37,500.00	37,500.00	44,107.25	6,607.25
Federal Payments in Lieu of Taxes	80,000.00	80,000.00	87,715.62	7,715.62
State Grants	240,000.00	240,000.00	567,849.52	327,849.52
State Shared Revenue:				
Bank Franchise	950.00	950.00	984.77	34.77
Motor Vehicle Licenses	735,000.00	735,000.00	774,516.44	39,516.44
State Highway Fund (former 10% game)	12,488.00	12,488.00	24,975.18	12,487.18
Energy Minerals Severance Tax	7,000.00	7,000.00	12,894.87	5,894.87
Prorate License Fees	40,000.00	40,000.00	42,397.03	2,397.03
63 3/4% Mobile Home	10,000.00	10,000.00	13,552.07	3,552.07
Secondary Road Motor Vehicle Remittances	181,000.00	181,000.00	195,486.26	14,486.26
Motor Fuel Tax	4,500.00	4,500.00	4,416.91	(83.09)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	33,000.00	33,000.00	31,922.41	(1,077.59)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	44,336.81	44,336.81
Other	0.00	0.00	913.19	913.19
Total Revenues	1,750,105.00	1,750,105.00	2,215,910.17	465,805.17
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,404,804.00	2,404,804.00	1,878,984.20	525,819.80
Intergovernmental Expenditures	0.00	0.00	8,683.19	(8,683.19)
Total Expenditures	2,404,804.00	2,404,804.00	1,887,667.39	517,136.61
Excess of Revenues Over (Under) Expenditures	(654,699.00)	(654,699.00)	328,242.78	982,941.78
Other Financing Sources (Uses):				
Transfers In	150,000.00	150,000.00	150,000.00	0.00
Transfers Out	0.00	0.00	(44,336.81)	(44,336.81)
Sale of County Property	110,000.00	110,000.00	4,593.73	(105,406.27)
Total Other Financing Sources (Uses)	260,000.00	260,000.00	110,256.92	(149,743.08)
Net Change in Fund Balance	(394,699.00)	(394,699.00)	438,499.70	833,198.70
Fund Balance - Beginning	1,911,350.22	1,911,350.22	1,911,350.22	0.00
FUND BALANCE - ENDING	\$ 1,516,651.22	\$ 1,516,651.22	\$ 2,349,849.92	\$ 833,198.70

SUPPLEMENTARY INFORMATION
FALL RIVER COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
COURTHOUSE BUILDING FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 119,357.00	\$ 119,357.00	\$ 116,208.77	\$ (3,148.23)
General Property Taxes--Delinquent	1,350.00	1,350.00	2,663.01	1,313.01
Penalties and Interest	300.00	300.00	620.88	320.88
Mobile Home Tax	0.00	0.00	53.60	53.60
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	23,000.00	23,000.00	24,027.00	1,027.00
State Shared Revenue:				
Bank Franchise	500.00	500.00	449.96	(50.04)
Other Payments in Lieu of Taxes	0.00	0.00	257.31	257.31
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	29,196.34	29,196.34
Total Revenues	144,507.00	144,507.00	173,476.87	28,969.87
Expenditures:				
General Government:				
Other Administration:				
General Government Building	65,000.00	72,536.84	72,536.84	0.00
Excess of Revenues Over (Under) Expenditures	79,507.00	71,970.16	100,940.03	28,969.87
Other Financing Sources (Uses):				
Transfers Out	0.00	0.00	(29,196.34)	(29,196.34)
Net Change in Fund Balance	79,507.00	71,970.16	71,743.69	(226.47)
Fund Balance - Beginning	1,576,201.83	1,576,201.83	1,576,201.83	0.00
FUND BALANCE - ENDING	\$ 1,655,708.83	\$ 1,648,171.99	\$ 1,647,945.52	\$ (226.47)

SUPPLEMENTARY INFORMATION
FALL RIVER COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 2,671,054.00	\$ 2,643,498.00	\$ 2,595,548.91	\$ (47,949.09)
General Property Taxes--Delinquent	26,800.00	24,500.00	56,771.88	32,271.88
Penalties and Interest	6,000.00	9,000.00	13,611.07	4,611.07
Telephone Taxes (Outside)	50.00	50.00	57.95	7.95
Mobile Home Tax	4,500.00	6,350.00	2,774.09	(3,575.91)
Licenses and Permits	11,600.00	8,400.00	12,775.00	4,375.00
Intergovernmental Revenue:				
Federal Grants	9,000.00	34,500.00	33,343.75	(1,156.25)
Federal Payments in Lieu of Taxes	575,000.00	518,400.00	622,183.47	103,783.47
State Grants	0.00	19,937.43	57,869.73	37,932.30
State Shared Revenue:				
Bank Franchise	12,000.00	12,000.00	9,674.62	(2,325.38)
Liquor Tax Reversion (Unincorporated Town)	250.00	250.00	0.00	(250.00)
Court Appointed Attorney/Public Defender	5,500.00	5,500.00	9,034.14	3,534.14
Abused and Neglected Child Defense	700.00	700.00	0.00	(700.00)
Telecommunications Gross Receipts Tax	33,000.00	33,000.00	36,682.85	3,682.85
Motor Vehicle 1/4%	2,000.00	2,000.00	2,538.45	538.45
Liquor Tax Reversion (25%)	36,000.00	36,000.00	38,706.39	2,706.39
Other Payments in Lieu of Taxes	0.00	0.00	2,659.88	2,659.88
Other Intergovernmental Payments	6,500.00	6,500.00	0.00	(6,500.00)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	24,500.00	24,500.00	42,680.82	18,180.82
Register of Deeds' Fees	84,400.00	84,400.00	106,497.83	22,097.83
Legal Services	30,650.00	30,650.00	58,381.80	27,731.80
Clerk of Courts Fees	10,000.00	10,000.00	7,492.95	(2,507.05)
Other Fees	65,660.00	65,660.00	91,883.58	26,223.58
Public Safety:				
Law Enforcement	206,700.00	206,700.00	177,608.39	(29,091.61)
Prisoner Care	12,200.00	12,200.00	26,361.93	14,161.93
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	4,000.00	4,000.00	1,330.61	(2,669.39)
Veterans Service Officer	2,812.00	2,812.00	2,812.50	0.50
Health Assistance:				
Women, Infants and Children	0.00	5,491.52	6,564.68	1,073.16
Conservation of Natural Resources	3,000.00	3,000.00	3,838.48	838.48
Fines and Forfeits:				
Costs	4,000.00	4,000.00	7,954.48	3,954.48
Miscellaneous Revenue:				
Investment Earnings	99,000.00	99,000.00	46,616.53	(52,383.47)
Rent	2,300.00	2,300.00	1,100.00	(1,200.00)
Contributions and Donations	0.00	1,500.00	1,500.00	0.00
Refund of Prior Year's Expenditures	5,000.00	5,000.00	8,160.00	3,160.00
Other	2,350.00	2,350.00	7,923.81	5,573.81
Total Revenues	3,956,526.00	3,924,148.95	4,092,940.57	168,791.62
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	148,228.00	161,234.18	161,259.11	(24.93)
Contingency	150,000.00	150,000.00		
Amount Transferred		(150,000.00)		0.00
Elections	58,682.00	59,959.34	52,301.93	7,657.41
Judicial System	20,300.00	20,300.00	18,898.76	1,401.24
Financial Administration:				
Auditor	190,119.00	216,372.16	210,637.76	5,734.40
Treasurer	164,070.00	190,323.16	200,335.64	(10,012.48)
Legal Services:				
State's Attorney	180,501.00	184,215.34	184,117.99	97.35
Court Appointed Attorney	166,300.00	240,053.59	240,053.59	0.00
Abused and Neglected Child Defense	20,000.00	34,812.51	34,812.51	0.00
Other Administration:				
General Government Building	216,915.00	244,903.60	245,145.83	(242.23)
Director of Equalization	224,388.00	230,525.10	220,378.19	10,146.91
Register of Deeds	133,404.00	143,064.26	133,385.79	9,678.47
Veterans Service Officer	50,784.00	50,784.00	48,982.44	1,801.56
Predatory Animal	5,513.00	5,513.00	5,513.18	(0.18)
Geographic Information System	62,359.00	62,359.00	61,733.51	625.49
Information Technology	35,000.00	41,500.00	23,488.19	18,011.81

SUPPLEMENTARY INFORMATION
FALL RIVER COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2018
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Law Enforcement:				
Sheriff	623,694.00	627,546.07	658,515.86	(30,969.79)
County Jail	673,982.00	673,982.00	618,275.39	55,706.61
Coroner	29,439.00	29,439.00	21,451.72	7,987.28
Juvenile Detention	40,000.00	40,000.00	27,030.00	12,970.00
Other Law Enforcement	5,000.00	5,000.00	4,931.86	68.14
Protective and Emergency Services:				
Other Protective and Emergency	1,500.00	1,500.00	942.75	557.25
Health and Welfare:				
Economic Assistance:				
Support of Poor	15,000.00	15,000.00	3,302.76	11,697.24
Health Assistance:				
County Nurse	55,894.00	56,480.00	56,480.00	0.00
Social Services:				
Care of Aged	19,300.00	19,300.00	19,300.00	0.00
Other	10,000.00	10,000.00	10,000.00	0.00
Mental Health Services:				
Mentally Ill	15,000.00	39,993.98	39,993.98	0.00
Drug Abuse	12,000.00	12,000.00	12,000.00	0.00
Mental Health Centers	7,500.00	7,500.00	7,500.00	0.00
Mental Illness Board	15,000.00	17,972.14	17,972.14	0.00
Other	3,250.00	3,250.00	2,500.00	750.00
Culture and Recreation:				
Culture:				
Public Library	24,000.00	24,000.00	24,000.00	0.00
Historical Museum	6,000.00	6,000.00	6,000.00	0.00
Other	1,000.00	1,000.00	1,000.00	0.00
Recreation:				
County Fair	2,900.00	2,900.00	2,900.00	0.00
Senior Center	8,600.00	8,600.00	8,600.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	55,921.00	55,936.00	53,981.76	1,954.24
Soil Conservation Districts	20,000.00	20,000.00	20,000.00	0.00
Weed and Pest Control	144,014.00	187,364.72	198,773.03	(11,408.31)
Urban and Economic Development:				
Urban Development:				
Other	1,000.00	1,000.00	1,000.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	8,685.00	8,685.00	8,685.00	0.00
Intergovernmental Expenditures	0.00	15,851.53	15,851.53	0.00
Debt Service	0.00	0.00	2,347.07	(2,347.07)
Payments to Local Education Agencies	0.00	36,527.55	36,527.55	0.00
Total Expenditures	<u>3,625,242.00</u>	<u>3,812,747.23</u>	<u>3,720,906.82</u>	<u>91,840.41</u>
Excess of Revenues Over (Under) Expenditures	<u>331,284.00</u>	<u>111,401.72</u>	<u>372,033.75</u>	<u>260,632.03</u>
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	79,808.17	79,808.17
Transfers Out	(433,343.00)	(433,343.00)	(262,955.00)	170,388.00
Insurance Proceeds	0.00	5,618.05	5,618.05	0.00
Total Other Financing Sources (Uses)	<u>(433,343.00)</u>	<u>(427,724.95)</u>	<u>(177,528.78)</u>	<u>250,196.17</u>
Net Change in Fund Balance	(102,059.00)	(316,323.23)	194,504.97	510,828.20
Fund Balance - Beginning	<u>2,719,865.81</u>	<u>2,719,865.81</u>	<u>2,719,865.81</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 2,617,806.81</u>	<u>\$ 2,403,542.58</u>	<u>\$ 2,914,370.78</u>	<u>\$ 510,828.20</u>

SUPPLEMENTARY INFORMATION
FALL RIVER COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 261,067.00	\$ 261,067.00	\$ 254,840.64	\$ (6,226.36)
General Property Taxes--Delinquent	1,600.00	1,600.00	5,669.58	4,069.58
Penalties and Interest	400.00	400.00	1,400.34	1,000.34
Mobile Home Tax	450.00	450.00	274.07	(175.93)
Wheel Tax	105,500.00	105,500.00	108,293.15	2,793.15
Intergovernmental Revenue:				
Federal Shared Revenue	22,000.00	22,000.00	44,141.78	22,141.78
Federal Payments in Lieu of Taxes	80,000.00	80,000.00	83,533.59	3,533.59
State Grants	235,000.00	235,000.00	249,003.60	14,003.60
State Shared Revenue:				
Bank Franchise	1,200.00	1,200.00	945.59	(254.41)
Motor Vehicle Licenses	740,000.00	740,000.00	755,794.83	15,794.83
State Highway Fund (former 10% game)	12,488.00	12,488.00	12,487.59	(0.41)
Energy Minerals Severance Tax	12,000.00	12,000.00	4,394.09	(7,605.91)
Prorate License Fees	40,000.00	40,000.00	42,386.27	2,386.27
63 3/4% Mobile Home	10,000.00	10,000.00	8,671.98	(1,328.02)
Secondary Road Motor Vehicle Remittances	182,000.00	182,000.00	192,357.88	10,357.88
Motor Fuel Tax	4,200.00	4,200.00	4,416.91	216.91
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	100,000.00	100,000.00	30,473.52	(69,526.48)
Other	30,000.00	30,000.00	0.00	(30,000.00)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	33,349.72	33,349.72
Other	0.00	0.00	670.66	670.66
Total Revenues	1,837,905.00	1,837,905.00	1,833,105.79	(4,799.21)
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,382,921.00	2,595,421.00	2,097,885.60	497,535.40
Intergovernmental Expenditures	0.00	0.00	5,634.73	(5,634.73)
Total Expenditures	2,382,921.00	2,595,421.00	2,103,520.33	491,900.67
Excess of Revenues Over (Under) Expenditures	(545,016.00)	(757,516.00)	(270,414.54)	487,101.46
Other Financing Sources (Uses):				
Transfers In	150,000.00	150,000.00	0.00	(150,000.00)
Transfers Out	0.00	0.00	(33,349.72)	(33,349.72)
Sale of County Property	100,000.00	100,000.00	0.00	(100,000.00)
Total Other Financing Sources (Uses)	250,000.00	250,000.00	(33,349.72)	(283,349.72)
Net Change in Fund Balance	(295,016.00)	(507,516.00)	(303,764.26)	203,751.74
Fund Balance - Beginning	2,215,114.48	2,215,114.48	2,215,114.48	0.00
FUND BALANCE - ENDING	\$ 1,920,098.48	\$ 1,707,598.48	\$ 1,911,350.22	\$ 203,751.74

SUPPLEMENTARY INFORMATION
FALL RIVER COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
COURTHOUSE BUILDING FUND
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 119,357.00	\$ 119,357.00	\$ 115,988.07	\$ (3,368.93)
General Property Taxes--Delinquent	1,200.00	1,200.00	2,537.99	1,337.99
Penalties and Interest	300.00	300.00	608.74	308.74
Mobile Home Tax	0.00	0.00	123.84	123.84
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	23,000.00	23,000.00	23,272.60	272.60
State Shared Revenue:				
Bank Franchise	625.00	625.00	432.31	(192.69)
Other Payments in Lieu of Taxes	0.00	0.00	119.22	119.22
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	24,615.20	24,615.20
Total Revenues	<u>144,482.00</u>	<u>144,482.00</u>	<u>167,697.97</u>	<u>23,215.97</u>
Expenditures:				
General Government:				
Other Administration:				
General Government Building	50,000.00	58,234.67	53,077.45	5,157.22
Excess of Revenues Over (Under) Expenditures	94,482.00	86,247.33	114,620.52	28,373.19
Other Financing Sources (Uses):				
Transfers Out	0.00	0.00	(24,615.20)	(24,615.20)
Net Change in Fund Balance	94,482.00	86,247.33	90,005.32	3,757.99
Fund Balance - Beginning	<u>1,486,196.51</u>	<u>1,486,196.51</u>	<u>1,486,196.51</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 1,580,678.51</u>	<u>\$ 1,572,443.84</u>	<u>\$ 1,576,201.83</u>	<u>\$ 3,757.99</u>

FALL RIVER 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
FALL RIVER COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

South Dakota Retirement System

*Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.1200314%	0.1202324%	0.1186915%	0.1174597%	0.1165141%	0.1179355%
County's proportionate share of net pension liability (asset)	\$ (12,720.04)	\$ (2,804.10)	\$ (10,771.38)	\$ 396,767.33	\$ (494,169.59)	\$ (849,677.05)
County's covered-employee payroll	\$ 2,476,056.02	\$ 2,418,568.84	\$ 2,349,811.36	\$ 2,175,142.48	\$ 2,033,551.94	\$ 1,983,710.53
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.51%	0.12%	0.46%	18.24%	24.30%	42.83%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.09%	100.02%	100.10%	96.89%	104.10%	107.30%

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

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

Changes of benefit terms:

No significant changes.

Changes of assumptions:

Legislation enacted in 2017 modified the SDRS COLA. For COLAs first applicable in 2018, the SDRS COLA will equal the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0.5% 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%. That condition existed as of June 30, 2018 and exists again this year as of June 30, 2019. Future COLAs are assumed to equal the current restricted maximum COLA which was 2.03% as of June 30, 2018 and is 1.88% as of June 30, 2019.

The changes in actuarial assumptions decreased the Actuarial Accrued Liability by 1.5% of the Actuarial Accrued Liability based on the 2.03% COLA, reflecting the current and assumed future restricted maximum COLA of 1.88%.

Actuarial assumptions are reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2022 Actuarial Valuation and any recommended changes anticipated to be first implemented in the June 30, 2022 Actuarial Valuation.

**SUPPLEMENTARY INFORMATION
FALL RIVER COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended December 31, 2019**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures 2018	Total Federal Expenditures 2019
Forest Service Schools and Roads Cluster:					
US Department of Agriculture - Direct Programs: Schools and Roads - Grants to Counties (Note 3)	10.666		\$	\$ 18,782.44	\$ 12,404.55
Subtotal US Department of Agriculture - Direct Programs			0.00	18,782.44	12,404.55
US Department of Agriculture Pass-Through Programs From: SD State Auditor, Schools and Roads - Grants to States (Note 3)	10.665		64,575.00	108,110.72	63,405.39
Subtotal US Department of Agriculture - Pass-Through Programs			64,575.00	108,110.72	63,405.39
Total for Forest Service Schools and Roads Cluster			64,575.00	126,893.16	75,809.94
Other Programs:					
US Department of Agriculture - Direct Programs: Forest Service, Cooperative Forestry Assistance	10.664				5,639.00
Total US Department of Agriculture			64,575.00	126,893.16	81,448.94
US Department of Interior - Direct Programs: Bureau of Land Management, Payments in Lieu of Taxes (Note 3) (Note 4)	15.226			730,551.00	757,183.00
US Department of Transportation - Pass-Through Programs: SD Department of Public Safety - Office of Emergency Management, Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0523-16-01-00		750.00	
US General Services Administration - Pass-Through Programs: SD Federal Property Agency, Donation of Federal Surplus Personal Property (Note 5)	39.003			105.76	1,183.39
US Elections Assistance Commission - Pass-Through Programs: SD Secretary of State, Help America Vote Act Requirements Payments	90.401				9,000.00
US Department of Homeland Security - Pass-Through Programs: SD Department of Public Safety - Office of Emergency Management, Emergency Management Performance Grants	97.042	HLS-2017-Fall River Co EM-00396		34,407.68	50,205.24
Homeland Security Grant Program	97.067	HLS-2017-Fall River Co EM-00229		66,953.60	
Total US Department of Homeland Security			0.00	101,361.28	50,205.24
GRAND TOTAL			\$ 64,575.00	\$ 959,661.20	\$ 899,020.57

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, 2019. 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 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
FALL RIVER COUNTY
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Two Years Ended December 31, 2019**

Indebtedness	Long-Term Debt January 1, 2018	Add New Debt	Less Debt Retired	Long-Term Debt December 31, 2019
Governmental Long-Term Debt:				
Financing (Capital Acquisition) Lease	\$ 2,863.58	\$	\$ 2,863.58	\$ 0.00