

**MOODY COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2017**

MOODY COUNTY  
COUNTY OFFICIALS  
December 31, 2017

Board of Commissioners:

Jerry Doyle  
Tom Ehrichs  
Carla Bruning  
Dan Miles  
Rick Veldkamp

Auditor:  
Kristina Krull

Treasurer:  
Linette Christensen

State's Attorney:  
Paul Lewis

Register of Deeds:  
Kris Grootwassink

Sheriff:  
Troy Wellman

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

MARTIN L. GUINDON, CPA  
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  
Moody County  
Flandreau, 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 Moody County, South Dakota (County), as of December 31, 2017, 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 June 25, 2019.

***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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Current Audit Findings, we did identify a deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Current Audit Findings as item No. 2017-001 to be a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

and contracts, noncompliance with which could have a direct and material effect on the 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*.

### ***County's Response to Findings***

The County did not wish to respond to the finding identified in our audit as described in the accompanying Schedule of Current Audit Findings.

### ***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, appearing to read "Martin L. Guindon". The signature is fluid and cursive, with the first name "Martin" and last name "Guindon" clearly distinguishable.

Martin L. Guindon, CPA  
Auditor General

June 25, 2019

MOODY COUNTY  
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Audit Finding:**

Finding No. 2015-001:

The unassigned fund balance of the General Fund exceeded the maximum allowed by South Dakota Codified Law (SDCL) 7-21-18.1 by approximately \$631,000 as of December 31, 2015. This finding has been resolved.

**SCHEDULE OF CURRENT AUDIT FINDINGS**

**Current Audit Finding:**

***Internal Control-Related Finding - Material Weakness:***

Internal Accounting Controls

Finding No. 2017-001:

Deficiencies were noted in the internal controls and record keeping related to the ambulance department resulting in diminished assurance that transactions were properly executed and recorded and that assets were properly safeguarded.

Analysis:

United States General Accounting Office, Government Auditing Standards, 2011 revisions state:

Internal control serves as a defense in safeguarding assets and in preventing and detecting errors; fraud; violations of laws, regulations, and provisions of contracts and grant agreements; or abuse.

The following deficiencies in internal control and record keeping were noted:

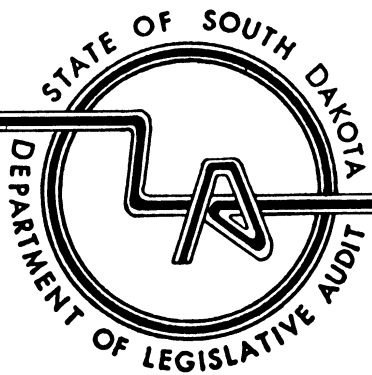
The County did not obtain ambulance billing and accounts receivable reports from the contractor hired to perform the billings and collections for ambulance services. The County had not adequately monitored or reconciled contracted servicing agent billings and collections to insure that ambulance accounts receivable were properly established and to monitor past due accounts.

RECOMMENDATION:

We recommend that the County obtain complete and up-to-date ambulance billings and accounts receivable reports from the County's servicing agent in order to adequately monitor the billings and collections of County ambulance accounts receivable.

Management's Response:

Management chose not to respond to this finding.



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MARTIN L. GUINDON, CPA  
AUDITOR GENERAL

## INDEPENDENT AUDITOR'S REPORT

County Commission  
Moody County  
Flandreau, 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 Moody County, South Dakota (County), as of December 31, 2017, 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.

### ***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 Moody County as of December 31, 2017, 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.

### ***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 Budgetary Comparison Schedules and the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) 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 June 25, 2019, 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, 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, appearing to read "Martin L. Guindon". The signature is stylized with a large, looped "M" and a cursive "Guindon".

Martin L. Guindon, CPA  
Auditor General

June 25, 2019

**MOODY COUNTY**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2017**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 1,389,765.39
Investments	<u>3,975,000.00</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,364,765.39</u></u>
<b>NET POSITION:</b>	
Restricted For: (See Note 4)	
Road and Bridge Purposes	\$ 108,340.40
Other Purposes	62,247.17
Unrestricted	<u>5,194,177.82</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 5,364,765.39</u></u>

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

**MOODY COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**For the Year Ended December 31, 2017**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 1,471,622.39	\$ 194,930.76	\$ 52,612.55	\$ (1,224,079.08)
Public Safety	1,106,473.05	197,508.04	62,128.98	(846,836.03)
Public Works	1,773,311.75	3,460.91	1,245,538.06	(524,312.78)
Health and Welfare	376,828.69	268,218.46		(108,610.23)
Culture and Recreation	112,748.63	15,000.00		(97,748.63)
Conservation of Natural Resources	125,873.13			(125,873.13)
Urban and Economic Development	43,936.11			(43,936.11)
Intergovernmental	23,460.00			(23,460.00)
Total Primary Government	<u>\$ 5,034,253.75</u>	<u>\$ 679,118.17</u>	<u>\$ 1,360,279.59</u>	<u>(2,994,855.99)</u>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				3,397,249.32
Wheel Tax				220,216.66
State Shared Revenues				70,076.76
Grants and Contributions not Restricted to Specific Programs				7,693.05
Unrestricted Investment Earnings				13,638.41
Miscellaneous Revenue				14,465.60
Total General Revenues				<u>3,723,339.80</u>
Change in Net Position				728,483.81
Net Position - Beginning				<u>4,636,281.58</u>
NET POSITION - ENDING				<u>\$ 5,364,765.39</u>

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

**MOODY COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**For the Year Ended December 31, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 1,406,158.11	\$ 169,840.92	\$ 10,097.16	\$ (1,226,220.03)
Public Safety	1,141,839.96	155,925.06	134,289.11	(851,625.79)
Public Works	3,209,048.17	19,994.85	1,240,132.89	(1,948,920.43)
Health and Welfare	371,828.62	278,451.09	7,096.00	(86,281.53)
Culture and Recreation	91,691.84	7,500.00		(84,191.84)
Conservation of Natural Resources	113,527.33			(113,527.33)
Urban and Economic Development	25,859.88			(25,859.88)
<b>Total Primary Government</b>	<b>\$ 6,359,953.91</b>	<b>\$ 631,711.92</b>	<b>\$ 1,391,615.16</b>	<b>(4,336,626.83)</b>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				3,350,029.77
Wheel Tax				173,464.09
State Shared Revenues				58,358.21
Grants and Contributions not Restricted to Specific Programs				7,054.29
Unrestricted Investment Earnings				20,892.09
Miscellaneous Revenue				27,907.89
<b>Total General Revenues</b>				<b>3,637,706.34</b>
Change in Net Position				(698,920.49)
Net Position - Beginning				5,335,202.07
<b>NET POSITION - ENDING</b>				<b>\$ 4,636,281.58</b>

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

**MOODY COUNTY**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**December 31, 2017**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 782,700.89	\$ 585,385.68	\$ 21,678.82	\$ 1,389,765.39
Investments	<u>2,238,677.15</u>	<u>1,674,317.18</u>	<u>62,005.67</u>	<u>3,975,000.00</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,021,378.04</u></u>	<u><u>\$ 2,259,702.86</u></u>	<u><u>\$ 83,684.49</u></u>	<u><u>\$ 5,364,765.39</u></u>
<b>FUND BALANCES:</b> (See Note 1.i.)				
Restricted	\$	\$ 108,340.40	\$ 62,247.17	\$ 170,587.57
Assigned	1,398,032.00	2,151,362.46	21,437.32	3,570,831.78
Unassigned	<u>1,623,346.04</u>	<u></u>	<u></u>	<u>1,623,346.04</u>
<b>TOTAL FUND BALANCES</b>	<u><u>\$ 3,021,378.04</u></u>	<u><u>\$ 2,259,702.86</u></u>	<u><u>\$ 83,684.49</u></u>	<u><u>\$ 5,364,765.39</u></u>

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

**MOODY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2017**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 3,302,116.18	\$	\$ 78,943.62	\$ 3,381,059.80
General Property Taxes--Delinquent	7,300.72		137.32	7,438.04
Penalties and Interest	8,199.12		163.48	8,362.60
Telephone Tax (Outside)	388.88			388.88
Wheel Tax		220,216.66		220,216.66
Licenses and Permits	20,271.50		850.00	21,121.50
Intergovernmental Revenue:				
Federal Grants			20,617.41	20,617.41
Federal Payments in Lieu of Taxes	7,693.05			7,693.05
State Grants	34,743.78	155,872.82		190,616.60
State Shared Revenue:				
Bank Franchise	13,899.20			13,899.20
Motor Vehicle Licenses		1,028,761.53		1,028,761.53
Court Appointed Attorney/Public Defender	4,590.14			4,590.14
Prorate License Fees		42,474.46		42,474.46
Abused and Neglected Child Defense	996.78			996.78
63 3/4% Mobile Home		3,042.25		3,042.25
Telecommunications Gross Receipts Tax	20,391.36			20,391.36
Motor Vehicle 1/4%	2,948.22			2,948.22
Motor Fuel Tax		4,601.53		4,601.53
911 Remittances			60,943.87	60,943.87
Liquor Tax Reversion (25%)	35,786.20			35,786.20
Other Intergovernmental Revenue	15,000.00			15,000.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	23,982.50			23,982.50
Register of Deeds' Fees	80,716.00		8,618.45	89,334.45
Driver's License Exam	41,261.80		500.00	41,761.80
Clerk of Courts Fees	6,457.20			6,457.20

Public Safety:				
Law Enforcement	154,795.25			154,795.25
Prisoner Care	3,600.79			3,600.79
Sobriety Testing			25,014.00	25,014.00
Public Works:				
Road Maintenance Contract Charges		3,460.91		3,460.91
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	281.09			281.09
Veterans Service Officer	2,812.50			2,812.50
Health Assistance:				
Ambulance	267,917.37			267,917.37
Mental Health Services	20.00			20.00
Other Charges	6,782.81			6,782.81
Fines and Forfeits:				
Costs	10,223.00			10,223.00
Forfeits	3,875.00			3,875.00
Miscellaneous Revenue:				
Investment Earnings	8,435.32	4,892.55	310.54	13,638.41
Rent	2,678.00			2,678.00
Refund of Prior Year's Expenditures	3,126.46			3,126.46
Other	1,086.52	5,000.00	203.65	6,290.17
Total Revenues	<u>4,092,376.74</u>	<u>1,468,322.71</u>	<u>196,302.34</u>	<u>5,757,001.79</u>

**Expenditures:**

General Government:				
Legislative:				
Board of County Commissioners	308,362.50			308,362.50
Elections	3,795.55			3,795.55
Judicial System	27,854.56			27,854.56
Financial Administration:				
Auditor	119,221.31			119,221.31
Treasurer	169,871.94			169,871.94
Other	3,621.36			3,621.36
Legal Services:				
State's Attorney	207,502.10			207,502.10
Court Appointed Attorney	137,509.61			137,509.61
Abused and Neglected Child Defense	6,894.60			6,894.60
Other Administration:				
General Government Building	197,378.39			197,378.39
Director of Equalization	119,626.97			119,626.97
Register of Deeds	137,400.63		9,511.60	146,912.23

**MOODY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2017**  
**(Continued)**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Veterans Service Officer	20,503.00			20,503.00
Predatory Animal	2,568.27			2,568.27
Public Safety:				
Law Enforcement:				
Sheriff	703,844.05			703,844.05
County Jail	153,223.75		24,350.63	177,574.38
Coroner	1,386.50			1,386.50
Protective and Emergency Services:				
Fire Protection			77,721.92	77,721.92
Emergency and Disaster Services			58,303.35	58,303.35
Communication Center			87,642.85	87,642.85
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		1,773,311.75		1,773,311.75
Health and Welfare:				
Economic Assistance:				
Support of Poor	13,255.00			13,255.00
Health Assistance:				
County Nurse	35,700.00			35,700.00
Ambulance	311,218.41			311,218.41
Social Services:				
Domestic Abuse			1,310.00	1,310.00
Mental Health Services:				
Mentally Ill	7,304.49			7,304.49
Mental Health Centers	4,800.00			4,800.00
Mental Illness Board	3,240.79			3,240.79
Culture and Recreation:				
Culture:				
Public Library	84,191.52			84,191.52
County Monuments	1,000.00			1,000.00
Historical Sites	3,000.00			3,000.00



Recreation:				
Recreational Programs	5,000.00			5,000.00
County Fair	4,500.00			4,500.00
Senior Center	15,057.11			15,057.11
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	85,611.25			85,611.25
Soil Conservation Districts	20,000.00			20,000.00
Weed and Pest Control	15,650.22			15,650.22
Water Conservation:				
Drainage Commissions	4,611.66			4,611.66
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	31,105.31			31,105.31
Urban and Rural Development	12,830.80			12,830.80
Intergovernmental Expenditures	23,460.00			23,460.00
Total Expenditures	<u>3,002,101.65</u>	<u>1,773,311.75</u>	<u>258,840.35</u>	<u>5,034,253.75</u>
Excess of Revenues Over (Under) Expenditures	<u>1,090,275.09</u>	<u>(304,989.04)</u>	<u>(62,538.01)</u>	<u>722,748.04</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		1,215,000.00	75,000.00	1,290,000.00
Transfers Out	(1,290,000.00)			(1,290,000.00)
Insurance Proceeds	276.83	409.97		686.80
Sale of County Property		5,048.97		5,048.97
Total Other Financing Sources (Uses)	<u>(1,289,723.17)</u>	<u>1,220,458.94</u>	<u>75,000.00</u>	<u>5,735.77</u>
Net Change in Fund Balance	(199,448.08)	915,469.90	12,461.99	728,483.81
Fund Balance - Beginning	<u>3,220,826.12</u>	<u>1,344,232.96</u>	<u>71,222.50</u>	<u>4,636,281.58</u>
FUND BALANCE - ENDING	<u>\$ 3,021,378.04</u>	<u>\$ 2,259,702.86</u>	<u>\$ 83,684.49</u>	<u>\$ 5,364,765.39</u>

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

**MOODY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2016**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 3,238,211.23	\$	\$ 77,915.95	\$ 3,316,127.18
General Property Taxes--Delinquent	16,929.41		237.40	17,166.81
Penalties and Interest	7,841.48		151.41	7,992.89
Telephone Tax (Outside)	798.98			798.98
Wheel Tax		173,464.09		173,464.09
Tax Deed Revenue	7,943.91			7,943.91
Licenses and Permits	17,822.50		900.00	18,722.50
Intergovernmental Revenue:				
Federal Grants	36,206.90		12,242.10	48,449.00
Federal Payments in Lieu of Taxes	7,054.29			7,054.29
State Grants	6,939.77	153,735.89		160,675.66
State Shared Revenue:				
Bank Franchise	16,664.49			16,664.49
Motor Vehicle Licenses		996,124.44		996,124.44
Court Appointed Attorney/Public Defender	5,549.43			5,549.43
Prorate License Fees		44,093.09		44,093.09
Abused and Neglected Child Defense	814.61			814.61
Telecommunications Gross Receipts Tax	30,112.27			30,112.27
Motor Vehicle 1/4%	2,866.12			2,866.12
Motor Fuel Tax		4,603.32		4,603.32
911 Remittances			61,492.34	61,492.34
Liquor Tax Reversion (25%)	11,581.45			11,581.45
Other Intergovernmental Revenue	7,500.00			7,500.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	16,369.41			16,369.41
Register of Deeds' Fees	70,268.30		8,368.96	78,637.26
Legal Services	37,460.36		400.00	37,860.36
Clerk of Courts Fees	5,703.80			5,703.80

Public Safety:				
Law Enforcement	108,497.86			108,497.86
Prisoner Care	5,265.20			5,265.20
Sobriety Testing			24,969.00	24,969.00
Public Works:				
Road Maintenance Contract Charges		19,994.85		19,994.85
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	5,959.16			5,959.16
Veterans Service Officer	2,812.50			2,812.50
Health Assistance:				
Ambulance	272,491.93			272,491.93
Other Charges	6,581.09			6,581.09
Fines and Forfeits:				
Costs	12,063.00			12,063.00
Forfeits	4,990.00			4,990.00
Other	140.00			140.00
Miscellaneous Revenue:				
Investment Earnings	14,624.46	6,058.71	208.92	20,892.09
Rent	3,154.00			3,154.00
Contributions and Donations	145.00			145.00
Refund of Prior Year's Expenditures	5,328.00			5,328.00
Other	325.08	5,000.00	833.17	6,158.25
Total Revenues	<u>3,987,015.99</u>	<u>1,403,074.39</u>	<u>187,719.25</u>	<u>5,577,809.63</u>

**Expenditures:**

## General Government:

## Legislative:

Board of County Commissioners	326,808.79			326,808.79
Elections	27,274.05			27,274.05
Judicial System	27,418.22			27,418.22

## Financial Administration:

Auditor	123,249.13			123,249.13
Treasurer	176,495.58			176,495.58
Other	1,451.06			1,451.06

## Legal Services:

State's Attorney	162,224.20			162,224.20
Court Appointed Attorney	124,483.37			124,483.37
Abused and Neglected Child Defense	14,491.16			14,491.16

## Other Administration:

General Government Building	122,492.84			122,492.84
Director of Equalization	170,081.53			170,081.53

**MOODY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2016**  
**(Continued)**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Register of Deeds	103,163.65		3,504.48	106,668.13
Veterans Service Officer	20,451.78			20,451.78
Predatory Animal	2,568.27			2,568.27
Public Safety:				
Law Enforcement:				
Sheriff	721,941.73			721,941.73
County Jail	175,245.19		23,857.08	199,102.27
Coroner	6,296.88			6,296.88
Protective and Emergency Services:				
Fire Protection			77,721.93	77,721.93
Emergency and Disaster Services			46,198.61	46,198.61
Communication Center			90,578.54	90,578.54
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		3,209,048.17		3,209,048.17
Health and Welfare:				
Economic Assistance:				
Support of Poor	17,435.72			17,435.72
Health Assistance:				
County Nurse	35,000.00			35,000.00
Ambulance	294,645.26			294,645.26
Social Services:				
Domestic Abuse			1,290.00	1,290.00
Mental Health Services:				
Mentally Ill	8,691.47			8,691.47
Mental Health Centers	4,800.00			4,800.00
Mental Illness Board	9,966.17			9,966.17
Culture and Recreation:				
Culture:				
Public Library	69,772.50			69,772.50
County Monuments	500.00			500.00
Historical Sites	3,000.00			3,000.00

Recreation:				
County Fair	4,500.00			4,500.00
Senior Center	13,919.34			13,919.34
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	78,335.06			78,335.06
Soil Conservation Districts	15,000.00			15,000.00
Weed and Pest Control	16,122.08			16,122.08
Water Conservation:				
Drainage Commissions	4,070.19			4,070.19
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	13,402.79			13,402.79
Urban and Rural Development	12,457.09			12,457.09
Total Expenditures	<u>2,907,755.10</u>	<u>3,209,048.17</u>	<u>243,150.64</u>	<u>6,359,953.91</u>
Excess of Revenues Over (Under) Expenditures	<u>1,079,260.89</u>	<u>(1,805,973.78)</u>	<u>(55,431.39)</u>	<u>(782,144.28)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		815,000.00	55,000.00	870,000.00
Transfers Out	(870,000.00)			(870,000.00)
Insurance Proceeds	31,071.00	35,876.15		66,947.15
Sale of County Property	11,482.77	4,793.87		16,276.64
Total Other Financing Sources (Uses)	<u>(827,446.23)</u>	<u>855,670.02</u>	<u>55,000.00</u>	<u>83,223.79</u>
Net Change in Fund Balance	251,814.66	(950,303.76)	(431.39)	(698,920.49)
Fund Balance - Beginning	<u>2,969,011.46</u>	<u>2,294,536.72</u>	<u>71,653.89</u>	<u>5,335,202.07</u>
FUND BALANCE - ENDING	<u>\$ 3,220,826.12</u>	<u>\$ 1,344,232.96</u>	<u>\$ 71,222.50</u>	<u>\$ 4,636,281.58</u>

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

**MOODY COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**December 31, 2017**

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	<u>\$     441,394.88</u>
<b>TOTAL ASSETS</b>	<u><u>\$     441,394.88</u></u>
<b>NET POSITION:</b>	
Net Position Held in Agency Capacity	<u>\$     441,394.88</u>
<b>TOTAL NET POSITION</b>	<u><u>\$     441,394.88</u></u>

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

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

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

The County has activated its Housing and Redevelopment Commission (HRC) under the authority of South Dakota Codified Law (SDCL) 11-7-7. The County activated this HRC solely for the purpose of abdicating its power or authority over the housing assistance projects within the County to the Housing and Redevelopment Commission of the County of Brookings organized by Brookings County. 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. Because the County activated this HRC solely for the purpose of abdicating its power or authority over the housing assistance projects within the County over to the Housing and Redevelopment Commission of the County of Brookings organized by Brookings County, this component unit's financial activity was not included on the County's annual report. The financial activity of this component unit would be included as a component unit on the Brookings County annual report.

b. Basis of Presentation:

*Government-wide Financial Statements:*

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

*Fund Financial Statements:*

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

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

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

**Governmental Funds:**

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

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

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

The remaining special revenue funds are not considered major funds: 911 Service, Fire Protection, Emergency Management, Domestic Abuse, 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:

*Agency Funds – Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are used to account for the accumulation and distribution of property tax revenues and various pass-through funds.*

### **c. Measurement Focus and Basis of Accounting:**

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

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

#### *Measurement Focus:*

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

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

#### *Basis of Accounting:*

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

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

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

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

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

d. Deposits and Investments:

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

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

e. Capital Assets:

Capital assets include land, buildings, 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. 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.

g. 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 may distinguish between “Nonspendable”, “Restricted”, “Committed”, “Assigned”, and “Unassigned” components. Agency Funds have no fund equity. The Net Position is reported as Net Position Held in Agency Capacity.

h. 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.

i. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the 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 Commissioners.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

**Revenue Source**  
Motor Vehicle Licenses, Wheel Tax,  
Grants, and Other Governmental Revenue

A schedule of fund balances is provided as follows:

**MOODY COUNTY  
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances:</b>				
Restricted For:				
Snow Removal Purposes	\$	\$ 108,340.40	\$	\$ 108,340.40
Fire Protection Purposes			16,770.19	16,770.19
Domestic Abuse Purposes			410.00	410.00
24/7 Sobriety Purposes			32,361.70	32,361.70
Modernization and Preservation Relief Purposes			12,705.28	12,705.28
Assigned To:				
Applied to Next Year's Budget	768,032.00			768,032.00
Capital Outlay Accumulations	600,000.00			600,000.00
Road and Bridge Purposes		2,151,362.46		2,151,362.46
Ambulance Purposes	30,000.00			30,000.00
911 Service Purposes			5,181.33	5,181.33
Emergency Management Purposes			16,255.99	16,255.99
Unassigned	<u>1,623,346.04</u>			<u>1,623,346.04</u>
Total Fund Balances	<u>\$ 3,021,378.04</u>	<u>\$ 2,259,702.86</u>	<u>\$ 83,684.49</u>	<u>\$ 5,364,765.39</u>

## 2. DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

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

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

As of December 31, 2017, the investments reported in the financial statements consist of only certificates of deposit.

**Credit Risk** – State law limits eligible investments for the County, as discussed above. The County has an investment policy that would further limits its investment choices to investing in Certificates of Deposits with the banks within the County who bid the highest interest rate.

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

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

**Assignment of Investment Income** – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The County's policy is to credit all income from investments to the fund making the investment.

## 3. 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.

4. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2017 was as follows:

**Major Purposes:**

Road and Bridge Purposes	<u>\$ 108,340.40</u>
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**Other Purposes:**

Fire Protection Purposes	16,770.19
Domestic Abuse Purposes	410.00
24/7 Sobriety Purposes	32,361.70
Modernization and Preservation Relief Purposes	<u>12,705.28</u>

Total Other Purposes	<u>62,247.17</u>
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<b>Total Restricted Net Position</b>	<b><u>\$ 170,587.57</u></b>
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These balances are restricted due to federal grant and statutory requirements.

5. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2017 were as follows:

	<u><b>Transfers To:</b></u>		
<u><b>Transfers From:</b></u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Major Funds:			
General Fund	\$ 1,215,000.00	\$ 75,000.00	\$ 1,290,000.00

Interfund transfers for the year ended December 31, 2016 were as follows:

	<u><b>Transfers To:</b></u>		
<u><b>Transfers From:</b></u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Major Funds:			
General Fund	\$ 815,000.00	\$ 55,000.00	\$ 870,000.00

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

## 6. TAX ABATEMENTS

### Municipality of Colman:

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

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

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

The portion of general property taxes levied for this tax increment district during the calendar year ended December 31, 2017 that was not available to Moody County was \$8,096.00.

The portion of general property taxes levied for this tax increment district during the calendar year ended December 31, 2016 that was not available to Moody County was \$7,049.00.

### Municipality of Flandreau:

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

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

The Municipality of Flandreau has four (4) active tax increment districts. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Moody County during the life of the tax increment district.

The portion of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2017 that was not available to Moody County was \$7,791.00.

The portion of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2016 that was not available to Moody County was \$8,478.00.

## 7. PENSION PLAN

### **Plan Information:**

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS), a cost sharing, multiple employer 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, Class B public safety and Class B judicial. Class A retirement benefits are determined as 1.7 percent prior to 2008 and 1.55 percent thereafter of the employee's final 3-year average compensation times the employee's years of service. Employees with 3 years of service are eligible to retire at age 55. Class B public safety benefits are determined as 2.4 percent for service prior to 2008 and 2.0 percent thereafter of employee final average compensation. Class B judicial benefits are determined as 3.733 percent for service prior to 2008 and 3.333 percent thereafter of employee final average compensation. All Class B employees with 3 years of service are eligible to retire at age 45. Employees are eligible for service-related disability benefits regardless of length of service. Three years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a percent of the employee's final average salary.

The annual increase in the amount of the SDRS benefits payable on each July 1<sup>st</sup> is indexed to the consumer price index (CPI) based on SDRS funded status:

- If the SDRS market value funded ratio is 100% or more – 3.1% COLA
- If the SDRS market value funded ratio is 80.0% to 99.9%, index with the CPI
  - 90.0% to 99.9% funded — 2.1% minimum and 2.8% maximum COLA
  - 80.0% to 90.0% funded — 2.1% minimum and 2.4% maximum COLA
- If the SDRS market value funded ratio is less than 80% -- 2.1% COLA

The 2017 legislation modified the COLA, effective for the July 1, 2018 increase:

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

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. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The County's share of contributions to the SDRS for the calendar years ended December 31, 2017, 2016, and 2015, equal to the required contributions each year, were as follows:



<u>Year</u>	<u>Amount</u>
2017	\$ 106,676.03
2016	\$ 97,330.46
2015	\$ 94,655.70

**Pension Asset:**

At June 30, 2017, SDRS is 100.1% funded and accordingly has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the County as of this measurement period ending June 30, 2017 are as follows:

Proportionate share of total pension liability	\$ 9,572,142.65
Less proportionate share of net position restricted for pension benefits	<u>9,579,608.78</u>
Proportionate share of net pension asset	<u>\$ (7,466.13)</u>

The net pension asset was measured as of June 30, 2017 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, 2017, the County's proportion was .0822705%, which is a decrease of .0063614% from its proportion measured as of June 30, 2016.

**Actuarial Assumptions:**

The total pension liability in the June 30, 2017 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%
Discount Rate	6.50% net of plan investment expense

Mortality rates were based on 97% of the RP-2014 Mortality Table, 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, projected generationally with Scale MP-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, 2017 (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%	4.8%
Fixed Income	30.0%	1.8%
Real Estate	10.0%	4.6%
Cash	2.0%	0.7%
Total	100%	

**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 from will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

The 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)	\$ 1,367,420.90	\$ (7,466.13)	\$ (1,349,602.41)

**Pension Plan Fiduciary Net Position:**

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

8. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2017, the County was not involved in any litigation.

9. 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, 2017, the County managed its risks as follows:

**Employee Health Insurance:**

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

### Liability Insurance:

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

General Liability (Officials Liability merged into General Liability in 2017), Automotive Liability, and Law Enforcement Liability

The agreement with the SDPAA provides that the above coverages will be provided to a \$3,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$350,000 for property coverage and \$500,000 for liability coverage to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The County would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

End of County's First Full Year	50%
End of County's Second Full Year	60%
End of County's Third Full Year	70%
End of County's Fourth Full Year	80%
End of County's Fifth Full Year	90%
End of County's Sixth Full Year and Thereafter	100%

As of December 31, 2017, the County has vested balance in the cumulative reserve fund of \$57,208.16.

The County carries a \$2,000 deductible for the Law Enforcement Liability. The County's Official Liability Coverage was merged with General Liability in 2017 and the deductibles were \$0/\$5,000.

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

### Worker's Compensation:

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

pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of \$2,000,000 per incident.

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

Unemployment Benefits:

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

During the two years ended December 31, 2017, no claims for unemployment benefits were paid. At December 31, 2017, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

**SUPPLEMENTARY INFORMATION**  
**MOODY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2017**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 3,305,315.00	\$ 3,305,315.00	\$ 3,302,116.18	\$ (3,198.82)
General Property Taxes--Delinquent	15,000.00	15,000.00	7,300.72	(7,699.28)
Penalties and Interest	7,500.00	7,500.00	8,199.12	699.12
Telephone Tax (Outside)	300.00	300.00	388.88	88.88
Licenses and Permits	17,600.00	17,600.00	20,271.50	2,671.50
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	5,000.00	5,000.00	7,693.05	2,693.05
State Grants	5,600.00	5,600.00	34,743.78	29,143.78
State Shared Revenue:				
Bank Franchise	15,000.00	15,000.00	13,899.20	(1,100.80)
Court Appointed Attorney/Public Defender	5,000.00	5,000.00	4,590.14	(409.86)
Abused and Neglected Child Defense	0.00	0.00	996.78	996.78
Telecommunications Gross Receipts Tax	30,000.00	30,000.00	20,391.36	(9,608.64)
Motor Vehicle 1/4%	2,000.00	2,000.00	2,948.22	948.22
Liquor Tax Reversion (25%)	35,000.00	35,000.00	35,786.20	786.20
Other Intergovernmental Revenue	15,000.00	15,000.00	15,000.00	0.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	16,800.00	16,800.00	23,982.50	7,182.50
Register of Deeds' Fees	60,000.00	60,000.00	80,716.00	20,716.00
Driver's License Exam	35,300.00	35,300.00	41,261.80	5,961.80
Clerk of Courts Fees	5,500.00	5,500.00	6,457.20	957.20
Public Safety:				
Law Enforcement	155,031.00	155,031.00	154,795.25	(235.75)
Prisoner Care	6,000.00	6,000.00	3,600.79	(2,399.21)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	3,000.00	3,000.00	281.09	(2,718.91)
Veterans Service Officer	2,813.00	2,813.00	2,812.50	(0.50)
Health Assistance:				
Ambulance	210,000.00	210,000.00	267,917.37	57,917.37
Mental Health Services	0.00	0.00	20.00	20.00
Other Charges	5,100.00	5,100.00	6,782.81	1,682.81
Fines and Forfeits:				
Costs	7,000.00	7,000.00	10,223.00	3,223.00
Forfeits	4,000.00	4,000.00	3,875.00	(125.00)
Miscellaneous Revenue:				
Investment Earnings	7,000.00	7,000.00	8,435.32	1,435.32
Rent	2,500.00	2,500.00	2,678.00	178.00
Refund of Prior Year's Expenditures	1,000.00	1,000.00	3,126.46	2,126.46
Other	100.00	100.00	1,086.52	986.52
Total Revenues	3,979,459.00	3,979,459.00	4,092,376.74	112,917.74
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	342,571.00	337,836.00	308,362.50	29,473.50
Contingency	150,000.00	150,000.00		
Amount Transferred		(149,700.00)		300.00
Elections	6,000.00	6,000.00	3,795.55	2,204.45
Judicial System	35,000.00	35,000.00	27,854.56	7,145.44
Financial Administration:				
Auditor	149,152.00	149,152.00	119,221.31	29,930.69
Treasurer	191,550.00	191,550.00	169,871.94	21,678.06
Other	7,500.00	7,500.00	3,621.36	3,878.64
Legal Services:				
State's Attorney	185,623.00	215,623.00	207,502.10	8,120.90
Court Appointed Attorney	120,000.00	145,000.00	137,509.61	7,490.39
Abused and Neglected Child Defense	10,000.00	10,000.00	6,894.60	3,105.40
Other Administration:				
General Government Building	125,750.00	197,425.50	197,378.39	47.11
Director of Equalization	127,818.00	127,818.00	119,626.97	8,191.03
Register of Deeds	114,031.00	137,431.00	137,400.63	30.37
Veterans Service Officer	21,160.00	21,160.00	20,503.00	657.00
Predatory Animal	2,569.00	2,569.00	2,568.27	0.73

**SUPPLEMENTARY INFORMATION**  
**MOODY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2017**  
**(Continued)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Unemployment	4,000.00	4,000.00	0.00	4,000.00
Public Safety:				
Law Enforcement:				
Sheriff	725,372.00	725,372.00	703,844.05	21,527.95
County Jail	230,000.00	230,000.00	153,223.75	76,776.25
Coroner	15,000.00	15,000.00	1,386.50	13,613.50
Health and Welfare:				
Economic Assistance:				
Support of Poor	100,000.00	100,000.00	13,255.00	86,745.00
Health Assistance:				
County Nurse	35,700.00	35,700.00	35,700.00	0.00
Ambulance	332,352.00	332,352.00	311,218.41	21,133.59
Social Services:				
Domestic Abuse	2,000.00	2,000.00	0.00	2,000.00
Mental Health Services:				
Mentally Ill	6,000.00	7,350.00	7,304.49	45.51
Mental Health Centers	4,800.00	4,800.00	4,800.00	0.00
Mental Illness Board	12,000.00	12,000.00	3,240.79	8,759.21
Culture and Recreation:				
Culture:				
Public Library	78,128.00	84,228.00	84,191.52	36.48
County Monuments	1,000.00	1,000.00	1,000.00	0.00
Historical Sites	3,000.00	3,000.00	3,000.00	0.00
Recreation:				
Recreational Programs	5,000.00	5,000.00	5,000.00	0.00
County Fair	4,500.00		4,500.00	0.00
Senior Center	14,000.00	15,100.00	15,057.11	42.89
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	78,238.00	85,638.00	85,611.25	26.75
Soil Conservation Districts	20,000.00	20,000.00	20,000.00	0.00
Weed and Pest Control	23,200.00	23,200.00	15,650.22	7,549.78
Water Conservation:				
Drainage Commissions	4,800.00	4,800.00	4,611.66	188.34
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	27,100.00	31,150.00	31,105.31	44.69
Urban and Rural Development	12,900.00	12,900.00	12,830.80	69.20
Intergovernmental Expenditures	0.00	23,460.00	23,460.00	0.00
Total Expenditures	3,327,814.00	3,366,914.50	3,002,101.65	364,812.85
Excess of Revenues Over (Under) Expenditures	651,645.00	612,544.50	1,090,275.09	477,730.59
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,290,000.00)	(1,290,000.00)	(1,290,000.00)	0.00
Insurance Proceeds	0.00	0.00	276.83	276.83
Total Other Financing Sources (Uses)	(1,290,000.00)	(1,290,000.00)	(1,289,723.17)	276.83
Net Change in Fund Balance	(638,355.00)	(677,455.50)	(199,448.08)	478,007.42
Fund Balance - Beginning	3,220,826.12	3,220,826.12	3,220,826.12	0.00
FUND BALANCE - ENDING	\$ 2,582,471.12	\$ 2,543,370.62	\$ 3,021,378.04	\$ 478,007.42

**SUPPLEMENTARY INFORMATION**  
**MOODY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2017**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes:				
Wheel Tax	\$ 170,000.00	\$ 170,000.00	\$ 220,216.66	\$ 50,216.66
Intergovernmental Revenue:				
State Grants	146,276.00	146,276.00	155,872.82	9,596.82
State Shared Revenue:				
Motor Vehicle Licenses	1,000,000.00	1,000,000.00	1,028,761.53	28,761.53
Prorate License Fees	40,000.00	40,000.00	42,474.46	2,474.46
63 3/4% Mobile Home	0.00	0.00	3,042.25	3,042.25
Motor Fuel Tax	7,500.00	7,500.00	4,601.53	(2,898.47)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	15,000.00	15,000.00	3,460.91	(11,539.09)
Miscellaneous Revenue:				
Investment Earnings	5,000.00	5,000.00	4,892.55	(107.45)
Other	5,000.00	5,000.00	5,000.00	0.00
Total Revenues	<u>1,388,776.00</u>	<u>1,388,776.00</u>	<u>1,468,322.71</u>	<u>79,546.71</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	<u>3,025,050.00</u>	<u>3,025,050.00</u>	<u>1,773,311.75</u>	<u>1,251,738.25</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,636,274.00)</u>	<u>(1,636,274.00)</u>	<u>(304,989.04)</u>	<u>1,331,284.96</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,215,000.00	1,215,000.00	1,215,000.00	0.00
Insurance Proceeds	0.00	0.00	409.97	409.97
Sale of County Property	1,500.00	1,500.00	5,048.97	3,548.97
Total Other Financing Sources (Uses)	<u>1,216,500.00</u>	<u>1,216,500.00</u>	<u>1,220,458.94</u>	<u>3,958.94</u>
Net Change in Fund Balance	(419,774.00)	(419,774.00)	915,469.90	1,335,243.90
Fund Balance - Beginning	<u>1,344,232.96</u>	<u>1,344,232.96</u>	<u>1,344,232.96</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 924,458.96</u>	<u>\$ 924,458.96</u>	<u>\$ 2,259,702.86</u>	<u>\$ 1,335,243.90</u>

**SUPPLEMENTARY INFORMATION**  
**MOODY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 3,266,295.00	\$ 3,266,295.00	\$ 3,238,211.23	\$ (28,083.77)
General Property Taxes--Delinquent	20,000.00	20,000.00	16,929.41	(3,070.59)
Penalties and Interest	7,500.00	7,500.00	7,841.48	341.48
Telephone Tax (Outside)	500.00	500.00	798.98	298.98
Tax Deed Revenue	0.00	0.00	7,943.91	7,943.91
Licenses and Permits	20,600.00	20,600.00	17,822.50	(2,777.50)
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	36,206.90	36,206.90
Federal Payments in Lieu of Taxes	5,000.00	5,000.00	7,054.29	2,054.29
State Grants	0.00	0.00	6,939.77	6,939.77
State Shared Revenue:				
Bank Franchise	15,000.00	15,000.00	16,664.49	1,664.49
Court Appointed Attorney/Public Defender	5,000.00	5,000.00	5,549.43	549.43
Abused and Neglected Child Defense	0.00	0.00	814.61	814.61
Telecommunications Gross Receipts Tax	35,000.00	35,000.00	30,112.27	(4,887.73)
Motor Vehicle 1/4%	2,000.00	2,000.00	2,866.12	866.12
Liquor Tax Reversion (25%)	0.00	0.00	11,581.45	11,581.45
Other Intergovernmental Revenue	15,000.00	15,000.00	7,500.00	(7,500.00)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	5,750.00	5,750.00	16,369.41	10,619.41
Register of Deeds' Fees	65,000.00	65,000.00	70,268.30	5,268.30
Legal Services	35,300.00	35,300.00	37,460.36	2,160.36
Clerk of Courts Fees	6,000.00	6,000.00	5,703.80	(296.20)
Public Safety:				
Law Enforcement	93,852.00	93,852.00	108,497.86	14,645.86
Prisoner Care	5,000.00	5,000.00	5,265.20	265.20
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	3,000.00	3,000.00	5,959.16	2,959.16
Veterans Service Officer	2,812.00	2,812.00	2,812.50	0.50
Health Assistance:				
Ambulance	170,000.00	170,000.00	272,491.93	102,491.93
Other Charges	7,500.00	7,500.00	6,581.09	(918.91)
Fines and Forfeits:				
Costs	7,000.00	7,000.00	12,063.00	5,063.00
Forfeits	0.00	0.00	4,990.00	4,990.00
Other	0.00	0.00	140.00	140.00
Miscellaneous Revenue:				
Investment Earnings	7,000.00	7,000.00	14,624.46	7,624.46
Rent	2,500.00	2,500.00	3,154.00	654.00
Contributions and Donations	0.00	0.00	145.00	145.00
Refund of Prior Year's Expenditures	1,000.00	1,000.00	5,328.00	4,328.00
Other	100.00	100.00	325.08	225.08
Total Revenues	3,803,709.00	3,803,709.00	3,987,015.99	183,306.99
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	337,836.00	337,836.00	326,808.79	11,027.21
Contingency	150,000.00	150,000.00		
Amount Transferred		(37,000.00)		113,000.00
Elections	42,000.00	42,000.00	27,274.05	14,725.95
Judicial System	35,000.00	35,000.00	27,418.22	7,581.78
Financial Administration:				
Auditor	132,038.00	132,038.00	123,249.13	8,788.87
Treasurer	196,293.00	196,293.00	176,495.58	19,797.42
Other	7,500.00	7,500.00	1,451.06	6,048.94
Legal Services:				
State's Attorney	165,635.14	165,635.14	162,224.20	3,410.94
Court Appointed Attorney	110,000.00	125,000.00	124,483.37	516.63
Abused and Neglected Child Defense	10,000.00	14,500.00	14,491.16	8.84
Other Administration:				
General Government Building	129,650.00	129,675.00	122,492.84	7,182.16
Director of Equalization	199,960.00	199,960.00	170,081.53	29,878.47
Register of Deeds	114,679.00	114,679.00	103,163.65	11,515.35
Veterans Service Officer	20,624.00	20,624.00	20,451.78	172.22



**SUPPLEMENTARY INFORMATION**  
**MOODY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2016**  
**(Continued)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Predatory Animal	2,569.00	2,569.00	2,568.27	0.73
Unemployment	4,000.00	4,000.00	0.00	4,000.00
Public Safety:				
Law Enforcement:				
Sheriff	684,286.00	744,350.90	721,941.73	22,409.17
County Jail	230,000.00	230,000.00	175,245.19	54,754.81
Coroner	15,000.00	15,000.00	6,296.88	8,703.12
Health and Welfare:				
Economic Assistance:				
Support of Poor	100,000.00	100,000.00	17,435.72	82,564.28
Health Assistance:				
County Nurse	35,000.00	35,000.00	35,000.00	0.00
Ambulance	323,160.00	330,256.00	294,645.26	35,610.74
Social Services:				
Domestic Abuse	2,000.00	2,000.00	0.00	2,000.00
Mental Health Services:				
Mentally Ill	6,000.00	9,000.00	8,691.47	308.53
Mental Health Centers	4,800.00	4,800.00	4,800.00	0.00
Mental Illness Board	12,000.00	12,000.00	9,966.17	2,033.83
Culture and Recreation:				
Culture:				
Public Library	72,450.00	72,450.00	69,772.50	2,677.50
County Monuments	500.00	500.00	500.00	0.00
Historical Sites	3,000.00	3,000.00	3,000.00	0.00
Recreation:				
Recreational Programs	5,000.00	5,000.00	0.00	5,000.00
County Fair	4,500.00	4,500.00	4,500.00	0.00
Senior Center	22,700.00	22,700.00	13,919.34	8,780.66
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	81,622.00	81,622.00	78,335.06	3,286.94
Soil Conservation Districts	15,000.00	15,000.00	15,000.00	0.00
Weed and Pest Control	21,150.00	21,150.00	16,122.08	5,027.92
Water Conservation:				
Drainage Commissions	5,300.00	5,300.00	4,070.19	1,229.81
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	13,500.00	13,500.00	13,402.79	97.21
Urban and Rural Development	12,457.09	12,457.09	12,457.09	0.00
Total Expenditures	<u>3,327,209.23</u>	<u>3,379,895.13</u>	<u>2,907,755.10</u>	<u>472,140.03</u>
Excess of Revenues Over (Under) Expenditures	<u>476,499.77</u>	<u>423,813.87</u>	<u>1,079,260.89</u>	<u>655,447.02</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(870,000.00)	(870,000.00)	(870,000.00)	0.00
Insurance Proceeds	0.00	0.00	31,071.00	31,071.00
Sale of County Property	0.00	0.00	11,482.77	11,482.77
Total Other Financing Sources (Uses)	<u>(870,000.00)</u>	<u>(870,000.00)</u>	<u>(827,446.23)</u>	<u>42,553.77</u>
Net Change in Fund Balance	(393,500.23)	(446,186.13)	251,814.66	698,000.79
Fund Balance - Beginning	<u>2,969,011.46</u>	<u>2,969,011.46</u>	<u>2,969,011.46</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 2,575,511.23</u>	<u>\$ 2,522,825.33</u>	<u>\$ 3,220,826.12</u>	<u>\$ 698,000.79</u>

**SUPPLEMENTARY INFORMATION**  
**MOODY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes:				
Wheel Tax	\$ 160,000.00	\$ 160,000.00	\$ 173,464.09	\$ 13,464.09
Intergovernmental Revenue:				
State Grants	325,000.00	325,000.00	153,735.89	(171,264.11)
State Shared Revenue:				
Motor Vehicle Licenses	1,000,000.00	1,000,000.00	996,124.44	(3,875.56)
Prorate License Fees	40,000.00	40,000.00	44,093.09	4,093.09
Motor Fuel Tax	7,500.00	7,500.00	4,603.32	(2,896.68)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	5,000.00	5,000.00	19,994.85	14,994.85
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	6,058.71	6,058.71
Other	10,000.00	10,000.00	5,000.00	(5,000.00)
<b>Total Revenues</b>	<b>1,547,500.00</b>	<b>1,547,500.00</b>	<b>1,403,074.39</b>	<b>(144,425.61)</b>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,463,096.00	3,482,351.20	3,209,048.17	273,303.03
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(915,596.00)</b>	<b>(1,934,851.20)</b>	<b>(1,805,973.78)</b>	<b>128,877.42</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	815,000.00	815,000.00	815,000.00	0.00
Insurance Proceeds	0.00	0.00	35,876.15	35,876.15
Sale of County Property	1,500.00	1,500.00	4,793.87	3,293.87
<b>Total Other Financing Sources (Uses)</b>	<b>816,500.00</b>	<b>816,500.00</b>	<b>855,670.02</b>	<b>39,170.02</b>
<b>Net Change in Fund Balance</b>	<b>(99,096.00)</b>	<b>(1,118,351.20)</b>	<b>(950,303.76)</b>	<b>168,047.44</b>
<b>Fund Balance - Beginning</b>	<b>2,294,536.72</b>	<b>2,294,536.72</b>	<b>2,294,536.72</b>	<b>0.00</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 2,195,440.72</b>	<b>\$ 1,176,185.52</b>	<b>\$ 1,344,232.96</b>	<b>\$ 168,047.44</b>

MOODY 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**  
**MOODY COUNTY**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**South Dakota Retirement System**

	*Last 10 Years			
	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.0822705%	0.0886319%	0.0846672%	0.0862011%
County's proportionate share of net pension liability (asset)	\$ (7,466.13)	\$ 299,389.85	\$ (359,097.79)	\$ (621,043.67)
County's covered-employee payroll	\$ 1,595,123.24	\$ 1,602,610.71	\$ 1,442,965.35	\$ 1,477,599.45
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.47%	18.68%	-24.89%	-42.03%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.10%	96.90%	104.1%	107.3%

\* 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 of which information is available.

MOODY 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:**

No significant changes.