

**CHARLES MIX COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2018**

CHARLES MIX COUNTY  
COUNTY OFFICIALS  
December 31, 2018

Board of Commissioners:

Keith Mushitz  
Nick Stotz  
Neil VonEschen

Auditor:  
Sara Clayton

Treasurer:  
Karol Kniffen

State's Attorney:  
Steven Cotton

Register of Deeds:  
Julie Pavel

Sheriff:  
Randy Thaler

CHARLES MIX COUNTY  
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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  
Charles Mix County  
Lake Andes, 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 Charles Mix County, South Dakota (County), as of December 31, 2018, 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 February 13, 2020.

***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 certain deficiencies in internal control that we consider to be material weaknesses.

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 deficiencies described in the accompanying Schedule of Current Audit Findings as items No. 2018-001 and No. 2018-002 to be material weaknesses.

***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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Audit Findings as items No. 2018-003 and No. 2018-004.

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

The County did not wish to respond to the findings 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

February 13, 2020

CHARLES MIX COUNTY  
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Audit Findings:**

Finding No. 2016-001:

Internal accounting controls over financial reporting were inadequate resulting in inaccurate information being presented to the users of the annual financial reports. This finding has not been resolved and is restated as Current Audit Finding No. 2018-001.

Finding No. 2016-002:

The County's internal controls over the apportionment process were inadequate resulting in diminished assurance that the County's apportionment related financial transactions were recorded properly. This finding has been resolved.

Finding No. 2016-003:

The County Auditor did not prepare, publish or file with the Auditor General of the Department of Legislative Audit on a timely basis the annual financial reports for the years ended December 31, 2015 and December 31, 2016 as required by South Dakota Codified Law (SDCL) 7-10-4. This finding has not been resolved and is restated as Current Audit Finding No. 2018-003.

**SCHEDULE OF CURRENT AUDIT FINDINGS**

**Current Audit Findings:**

***Internal Control-Related Findings - Material Weaknesses:***

Financial Reporting Errors

Finding No. 2018-001:

Criteria:

The County's internal control structure should be designed to provide for the preparation of the annual financial reports, which includes having an adequate system for recording and processing entries material to the annual financial reports being audited in accordance with the modified cash basis of accounting. This is the seventh consecutive audit in which a similar finding was noted.

Condition:

The County does not have an internal control system designed to provide for the preparation of the annual financial reports in accordance with the modified cash basis of accounting. We noted numerous significant reporting errors within the annual reports prepared by the County.

Context:

We noted the following significant errors in the County's annual financial reports for the years ended December 31, 2017 and December 31, 2018.

a. The 2018 Statement of Net Position contained the following significant errors:

- Cash and Cash Equivalents was understated by \$497,841.01.

- Restricted for Modernization and Preservation Relief Purposes was understated by \$22,180.68.
  - Restricted for Other Purposes was overstated by \$107,307.87.
  - Unrestricted Net Position was understated by \$582,968.20.
- b. The 2018 Statement of Activities contained the following significant errors:
- Charges for Services – Public Safety was overstated and Operating Grants – Public Safety was understated by \$18,107.00.
  - Operating Grants – General Government was overstated by \$21,241.42.
  - Operating Grants – Public Works was understated by \$500,363.89.
  - General Revenues – Property Taxes was understated by \$18,718.54.
  - Interest on Long-Term Debt was overstated and General Government Expense was understated by \$41,981.04.
  - Ending Net Position was understated by \$497,841.01.
- c. The 2017 Statement of Activities contained the following significant errors:
- Charges for Services – Public Safety was overstated and Operating Grants – Public Safety was understated by \$18,107.00.
  - Charges for Services – Public Works was overstated by \$1,600,000.00.
  - Operating Grants – Public Works was understated by \$1,590,658.52.
  - General Revenues – Property Taxes was understated by \$18,309.12.
  - General Revenues – Miscellaneous Revenue was overstated by \$1,484,327.23.
  - General Government Expense was understated by \$32,362.50.
  - General Revenues – Debt Issued was understated by \$1,496,642.65.
  - Intergovernmental Expense was understated by \$18,959.07.
  - Ending Net Position was overstated by \$30,038.51.
- d. The 2018 Governmental Funds Balance Sheet contained the following significant errors:
- General Fund Unassigned Fund Balance was overstated and Assigned Fund Balance was understated by \$961,000.00.
  - Road and Bridge Fund Cash and Cash Equivalents were understated by \$511,883.84.
  - Road and Bridge Fund Assigned Fund Balance was understated by \$360,595.68.
  - Road and Bridge Fund Unassigned Fund Balance was understated by \$151,288.16.
  - Other Governmental Funds Cash and Cash Equivalents were overstated by \$17,357.26.
  - Other Governmental Funds Restricted Fund Balance was overstated by \$85,127.19.
  - Other Governmental Funds Assigned Fund Balance was understated by \$67,769.93.
- e. The 2018 Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance contained the following errors:
- General Fund Federal Grant Revenues were understated, and State Grant Revenues were overstated by \$31,785.00.
  - General Fund Debt Service Expenditures were understated, and General Government Building Expenditures were overstated by \$101,981.05.
  - Road and Bridge Fund General Property Taxes – Current were understated by \$18,719.54.
  - Road and Bridge Fund Motor Vehicle Licenses were understated by \$480,268.80.
  - Road and Bridge Fund Ending Fund Balance was understated by \$494,526.58.
  - Other Governmental Funds State Grant Revenues were understated, and 24/7 Sobriety Revenues were overstated by \$18,107.00.
- f. The 2017 Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance contained the following errors:

- General Fund Federal Grant Revenues were understated, and State Grant Revenues were overstated by \$18,886.67.
- General Fund Refund of Prior Year Expenditures was understated by \$21,334.49.
- General Fund Other Miscellaneous Revenues were overstated by \$1,502,985.18.
- General Fund Insurance Proceeds were understated by \$17,370.54.
- General Fund Long Term Debt Issued was understated by \$1,496,642.65.
- General Fund Debt Service Expenditures were understated by \$32,362.50.
- Road and Bridge Fund General Property Taxes – Current were understated by \$18,309.12.
- Road and Bridge Fund State Grants were understated, and Road Maintenance Contract Charges were overstated by \$1,600,000.00.
- Road and Bridge Fund Secondary Road Remittances were overstated by \$25,321.36.
- Road and Bridge Fund Intergovernmental Expenditures were understated by \$18,959.07.
- Road and Bridge Fund Highway, Road and Bridge Expenditures were overstated, and Ending Fund Balance was understated by \$12,444.95.
- Road and Bridge Fund Prior Period Adjustment was overstated by \$27,224.17.
- Other Governmental Funds Federal Grant Revenues were understated by \$23,522.20.
- Other Governmental Funds Law Enforcement Revenues were overstated by \$35,708.00.
- Other Governmental Funds 24/7 Sobriety Revenues were understated by \$17,601.00.
- Other Governmental Funds Highway, Road and Bridge Expenditures were understated, and Ending Fund Balance was overstated by \$12,444.95.

g. The 2018 Statement of Fiduciary Net Position contained the following significant errors:

- Cash and Cash Equivalents and Amounts Held in Agency Capacity were overstated by \$497,841.01.

Effect:

Inaccurate and incomplete information may be presented to the users of the annual financial reports.

Cause:

The County does not have an internal control system designed to provide for the preparation of the annual financial reports in accordance with the modified cash basis of accounting.

Recommendation:

We recommend that the County strengthen internal controls over financial reporting.

Views of responsible officials:

The County chose not to respond to this finding.

Internal Control Deficiencies over County Motor Vehicle Revenues

Finding No. 2018-002:

Criteria:

The County's internal control structure should be designed to provide for the proper accounting of the County's motor vehicle revenues.

Condition:

The County does not have an internal control system designed to provide for the proper accounting of the County's motor vehicle revenues. We noted that the County's motor vehicle revenues were recorded and reported in the incorrect fund.

Context:

We noted that since February 2018, the County had not performed the monthly general journal entries necessary in order to move the General Fund Motor Vehicle 1/4% revenues and the Road and Bridge Fund Motor Vehicle License revenues, 63 3/4% Mobile Home revenues and Secondary Road Remittance revenues from the State Motor Vehicle Fund to the appropriate funds. This issue continued from February 2018 until December 2019, which resulted in \$1,002,823.81 of General Fund and Road and Bridge motor vehicle monies being held in the State Motor Vehicle Fund, as follows:

General Fund:

2018 Motor Vehicle 1/4% revenue	\$ 3,314.43
2019 Motor Vehicle 1/4% revenue	<u>3,391.26</u>
Total General Fund	\$ 6,705.69

Road and Bridge Fund:

2018 Motor Vehicle License revenue	\$ 480,268.80
2018 63 3/4% Mobile Home Tax revenue	3,208.29
2018 Secondary Road Remittance revenue	11,049.49
2019 Motor Vehicle License revenue	485,076.38
2019 63 3/4% Mobile Home Tax revenue	4,929.60
2019 Secondary Road Remittance revenue	<u>11,585.56</u>
Total Road and Bridge Fund	\$ 996,118.12

Effect:

The County's motor vehicle revenues were not properly accounted for.

Cause:

The County does not have an internal control system designed to provide for the proper accounting of the County's motor vehicle revenues.

Recommendations:

We recommend that the County strengthen internal controls over the County's motor vehicle revenues.

We recommend that the County make the appropriate adjustments to the accounting system to move the monies held in the State Motor Vehicle Fund into the General Fund and Road and Bridge Fund.

Views of responsible officials:

The County chose not to respond to this finding.

***Compliance and Other Matters:***

Annual Financial Report

Finding No. 2018-003:

Criteria:

South Dakota Codified Law (SDCL) 7-10-4 states: "The county auditor shall prepare by the first day of March of each year a report of the revenues and expenditures of the previous year and the assets, liabilities, and equity of the county as of December thirty-first of the previous year. The report shall be made in the form prescribed by the auditor-general and shall be published within thirty days in the official newspapers of the county. A copy of the publication shall be filed with the auditor-general."

Condition:

The County Auditor did not prepare, publish or file with the Auditor General of the Department of Legislative Audit on a timely basis the annual financial reports for the year ended December 31, 2018 as required by SDCL 7-10-4.

Context:

The annual financial report for the year ended December 31, 2018 was not filed with the Auditor General until October 8, 2019 and was not published until October 16, 2019.

Effect:

The County is not in compliance with SDCL 7-10-4.

Cause:

The County Auditor did not file or publish the annual financial report for the year ended December 31, 2018 in accordance with SDCL 7-10-4.

Recommendation:

We recommend that the County comply with SDCL 7-10-4.

Views of responsible officials:

The County chose not to respond to this finding.

Budgetary Noncompliance

Finding No. 2018-004:

Criteria:

South Dakota Codified Law (SDCL) 7-21-25 states: "Unless specially and expressly authorized by law, it shall be unlawful for the board of county commissioners or any member thereof, or for any officer of any county or any employee thereof in charge of any institution or agency of a county, to contract any indebtedness or incur any liabilities for or in behalf of the county, in any manner whatsoever, either for a purpose, object, or item for which no appropriation is provided in the budget of such county for the fiscal year in which such indebtedness is attempted to be contracted or liability attempted to be created, or in excess of the amount of any specific appropriation for any purpose, object, or item set forth in the budgets of such county, for the fiscal year in which such indebtedness is attempted to be contracted or liability attempted to be created."

Condition:

The County incurred expenditures in excess of appropriations contrary to SDCL 7-21-25.

Context:

We noted the following expenditures in excess of appropriations for the years ended December 31, 2017 and December 31, 2018:

	<u>Year Ended</u> <u>12/31/2017</u>		<u>Year Ended</u> <u>12/31/2018</u>
<u>General Fund:</u>			
<u>Activity:</u>			
Board of County Commissioners	\$ 200,198.52		
General Government Building		\$ 77,363.73	
Other Financial Administration	\$ 99,521.40	\$ 4,912.79	
Support of Poor		\$ 38,352.60	
Women, Infants and Children	\$ 53.65	\$ 8,401.32	
Debt Service	\$ 32,362.50	\$ 101,981.05	
 <u>Road and Bridge Fund:</u>			
<u>Activity:</u>			
Intergovernmental Expenditures	\$ 8,002.85		
 <u>Other Governmental Funds:</u>			
<u>Activity:</u>			
General Government Building		\$ 19,872.90	

Effect:

The County is not in compliance with SDCL 7-21-25.

Cause:

The Board of County Commissioners did not properly monitor the departmental budgets in order to make the appropriate budget supplements or contingency transfers.

Recommendation:

We recommend that the County comply with SDCL 7-21-25.

Views of responsible officials:

The County chose not to respond to this finding.



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MARTIN L. GUINDON, CPA  
AUDITOR GENERAL

## INDEPENDENT AUDITOR'S REPORT

County Commission  
Charles Mix County  
Lake Andes, 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 Charles Mix County, South Dakota (County), as of December 31, 2018, 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 Charles Mix County as of December 31, 2018, 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, 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 February 13, 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, 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.



Martin L. Guindon, CPA  
Auditor General

February 13, 2020

**CHARLES MIX COUNTY**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2018**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 5,148,052.47
TOTAL ASSETS	\$ 5,148,052.47
<b>NET POSITION:</b>	
Restricted For: (See Note 6)	
Modernization and Preservation Relief Purposes	\$ 22,180.68
Unrestricted	5,125,871.79
TOTAL NET POSITION	\$ 5,148,052.47

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

**CHARLES MIX 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	Primary Government Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 1,990,846.99	\$ 195,191.43	\$ 75,644.25	\$ (1,720,011.31)
Public Safety	1,702,055.90	386,168.95	151,683.57	(1,164,203.38)
Public Works	4,389,958.12	6,731.66	1,711,123.45	(2,672,103.01)
Health and Welfare	289,290.09	49,498.31		(239,791.78)
Culture and Recreation	32,499.01			(32,499.01)
Conservation of Natural Resources	225,437.57	13,447.42		(211,990.15)
Urban and Economic Development	16,696.00			(16,696.00)
Intergovernmental	53,754.45			(53,754.45)
*Interest on Long-Term Debt	44,981.04			(44,981.04)
<b>Total Primary Government</b>	<b>\$ 8,745,519.17</b>	<b>\$ 651,037.77</b>	<b>\$ 1,938,451.27</b>	<b>(6,156,030.13)</b>
<b>General Revenues:</b>				
Taxes:				
				4,207,512.86
				276,379.02
				172,260.93
				55,305.00
				10,871.13
				274,846.39
				<u>4,997,175.33</u>
				(1,158,854.80)
				<u>6,306,907.27</u>
				<u>\$ 5,148,052.47</u>

\* 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.

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 3,317,924.84	\$ 172,647.74	\$ 65,770.19	\$ (3,079,506.91)
Public Safety	1,752,483.67	329,471.16	125,844.16	(1,297,168.35)
Public Works	3,324,226.45	8,157.82	3,246,904.05	(69,164.58)
Health and Welfare	226,875.61	39,673.36		(187,202.25)
Culture and Recreation	21,569.57			(21,569.57)
Conservation of Natural Resources	263,446.90	5,787.44		(257,659.46)
Urban and Economic Development	16,585.00			(16,585.00)
Intergovernmental	73,002.85			(73,002.85)
<b>Total Primary Government</b>	<b><u>\$ 8,996,114.89</u></b>	<b><u>\$ 555,737.52</u></b>	<b><u>\$ 3,438,518.40</u></b>	<b><u>(5,001,858.97)</u></b>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				4,096,846.44
Wheel Tax				276,577.18
State Shared Revenues				176,917.74
Grants and Contributions not Restricted to Specific Programs				54,173.00
Unrestricted Investment Earnings				10,088.36
Debt Issued				1,496,642.65
Miscellaneous Revenue				362,110.48
<b>Total General Revenues</b>				<b><u>6,473,355.85</u></b>
Change in Net Position				1,471,496.88
Net Position - Beginning				4,835,410.39
<b>NET POSITION - ENDING</b>				<b><u>\$ 6,306,907.27</u></b>

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

**CHARLES MIX COUNTY  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
December 31, 2018**

	<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	\$ 4,653,902.61	\$ 360,595.68	\$ 133,554.18	\$ 5,148,052.47
<b>TOTAL ASSETS</b>	<u>\$ 4,653,902.61</u>	<u>\$ 360,595.68</u>	<u>\$ 133,554.18</u>	<u>\$ 5,148,052.47</u>
<b>FUND BALANCES:</b> (See Note 1.j.)				
Restricted	\$	\$	\$ 22,180.68	\$ 22,180.68
Assigned	2,781,364.00	360,595.68	111,928.02	3,253,887.70
Unassigned	1,872,538.61		(554.52)	1,871,984.09
<b>TOTAL FUND BALANCES</b>	<u>\$ 4,653,902.61</u>	<u>\$ 360,595.68</u>	<u>\$ 133,554.18</u>	<u>\$ 5,148,052.47</u>

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

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

	<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	\$ 4,151,701.97	\$ 18,718.54	\$	\$ 4,170,420.51
General Property Taxes--Delinquent	10,879.15			10,879.15
Penalties and Interest	26,206.09	7.11		26,213.20
Wheel Tax		276,379.02		276,379.02
Licenses and Permits	12,595.00		510.00	13,105.00
Intergovernmental Revenue:				
Federal Grants	35,134.00		46,313.27	81,447.27
Federal Shared Revenue	17,638.00			17,638.00
Federal Payments in Lieu of Taxes	55,305.00			55,305.00
State Grants	6,000.00	288,821.06	18,107.00	312,928.06
State Shared Revenue:				
Bank Franchise	35,992.09		2,059.44	38,051.53
Motor Vehicle Licenses		1,321,287.31		1,321,287.31
Court Appointed Attorney/Public Defender	11,940.37			11,940.37
Prorate License Fees		71,083.08		71,083.08
63 3/4% Mobile Home		3,208.29		3,208.29
Secondary Road Remittances		19,311.71		19,311.71
Telecommunications Gross Receipts Tax	47,205.76			47,205.76
Motor Vehicle 1/4%	3,575.47			3,575.47
Renewable Facility Tax	41,263.46			41,263.46
Motor Fuel Tax		7,412.00		7,412.00
911 Remittances			87,263.30	87,263.30
Liquor Tax Reversion (25%)	45,296.94			45,296.94
Other Payments in Lieu of Taxes	443.24			443.24
Other Intergovernmental Revenue	1,231.89		124.52	1,356.41
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	45,532.42			45,532.42

Register of Deeds' Fees	98,685.00		9,599.68	108,284.68
Legal Services	17,009.83		425.00	17,434.83
Clerk of Courts Fees	6,593.00		159.00	6,752.00
Public Safety:				
Law Enforcement	118,145.09		87,541.58	205,686.67
Prisoner Care	163,794.04			163,794.04
Sobriety Testing			12,444.00	12,444.00
Public Works:				
Road Maintenance Contract Charges		6,731.66		6,731.66
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	12,728.67			12,728.67
Veterans Service Officer	2,812.50			2,812.50
Health Assistance:				
County Nurse	290.70			290.70
Women, Infants and Children	35,968.94			35,968.94
Conservation of Natural Resources	13,447.42			13,447.42
Fines and Forfeits:				
Costs	3,399.24			3,399.24
Miscellaneous Revenue:				
Investment Earnings	9,493.99	1,212.23	164.91	10,871.13
Rent	1,750.00	875.00		2,625.00
Refund of Prior Year's Expenditures	15,420.76	475.08	311.60	16,207.44
Other	9,262.02			9,262.02
Total Revenues	<u>5,056,742.05</u>	<u>2,015,522.09</u>	<u>265,023.30</u>	<u>7,337,287.44</u>

**Expenditures:**

General Government:

Legislative:

Board of County Commissioners	124,107.63			124,107.63
Elections	44,458.76			44,458.76
Judicial System	80,454.64			80,454.64

Financial Administration:

Auditor	135,920.39			135,920.39
Treasurer	134,173.51			134,173.51

Legal Services:

State's Attorney	310,716.54			310,716.54
Court Appointed Attorney	212,232.51			212,232.51
Abused and Neglected Child Defense	16,200.65			16,200.65

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Administration:				
General Government Building	372,998.73		19,872.90	392,871.63
Director of Equalization	169,984.43			169,984.43
Register of Deeds	109,082.03		13,065.98	122,148.01
Veterans Service Officer	30,490.22			30,490.22
Predatory Animal	7,797.87			7,797.87
Other	84,912.79			84,912.79
Geographic Information System	67,377.40			67,377.40
Public Safety:				
Law Enforcement:				
Sheriff	662,876.11			662,876.11
County Jail	548,628.56		47,061.99	595,690.55
Coroner	9,851.63			9,851.63
Juvenile Detention	79,168.02			79,168.02
Protective and Emergency Services:				
Emergency and Disaster Services			53,883.57	53,883.57
Communication Center			300,586.02	300,586.02
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		4,385,045.81	4,912.31	4,389,958.12
Health and Welfare:				
Economic Assistance:				
Support of Poor	88,352.60			88,352.60
Health Assistance:				
County Nurse	80,356.45			80,356.45
Women, Infants and Children	47,324.32			47,324.32
Social Services:				
Domestic Abuse			3,000.00	3,000.00

Mental Health Services:				
Mentally Ill	47,373.72			47,373.72
Mental Health Centers	22,883.00			22,883.00
Culture and Recreation:				
Recreation:				
Recreational Programs	10,000.00			10,000.00
County Fair	11,732.31			11,732.31
Senior Center	10,766.70			10,766.70
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	36,329.18			36,329.18
Soil Conservation Districts	65,000.00			65,000.00
Weed and Pest Control	124,108.39			124,108.39
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	16,696.00			16,696.00
Intergovernmental Expenditures		53,754.45		53,754.45
Debt Service	101,981.05			101,981.05
Total Expenditures	<u>3,864,336.14</u>	<u>4,438,800.26</u>	<u>442,382.77</u>	<u>8,745,519.17</u>
Excess of Revenues Over (Under) Expenditures	<u>1,192,405.91</u>	<u>(2,423,278.17)</u>	<u>(177,359.47)</u>	<u>(1,408,231.73)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		1,447,155.80	222,969.20	1,670,125.00
Transfers Out	(1,670,125.00)			(1,670,125.00)
Insurance Proceeds	11,776.85	3,898.09		15,674.94
Sale of County Property	16,113.44	217,588.55		233,701.99
Total Other Financing Sources (Uses)	<u>(1,642,234.71)</u>	<u>1,668,642.44</u>	<u>222,969.20</u>	<u>249,376.93</u>
Net Change in Fund Balance	(449,828.80)	(754,635.73)	45,609.73	(1,158,854.80)
Fund Balance - Beginning	<u>5,103,731.41</u>	<u>1,115,231.41</u>	<u>87,944.45</u>	<u>6,306,907.27</u>
FUND BALANCE - ENDING	<u>\$ 4,653,902.61</u>	<u>\$ 360,595.68</u>	<u>\$ 133,554.18</u>	<u>\$ 5,148,052.47</u>

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

**CHARLES MIX 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	\$ 4,037,151.32	\$ 21,221.05	\$	\$ 4,058,372.37
General Property Taxes--Delinquent	20,070.04			20,070.04
Penalties and Interest	18,391.77	12.26		18,404.03
Wheel Tax		276,577.18		276,577.18
Licenses and Permits	12,108.00		1,080.00	13,188.00
Intergovernmental Revenue:				
Federal Grants	19,465.01		23,522.20	42,987.21
Federal Shared Revenue	21,678.00			21,678.00
Federal Payments in Lieu of Taxes	54,173.00			54,173.00
State Grants	5,700.00	1,876,444.46	18,107.00	1,900,251.46
State Shared Revenue:				
Bank Franchise	60,113.65			60,113.65
Motor Vehicle Licenses		1,263,600.80		1,263,600.80
Court Appointed Attorney/Public Defender	15,471.77			15,471.77
Prorate License Fees		68,390.83		68,390.83
Secondary Road Remittances		13,823.22		13,823.22
Telecommunications Gross Receipts Tax	28,700.70			28,700.70
Motor Vehicle 1/4%	3,455.41			3,455.41
Renewable Facility Tax	41,471.80			41,471.80
Motor Fuel Tax		7,412.00		7,412.00
911 Remittances			84,214.96	84,214.96
Liquor Tax Reversion (25%)	44,710.78			44,710.78
Other Payments in Lieu of Taxes	1,920.81			1,920.81
Other Intergovernmental Revenue			17,232.74	17,232.74
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	43,197.47			43,197.47
Register of Deeds' Fees	71,086.50		8,618.45	79,704.95

Legal Services	26,106.62		275.00	26,381.62
Clerk of Courts Fees	6,079.20		227.00	6,306.20
Other Fees			300.00	300.00
Public Safety:				
Law Enforcement	117,965.60		99,968.11	217,933.71
Prisoner Care	89,393.70			89,393.70
Sobriety Testing			17,601.00	17,601.00
Public Works:				
Road Maintenance Contract Charges		8,157.82		8,157.82
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	4,190.79			4,190.79
Veterans Service Officer	2,812.50			2,812.50
Health Assistance:				
County Nurse	1,023.31			1,023.31
Women, Infants and Children	33,379.26			33,379.26
Conservation of Natural Resources	5,787.44			5,787.44
Fines and Forfeits:				
Costs	3,084.75			3,084.75
Miscellaneous Revenue:				
Investment Earnings	8,033.76	1,894.57	160.03	10,088.36
Rent	2,090.00	1,205.00		3,295.00
Refund of Prior Year's Expenditures	21,334.49	3,558.75	200.00	25,093.24
Other	4,583.15		2,441.25	7,024.40
Total Revenues	<u>4,824,730.60</u>	<u>3,542,297.94</u>	<u>273,947.74</u>	<u>8,640,976.28</u>

**Expenditures:**

## General Government:

## Legislative:

Board of County Commissioners	341,033.52			341,033.52
Elections	4,743.02			4,743.02
Judicial System	57,256.07			57,256.07

## Financial Administration:

Auditor	160,984.15			160,984.15
Treasurer	133,789.81			133,789.81
Other	205,675.49			205,675.49

## Legal Services:

State's Attorney	315,066.30			315,066.30
Court Appointed Attorney	222,226.03			222,226.03
Abused and Neglected Child Defense	55,167.58			55,167.58

**CHARLES MIX 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>
Other Administration:				
General Government Building	1,356,069.26			1,356,069.26
Director of Equalization	215,748.51			215,748.51
Register of Deeds	107,371.35		5,542.87	112,914.22
Veterans Service Officer	29,437.05			29,437.05
Predatory Animal	7,797.87			7,797.87
Geographic Information System	67,653.46			67,653.46
Public Safety:				
Law Enforcement:				
Sheriff	650,020.96			650,020.96
County Jail	542,927.90		49,875.96	592,803.86
Coroner	22,503.56			22,503.56
Juvenile Detention	91,629.88			91,629.88
Protective and Emergency Services:				
Emergency and Disaster Services			101,859.06	101,859.06
Communication Center			293,666.35	293,666.35
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		3,311,781.50	12,444.95	3,324,226.45
Health and Welfare:				
Economic Assistance:				
Support of Poor	43,112.39			43,112.39
Health Assistance:				
County Nurse	65,009.19			65,009.19
Women, Infants and Children	60,897.11			60,897.11
Social Services:				
Domestic Abuse			3,000.00	3,000.00
Mental Health Services:				
Mentally Ill	32,057.82			32,057.82
Mental Health Centers	22,799.10			22,799.10

Culture and Recreation:				
Recreation:				
County Fair	10,273.07			10,273.07
Senior Center	11,296.50			11,296.50
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	36,536.11			36,536.11
Soil Conservation Districts	45,000.00			45,000.00
Weed and Pest Control	181,910.79			181,910.79
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	16,585.00			16,585.00
Intergovernmental Expenditures		73,002.85		73,002.85
Debt Service	32,362.50			32,362.50
Total Expenditures	<u>5,144,941.35</u>	<u>3,384,784.35</u>	<u>466,389.19</u>	<u>8,996,114.89</u>
Excess of Revenues Over (Under) Expenditures	<u>(320,210.75)</u>	<u>157,513.59</u>	<u>(192,441.45)</u>	<u>(355,138.61)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In			90,000.00	90,000.00
Transfers Out	(90,000.00)			(90,000.00)
Long-Term Debt Issued	1,495,000.00			1,495,000.00
Insurance Proceeds	17,370.54	3,707.30		21,077.84
Sale of County Property	7,915.00	301,000.00		308,915.00
Premium on Bonds Issued	1,642.65			1,642.65
Total Other Financing Sources (Uses)	<u>1,431,928.19</u>	<u>304,707.30</u>	<u>90,000.00</u>	<u>1,826,635.49</u>
Net Change in Fund Balance	1,111,717.44	462,220.89	(102,441.45)	1,471,496.88
Fund Balance - Beginning	<u>3,992,013.97</u>	<u>653,010.52</u>	<u>190,385.90</u>	<u>4,835,410.39</u>
FUND BALANCE - ENDING	<u>\$ 5,103,731.41</u>	<u>\$ 1,115,231.41</u>	<u>\$ 87,944.45</u>	<u>\$ 6,306,907.27</u>

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

**CHARLES MIX COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**December 31, 2018**

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 179,653.60
<b>TOTAL ASSETS</b>	<u>\$ 179,653.60</u>
<b>NET POSITION:</b>	
Restricted (by major category)	\$ 179,653.60
<b>TOTAL NET POSITION</b>	<u>\$ 179,653.60</u>

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

CHARLES MIX 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 Charles Mix 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.

The County participates in a cooperative unit, the Southern Missouri Recycling and Waste Management District. 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.

The remaining special revenue funds are not considered major funds: 911 Service, Emergency Management, Domestic Abuse, Courthouse Building, Dissolved Township, 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.

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, Certificates of Participation.

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.

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 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.

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.

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 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**  
State Grants and Motor Vehicle Licenses

A schedule of fund balances is provided as follows:

**CHARLES MIX COUNTY  
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	<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:				
Modernization and Preservation				
Relief Purposes	\$	\$	\$ 22,180.68	\$ 22,180.68
Assigned To:				
Applied to Next Year's Budget	1,820,364.00			1,820,364.00
Capital Outlay Accumulations	961,000.00			961,000.00
Road and Bridge Purposes		360,595.68		360,595.68
911 Service Purposes			26,670.53	26,670.53
Emergency Management Purposes			44,158.09	44,158.09
County Building Purposes			22,444.00	22,444.00
24/7 Sobriety Purposes			18,655.40	18,655.40
Unassigned	1,872,538.61		(554.52)	1,871,984.09
<b>Total Fund Balances</b>	<u>\$ 4,653,902.61</u>	<u>\$ 360,595.68</u>	<u>\$ 133,554.18</u>	<u>\$ 5,148,052.47</u>

2. 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 12/31/2017	Year Ended 12/31/2018
<u>General Fund:</u>		
<u>Activity:</u>		
Board of County Commissioners	\$ 200,198.52	
General Government Building		\$ 77,363.73
Other Financial Administration	\$ 99,521.40	\$ 4,912.79
Support of Poor		\$ 38,352.60
Women, Infants and Children	\$ 53.65	\$ 8,401.32
Debt Service	\$ 32,362.50	\$ 101,981.05
 <u>Road and Bridge Fund:</u>		
<u>Activity:</u>		
Intergovernmental Expenditures	\$ 8,002.85	
 <u>Other Governmental Funds:</u>		
<u>Activity:</u>		
General Government Building		\$ 19,872.90

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

The County will monitor the budgets more closely in the future and make the appropriate budget supplements or contingency transfers.

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

As of December 31, 2018, the following individual nonmajor funds had deficit fund balance/net position in the amounts shown:

Domestic Abuse Fund                      \$ (554.52)

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

The County will monitor the fund cash balances more closely in the future and make the appropriate cash transfers.

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

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

Deposits – The County’s cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 7-20-1, 7-20-1.1, and 7-20-1.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by

federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

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

As of December 31, 2018, the County did not have any investments.

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

**Custodial Credit Risk – Deposits** – The risk that, in the event of a depository failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2018, the County's deposits in financial institutions were not exposed to custodial credit risk as follows.

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

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

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

## 5. PROPERTY TAXES

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

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

## 6. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2018 was as follows:

**Major Purposes:**

Modernization and Preservation Relief Purposes \$ 22,180.68

**Total Restricted Net Position** \$ 22,180.68

These balances are restricted due to statutory requirements.

7. INTERFUND TRANSFERS

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

<b><u>Transfers From:</u></b>	<b><u>Transfers To:</u></b>		<b><u>Total</u></b>
	<b>Road and Bridge Fund</b>	<b>Other Governmental Funds</b>	
Major Funds:			
General Fund	\$ 1,447,155.80	\$ 222,969.20	\$ 1,670,125.00

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

<b><u>Transfers From:</u></b>	<b><u>Transfers To:</u></b>
	<b>Other Governmental Funds</b>
Major Funds:	
General Fund	\$ 90,000.00

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

8. PENSION PLAN

**Plan Information:**

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

**Benefits Provided:**

SDRS has 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 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. The County's share of contributions to the SDRS for the calendar years ended December 31, 2018, 2017, and 2016, equal to the required contributions each year, were as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 130,477.57
2017	\$ 131,966.51
2016	\$ 122,494.13

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

At June 30, 2018, SDRS is 100.02% 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, 2018 are as follows:

Proportionate share of total pension liability	\$ 12,920,377.34
Less proportionate share of net position restricted for pension benefits	<u>12,922,840.54</u>
Proportionate share of net pension asset	<u>\$ (2,463.20)</u>

The net pension asset was measured as of June 30, 2018 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, 2018, the County's proportion was 0.1056157%, which is an increase of 0.0012974% from its proportion measured as of June 30, 2017.

**Actuarial Assumptions:**

The total pension liability in the June 30, 2018 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

Mortality rates were based on 97% of the RP-2014 Mortality Table, projected generationally with Scale MP-2017, 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-2017.

A detailed experience analysis covering the period from June 30, 2011 to June 30, 2016, was conducted and appropriate modifications in the economic and demographic assumptions were made effective with the June 30, 2017 actuarial valuation.

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, 2018 (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	<u>2.0%</u>	0.7%
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 liability.

**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%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
County's proportionate share of the net pension liability (asset)	\$ 1,860,408.65	\$ (2,463.20)	\$ (1,517,808.37)

**Pension Plan Fiduciary Net Position:**

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

9. JOINT VENTURES

The County participates in a joint venture, known as the Southern Missouri Recycling and Waste Management District, formed for the purpose of providing waste management services to its members.

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

<u>Municipalities:</u>		<u>Counties:</u>	
Armour	.6%	Platte	.9%
Avon	1.0%	Ravinia	.1%
Corsica	.4%	Scotland	.7%
Dante	.1%	Springfield	.6%
Delmont	.2%	Tabor	.7%
Geddes	.2%	Tyndall	2.4%
Lake Andes	.6%	Wagner	1.1%
Pickstown	.1%		
		Bon Homme	23.9%
		Charles Mix	32.2%
		Douglas	13.2%
		Gregory	21.0%

The joint venture's governing board is composed of representatives, who are city council members or county commissioners. 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:

Southern Missouri Recycling and Waste Management District  
38053 SD Highway 50  
Lake Andes, SD 57356

At December 31, 2017 and December 31, 2018, financial information for this joint venture was not available.

10. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2018, the County was not involved in any litigation.

## 11. 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, 2018, 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 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,  
Government Officials Liability,  
Automobile Liability,  
Law Enforcement Liability, and  
Property and Building Coverage

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, 2018, the County's balance available to be refunded per the SDPAA was \$133,052.00, which was an increase of \$78,190.55 from the previous year.

The County carries various deductibles for the above coverages.

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 year two years ended December 31, 2018, three claims were filed for unemployment benefits. These claims resulted in the payment of benefits in the amount of \$11,204.20. At December 31, 2018, no claims had been filed and were outstanding. It is anticipated claims for unemployment benefits will be filed in the next year.

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 4,185,836.00	\$ 4,185,836.00	\$ 4,151,701.97	\$ (34,134.03)
General Property Taxes--Delinquent	7,763.00	7,763.00	10,879.15	3,116.15
Penalties and Interest	5,000.00	5,000.00	26,206.09	21,206.09
Licenses and Permits	10,908.00	10,908.00	12,595.00	1,687.00
Intergovernmental Revenue:				
Federal Grants	500.00	500.00	35,134.00	34,634.00
Federal Shared Revenue	15,000.00	15,000.00	17,638.00	2,638.00
Federal Payments in Lieu of Taxes	40,000.00	40,000.00	55,305.00	15,305.00
State Grants	25,000.00	25,000.00	6,000.00	(19,000.00)
State Shared Revenue:				
Bank Franchise	35,000.00	35,000.00	35,992.09	992.09
Court Appointed Attorney/Public Defender	10,000.00	10,000.00	11,940.37	1,940.37
Telecommunications Gross Receipts Tax	32,000.00	32,000.00	47,205.76	15,205.76
Motor Vehicle 1/4%	500.00	500.00	3,575.47	3,075.47
Renewable Facility Tax	32,482.00	32,482.00	41,263.46	8,781.46
Liquor Tax Reversion (25%)	31,500.00	31,500.00	45,296.94	13,796.94
Other Payments in Lieu of Taxes	500.00	500.00	443.24	(56.76)
Other Intergovernmental Revenue	2,000.00	2,000.00	1,231.89	(768.11)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	47,694.00	47,694.00	45,532.42	(2,161.58)
Register of Deeds' Fees	100,000.00	100,000.00	98,685.00	(1,315.00)
Legal Services	20,000.00	20,000.00	17,009.83	(2,990.17)
Clerk of Courts Fees	6,000.00	6,000.00	6,593.00	593.00
Public Safety:				
Law Enforcement	110,000.00	110,000.00	118,145.09	8,145.09
Prisoner Care	110,000.00	110,000.00	163,794.04	53,794.04
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	15,000.00	15,000.00	12,728.67	(2,271.33)
Veterans Service Officer	3,000.00	3,000.00	2,812.50	(187.50)
Health Assistance:				
County Nurse	500.00	500.00	290.70	(209.30)
Women, Infants and Children	40,000.00	40,000.00	35,968.94	(4,031.06)
Conservation of Natural Resources	20,000.00	20,000.00	13,447.42	(6,552.58)
Fines and Forfeits:				
Costs	1,916.00	1,916.00	3,399.24	1,483.24
Miscellaneous Revenue:				
Investment Earnings	8,000.00	8,000.00	9,493.99	1,493.99
Rent	1,000.00	1,000.00	1,750.00	750.00
Refund of Prior Year's Expenditures	3,000.00	3,000.00	15,420.76	12,420.76
Other	2,368.00	2,368.00	9,262.02	6,894.02
<b>Total Revenues</b>	<b>4,922,467.00</b>	<b>4,922,467.00</b>	<b>5,056,742.05</b>	<b>134,275.05</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	148,900.00	148,900.00	124,107.63	24,792.37
Contingency	175,000.00	175,000.00		
Amount Transferred		(20,000.00)		155,000.00
Elections	85,650.00	85,650.00	44,458.76	41,191.24
Judicial System	83,500.00	83,500.00	80,454.64	3,045.36
Financial Administration:				
Auditor	164,228.00	164,228.00	135,920.39	28,307.61
Treasurer	161,500.00	161,500.00	134,173.51	27,326.49
Legal Services:				
State's Attorney	347,258.00	347,258.00	310,716.54	36,541.46
Court Appointed Attorney	290,000.00	290,000.00	212,232.51	77,767.49
Abused and Neglected Child Defense	60,500.00	60,500.00	16,200.65	44,299.35
Other Administration:				
General Government Building	295,735.00	295,735.00	372,998.73	(77,263.73)
Director of Equalization	262,325.00	262,325.00	169,984.43	92,340.57

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Register of Deeds	125,300.00	125,300.00	109,082.03	16,217.97
Veterans Service Officer	45,336.00	48,148.50	30,490.22	17,658.28
Predatory Animal	7,798.00	7,798.00	7,797.87	0.13
Other	80,000.00	80,000.00	84,912.79	(4,912.79)
Geographic Information System	84,650.00	84,650.00	67,377.40	17,272.60
Public Safety:				
Law Enforcement:				
Sheriff	766,500.00	766,500.00	662,876.11	103,623.89
County Jail	638,500.00	638,500.00	548,628.56	89,871.44
Coroner	25,770.00	25,770.00	9,851.63	15,918.37
Juvenile Detention	131,500.00	131,500.00	79,168.02	52,331.98
Health and Welfare:				
Economic Assistance:				
Support of Poor	50,000.00	50,000.00	88,352.60	(38,352.60)
Health Assistance:				
County Nurse	96,670.00	96,670.00	80,356.45	16,313.55
Women, Infants and Children	38,923.00	38,923.00	47,324.32	(8,401.32)
Mental Health Services:				
Mentally Ill	170,000.00	170,000.00	47,373.72	122,626.28
Mental Health Centers	42,000.00	42,000.00	22,883.00	19,117.00
Culture and Recreation:				
Recreation:				
Recreational Programs	25,000.00	25,000.00	10,000.00	15,000.00
County Fair	29,100.00	29,100.00	11,732.31	17,367.69
Senior Center	11,500.00	11,500.00	10,766.70	733.30
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	50,600.00	50,600.00	36,329.18	14,270.82
Soil Conservation Districts	45,000.00	65,000.00	65,000.00	0.00
Weed and Pest Control	198,900.00	198,900.00	124,108.39	74,791.61
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	16,696.00	16,696.00	16,696.00	0.00
Debt Service	0.00	0.00	101,981.05	(101,981.05)
Total Expenditures	<u>4,754,339.00</u>	<u>4,757,151.50</u>	<u>3,864,336.14</u>	<u>892,815.36</u>
Excess of Revenues Over (Under) Expenditures	<u>168,128.00</u>	<u>165,315.50</u>	<u>1,192,405.91</u>	<u>1,027,090.41</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In				0.00
Transfers Out	(1,670,125.00)	(1,670,125.00)	(1,670,125.00)	0.00
Insurance Proceeds	0.00	0.00	11,776.85	11,776.85
Sale of County Property	0.00	0.00	16,113.44	16,113.44
Total Other Financing Sources (Uses)	<u>(1,670,125.00)</u>	<u>(1,670,125.00)</u>	<u>(1,642,234.71)</u>	<u>27,890.29</u>
Net Change in Fund Balance	(1,501,997.00)	(1,504,809.50)	(449,828.80)	1,054,980.70
Fund Balance - Beginning	<u>5,103,731.41</u>	<u>5,103,731.41</u>	<u>5,103,731.41</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 3,601,734.41</u>	<u>\$ 3,598,921.91</u>	<u>\$ 4,653,902.61</u>	<u>\$ 1,054,980.70</u>

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 0.00	\$ 0.00	\$ 18,718.54	\$ 18,718.54
Penalties and Interest	0.00	0.00	7.11	7.11
Wheel Tax	255,249.00	255,249.00	276,379.02	21,130.02
Intergovernmental Revenue:				
State Grants	250,151.00	250,151.00	288,821.06	38,670.06
State Shared Revenue:				
Motor Vehicle Licenses	1,159,000.00	1,159,000.00	1,321,287.31	162,287.31
Prorate License Fees	80,000.00	80,000.00	71,083.08	(8,916.92)
63 3/4% Mobile Home	0.00	0.00	3,208.29	3,208.29
Secondary Road Remittances	45,000.00	45,000.00	19,311.71	(25,688.29)
Motor Fuel Tax	8,000.00	8,000.00	7,412.00	(588.00)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	132,758.00	132,758.00	6,731.66	(126,026.34)
Miscellaneous Revenue:				
Investment Earnings	1,300.00	1,300.00	1,212.23	(87.77)
Rent	900.00	900.00	875.00	(25.00)
Refund of Prior Year's Expenditures	539.00	539.00	475.08	(63.92)
<b>Total Revenues</b>	<u>1,932,897.00</u>	<u>1,932,897.00</u>	<u>2,015,522.09</u>	<u>82,625.09</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	4,422,374.00	4,422,374.00	4,385,045.81	37,328.19
Intergovernmental Expenditures	65,000.00	65,000.00	53,754.45	11,245.55
<b>Total Expenditures</b>	<u>4,487,374.00</u>	<u>4,487,374.00</u>	<u>4,438,800.26</u>	<u>48,573.74</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,554,477.00)</u>	<u>(2,554,477.00)</u>	<u>(2,423,278.17)</u>	<u>131,198.83</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,448,291.00	1,448,291.00	1,447,155.80	(1,135.20)
Insurance Proceeds	0.00	0.00	3,898.09	3,898.09
Sale of County Property	0.00	0.00	217,588.55	217,588.55
<b>Total Other Financing Sources (Uses)</b>	<u>1,448,291.00</u>	<u>1,448,291.00</u>	<u>1,668,642.44</u>	<u>220,351.44</u>
<b>Net Change in Fund Balance</b>	<u>(1,106,186.00)</u>	<u>(1,106,186.00)</u>	<u>(754,635.73)</u>	<u>351,550.27</u>
<b>Fund Balance - Beginning</b>	<u>1,115,231.41</u>	<u>1,115,231.41</u>	<u>1,115,231.41</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 9,045.41</u>	<u>\$ 9,045.41</u>	<u>\$ 360,595.68</u>	<u>\$ 351,550.27</u>

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 4,065,381.00	\$ 4,065,381.00	\$ 4,037,151.32	\$ (28,229.68)
General Property Taxes--Delinquent	15,000.00	15,000.00	20,070.04	5,070.04
Penalties and Interest	7,305.00	7,305.00	18,391.77	11,086.77
Licenses and Permits	10,415.00	10,415.00	12,108.00	1,693.00
Intergovernmental Revenue:				
Federal Grants	1,000.00	1,000.00	19,465.01	18,465.01
Federal Shared Revenue	10,000.00	10,000.00	21,678.00	11,678.00
Federal Payments in Lieu of Taxes	55,000.00	55,000.00	54,173.00	(827.00)
State Grants	10,000.00	10,000.00	5,700.00	(4,300.00)
State Shared Revenue:				
Bank Franchise	60,000.00	60,000.00	60,113.65	113.65
Court Appointed Attorney/Public Defender	0.00	0.00	15,471.77	15,471.77
Telecommunications Gross Receipts Tax	30,000.00	30,000.00	28,700.70	(1,299.30)
Motor Vehicle 1/4%	4,000.00	4,000.00	3,455.41	(544.59)
Renewable Facility Tax	45,000.00	45,000.00	41,471.80	(3,528.20)
Liquor Tax Reversion (25%)	40,000.00	40,000.00	44,710.78	4,710.78
Other Payments in Lieu of Taxes	2,422.00	2,422.00	1,920.81	(501.19)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	65,000.00	65,000.00	43,197.47	(21,802.53)
Register of Deeds' Fees	85,000.00	85,000.00	71,086.50	(13,913.50)
Legal Services	50,000.00	50,000.00	26,106.62	(23,893.38)
Clerk of Courts Fees	15,000.00	15,000.00	6,079.20	(8,920.80)
Public Safety:				
Law Enforcement	165,000.00	165,000.00	117,965.60	(47,034.40)
Prisoner Care	100,000.00	100,000.00	89,393.70	(10,606.30)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	5,000.00	5,000.00	4,190.79	(809.21)
Veterans Service Officer	5,000.00	5,000.00	2,812.50	(2,187.50)
Health Assistance:				
County Nurse	5,000.00	5,000.00	1,023.31	(3,976.69)
Women, Infants and Children	35,000.00	35,000.00	33,379.26	(1,620.74)
Conservation of Natural Resources	13,174.00	13,174.00	5,787.44	(7,386.56)
Fines and Forfeits:				
Costs	4,000.00	4,000.00	3,084.75	(915.25)
Forfeits	2,381.00	2,381.00	0.00	(2,381.00)
Miscellaneous Revenue:				
Investment Earnings	12,000.00	12,000.00	8,033.76	(3,966.24)
Rent	3,000.00	3,000.00	2,090.00	(910.00)
Refund of Prior Year's Expenditures	0.00	0.00	21,334.49	21,334.49
Other	4,836.00	4,836.00	4,583.15	(252.85)
<b>Total Revenues</b>	<b>4,924,914.00</b>	<b>4,924,914.00</b>	<b>4,824,730.60</b>	<b>(100,183.40)</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	140,835.00	140,835.00	341,033.52	(200,198.52)
Contingency	150,000.00	150,000.00		
Amount Transferred		(150,000.00)		0.00
Elections	7,000.00	7,000.00	4,743.02	2,256.98
Judicial System	70,300.00	70,300.00	57,256.07	13,043.93
Financial Administration:				
Auditor	167,800.00	167,800.00	160,984.15	6,815.85
Treasurer	153,790.00	153,790.00	133,789.81	20,000.19
Other	33,000.00	106,154.09	205,675.49	(99,521.40)
Legal Services:				
State's Attorney	322,692.00	322,692.00	315,066.30	7,625.70
Court Appointed Attorney	262,000.00	262,000.00	222,226.03	39,773.97
Abused and Neglected Child Defense	50,500.00	55,167.58	55,167.58	0.00
Other Administration:				
General Government Building	188,490.00	1,652,770.15	1,356,069.26	296,700.89

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Director of Equalization	257,016.00	257,016.00	215,748.51	41,267.49
Register of Deeds	113,480.00	113,480.00	107,371.35	6,108.65
Veterans Service Officer	46,603.00	49,415.50	29,437.05	19,978.45
Predatory Animal	7,800.00	7,800.00	7,797.87	2.13
Geographic Information System	73,060.00	73,060.00	67,653.46	5,406.54
Public Safety:				
Law Enforcement:				
Sheriff	740,000.00	740,000.00	650,020.96	89,979.04
County Jail	637,500.00	637,500.00	542,927.90	94,572.10
Coroner	65,500.00	65,500.00	22,503.56	42,996.44
Juvenile Detention	193,000.00	193,000.00	91,629.88	101,370.12
Health and Welfare:				
Economic Assistance:				
Support of Poor	15,000.00	43,112.39	43,112.39	0.00
Health Assistance:				
County Nurse	103,210.00	103,210.00	65,009.19	38,200.81
Women, Infants and Children	39,541.00	60,843.46	60,897.11	(53.65)
Mental Health Services:				
Mentally Ill	155,000.00	155,000.00	32,057.82	122,942.18
Mental Health Centers	52,000.00	52,000.00	22,799.10	29,200.90
Culture and Recreation:				
Recreation:				
County Fair	29,600.00	29,600.00	10,273.07	19,326.93
Senior Center	12,500.00	12,500.00	11,296.50	1,203.50
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	51,500.00	51,500.00	36,536.11	14,963.89
Soil Conservation Districts	45,000.00	45,000.00	45,000.00	0.00
Weed and Pest Control	202,850.00	208,550.00	181,910.79	26,639.21
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	16,585.00	16,585.00	16,585.00	0.00
Debt Service	0.00	0.00	32,362.50	(32,362.50)
Total Expenditures	<u>4,403,152.00</u>	<u>5,853,181.17</u>	<u>5,144,941.35</u>	<u>708,239.82</u>
Excess of Revenues Over (Under) Expenditures	<u>521,762.00</u>	<u>(928,267.17)</u>	<u>(320,210.75)</u>	<u>608,056.42</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,827,599.00)	(1,827,599.00)	(90,000.00)	1,737,599.00
Long-Term Debt Issued	0.00	0.00	1,495,000.00	1,495,000.00
Insurance Proceeds	0.00	0.00	17,370.54	17,370.54
Sale of County Property	7,078.00	7,078.00	7,915.00	837.00
Premium on Bonds Issued	0.00	0.00	1,642.65	1,642.65
Total Other Financing Sources (Uses)	<u>(1,820,521.00)</u>	<u>(1,820,521.00)</u>	<u>1,431,928.19</u>	<u>3,252,449.19</u>
Net Change in Fund Balance	(1,298,759.00)	(2,748,788.17)	1,111,717.44	3,860,505.61
Fund Balance - Beginning	<u>3,992,013.97</u>	<u>3,992,013.97</u>	<u>3,992,013.97</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 2,693,254.97</u>	<u>\$ 1,243,225.80</u>	<u>\$ 5,103,731.41</u>	<u>\$ 3,860,505.61</u>

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 0.00	\$ 0.00	\$ 21,221.05	\$ 21,221.05
Penalties and Interest	0.00	0.00	12.26	12.26
Wheel Tax	202,069.00	202,069.00	276,577.18	74,508.18
Intergovernmental Revenue:				
State Grants	271,083.00	271,083.00	1,876,444.46	1,605,361.46
State Shared Revenue:				
Motor Vehicle Licenses	1,400,000.00	1,400,000.00	1,263,600.80	(136,399.20)
Prorate License Fees	80,000.00	80,000.00	68,390.83	(11,609.17)
Secondary Road Remittances	45,000.00	45,000.00	13,823.22	(31,176.78)
Motor Fuel Tax	10,000.00	10,000.00	7,412.00	(2,588.00)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	124,891.00	124,891.00	8,157.82	(116,733.18)
Miscellaneous Revenue:				
Investment Earnings	1,659.00	1,659.00	1,894.57	235.57
Rent	500.00	500.00	1,205.00	705.00
Refund of Prior Year's Expenditures	0.00	0.00	3,558.75	3,558.75
Other	500.00	500.00	0.00	(500.00)
<b>Total Revenues</b>	<u>2,135,702.00</u>	<u>2,135,702.00</u>	<u>3,542,297.94</u>	<u>1,406,595.94</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	3,858,060.00	3,858,060.00	3,311,781.50	546,278.50
Intergovernmental Expenditures	65,000.00	65,000.00	73,002.85	(8,002.85)
<b>Total Expenditures</b>	<u>3,923,060.00</u>	<u>3,923,060.00</u>	<u>3,384,784.35</u>	<u>538,275.65</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(1,787,358.00)</u>	<u>(1,787,358.00)</u>	<u>157,513.59</u>	<u>1,944,871.59</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,529,451.00	1,529,451.00	0.00	(1,529,451.00)
Insurance Proceeds	0.00	0.00	3,707.30	3,707.30
Sale of County Property	0.00	0.00	301,000.00	301,000.00
<b>Total Other Financing Sources (Uses)</b>	<u>1,529,451.00</u>	<u>1,529,451.00</u>	<u>304,707.30</u>	<u>(1,224,743.70)</u>
<b>Net Change in Fund Balance</b>	<u>(257,907.00)</u>	<u>(257,907.00)</u>	<u>462,220.89</u>	<u>720,127.89</u>
<b>Fund Balance - Beginning</b>	<u>653,010.52</u>	<u>653,010.52</u>	<u>653,010.52</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 395,103.52</u>	<u>\$ 395,103.52</u>	<u>\$ 1,115,231.41</u>	<u>\$ 720,127.89</u>

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

**South Dakota Retirement System**

\*Last 10 Years

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.1056157%	0.1043183%	0.1016361%	0.1046256%	0.1082785%
County's proportionate share of net pension liability (asset)	\$ (2,463.20)	\$ (9,466.99)	\$ 343,316.76	\$ (443,747.07)	\$ (780,102.31)
County's covered payroll	\$ 2,100,568.45	\$ 2,018,776.96	\$ 1,844,846.49	\$ 1,834,205.45	\$ 1,820,673.08
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.12%	-0.47%	18.61%	-24.19%	-42.85%
Plan fiduciary net position as a percentage of the total pension liability (asset)	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.

CHARLES MIX 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, 2017 and exists again this year as of June 30, 2018. Future COLAs are assumed to equal the current restricted maximum COLA which was 1.89% as of June 30, 2017 and is 2.03% as of June 30, 2018.

The changes in actuarial assumptions increased the Actuarial Accrued Liability by 1.5% of the Actuarial Accrued Liability based on the 1.89% COLA, reflecting the current and assumed future restricted maximum COLA of 2.03%.

**SUPPLEMENTARY INFORMATION  
CHARLES MIX COUNTY  
SCHEDULE OF CHANGES IN LONG-TERM DEBT  
For the Two Years Ended December 31, 2018**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2017</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2018</u>
<b>Governmental Long-Term Debt:</b>				
Certificate of Participation Payable	\$	\$ 1,495,000.00	\$ (55,000.00)	\$ 1,440,000.00

Note 1 - Long-Term Debt:

Debt payable at December 31, 2018 is comprised of the following:

Certificate of Participation:

Certificate of Participation, Series 2017 (Limited Tax General Obligation Certificate), annual payments of principle and interest rates from 1.7% to 4.0%. Payments made from the General Fund. These payments began in June 2018 and will continue until June 2037. \$ 1,440,000.00