

RESOLUTION #21-\_\_\_\_  
A RESOLUTION CHANGING THE FINANCIAL REPORTING OF  
BROOKINGS COUNTY FUNDS FROM GAAP “modified accrual basis” TO  
SPECIAL PURPOSE REPORTING STANDARDS “modified cash basis”

WHEREAS, the Governmental Accounting Standards Board (GASB), a not-for-profit national organization issued statement of Governmental Accounting Standard No. 34 – Basic Financial Statements and Management’s Discussion Analysis, and

WHEREAS, both the GAAP (modified accrual basis) and the Special Purpose Reporting (modified cash basis) entities follow these standards, and

WHEREAS, it has been determined that most South Dakota counties use the Special Purpose Reporting (modified cash basis) standards and find them just as effective as the GAAP standards, and

WHEREAS, GASB requires that policies are established for long-term investments, capital assets, interest earnings, and restricted and unrestricted resources.

NOW, THEREFORE BE IT RESOLVED that Brookings County’s financial statements will be prepared on Special Purpose Standards, the modified cash receipts and disbursement basis of accounting (GASB 34 “modified cash basis”) effective for fiscal year 2020, and

BE IT FURTHER RESOLVED that the following policies be restated to accompany the Special Purpose Reporting (modified cash basis) method of accounting:

1. Long-Term Investments acquired with cash assets will be recorded at cost.
2. Capital Asset Capitalization Policy:
  - Land and Land Rights – all purchases included
  - Buildings - \$50,000
  - Improvements other than buildings - \$25,000
  - Machinery and Equipment - \$5,000
  - Infrastructure - \$25,000
  - Bridges – structures greater than 20’ (SDCL 31-14)
  - Roads – composite method: entire system including base, culverts and gravel surface
  - Paved Road New Construction – composite method, with definition of new construction being 2” overlay or greater for any distance exceeding one (1) mile
  - Personal Property Listing – all county departments are required to file an additional personal property list, to be used for tracking items with an original cost of less than \$5,000, but more than \$500. In addition, all computers and guns are inventoried for purposes of theft and/or disaster recovery and insurance coverage.
3. Interest earnings will be recorded in the respective county funds, as applicable.

4. Restricted and Unrestricted Resource Policy: When both restricted and unrestricted resources are available for use, it is the policy of Brookings County to use restricted resources first, then unrestricted resources as they are needed.

AND BE IT FURTHER RESOLVED that Brookings County chooses not to prepare the optional Management's Discussion Analysis.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2021.

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Larry Jensen, Chairperson  
Brookings County Commission

ATTEST:

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Lori Schultz, Finance Officer  
Brookings County