



Financial Statements
December 31, 2015 and 2014
Town of Bison

Town of Bison
Municipal Officials (unaudited)
December 31, 2015 and 2014

Finance Officer..... Beth Hulm

Governing Board David Kopren
James Sandgren
Luke Clements
Phil Hahn
Cody Green

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Independent Auditor's Report

The Town Council
Town of Bison
Bison, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each of the business-type activities and each major fund of the Town of Bison as of December 31, 2015 and 2014, and for the fiscal years then ended and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 Audit 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 from 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 entity'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 entity'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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Unit	Adverse
General Fund	Unmodified
Water Fund	Unmodified
Sewer Fund	Unmodified
Liquor Fund	Unmodified
Solid Waste Fund	Unmodified

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit

The Town has a legally separate component unit for which the Town’s financial statements do not include. Accounting principles generally accepted in the United States of America require that the financial data for the component unit be reported with the financial data of the Town’s primary government unless the Town also issues financial statements for the financial reporting entity that include the financial data for its component unit. The Town has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, net position, revenues and expenditures of the aggregate discretely presented component unit is not reasonably determinable.

Adverse Opinion on the Aggregate Discretely Presented Component Unit

In our opinion, because of the omission of the discretely presented component unit as explained in the Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the aggregate discretely presented component unit of the Town of Bison as of December 31, 2015 and 2014, or the changes in financial position thereof for years then ended.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, the business-type activities, and each major fund of the Town of Bison as of December 31, 2015 and 2014, and the respective changes in financial position – modified cash basis and, where applicable, cash flows – modified cash basis thereof for the years then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 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 opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively compromise the Town's financial statements. The listing of municipal officers, schedules of net pension liability (asset) and pension contributions, budgetary comparisons and schedules of changes in long-term debt are presented for purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described above in regards to the adverse opinion of the component unit, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2016 on our consideration of the Town of Bison's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Town of Bison's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Aberdeen, South Dakota
July 18, 2016

Town of Bison
 Statements of Net Position—Modified Cash Basis
 December 31, 2015 and 2014

	2015		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 532,127	\$ 323,971	\$ 856,098
	<u>\$ 532,127</u>	<u>\$ 323,971</u>	<u>\$ 856,098</u>
Net Position			
Restricted for:			
Library	\$ 13,046	\$ -	\$ 13,046
Unrestricted	519,081	323,971	843,052
	<u>\$ 532,127</u>	<u>\$ 323,971</u>	<u>\$ 856,098</u>
	2014		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 550,486	\$ 335,465	\$ 885,951
	<u>\$ 550,486</u>	<u>\$ 335,465</u>	<u>\$ 885,951</u>
Net Position			
Restricted for:			
Library	\$ 13,328	\$ -	\$ 13,328
Unrestricted	537,158	335,465	872,623
	<u>\$ 550,486</u>	<u>\$ 335,465</u>	<u>\$ 885,951</u>

Town of Bison
 Statements of Activities—Modified Cash Basis
 Years Ended December 31, 2015 and 2014

Functions/Programs	2015						
	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions and Loan Proceeds	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 45,853	\$ 125,077	\$ -	\$ -	\$ 79,224	\$ -	\$ 79,224
Public safety	26,900	-	-	-	(26,900)	-	(26,900)
Public works	770,325	84,834	228,710	-	(456,781)	-	(456,781)
Health and welfare	6,678	-	-	-	(6,678)	-	(6,678)
Culture and recreation	39,141	7,389	-	-	(31,752)	-	(31,752)
Conservation and development	5,650	-	-	-	(5,650)	-	(5,650)
Miscellaneous	-	4,664	-	-	4,664	-	4,664
Total governmental activities	<u>894,547</u>	<u>221,964</u>	<u>228,710</u>	<u>-</u>	<u>(443,873)</u>	<u>-</u>	<u>(443,873)</u>
Business-type activities:							
Water	106,791	117,218	-	-	-	10,427	10,427
Sewer	249,795	53,562	-	-	-	(196,233)	(196,233)
Liquor	274,683	287,290	-	-	-	12,607	12,607
Solid waste	69,818	61,022	-	-	-	(8,796)	(8,796)
Total business-type activities	<u>701,087</u>	<u>519,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(181,995)</u>	<u>(181,995)</u>
	<u>\$ 1,595,634</u>	<u>\$ 741,056</u>	<u>\$ 228,710</u>	<u>\$ -</u>	<u>(443,873)</u>	<u>(181,995)</u>	<u>(625,868)</u>
General Revenues							
Taxes:							
Property taxes					160,154	-	160,154
Sales and use taxes					428,237	-	428,237
State shared revenues					4,109	-	4,109
Unrestricted investment earnings					2,992	501	3,493
Miscellaneous revenue					22	-	22
Transfers					(170,000)	170,000	-
Total general revenues and transfers					<u>425,514</u>	<u>170,501</u>	<u>596,015</u>
Change in Net Position					(18,359)	(11,494)	(29,853)
Net Position - Beginning					550,486	335,465	885,951
Net Position - Ending					<u>\$ 532,127</u>	<u>\$ 323,971</u>	<u>\$ 856,098</u>

See Notes to Financial Statements

Town of Bison
 Statements of Activities—Modified Cash Basis
 Years Ended December 31, 2015 and 2014

Functions/Programs	2014						
	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions and Loan Proceeds	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 54,112	\$ 19,982	\$ -	\$ -	\$ (34,130)	\$ -	\$ (34,130)
Public safety	24,500	-	-	-	(24,500)	-	(24,500)
Public works	184,827	5,208	27,821	-	(151,798)	-	(151,798)
Health and welfare	4,699	-	-	-	(4,699)	-	(4,699)
Culture and recreation	35,124	3,205	-	-	(31,919)	-	(31,919)
Conservation and development	13,450	-	-	-	(13,450)	-	(13,450)
Total governmental activities	<u>316,712</u>	<u>28,395</u>	<u>27,821</u>	<u>-</u>	<u>(260,496)</u>	<u>-</u>	<u>(260,496)</u>
Business-type activities:							
Water	76,605	114,617	-	-	-	38,012	38,012
Sewer	275,420	52,849	-	228,143	-	5,572	5,572
Liquor	293,800	308,730	-	-	-	14,930	14,930
Solid waste	66,015	64,155	-	11,254	-	9,394	9,394
Total business-type activities	<u>711,840</u>	<u>540,351</u>	<u>-</u>	<u>239,397</u>	<u>-</u>	<u>67,908</u>	<u>67,908</u>
	<u>\$ 1,028,552</u>	<u>\$ 568,746</u>	<u>\$ 27,821</u>	<u>\$ 239,397</u>	<u>(260,496)</u>	<u>67,908</u>	<u>(192,588)</u>
General Revenues							
Taxes:							
Property taxes					154,301	-	154,301
Sales and use taxes					193,193	-	193,193
State shared revenues					4,987	-	4,987
Unrestricted investment earnings					604	434	1,038
Miscellaneous revenue					8,762	-	8,762
Transfers					(11,904)	11,904	-
Total general revenues and transfers					<u>349,943</u>	<u>12,338</u>	<u>362,281</u>
Change in Net Position					89,447	80,246	169,693
Net Position - Beginning					461,039	255,219	716,258
Net Position - Ending					<u>\$ 550,486</u>	<u>\$ 335,465</u>	<u>\$ 885,951</u>

See Notes to Financial Statements

Town of Bison

Statements of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis-Governmental Funds
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
	<u>General Fund</u>	<u>General Fund</u>
Revenues		
310 Taxes		
311 General property taxes	\$ 158,542	\$ 151,905
313 General sales and use taxes	428,237	193,193
314 Gross receipts business taxes	1,471	1,773
319 Penalties and interest on delinquent taxes	141	623
	<u>588,391</u>	<u>347,494</u>
330 Intergovernmental revenue		
331 Federal grants	199,636	-
335 State shared revenue:		
335.01 Bank franchise tax	1,507	1,188
335.02 Motor vehicle commercial prorated	3,441	3,431
335.03 Liquor tax reversion	2,071	2,578
335.04 Motor vehicle licenses (5%)	9,876	8,877
335.08 Local government highway and bridge fund	15,757	15,513
335.20 Other	-	192
336 State payments in lieu of taxes	531	1,029
	<u>232,819</u>	<u>32,808</u>
340 Charges for goods and services		
341 General government	125,077	19,982
343 Highways and streets	84,834	989
346 Culture and recreation	2,795	3,205
349 Other	4,664	-
	<u>217,370</u>	<u>24,176</u>
350 Fines and forfeits		
354 Library	4,594	4,219
	<u>4,594</u>	<u>4,219</u>
360 Miscellaneous revenue		
361 Investment earnings	2,992	604
362 Rentals	-	1,685
369 Other	22	7,077
	<u>3,014</u>	<u>9,366</u>
Total revenues	<u>1,046,188</u>	<u>418,063</u>

Town of Bison

Statements of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis Governmental Funds
Years Ended December 31, 2015 and 2014

	<u>2015</u> <u>General Fund</u>	<u>2014</u> <u>General Fund</u>
Expenditures		
410 General government		
411 Legislative	11,976	10,468
412 Executive	13,335	14,129
413 Elections	458	431
414 Financial administration	12,120	20,211
419 Other	7,964	8,873
Total general government	<u>45,853</u>	<u>54,112</u>
420 Public safety		
421 Police	14,400	12,000
422 Fire	12,500	12,500
Total public safety	<u>26,900</u>	<u>24,500</u>
430 Public works		
431 Highways and streets	101,281	159,931
435 Airport	19,520	24,224
437 Cemeteries	739	672
Total public works	<u>121,540</u>	<u>184,827</u>
440 Health and welfare		
441 Health	178	199
443 Mental health centers	500	500
446 Ambulance	6,000	4,000
Total health and welfare	<u>6,678</u>	<u>4,699</u>
450 Culture and recreation		
451 Recreation	5,131	673
452 Parks	15,178	15,375
455 Libraries	18,587	18,896
456 Auditorium	-	-
458 Museums	245	180
Total culture and recreation	<u>39,141</u>	<u>35,124</u>
460 Conservation and development		
465 Economic development and assistance (industrial development)	5,650	13,450
Total conservation and development	<u>5,650</u>	<u>13,450</u>
485 Capital outlay	648,785	-
Total expenditures	<u>894,547</u>	<u>316,712</u>

Town of Bison

Statements of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis Governmental Funds
 Years Ended December 31, 2015 and 2014

	<u>2015</u> <u>General Fund</u>	<u>2014</u> <u>General Fund</u>
Other Financing Sources (Uses)		
511 Transfers out	<u>(170,000)</u>	<u>(11,904)</u>
Total other financing sources (uses)	<u>(170,000)</u>	<u>(11,904)</u>
Net Change in Fund Balance	(18,359)	89,447
Fund Balance - Beginning	<u>550,486</u>	<u>461,039</u>
Fund Balance - Ending	<u>\$ 532,127</u>	<u>\$ 550,486</u>

Town of Bison
Statement of Net Position—Modified Cash Basis—Proprietary Funds
December 31, 2015 and 2014

	2015 Enterprise Funds				
	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Totals
Assets					
Current Assets					
Cash and cash equivalents	\$ 92,460	\$ 49,057	\$ 174,856	\$ 7,598	\$ 323,971
	<u>\$ 92,460</u>	<u>\$ 49,057</u>	<u>\$ 174,856</u>	<u>\$ 7,598</u>	<u>\$ 323,971</u>
Net Position					
253.90 Unrestricted net position	\$ 92,460	\$ 49,057	\$ 174,856	\$ 7,598	\$ 323,971
	<u>\$ 92,460</u>	<u>\$ 49,057</u>	<u>\$ 174,856</u>	<u>\$ 7,598</u>	<u>\$ 323,971</u>

Town of Bison
Statement of Net Position—Modified Cash Basis—Proprietary Funds
December 31, 2015 and 2014

	2014 Enterprise Funds				
	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Totals
Assets					
Current Assets					
Cash and cash equivalents	\$ 81,899	\$ 49,194	\$ 187,997	\$ 16,375	\$ 335,465
Total assets	\$ 81,899	\$ 49,194	\$ 187,997	\$ 16,375	\$ 335,465
Net Position					
253.90 Unrestricted net position	\$ 81,899	\$ 49,194	\$ 187,997	\$ 16,375	\$ 335,465
	\$ 81,899	\$ 49,194	\$ 187,997	\$ 16,375	\$ 335,465

Town of Bison
 Statements of Revenues, Expenses and Changes in Fund Net Position—Modified Cash Basis—Proprietary Funds
 Years Ended December 31, 2015 and 2014

	2015				
	Enterprise Funds				
	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Totals
Operating Revenue					
380 Charges for goods and services	\$ 117,204	\$ 53,554	\$ 260,521	\$ 60,994	\$ 492,273
380.5 Lottery sales	-	-	26,346	-	26,346
369 Miscellaneous	14	8	423	28	473
Total operating revenue	<u>117,218</u>	<u>53,562</u>	<u>287,290</u>	<u>61,022</u>	<u>519,092</u>
Operating Expenses					
410 Personal services	15,760	12,616	73,135	30,428	131,939
420 Other current expense	27,938	187,207	46,200	39,390	300,735
426.2 Materials	63,093	-	155,348	-	218,441
Total operating expenses	<u>106,791</u>	<u>199,823</u>	<u>274,683</u>	<u>69,818</u>	<u>651,115</u>
Operating Income (Loss)	<u>10,427</u>	<u>(146,261)</u>	<u>12,607</u>	<u>(8,796)</u>	<u>(132,023)</u>
Nonoperating Revenue (Expense)					
361 Investment earnings	134	72	276	19	501
440 Debt service (principal)	-	(34,570)	-	-	(34,570)
441 Interest expense	-	(15,402)	-	-	(15,402)
Total nonoperating revenue (expense)	<u>134</u>	<u>(49,900)</u>	<u>276</u>	<u>19</u>	<u>(49,471)</u>
Income (Loss) Before Transfers	10,561	(196,161)	12,883	(8,777)	(181,494)
391.1 Transfer in	-	196,024	-	-	196,024
511 Transfers out	-	-	(26,024)	-	(26,024)
Change in Net Position	10,561	(137)	(13,141)	(8,777)	(11,494)
Net Position - Beginning	<u>81,899</u>	<u>49,194</u>	<u>187,997</u>	<u>16,375</u>	<u>335,465</u>
Net Position - Ending	<u>\$ 92,460</u>	<u>\$ 49,057</u>	<u>\$ 174,856</u>	<u>\$ 7,598</u>	<u>\$ 323,971</u>

Town of Bison

Statements of Revenues, Expenses and Changes in Fund Net Assets—Modified Cash Basis—Proprietary Funds
Years Ended December 31, 2015 and 2014

	2014				
	Enterprise Funds				
	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Totals
Operating Revenue					
380 Charges for goods and services	\$ 114,572	\$ 52,585	\$ 282,759	\$ 64,069	\$ 513,985
380.5 Lottery sales	-	-	25,764	-	25,764
369 Miscellaneous	45	264	207	86	602
Total operating revenue	<u>114,617</u>	<u>52,849</u>	<u>308,730</u>	<u>64,155</u>	<u>540,351</u>
Operating Expenses					
410 Personal services	14,558	10,125	75,949	27,848	128,480
420 Other current expense	13,015	10,727	49,009	38,167	110,918
426.2 Materials	49,032	-	168,842	-	217,874
430 Capital assets	-	214,342	-	-	214,342
Total operating expenses	<u>76,605</u>	<u>235,194</u>	<u>293,800</u>	<u>66,015</u>	<u>671,614</u>
Operating Income (Loss)	<u>38,012</u>	<u>(182,345)</u>	<u>14,930</u>	<u>(1,860)</u>	<u>(131,263)</u>
Nonoperating Revenue (Expense)					
330 Capital grants	-	40,348	-	11,254	51,602
361 Investment earnings	77	127	208	22	434
392 Long-term debt issued	-	187,795	-	-	187,795
441 Debt service (principal)	-	(24,066)	-	-	(24,066)
442 Interest expense	-	(16,160)	-	-	(16,160)
Total nonoperating revenue (expense)	<u>77</u>	<u>188,044</u>	<u>208</u>	<u>11,276</u>	<u>199,605</u>
Income (Loss) Before Transfers	38,089	5,699	15,138	9,416	68,342
391.1 Transfers in	-	11,904	-	-	11,904
Change in Net Position	38,089	17,603	15,138	9,416	80,246
Net Position - Beginning	43,810	31,591	172,859	6,959	255,219
Net Position - Ending	<u>\$ 81,899</u>	<u>\$ 49,194</u>	<u>\$ 187,997</u>	<u>\$ 16,375</u>	<u>\$ 335,465</u>

See Notes to Financial Statements

Town of Bison
 Statements of Cash Flows—Modified Cash Basis—Proprietary Funds
 Years Ended December 31, 2015 and 2014

	2015				
	Enterprise Funds				
	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Totals
Cash Flows from Operating Activities					
Receipt from customers	\$ 117,218	\$ 53,562	\$ 287,290	\$ 61,022	\$ 519,092
Payments to suppliers	(91,031)	(187,207)	(201,548)	(39,390)	(519,176)
Payments to employees	(15,760)	(12,616)	(73,135)	(30,428)	(131,939)
Net Cash from Operating Activities	<u>10,427</u>	<u>(146,261)</u>	<u>12,607</u>	<u>(8,796)</u>	<u>(132,023)</u>
Cash Flows used for Capital and Related Financing Activities					
Transfers in from other funds	-	196,024	-	-	196,024
Transfers out to other funds	-	-	(26,024)	-	(26,024)
Principal paid on capital debt	-	(34,570)	-	-	(34,570)
Interest paid on capital debt	-	(15,402)	-	-	(15,402)
Net Cash used for Capital and Related Financing Activities	<u>-</u>	<u>146,052</u>	<u>(26,024)</u>	<u>-</u>	<u>120,028</u>
Cash Flows from Investing Activities					
Interest earnings	134	72	276	19	501
Net Cash from Investing Activities	<u>134</u>	<u>72</u>	<u>276</u>	<u>19</u>	<u>501</u>
Net Change in Cash and Cash Equivalents	10,561	(137)	(13,141)	(8,777)	(11,494)
Cash and Cash Equivalents - Beginning	<u>81,899</u>	<u>49,194</u>	<u>187,997</u>	<u>16,375</u>	<u>335,465</u>
Cash and Cash Equivalents - Ending	<u>\$ 92,460</u>	<u>\$ 49,057</u>	<u>\$ 174,856</u>	<u>\$ 7,598</u>	<u>\$ 323,971</u>

Town of Bison
 Statements of Cash Flows—Modified Cash Basis—Proprietary Funds
 Years Ended December 31, 2015 and 2014

	2015				
	Enterprise Funds				
	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Totals
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	\$ 10,427	\$ (146,261)	\$ 12,607	\$ (8,796)	\$ (132,023)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Purchase of capital assets	-	-	-	-	-
Net Cash from Operating Activities	<u>\$ 10,427</u>	<u>\$ (146,261)</u>	<u>\$ 12,607</u>	<u>\$ (8,796)</u>	<u>\$ (132,023)</u>

Town of Bison
 Statements of Cash Flows—Modified Cash Basis—Proprietary Funds
 Years Ended December 31, 2015 and 2014

	2014				
	Enterprise Funds				
	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Totals
Cash Flows from (used for) Operating Activities					
Receipt from customers	\$ 114,617	\$ 52,849	\$ 308,730	\$ 64,155	\$ 540,351
Payments to suppliers	(62,047)	(10,727)	(217,851)	(38,167)	(328,792)
Payments to employees	(14,558)	(10,125)	(75,949)	(27,848)	(128,480)
Net Cash from (used for) Operating Activities	<u>38,012</u>	<u>31,997</u>	<u>14,930</u>	<u>(1,860)</u>	<u>83,079</u>
Cash Flows from (used for) Capital and Related Financing Activities					
Purchase of capital assets	-	(214,342)	-	-	(214,342)
Capital grants	-	40,348	-	11,254	51,602
Long-term debt issued	-	187,795	-	-	187,795
Transfers in from other funds	-	11,904	-	-	11,904
Principal paid on capital debt	-	(24,066)	-	-	(24,066)
Interest paid on capital debt	-	(16,160)	-	-	(16,160)
Net Cash from (used for) Capital and Related Financing Activities	<u>-</u>	<u>(14,521)</u>	<u>-</u>	<u>11,254</u>	<u>(3,267)</u>
Cash Flows from Investing Activities					
Interest earnings	77	127	208	22	434
Net Cash from Investing Activities	<u>77</u>	<u>127</u>	<u>208</u>	<u>22</u>	<u>434</u>
Net Change in Cash and Cash Equivalents	38,089	17,603	15,138	9,416	80,246
Cash and Cash Equivalents - Beginning	<u>43,810</u>	<u>31,591</u>	<u>172,859</u>	<u>6,959</u>	<u>255,219</u>
Cash and Cash Equivalents - Ending	<u>\$ 81,899</u>	<u>\$ 49,194</u>	<u>\$ 187,997</u>	<u>\$ 16,375</u>	<u>\$ 335,465</u>

See Notes to Financial Statements

Town of Bison
 Statements of Cash Flows—Modified Cash Basis—Proprietary Funds
 Years Ended December 31, 2015 and 2014

	2014				
	Enterprise Funds				
	Water Fund	Sewer Fund	Liquor Fund	Solid Waste Fund	Totals
Cash and Cash Equivalents Consist of:					
Cash and cash equivalents	\$ 81,899	\$ 49,194	\$ 187,997	\$ 16,375	\$ 335,465
Reconciliation of Operating Income (Loss) to					
Net Cash from (used for) Operating Activities					
Operating income (loss)	\$ 38,012	\$ (182,345)	\$ 14,930	\$ (1,860)	\$ (131,263)
Adjustments to reconcile operating income (loss) to					
net cash from (used for) operating activities:					
Purchase of capital assets	-	214,342	-	-	214,342
Net Cash from (used for) Operating Activities	\$ 38,012	\$ 31,997	\$ 14,930	\$ (1,860)	\$ 83,079

Note 1 - Summary of Significant Accounting Policies

As discussed further in Note 1.C, the financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Financial Reporting Entity

The reporting entity of the Town of Bison (the Town) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the Town's financial statements to be misleading or incomplete.

The reporting entity is comprised of the primary government, Town of Bison, and one component unit, Homestead Heights.

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

The Town has elected to present only primary government activities, thus the financial information of Homestead Heights has not been included in the financial statements of the Town.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statements of activities display information about the Town as a whole. They include all funds of the Town except for fiduciary. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statements of activities present a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function of the Town'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 Town 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 proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town 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% 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% 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 Town of Bison are described below:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Town. 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.

Proprietary Funds

Enterprise Funds – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Town reports the following major enterprise funds:

- **Water Fund** – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal waterworks system and related facilities (SDCL 9-47-1).
- **Sewer Fund** – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal sanitary sewer system and related facilities (SDCL 9-48-2).
- **Liquor Fund** – Financed primarily by consumer charges, this fund accounts for the construction and operation of the municipal bar and related equipment.
- **Solid Waste Fund** – Financed primarily by user charges, this fund accounts for the construction and operation of the municipal rubble site facilities, and the municipal garbage compaction/bailing and disposal/hauling operations.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 Town uses modified cash basis for financial reporting. Modified cash basis 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 statements of activities, both governmental and business-type 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 applied within the limitations of the modified cash basis of accounting.

Basis of Accounting

In the government-wide statement of net position and statements of activities and the fund financial statements, governmental and business-type 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 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 only modification to the cash basis of accounting implemented by the Town in these financial statements is the recording of long-term investments in certificates of deposit (those with maturities more than 90-days (three months) from the date of acquisition) acquired with cash assets at cost and inter fund advances and borrowings arising from the use of a pooled cash account.

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

D. Deposits and Investments

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

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

E. Interfund Eliminations and Reclassifications

Government-Wide Financial Statements

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified, as follows:

- The Town did not have any interfund receivables and payables that needed to be eliminated as of December 31, 2015 and 2014.
- The Town did not have internal service fund activity which required elimination as of December 31, 2015 and 2014.

F. Capital Assets

Under the modified cash basis of accounting, capital assets are expensed when the cash transaction occurs.

G. Long-Term Liabilities

Under the modified cash basis of accounting, cash proceeds from long-term debt issuances is recorded as a receipt, while payments to creditors to reduce long-term debts are recorded as a cost of the program which benefits from the financing. Allocations are made where appropriate. Interest costs are not allocated, but are reported as a separate program cost category.

Long-term debts arising from cash transactions of governmental funds are not reported as liabilities in the fund financial statements. Instead, the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. Under the modified cash basis, the accounting for long-term debts of proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

H. Program Revenues

In the government-wide statements of activities, reported program revenues derive directly from the program itself or from parties other than the Town'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.

I. Proprietary Funds Revenue and Expense Classifications

In the proprietary fund's statements of revenues, expenses and changes in fund net assets, revenues and expenses are classified in a manner consistent with how they are classified in the statement of cash flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

J. Cash and Cash Equivalents

The Town pools the cash resources of its funds for cash management purposes. The water, sewer and liquor funds essentially have access to the entire amount of their cash resources on demand. Accordingly, each proprietary fund's equity in the cash management pool is considered to be cash and cash equivalents.

K. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and is comprised of two components, restricted net assets and unrestricted net assets. Because capital assets are not reported by the Town under the modified cash basis of accounting, only the following components are displayed:

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."

Fund Financial Statements

Governmental fund equity is classified as fund balance, and may distinguish between nonspendable, restricted, committed, assigned and unassigned components. Proprietary fund equity is classified the same as in the government-wide financial statements.

L. Application of Net Position

The Town 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 grant agreements 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.

M. Fund Balance Classification Policies and Procedures

The Town has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable Fund Balance – Amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance – Amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Town Council). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest level action to remove or change the constraint.
- Assigned Fund Balance – Amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town Council or by an official or body to which the Town Council delegates the authority.
- Unassigned Fund Balance – Amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Town Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. An assigned fund balance is established by Town Council through adoption of a resolution designating a fund balance is intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

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

N. Rounding

Computer generated rounding variances exist in the basic financial statements and supplementary information. The variances result from values being entered with cents rather than as whole numbers.

Note 2 - Deposits and Investments

The Town 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 Town's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2, and may be in the form of demand or time deposits.

Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100% 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 the 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.

Custodial Credit Risk – Deposits – The risk that, in the event of a depository failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2015 and 2014, the Town maintained their deposits in in-state financial institutions which were properly collateralized in accordance with SDCL 4-6A-3.

The actual bank balances at December 31, 2015 and 2014 are as follows:

	Bank Balance	
	2015	2014
Insured (FDIC/NCUA)	\$ 322,961	\$ 329,565
Uninsured, uncollateralized	580,476	618,091
	\$ 903,437	\$ 947,656

The Town's carrying amount of deposits at December 31, 2015 and 2014 is as follows:

	2015	2014
Cash and cash equivalents	\$ 856,098	\$ 885,951

Investments

In general, SDCL 4-5-6 permits Town funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly including, without limitation, United States treasury bills, notes, bonds and other obligations issued or directly or indirectly guaranteed by the United States government, or otherwise directly or indirectly backed by the full faith and credit of the United States government; provided that, for other than permanent, trust, retirement, building and depreciation reserve funds, such securities shall either mature within eighteen months from the date of purchase or be redeemable at the option of the holder within eighteen months from the date of purchase; or (b) repurchase agreements fully collateralized by securities described in (a) and meeting the requirements of § 4-5-9, if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the one hundred largest United States commercial banks, as measured by domestic deposits; or (c) in shares of an open-end, no-load fund administered by an investment company registered under the Federal Investment Company Act of 1940 whose shares are registered under the Federal Securities Act of 1933 and whose only investments are in securities described in (a) and repurchase agreements described in (b).

As of December 31, 2015 and 2014, the Town did not hold any investments as defined by Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*. The Town also does not have a formal investment policy that addresses custodial credit risk, interest rate risk or credit risk.

State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The Town's policy is to credit all income from deposits and investments to the fund making the investment.

Under the modified cash basis of accounting, investments are stated at cost.

Note 3 - Property Taxes

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property and become due and payable as of 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 Town is permitted by several state statutes to levy varying amounts of taxes per \$1,000 of taxable valuation on taxable real property in the Town.

Note 4 - Retirement Plan

All employees, except for part-time employees, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established 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 South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided

SDRS has three different classes of employees, Class A, Class B public safety and Class B judicial. Class A retirement benefits are determined as 1.7% prior to 2008 and 1.55% thereafter of the employee's final 3-year average compensation times the employee's years of service. Employees with 3 years of service are eligible to retire at age 55. Class B public safety benefits are determined as 2.4% for service prior to 2008 and 2.0% thereafter of employee final average compensation. Class B judicial benefits are determined as 3.733% for service prior to 2008 and 3.333% thereafter of employee final average compensation. All Class B employees with 3 years of service are eligible to retire at age 45. Employees are eligible for service-related disability benefits regardless of length of service. Three years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a percent of the employee's final average salary.

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

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

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% of salary; Class B Judicial Members, 9% of salary; and Class B Public Safety Member, 8% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2% for any compensation exceeding the maximum taxable amount for social security for general employees only. The City's share of contributions made to the SDRS for the years ended December 31, 2015, 2014 and 2013 were \$5,734, \$4,683, and \$3,927, respectively, equal to the required contributions each year.

Pension Liabilities (Assets)

At June 30, 2015 and 2014, SDRS are 104.1% and 107.3%, respectively, funded and accordingly have a net pension asset. The proportionate shares of the components of the net pension asset of the South Dakota Retirement System, for the Town of Bison are as follows:

	2015	2014
Proportionate share of net position restricted for pension benefits	\$ 522,479	\$ 473,458
Less proportionate share of total pension liability	501,916	441,301
Proportionate share of net pension asset	\$ 20,563	\$ 32,157

The net pension liability (asset) was measured as of June 30, 2015 and 2014 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2015, the Town's proportion was .0048%, which is an increase of .00038% from its proportion measured as of June 30, 2014. The Town's proportionate share net pension asset is not reported in financial statements shown under the modified cash basis of accounting.

Actuarial Assumptions

The total pension asset in the June 30, 2015 and 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	5.83% at entry to 3.87% after 30 years of service
Investment rate of return	7.25% through 2017 and 7.50% thereafter, net of pension plan investment expense

Mortality rates were based on the RP-2000 Employee Mortality Table for males and females, as appropriate.

The actuarial assumptions used in the June 30, 2015 and 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 through June 30, 2011. The mortality assumptions were revised based on an extension of the experience study including mortality experience through June 30, 2013.

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 weighting 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, 2015 and 2014 (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	61.0%	4.5%
Fixed Income	27.0%	1.8%
Real Estate	10.0%	5.2%
Cash	2.0%	0.0%
	<u>100.0%</u>	

Sensitivity of Liability (Asset) To Changes in the Discount Rate

The following presents the Municipality's proportionate share of net pension liability (asset) calculated using the discount rate of 7.25 percent through 2017 and 7.50 percent thereafter, as well as what the Municipality'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 (6.25/6.50%) or 1-percentage point higher (8.25/8.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension asset (liability)	\$ (47,648)	\$ 18,931	\$ 73,220

Discount Rate

The discount rate used to measure the total pension asset was 7.25% through 2017 and 7.50% thereafter. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Pension Plan Fiduciary Net Position

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

Note 5 - Significant Contingencies – Litigation

At December 31, 2015 and 2014, the Town was not involved in any litigation that would be material to the financial statements.

Note 6 - Significant Commitments

At December 31, 2015 and 2014, the Town was a guarantor on a loan held by the Bison Volunteer Fire Department for the purchase of a fire truck. The principle balance outstanding as of December 31, 2015 and 2014 was \$37,168 and \$45,216, respectively.

Note 7 - Restricted Net Position

Restricted net position for the years ended December 31, 2015 and 2014 were as follows:

<u>Fund</u>	<u>Restricted By</u>	<u>2015</u>	<u>2014</u>
Library	Statute	\$ 13,046	\$ 13,328

Note 8 - Risk Management

The Town 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 years ended December 31, 2015 and 2014, the Town managed its risks as follows:

Employee Health Insurance

The Town 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 Town purchases liability insurance for risks related to torts, theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier. Settled claims from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation

The Town joined the South Dakota Municipal League Worker's Compensation 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 Town'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 Town pays an annual premium, to provide worker's compensation coverage to its employees, under a self-funded program and the premiums are paid 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 Town does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have never exceeded the liability coverage.

Unemployment Benefits

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

During the years ended December 31, 2015 and 2014, no claims for unemployment benefits were paid. At December 31, 2015, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

Note 9 - Interfund Transfers

Interfund transfers are comprised of the following:

2015		
Transfers from:		
General Fund to Sewer Fund to supplement operations	\$	170,000
Liquor Fund to Sewer Fund to supplement operations		26,024
2014		
Transfers from:		
General Fund to Sewer Fund to supplement operations	\$	11,904



Supplementary Information
December 31, 2015 and 2014
Town of Bison

Town of Bison
 Schedule of Net Pension Liability (Asset) and Schedule of Pension Contributions
 December 31, 2015

Pension Plan	Fiscal Year Ending *	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset (a)	City's Covered- Employee Payroll (b)	City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered- Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
SDRS	6/30/2014	0.0045%	\$ (32,157)	\$ 78,050	-41.2%	107.3%
SDRS	6/30/2015	<u>0.0048%</u>	<u>\$ (20,563)</u>	<u>\$ 88,517</u>	<u>-23.2%</u>	<u>104.1%</u>

Pension Plan	Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered- Employee Payroll (d)	Contributions as a Percentage of Covered- Employee Payroll (b/d)
SDRS	12/31/2014	\$ 4,767	\$ 4,767	\$ -	\$ 79,450	6.0%
SDRS	12/31/2015	<u>\$ 5,734</u>	<u>\$ 5,734</u>	<u>\$ -</u>	<u>\$ 95,567</u>	<u>6.0%</u>

Town of Bison
Schedules of Changes in Long-Term Debt
Years Ended December 31, 2015 and 2014

<u>Indebtedness</u>	<u>Long-Term Debt 1/1/14</u>	<u>Less Debt Retired</u>	<u>Debt Issued</u>	<u>Long-Term Debt 12/31/14</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt 12/31/15</u>
Enterprise Long-Term Debt						
231.02 Revenue bonds (sewer)	\$ 27,000	\$ 8,000	\$ -	\$ 19,000	\$ 9,000	\$ 10,000
USDA SRF Loan	316,205	16,066	187,795	487,934	25,570	462,364
	<u>\$ 343,205</u>	<u>\$ 24,066</u>	<u>\$ 187,795</u>	<u>\$ 506,934</u>	<u>\$ 34,570</u>	<u>\$ 472,364</u>

Town of Bison
 Budgetary Comparison Schedules—General Fund
 Years Ended December 31, 2015 and 2014

	2015			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
310 Taxes				
311 General property taxes	\$ 161,068	\$ 161,068	\$ 158,542	\$ (2,526)
313 General sales and use taxes	200,000	200,000	428,237	228,237
314 Gross receipts business taxes	1,400	1,400	1,471	71
319 Penalties and interest on delinquent taxes	150	150	141	(9)
Total taxes	<u>362,618</u>	<u>362,618</u>	<u>588,391</u>	<u>225,773</u>
330 Intergovernmental revenue				
331 Federal grants	193,500	193,500	199,636	6,136
335 State shared revenue				
335.01 Bank franchise tax	1,200	1,200	1,507	307
335.02 Motor vehicle commercial prorate	2,300	2,300	3,441	1,141
335.03 Liquor tax reversion	2,400	2,400	2,071	(329)
335.04 Motor vehicle licenses (5%)	9,800	9,800	9,876	76
335.08 Local government highway and bridge fund	15,000	15,000	15,757	757
336 State payments in lieu of taxes	1,000	1,000	531	(469)
Total intergovernmental revenue	<u>225,200</u>	<u>225,200</u>	<u>232,819</u>	<u>7,619</u>
340 Charges for goods and services				
341 General government	250	250	125,077	124,827
343 Highways and streets	250	250	84,834	84,584
346 Culture and recreation	2,325	2,325	2,795	470
349 Other (airport)	14,000	14,000	4,664	(9,336)
Total charges for goods and services	<u>16,825</u>	<u>16,825</u>	<u>217,370</u>	<u>200,545</u>
350 Fines and forfeits				
354 Library	-	-	4,594	4,594
Total fines and forfeits	<u>-</u>	<u>-</u>	<u>4,594</u>	<u>4,594</u>
360 Miscellaneous revenue				
361 Investment earnings	3,250	3,250	2,992	(258)
369 Other	-	-	22	22
Total miscellaneous revenue	<u>3,250</u>	<u>3,250</u>	<u>3,014</u>	<u>(236)</u>
Total revenues	<u>607,893</u>	<u>607,893</u>	<u>1,046,188</u>	<u>438,295</u>

Town of Bison
Budgetary Comparison Schedules—General Fund
Years Ended December 31, 2015 and 2014

	2015			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Expenditures				
410 General government				
411 Legislative	12,750	12,750	11,976	774
411.5 Contingency	90,000	90,000	-	90,000
Amount transferred		(25,923)	-	(25,923)
412 Executive	14,784	14,784	13,335	1,449
413 Elections	825	825	458	367
414 Financial administration	19,284	19,284	12,120	7,164
419 Other	12,700	12,708	7,964	4,744
Total general government	<u>150,343</u>	<u>124,428</u>	<u>45,853</u>	<u>78,575</u>
420 Public safety				
421 Police	14,400	14,400	14,400	-
422 Fire	12,750	12,750	12,500	250
Total public safety	<u>27,150</u>	<u>27,150</u>	<u>26,900</u>	<u>250</u>
430 Public works				
431 Highways and streets	374,419	777,701	727,068	50,633
435 Airport	17,755	42,442	42,518	(76)
437 Cemeteries	500	500	739	(239)
Total public works	<u>392,674</u>	<u>820,643</u>	<u>770,325</u>	<u>50,318</u>
440 Health and welfare				
441 Health	164	164	178	(14)
443 Mental health centers	500	500	500	-
446 Ambulance	6,000	6,000	6,000	-
Total health and welfare	<u>6,664</u>	<u>6,664</u>	<u>6,678</u>	<u>(14)</u>
450 Culture and recreation				
451 Recreation	5,000	5,000	5,131	(131)
452 Parks	15,609	15,609	15,178	431
455 Libraries	15,430	15,430	18,587	(3,157)
458 Museums	200	245	245	-
Total culture and recreation	<u>36,239</u>	<u>36,284</u>	<u>39,141</u>	<u>(2,857)</u>
460 Conservation and development				
465 Economic development and assistance (industrial development)	6,200	10,700	5,650	5,050
Total conservation and development	<u>6,200</u>	<u>10,700</u>	<u>5,650</u>	<u>5,050</u>
Total expenditures	<u>619,270</u>	<u>1,025,869</u>	<u>894,547</u>	<u>131,322</u>
Other Financing Sources (Uses)				
511 Transfers out	(170,000)	(170,000)	(170,000)	-
Total other financing sources (uses)	<u>(170,000)</u>	<u>(170,000)</u>	<u>(170,000)</u>	<u>-</u>
Excess of Revenue over (under) Expenditures	(181,377)	(587,976)	(18,359)	569,617
Fund Balance - Beginning	461,039	461,039	550,486	89,447
Fund Balance - Ending	<u>\$ 279,662</u>	<u>\$ (126,937)</u>	<u>\$ 532,127</u>	<u>\$ 659,064</u>

Town of Bison
 Budgetary Comparison Schedules—General Fund
 Years Ended December 31, 2015 and 2014

	2014			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
310 Taxes				
311 General property taxes	\$ 152,686	\$ 152,686	\$ 151,905	\$ (781)
313 General sales and use taxes	174,000	174,000	193,193	19,193
314 Gross receipts business taxes	1,400	1,400	1,773	373
319 Penalties and interest on delinquent taxes	-	-	623	623
	<u>328,086</u>	<u>328,086</u>	<u>347,494</u>	<u>19,408</u>
Total taxes				
330 Intergovernmental revenue				
335 State shared revenue				
335.01 Bank franchise tax	1,000	1,000	1,188	188
335.02 Motor vehicle commercial prorata	3,000	3,000	3,431	431
335.03 Liquor tax reversion	2,400	2,400	2,578	178
335.04 Motor vehicle licenses (5%)	8,000	8,000	8,877	877
335.08 Local government highway and bridge fund	12,000	12,000	15,513	3,513
335.20 Other	200	200	192	(8)
336 State payments in lieu of taxes	-	-	1,029	1,029
	<u>26,600</u>	<u>26,600</u>	<u>32,808</u>	<u>6,208</u>
Total intergovernmental revenue				
340 Charges for goods and services				
341 General government	-	-	19,982	19,982
343 Highways and streets	-	-	989	989
346 Culture and recreation	1,550	1,550	3,205	1,655
349 Other (airport)	11,000	11,000	-	(11,000)
	<u>12,550</u>	<u>12,550</u>	<u>24,176</u>	<u>11,626</u>
Total charges for goods and services				
350 Fines and forfeits				
354 Library	-	-	4,219	4,219
360 Miscellaneous revenue				
361 Investment earnings	700	700	604	(96)
362 Rentals	-	-	1,685	1,685
369 Other	2,000	2,000	7,077	5,077
	<u>2,700</u>	<u>2,700</u>	<u>9,366</u>	<u>6,666</u>
Total miscellaneous revenue				
Total revenues	<u>369,936</u>	<u>369,936</u>	<u>418,063</u>	<u>48,127</u>

Town of Bison
Budgetary Comparison Schedules—General Fund
Years Ended December 31, 2015 and 2014

	2014			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Expenditures				
410 General government				
411 Legislative	9,950	9,950	10,468	(518)
411.5 Contingency	50,000	50,000	-	50,000
Amount transferred		(6,360)	-	(6,360)
412 Executive	16,559	16,559	14,129	2,430
413 Elections	825	825	431	394
414 Financial administration	24,754	24,754	20,211	4,543
419 Other	9,400	9,400	8,873	527
Total general government	<u>111,488</u>	<u>105,128</u>	<u>54,112</u>	<u>51,016</u>
420 Public safety				
421 Police	12,000	12,000	12,000	-
422 Fire	12,750	12,750	12,500	250
Total public safety	<u>24,750</u>	<u>24,750</u>	<u>24,500</u>	<u>250</u>
430 Public works				
431 Highways and streets	201,907	201,907	159,931	41,976
435 Airport	18,724	24,274	24,224	50
437 Cemeteries	500	672	672	-
Total public works	<u>221,131</u>	<u>226,853</u>	<u>184,827</u>	<u>42,026</u>
440 Health and welfare				
441 Health	351	351	199	152
443 Mental health centers	500	500	500	-
446 Ambulance	4,000	4,000	4,000	-
Total health and welfare	<u>4,851</u>	<u>4,851</u>	<u>4,699</u>	<u>152</u>
450 Culture and recreation				
451 Recreation	-	673	673	-
452 Parks	15,571	15,571	15,375	196
455 Libraries	14,000	14,000	18,896	(4,896)
458 Museums	200	200	180	20
Total culture and recreation	<u>29,771</u>	<u>30,244</u>	<u>35,124</u>	<u>(4,680)</u>
460 Conservation and development				
465 Economic development and assistance (industrial development)	13,495	13,495	13,450	45
Total conservation and development	<u>13,495</u>	<u>13,495</u>	<u>13,450</u>	<u>45</u>
Total expenditures	<u>405,486</u>	<u>405,321</u>	<u>316,712</u>	<u>88,809</u>
Other Financing Sources (Uses)				
391.01 Transfer in	35,550	35,550	-	(35,550)
511 Transfers out	-	-	(11,904)	(11,904)
Total other financing sources (uses)	<u>35,550</u>	<u>35,550</u>	<u>(11,904)</u>	<u>(47,454)</u>
Excess of Revenue over (Under) Expenditures	-	165	89,447	89,282
Fund Balance - Beginning	<u>461,039</u>	<u>461,039</u>	<u>461,039</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 461,039</u>	<u>\$ 461,204</u>	<u>\$ 550,486</u>	<u>\$ 89,282</u>

Note 1 - Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the first regular Board meeting in September of each year or within ten days thereafter, the Town Council introduces the annual appropriation ordinance for the ensuing fiscal year.
2. After adoption by the Town Council, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 4.
3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5% of the total municipal budget and may be transferred by resolution of the Town Council to any other budget category that is deemed insufficient during the year.
4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
5. Unexpended appropriations lapse at year end unless encumbered by resolution of the Town Council.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, special revenue funds and capital projects funds.

The Town did not encumber any amounts at December 31, 2015 and 2014.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
7. Budget for the General Fund is adopted on a basis consistent with a modified cash basis of accounting.

Note 2 - Modified Cash Basis/Budgetary Accounting Basis Differences

The financial statements prepared on the modified cash basis of accounting present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the governmental funds statements of revenues, expenditures and changes in fund balances; however, in the budgetary schedules, the purchase of a fire truck would be reported as an expenditure of the Public Safety/Fire Department function of government, along with all other current Fire Department related expenditures.

Note 3 - Pension Schedules

There are no factors that affect trends in the amounts reported, such as change of benefit terms and assumptions. With only one year reported in the RSI, there is no additional information to include in notes. Details, if necessary, can be obtained from the SDRS audited financial statements.



CPAs & BUSINESS ADVISORS

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*

The Town Council
Town of Bison
Bison, 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 financial statements of the governmental activities, the business-type activities and each major fund of the Town of Bison as of December 31, 2015 and 2014 and for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 18, 2016. Our report was an adverse opinion because the statements included only the primary government and not the Town's legally separate component unit. The statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and; therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City'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 findings as 2015-A and 2015-B, and 2014-A and 2014-B, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as 2015-C and 2014-C to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Audit Standards*.

Town of Bison's Responses to Findings

The Town's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, as required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Aberdeen, South Dakota
July 28, 2016

2014-A and 2015-A - Preparation of Financial Statements, Footnotes, and Material Journal Entries

Material Weakness

Criteria: The Town's internal control structure should be designed to provide for the preparation of the financial statements, which includes having an adequate system for recording and processing entries material to the financial statements being audited in accordance with generally accepted accounting principles.

Condition: The Town of Bison does not have an internal control system designed to provide for the preparation of the financial statements being audited. As a part of the financial statement preparation process, at times we propose material audit adjustments that are not identified as a result of the Town's internal control and; therefore, could result in a misstatement of the Town's financial statements.

Cause: The Town does not have adequate staff trained to prepare financial statements and the related footnotes and could cause the need for auditors to at times propose material journal entries.

Effect: This condition may affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Recommendation: This circumstance is not unusual in an organization of this size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations. Also, a thorough review of the transactions in each fund should take place prior to the beginning of the audit, to ensure that modified cash basis of accounting have been followed for each fund type, especially for transaction types infrequent in occurrence.

Views of Responsible Officials: Management agrees with the finding.

2014-B and 2015-B - Lack of Segregation of Duties within the Accounting Function

Material Weakness

Criteria: A good system of internal controls contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition: The Town of Bison has a limited number of office personnel, and accordingly, does not have an adequate segregation of duties within the accounting function to ensure adequate internal controls in revenue, expenditures, and payroll functions.

Cause: The Town has insufficient number of staff to adequately separate duties.

Effect: This condition may affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Recommendation: This circumstance is not unusual in an organization of this size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations. We also recommend that the Town Council adequately review the accounting transactions and reports prepared by the Finance Manager on a regular basis.

Views of Responsible Officials: Management agrees with the finding.

2014-C and 2015-C – Control Over Signature Stamp of Board Chairman

Significant Deficiency

Criteria: The Town's internal control structure should be designed to prevent unauthorized use over the signature stamp.

Condition: The Town of Bison does not have controls in place to restrict access of the Board Chairman's signature stamp.

Cause: The Town's Finance Officer has access to the Chairman's signature stamp as even though the stamp is in a locked drawer, the key is located at the finance office.

Effect: This condition may allow for the unauthorized use of the signature stamp to issue checks without proper approval or review from the Town Board.

Recommendation: The Town Board should be aware of this situation and we recommend that adequate oversight controls such as Board Chairman review of the monthly bank statements and the cancelled checks written with the signature stamp for any unauthorized use.

Views of Responsible Officials: Management agrees with the finding.

Findings Relating to the Financial Statements

2012-A and 2013-A - Preparation of Financial Statements, Footnotes, and Material Journal Entries

Initial Fiscal Year Finding Occurred: 2007

Finding Summary: The Town of Bison does not have an internal control system designed to provide for the preparation of the financial statements being audited. As a part of the financial statement preparation process, at times we propose material audit adjustments that are not identified as a result of the Town's internal control and; therefore, could result in a misstatement of the Town's financial statements.

Status: Not corrected. We as auditors were requested to draft the financial statements and accompanying notes to the financial statements, and we proposed material audit adjustments to the Town's recorded account balances.

2012-B and 2013-B - Lack of Segregation of Duties

Initial Fiscal Year Finding Occurred: 2007

Finding Summary: The Town of Bison has a limited number of office personnel, and accordingly, does not have an adequate segregation of duties within the accounting function to ensure adequate internal controls in revenue, expenditures, and payroll functions.

Status: Not corrected. During our audit procedure, we noted a lack of segregation of duties in revenue, expenditure and payroll functions.

2012-C and 2013-C – Control Over Signature Stamp of Board Chairman

Initial Fiscal Year Finding Occurred: 2007

Finding Summary: The Town of Bison does not have controls in place to restrict access of the Council Chairman's signature stamp.

Status: Not corrected. During our audit procedure, we noted a lack of controls in place to restrict access of the Council Chairman's signature stamp.