

**KINGSBURY COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2016**

KINGSBURY COUNTY  
COUNTY OFFICIALS  
December 31, 2016

Board of Commissioners:  
Roger Lee, Chairman  
Roger Walls, Vice Chairman  
Joe Jensen  
Shelley Nelson  
Delmer Wolkow

Auditor:  
Jennifer R. Barnard

Treasurer:  
Elaine Blachford

State's Attorney:  
Gregg Gass

Register of Deeds:  
Caryn Hojer

Sheriff:  
Kevin Scotting

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government:</b>				<b>Primary Government</b>
Governmental Activities:				<b>Governmental</b>
General Government	\$ 1,033,037.52	\$ 164,599.81	\$ 231,536.68	\$ (636,901.03)
Public Safety	658,851.71	199,070.30	57,167.03	(402,614.38)
Public Works	2,573,086.37	94,432.56	1,131,806.61	(1,346,847.20)
Health and Welfare	32,342.07	300.00		(32,042.07)
Culture and Recreation	18,248.16			(18,248.16)
Conservation of Natural Resources	170,413.78		6,100.00	(164,313.78)
Urban and Economic Development	31,386.55			(31,386.55)
Intergovernmental	71,465.01			(71,465.01)
*Interest on Long-Term Debt	10,558.22			(10,558.22)
<b>Total Primary Government</b>	<b>\$ 4,599,389.39</b>	<b>\$ 458,402.67</b>	<b>\$ 1,426,610.32</b>	<b>(2,714,376.40)</b>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				2,343,298.68
Wheel Tax				231,703.75
State Shared Revenues				53,053.39
Grants and Contributions not Restricted to Specific Programs				5,586.76
Unrestricted Investment Earnings				16,512.43
Miscellaneous Revenue				117,234.37
<b>Total General Revenues</b>				<b>2,767,389.38</b>
<b>Change in Net Position</b>				<b>53,012.98</b>
<b>Net Position - Beginning</b>				<b>3,544,133.51</b>
<b>NET POSITION - ENDING</b>				<b>\$ 3,597,146.49</b>

\* 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.

**KINGSBURY COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2015

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government:</b>				<b>Primary Government</b>
Governmental Activities:				<b>Governmental</b>
General Government	\$ 892,562.70	\$ 132,782.68	\$ 3,159.21	\$ (756,620.81)
Public Safety	778,663.86	168,659.37	342,211.19	(267,793.30)
Public Works	2,175,413.49	35,692.18	1,213,794.84	(925,926.47)
Health and Welfare	31,926.95	565.00		(31,361.95)
Culture and Recreation	16,416.81			(16,416.81)
Conservation of Natural Resources	71,821.94		5,900.00	(65,921.94)
Urban and Economic Development	31,995.75			(31,995.75)
Intergovernmental	42,750.95			(42,750.95)
*Interest on Long-Term Debt	6,210.16			(6,210.16)
<b>Total Primary Government</b>	<b>\$ 4,047,762.61</b>	<b>\$ 337,699.23</b>	<b>\$ 1,565,065.24</b>	<b>(2,144,998.14)</b>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				2,286,495.42
Wheel Tax				170,786.40
State Shared Revenues				49,835.44
Grants and Contributions not Restricted to Specific Programs				6,270.68
Unrestricted Investment Earnings				14,358.21
Miscellaneous Revenue				125,492.13
<b>Total General Revenues</b>				<b>2,653,238.28</b>
<b>Change in Net Position</b>				<b>508,240.14</b>
<b>Net Position - Beginning</b>				<b>3,035,893.37</b>
<b>NET POSITION - ENDING</b>				<b>\$ 3,544,133.51</b>

\* 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.

**KINGSBURY COUNTY**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<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	\$ 1,337,841.90	\$ 427,940.29	\$ 194,806.08	\$ 1,960,588.27
Investments	542,018.28	794,025.63	300,514.31	1,636,558.22
<b>TOTAL ASSETS</b>	<u>\$ 1,879,860.18</u>	<u>\$ 1,221,965.92</u>	<u>\$ 495,320.39</u>	<u>\$ 3,597,146.49</u>
<b>FUND BALANCES:</b> (See Note 1.j.)				
Restricted	\$	\$	\$ 489,802.79	\$ 489,802.79
Assigned	876,349.11	1,221,965.92	5,517.60	2,103,832.63
Unassigned	1,003,511.07			1,003,511.07
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,879,860.18</u>	<u>\$ 1,221,965.92</u>	<u>\$ 495,320.39</u>	<u>\$ 3,597,146.49</u>

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

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

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 2,331,114.70	\$		\$ 2,331,114.70
General Property Taxes--Delinquent	8,026.55			8,026.55
Penalties and Interest	3,844.43			3,844.43
Telephone Tax (Outside)	313.00			313.00
Wheel Tax		231,703.75		231,703.75
Licenses and Permits	4,659.00	42,600.00	590.00	47,849.00
Intergovernmental Revenue:				
Federal Grants			49,342.43	49,342.43
Federal Payments in Lieu of Taxes	5,586.76			5,586.76
State Grants		179,024.77		179,024.77
State Shared Revenue:				
Bank Franchise	18,797.78			18,797.78
Motor Vehicle Licenses		1,072,534.50		1,072,534.50
Prorate License Fees		59,272.11		59,272.11
Abused and Neglected Child Defense	105.40			105.40
Telecommunications Gross Receipts Tax	23,900.39			23,900.39
Motor Vehicle 1/4%	3,064.08			3,064.08
911 Remittances			57,167.03	57,167.03
Liquor Tax Reversion (25%)	10,119.29			10,119.29
Other Payments in Lieu of Taxes	235.93			235.93
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	34,770.59			34,770.59
Register of Deeds' Fees	62,798.75		3,274.00	66,072.75

Auditor's Fees	1,010.00			1,010.00
Legal Services	5,728.00	250.00		5,978.00
Clerk of Courts Fees	5,292.40			5,292.40
Public Safety:				
Law Enforcement	181,828.61			181,828.61
Prisoner Care	5,260.23			5,260.23
Sobriety Testing		8,469.96		8,469.96
Public Works:				
Road Maintenance Contract Charges			94,432.56	94,432.56
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	300.00			300.00
Conservation of Natural Resources	6,100.00			6,100.00
Other Charges	3,627.07			3,627.07
Fines and Forfeits:				
Fines	802.10			802.10
Costs	2,634.40	75.00		2,709.40
Miscellaneous Revenue:				
Investment Earnings	7,508.47		6,790.67	16,512.43
Rent	14,443.81			14,443.81
Contributions and Donations	26,510.00			26,510.00
Other	6,116.28			6,116.28
Total Revenues	<u>2,774,498.02</u>	<u>121,381.71</u>	<u>1,686,358.36</u>	<u>4,582,238.09</u>

**Expenditures:**

General Government:				
Legislative:				
Board of County Commissioners	129,672.56			129,672.56
Elections	26,340.17			26,340.17
Judicial System	3,450.51			3,450.51
Financial Administration:				
Auditor	94,623.38			94,623.38
Treasurer	133,754.59			133,754.59
Legal Services:				
State's Attorney	114,040.48			114,040.48
Court Appointed Attorney	17,078.47			17,078.47

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

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Other Administration:				
General Government Building	252,142.39			252,142.39
Director of Equalization	128,287.54			128,287.54
Register of Deeds	94,457.71		2,920.50	97,378.21
Veterans Service Officer	21,573.09			21,573.09
Predatory Animal	7,246.89			7,246.89
Other	7,449.24			7,449.24
Public Safety:				
Law Enforcement:				
Sheriff	438,631.74			438,631.74
County Jail	54,739.08		1,045.00	55,784.08
Coroner	5,221.78			5,221.78
Protective and Emergency Services:				
Emergency and Disaster Services			76,991.36	76,991.36
Communication Center	1,182.81		81,039.94	82,222.75
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		2,491,703.74		2,491,703.74
Health and Welfare:				
Economic Assistance:				
Support of Poor	1,818.54			1,818.54
Public Welfare	1,528.05			1,528.05
Low Income Energy Assistance Program	7,046.68			7,046.68
Mental Health Services:				
Mentally Ill	1,440.00			1,440.00
Mental Health Centers	15,000.00			15,000.00
Mental Illness Board	5,508.80			5,508.80



Culture and Recreation:					
Recreation:					18,248.16
Exhibition Building	18,248.16				
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	46,533.26				46,533.26
Soil Conservation Districts	27,000.00				27,000.00
Weed and Pest Control	32,373.23				32,373.23
Water Conservation:					
Drainage Commissions	63,910.37				63,910.37
Other				596.92	596.92
Urban and Economic Development:					
Urban Development:					
Urban and Rural Development	30,805.55				30,805.55
Economic Development:					
Glacial Lakes Association	581.00				581.00
Intergovernmental Expenditures		71,465.01			71,465.01
Debt Service		91,940.85			91,940.85
Total Expenditures	<u>1,781,686.07</u>	<u>2,655,109.60</u>		<u>162,593.72</u>	<u>4,599,389.39</u>
Excess of Revenues Over (Under) Expenditures	<u>992,811.95</u>	<u>(968,751.24)</u>		<u>(41,212.01)</u>	<u>(17,151.30)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In		400,000.00			400,000.00
Transfers Out	(400,000.00)				(400,000.00)
Insurance Proceeds	8,014.28				8,014.28
Sale of County Property		62,150.00			62,150.00
Total Other Financing Sources (Uses)	<u>(391,985.72)</u>	<u>462,150.00</u>		<u>0.00</u>	<u>70,164.28</u>
Net Change in Fund Balance	600,826.23	(506,601.24)		(41,212.01)	53,012.98
Fund Balance - Beginning	1,279,033.95	1,728,567.16		536,532.40	3,544,133.51
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,879,860.18</u>	<u>\$ 1,221,965.92</u>		<u>\$ 495,320.39</u>	<u>\$ 3,597,146.49</u>

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

**KINGSBURY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2015**

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 2,273,548.74	\$	\$	\$ 2,273,548.74
General Property Taxes--Delinquent	5,145.32			5,145.32
Penalties and Interest	3,461.03			3,461.03
Telephone Tax (Outside)	334.82			334.82
Mobile Home Tax		3,418.68		3,418.68
Wheel Tax		170,786.40		170,786.40
Tax Deed Revenue	586.83			586.83
Licenses and Permits	5,516.00	850.00	540.00	6,906.00
Intergovernmental Revenue:				
Federal Grants	17,011.20		267,354.12	284,365.32
Federal Payments in Lieu of Taxes	6,270.68			6,270.68
State Grants	4,395.00	170,283.62		174,678.62
State Shared Revenue:				
Bank Franchise	22,076.63			22,076.63
Motor Vehicle Licenses		981,027.61		981,027.61
Prorate License Fees	300.14	52,432.11		52,432.11
Abused and Neglected Child Defense	300.14			300.14
Telecommunications Gross Receipts Tax	26,557.32			26,557.32
Motor Vehicle 1/4%	2,859.07			2,859.07
Motor Fuel Tax		5,656.50		5,656.50
911 Remittances			57,845.87	57,845.87
Other Payments in Lieu of Taxes	1,201.49			1,201.49
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	16,487.04			16,487.04
Register of Deeds' Fees	71,299.50		7,501.30	78,800.80

Auditor's Fees	1,259.68			1,259.68
Legal Services	10,063.80			10,063.80
Clerk of Courts Fees	6,257.20	450.00		6,707.20
Public Safety:				
Law Enforcement	162,741.57			162,741.57
Sobriety Testing		2,544.00		2,544.00
Public Works:				
Road Maintenance Contract Charges			34,722.19	34,722.19
Other			119.99	119.99
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	25.00			25.00
Conservation of Natural Resources	5,900.00			5,900.00
Other Charges	1,948.17			1,948.17
Fines and Forfeits:				
Fines	1,021.20			1,021.20
Costs	1,647.60			1,647.60
Forfeits	705.00			705.00
Miscellaneous Revenue:				
Investment Earnings	6,433.34	2,052.84	5,872.03	14,358.21
Rent	11,999.99			11,999.99
Refund of Prior Year's Expenditures	60.32			60.32
Other	3,026.63			3,026.63
Total Revenues	<u>2,670,140.31</u>	<u>338,288.13</u>	<u>1,425,169.13</u>	<u>4,433,597.57</u>

**Expenditures:**

General Government:				
Legislative:				
Board of County Commissioners	131,913.92			131,913.92
Elections	5,015.20			5,015.20
Judicial System	5,199.63			5,199.63
Financial Administration:				
Auditor	89,244.09			89,244.09
Treasurer	113,997.82			113,997.82
Legal Services:				
State's Attorney	93,663.53			93,663.53
Court Appointed Attorney	9,725.93			9,725.93
Abused and Neglected Child Defense	3,388.00			3,388.00
Catastrophic Legal Expense Relief Program	6,046.92			6,046.92

**KINGSBURY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2015**  
**(Continued)**

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Other Administration:				
General Government Building	196,862.97			196,862.97
Director of Equalization	118,811.84			118,811.84
Register of Deeds	89,111.39		5,311.42	94,422.81
Veterans Service Officer	17,023.15			17,023.15
Predatory Animal	7,246.89			7,246.89
Public Safety:				
Law Enforcement:				
Sheriff	405,245.82			405,245.82
County Jail	29,899.31		249.00	30,148.31
Coroner	1,010.88			1,010.88
Protective and Emergency Services:				
Emergency and Disaster Services			288,927.19	288,927.19
Communication Center	5,853.38		47,478.28	53,331.66
Public Works:				
Highways and Bridges:		2,131,830.27		2,131,830.27
Highways, Roads and Bridges				
Health and Welfare:				
Economic Assistance:				
Support of Poor	3,101.00			3,101.00
Public Welfare	1,282.16			1,282.16
Low Income Energy Assistance Program	6,691.20			6,691.20
Social Services:			950.00	950.00
Domestic Abuse				
Mental Health Services:				
Mentally Ill	1,440.00			1,440.00
Mental Health Centers	15,000.00			15,000.00
Mental Illness Board	3,462.59			3,462.59

Culture and Recreation:				
Recreation:		16,416.81		16,416.81
Exhibition Building				
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	44,053.88			44,053.88
Weed and Pest Control	22,952.72			22,952.72
Water Conservation:				
Drainage Commissions	4,815.34			4,815.34
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	255.00			255.00
Urban and Rural Development	31,159.75			31,159.75
Economic Development:				
Glacial Lakes Association	581.00			581.00
Intergovernmental Expenditures			42,750.95	42,750.95
Debt Service			49,793.38	49,793.38
Total Expenditures	1,480,472.12		2,224,374.60	4,047,762.61
Excess of Revenues Over (Under) Expenditures	1,189,668.19		(799,205.47)	385,834.96
<b>Other Financing Sources (Uses):</b>				
Transfers In				
Transfers Out	(940,000.00)		900,000.00	940,000.00
Insurance Proceeds	3,616.77		58,174.25	(940,000.00)
Sale of County Property	2,000.00		58,614.16	61,791.02
Total Other Financing Sources (Uses)	(934,383.23)		1,016,788.41	60,614.16
Net Change in Fund Balance	255,284.96		217,582.94	122,405.18
Fund Balance - Beginning	1,023,748.99		1,510,984.22	508,240.14
FUND BALANCE - ENDING	\$ 1,279,033.95	\$	1,728,567.16	\$ 3,035,893.37
		\$	536,532.40	\$ 3,544,133.51

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

**KINGSBURY COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**December 31, 2016**

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 268,690.25
<b>TOTAL ASSETS</b>	<u>\$ 268,690.25</u>
<b>NET POSITION:</b>	
Net Position Held in Agency Capacity	\$ 268,690.25
<b>TOTAL NET POSITION</b>	<u>\$ 268,690.25</u>

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

KINGSBURY 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 Kingsbury 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 has created a Housing and Redevelopment Commission (HRC) under the authority of South Dakota Codified Law 11-7-7. The County created this HRC solely for the purpose of abdicating its power or authority over the housing projects within Kingsbury County to the Brookings County Housing and Redevelopment Commission organized by Brookings County. The County Commission, though, retains the statutory authority for the County Commissioner's Chairperson with the approval of the Board of County Commissioners for the appointment of five members of the HRC for five year, staggered terms. The HRC elects its own Chairperson and recruits and employees its own management personnel and other workers. The County Commission also retains the statutory authority to approve or deny, or otherwise modify, the HRC's plans to construct a low-income housing unit, or to issue debt, which gives the County Commission the ability to impose its will on the HRC. Because Kingsbury County abdicated their power and authority over this HRC to the Housing and Redevelopment Commission of Brookings County organized by Brookings County, this component unit's financial activity is not included on Kingsbury County's annual report. The financial activity of this component unit would be included as a component unit on Brookings County's annual report.

The County and the Municipality of Lake Preston jointly govern the Kingsbury County Regional Railroad Authority. See detailed note entitled "Jointly Governed Organizations" for specific disclosures.

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













A schedule of fund balances is provided as follows:

**KINGSBURY COUNTY  
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2016**

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
<b>Fund Balances:</b>				
Restricted For:				
Revolving Loan Purposes	\$	\$	\$ 192,133.85	\$ 192,133.85
911 Service Purposes			174,668.63	174,668.63
Wetlands Purposes			79,591.50	79,591.50
Domestic Abuse Purposes			995.38	995.38
24/7 Sobriety Purposes			23,814.75	23,814.75
Modernization and Preservation Relief Purposes			18,598.68	18,598.68
Assigned To:				
Applied to Next Year's Budget	126,101.00			126,101.00
Road and Bridge Purposes	250,000.00	1,221,965.92		1,471,965.92
Grant Purposes	248.11			248.11
Courthouse Repair Purposes	500,000.00		5,517.60	500,000.00
Emergency Management Purposes				5,517.60
Unassigned	1,003,511.07			1,003,511.07
<b>Total Fund Balances</b>	<b>\$ 1,879,860.18</b>	<b>\$ 1,221,965.92</b>	<b>\$ 495,320.39</b>	<b>\$ 3,597,146.49</b>









**Benefits Provided:**

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

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

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

All benefits except those depending on the Member's Accumulated Contributions are annually increased by the Cost-of-Living Adjustment.

**Contributions:**

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The County's share of contributions to the SDRS for the calendar years ended December 31, 2016, 2015, and 2014, equal to the required contributions each year, were as follows:

Year	Amount
2016	\$ 73,926.76
2015	\$ 64,201.48
2014	\$ 61,755.44

**Pension Liabilities (Assets):**

At June 30, 2016, SDRS is 96.89% funded and accordingly has a net pension liability. The proportionate shares of the components of the net pension liability of South Dakota Retirement System, for the County as of this measurement period ending June 30, 2016 and reported by the County as of December 31, 2016 are as follows:

Proportionate share of net position restricted for pension benefits	\$ 6,580,275.25
Less proportionate share of total pension liability	<u>6,375,437.03</u>
Proportionate share of net pension liability (asset)	<u>\$ 204,838.33</u>

The net pension liability (asset) was measured as of June 30, 2016 and the total pension liability (asset) used to calculate the net pension liability (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, 2016, the County's proportion was 0.0606407%, which is an increase of 0.0035216% from its proportion measured as of June 30, 2015.

**Actuarial Assumptions:**

The total pension liability (asset) in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25 percent
Salary Increases	5.83 percent at entry to 3.87 percent after 30 years of service
Investment Rate of Return	7.25 percent through 2017 and 7.50 percent 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, 2016 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 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, 2016 (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%	4.5%
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 (asset) was 7.25 percent through 2017 and 7.50% thereafter. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return

on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

The following presents the County's proportionate share of net pension liability (asset) calculated using the discount rate of 7.25 percent through 2017 and 7.50 percent thereafter, 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 (6.25/6.50%) or 1-percentage point higher (8.25/8.50%) 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)	\$ 1,146,272.55	\$ 204,838.33	\$ (563,002.39)

**Pension Plan Fiduciary Net Position:**

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

9. JOINTLY GOVERNED ORGANIZATIONS

The County, in conjunction with the Municipality of Lake Preston (members) created the Kingsbury County Regional Railroad Authority (Authority). The Authority was created to maintain and improve the railroad to and in their respective jurisdictions. The Authority was create as allowed by SDCL 49-17A and was incorporated on March 20, 2009. The Authority's board is comprised of five commissioners, two commissioners appointed by each of the members and one commissioner appointed by the joint agreement of the members. The political subdivisions which are members of the Authority and their commissioners, officers and agents shall not be liable for any obligations of the Authority. The Authority shall not certify to any of the governing bodies of the members any tax from the governing body to which the certification shall be made. The Authority shall not issue bonds or notes as allowed by SDCL 49-17A-27 for which it or any other entity shall become liable without the approval of the governing boards of a majority of the Members.

10. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2016, the county was involved in one lawsuit concerning medical costs for indigent care. Avera Queen of Peace Hospital has offered to settle the claim for \$4,954.08. The county commission has deferred action on payment of this claim in order to assess the likelihood of having to pay additional claims which were not part of the lawsuit. The State's Attorney has had no communication from the hospital since July 2013. No material effects are anticipated to the County as a result of the potential outcome of this lawsuit.

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, 2016, the County managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

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

General Liability,  
Automobile Liability,  
Law Enforcement Liability, and  
Officials Liability

The agreement with the SDPAA provides that the above coverages will be provided to a \$1,500,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$250,000 for property coverage and \$500,000 for liability coverage to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The County would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

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

As of December 31, 2016, the County has vested balance in the cumulative reserve fund of \$62,945.20.

The County carries a \$2,000 deductible for the law enforcement coverage and \$1,000 deductible for the officials coverage.

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 provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 2,341,412.00	\$ 2,341,412.00	\$ 2,331,114.70	\$ (10,297.30)
General Property Taxes--Delinquent	6,300.00	6,300.00	8,026.55	1,726.55
Penalties and Interest	1,100.00	1,100.00	3,844.43	2,744.43
Telephone Tax (Outside)	0.00	0.00	313.00	313.00
Mobile Home Tax	200.00	200.00	0.00	(200.00)
Licenses and Permits	4,900.00	4,900.00	4,659.00	(241.00)
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	0.00	0.00	5,586.76	5,586.76
State Shared Revenue:				
Bank Franchise	18,000.00	18,000.00	18,797.78	797.78
Abused and Neglected Child Defense	500.00	500.00	105.40	(394.60)
Telecommunications Gross Receipts Tax	24,000.00	24,000.00	23,900.39	(99.61)
Motor Vehicle 1/4%	2,500.00	2,500.00	3,064.08	564.08
Liquor Tax Reversion (25%)	0.00	0.00	10,119.29	10,119.29
Other Payments in Lieu of Taxes	2,500.00	2,500.00	235.93	(2,264.07)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	15,450.00	15,450.00	34,770.59	19,320.59
Register of Deeds' Fees	61,000.00	61,000.00	62,798.75	1,798.75
Auditor's Fees	1,000.00	1,000.00	1,010.00	10.00
Legal Services	3,500.00	3,500.00	5,728.00	2,228.00
Clerk of Courts Fees	5,000.00	5,000.00	5,292.40	292.40
Public Safety:				
Law Enforcement	157,500.00	157,500.00	181,828.61	24,328.61
Prisoner Care	500.00	500.00	5,260.23	4,760.23
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	500.00	500.00	300.00	(200.00)
Conservation of Natural Resources	5,000.00	5,000.00	6,100.00	1,100.00
Other Charges	1,500.00	1,500.00	3,627.07	2,127.07
Fines and Forfeits:				
Fines	0.00	0.00	802.10	802.10
Costs	500.00	500.00	2,634.40	2,134.40
Miscellaneous Revenue:				
Investment Earnings	4,500.00	4,500.00	7,508.47	3,008.47
Rent	12,000.00	12,000.00	14,443.81	2,443.81
Contributions and Donations	0.00	0.00	26,510.00	26,510.00
Other	3,500.00	3,500.00	6,116.28	2,616.28
<b>Total Revenues</b>	<b>2,672,862.00</b>	<b>2,672,862.00</b>	<b>2,774,498.02</b>	<b>101,636.02</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	132,685.00	132,685.00	129,672.56	3,012.44
Contingency	150,000.00	150,000.00		
Amount Transferred		(130,650.00)		19,350.00
Elections	28,000.00	28,000.00	26,340.17	1,659.83
Judicial System	6,000.00	6,000.00	3,450.51	2,549.49
Financial Administration:				
Auditor	113,602.00	113,602.00	94,623.38	18,978.62
Treasurer	126,500.00	133,800.00	133,754.59	45.41
Legal Services:				
State's Attorney	106,950.00	114,050.00	114,040.48	9.52
Court Appointed Attorney	20,000.00	20,000.00	17,078.47	2,921.53
Abused and Neglected Child Defense	5,000.00	5,000.00	0.00	5,000.00
Other Administration:				
General Government Building	225,770.00	252,280.00	252,142.39	137.61
Director of Equalization	130,450.00	130,450.00	128,287.54	2,162.46
Register of Deeds	96,500.00	96,500.00	94,457.71	2,042.29
Veterans Service Officer	20,150.00	21,650.00	21,573.09	76.91

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Predatory Animal	6,500.00	7,300.00	7,246.89	53.11
Other	10,000.00	10,000.00	7,449.24	2,550.76
Public Safety:				
Law Enforcement:				
Sheriff	462,400.00	462,400.00	438,631.74	23,768.26
County Jail	40,000.00	54,800.00	54,739.08	60.92
Coroner	1,000.00	5,300.00	5,221.78	78.22
Juvenile Detention	3,000.00	3,000.00	0.00	3,000.00
Protective and Emergency Services:				
Communication Center	13,500.00	13,500.00	1,182.81	12,317.19
Health and Welfare:				
Economic Assistance:				
Support of Poor	70,000.00	70,000.00	1,818.54	68,181.46
Public Welfare	1,450.00	1,550.00	1,528.05	21.95
Low Income Energy Assistance Program	5,861.00	7,161.00	7,046.68	114.32
Mental Health Services:				
Mentally Ill	2,000.00	2,000.00	1,440.00	560.00
Mental Health Centers	15,000.00	15,000.00	15,000.00	0.00
Mental Illness Board	5,000.00	5,550.00	5,508.80	41.20
Culture and Recreation:				
Recreation:				
Exhibition Building	18,670.00	18,670.00	18,248.16	421.84
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	48,410.00	48,410.00	46,533.26	1,876.74
Soil Conservation Districts	0.00	27,000.00	27,000.00	0.00
Weed and Pest Control	38,950.00	38,950.00	32,373.23	6,576.77
Water Conservation:				
Drainage Commissions	1,000.00	64,000.00	63,910.37	89.63
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	9,700.00	9,700.00	0.00	9,700.00
Urban and Rural Development	28,000.00	30,900.00	30,805.55	94.45
Economic Development:				
Glacial Lakes Association	581.00	581.00	581.00	0.00
Total Expenditures	<u>1,942,629.00</u>	<u>1,969,139.00</u>	<u>1,781,686.07</u>	<u>187,452.93</u>
Excess of Revenues Over (Under) Expenditures	<u>730,233.00</u>	<u>703,723.00</u>	<u>992,811.95</u>	<u>289,088.95</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(702,586.00)	(702,586.00)	(400,000.00)	302,586.00
Insurance Proceeds	0.00	0.00	8,014.28	8,014.28
Total Other Financing Sources (Uses)	<u>(702,586.00)</u>	<u>(702,586.00)</u>	<u>(391,985.72)</u>	<u>310,600.28</u>
Net Change in Fund Balance	27,647.00	1,137.00	600,826.23	599,689.23
Fund Balance - Beginning	<u>1,279,033.95</u>	<u>1,279,033.95</u>	<u>1,279,033.95</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 1,306,680.95</u>	<u>\$ 1,280,170.95</u>	<u>\$ 1,879,860.18</u>	<u>\$ 599,689.23</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Wheel Tax	\$ 175,000.00	\$ 175,000.00	\$ 231,703.75	\$ 56,703.75
Licenses and Permits	500.00	500.00	42,600.00	42,100.00
Intergovernmental Revenue:				
State Grants	170,000.00	170,000.00	179,024.77	9,024.77
State Shared Revenue:				
Motor Vehicle Licenses	1,130,000.00	1,130,000.00	1,072,534.50	(57,465.50)
Prorate License Fees	50,000.00	50,000.00	59,272.11	9,272.11
Motor Fuel Tax	5,500.00	5,500.00	0.00	(5,500.00)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	15,000.00	15,000.00	94,432.56	79,432.56
Miscellaneous Revenue:				
Investment Earnings	4,000.00	4,000.00	6,790.67	2,790.67
Total Revenues	<u>1,550,000.00</u>	<u>1,550,000.00</u>	<u>1,686,358.36</u>	<u>136,358.36</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,538,500.00	2,538,500.00	2,491,703.74	46,796.26
Intergovernmental Expenditures	48,000.00	48,000.00	71,465.01	(23,465.01)
Debt Service	100,000.00	100,000.00	91,940.85	8,059.15
Total Expenditures	<u>2,686,500.00</u>	<u>2,686,500.00</u>	<u>2,655,109.60</u>	<u>31,390.40</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,136,500.00)</u>	<u>(1,136,500.00)</u>	<u>(968,751.24)</u>	<u>167,748.76</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	702,586.00	702,586.00	400,000.00	(302,586.00)
Sale of County Property	0.00	0.00	62,150.00	62,150.00
Total Other Financing Sources (Uses)	<u>702,586.00</u>	<u>702,586.00</u>	<u>462,150.00</u>	<u>(240,436.00)</u>
Net Change in Fund Balance	(433,914.00)	(433,914.00)	(506,601.24)	(72,687.24)
Fund Balance - Beginning	<u>1,728,567.16</u>	<u>1,728,567.16</u>	<u>1,728,567.16</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 1,294,653.16</u>	<u>\$ 1,294,653.16</u>	<u>\$ 1,221,965.92</u>	<u>\$ (72,687.24)</u>



**SUPPLEMENTARY INFORMATION  
KINGSBURY COUNTY  
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
For the Year Ended December 31, 2015**

	<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	\$ 2,294,250.00	\$ 2,294,250.00	\$ 2,273,548.74	\$ (20,701.26)
General Property Taxes--Delinquent	4,000.00	4,000.00	5,145.32	1,145.32
Penalties and Interest	1,000.00	1,000.00	3,461.03	2,461.03
Telephone Tax (Outside)	100.00	100.00	334.82	234.82
Tax Deed Revenue	0.00	0.00	586.83	586.83
Licenses and Permits	4,700.00	4,700.00	5,516.00	816.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	17,011.20	17,011.20
Federal Payments in Lieu of Taxes	0.00	0.00	6,270.68	6,270.68
State Grants	0.00	0.00	4,395.00	4,395.00
State Shared Revenue:				
Bank Franchise	15,000.00	15,000.00	22,076.63	7,076.63
Abused and Neglected Child Defense	500.00	500.00	300.14	(199.86)
Telecommunications Gross Receipts Tax	14,000.00	14,000.00	26,557.32	12,557.32
Motor Vehicle 1/4%	1,200.00	1,200.00	2,859.07	1,659.07
Other Payments in Lieu of Taxes	6,000.00	6,000.00	1,201.49	(4,798.51)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	11,350.00	11,350.00	16,487.04	5,137.04
Register of Deeds' Fees	53,000.00	53,000.00	71,299.50	18,299.50
Auditor's Fees	500.00	500.00	1,259.68	759.68
Legal Services	3,500.00	3,500.00	10,063.80	6,563.80
Clerk of Courts Fees	5,000.00	5,000.00	6,257.20	1,257.20
Public Safety:				
Law Enforcement	145,000.00	145,000.00	162,741.57	17,741.57
Other	500.00	500.00	0.00	(500.00)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	500.00	500.00	25.00	(475.00)
Conservation of Natural Resources	2,000.00	2,000.00	5,900.00	3,900.00
Other Charges	1,000.00	1,000.00	1,948.17	948.17
Fines and Forfeits:				
Fines	0.00	0.00	1,021.20	1,021.20
Costs	500.00	500.00	1,647.60	1,147.60
Forfeits	0.00	0.00	705.00	705.00
Miscellaneous Revenue:				
Investment Earnings	5,000.00	5,000.00	6,433.34	1,433.34
Rent	9,000.00	9,000.00	11,999.99	2,999.99
Refund of Prior Year's Expenditures	0.00	0.00	60.32	60.32
Other	4,000.00	4,000.00	3,026.63	(973.37)
<b>Total Revenues</b>	<b>2,581,600.00</b>	<b>2,581,600.00</b>	<b>2,670,140.31</b>	<b>88,540.31</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	129,100.00	132,100.00	131,913.92	186.08
Contingency	150,000.00	150,000.00		
Amount Transferred		(60,100.00)		89,900.00
Elections	3,100.00	5,100.00	5,015.20	84.80
Judicial System	6,000.00	6,000.00	5,199.63	800.37
Financial Administration:				
Auditor	100,150.00	100,150.00	89,244.09	10,905.91
Treasurer	111,245.00	114,045.00	113,997.82	47.18
Legal Services:				
State's Attorney	99,020.00	99,020.00	93,663.53	5,356.47
Court Appointed Attorney	26,000.00	26,000.00	9,725.93	16,274.07
Abused and Neglected Child Defense	6,000.00	6,000.00	3,388.00	2,612.00
Catastrophic Legal Expense Relief Program	11,000.00	11,000.00	6,046.92	4,953.08
Other Administration:				
General Government Building	174,700.00	198,700.00	196,862.97	1,837.03
Director of Equalization	118,070.00	118,870.00	118,811.84	58.16

**SUPPLEMENTARY INFORMATION  
KINGSBURY COUNTY  
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
For the Year Ended December 31, 2015  
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Register of Deeds	83,515.00	89,215.00	89,111.39	103.61
Veterans Service Officer	17,775.00	17,775.00	17,023.15	751.85
Predatory Animal	6,500.00	7,300.00	7,246.89	53.11
Public Safety:				
Law Enforcement:				
Sheriff	414,835.00	414,835.00	405,245.82	9,589.18
County Jail	40,000.00	40,000.00	29,899.31	10,100.69
Coroner	1,000.00	1,100.00	1,010.88	89.12
Juvenile Detention	3,000.00	3,000.00	0.00	3,000.00
Protective and Emergency Services:				
Communication Center	13,500.00	13,500.00	5,853.38	7,646.62
Health and Welfare:				
Economic Assistance:				
Support of Poor	70,000.00	70,000.00	3,101.00	66,899.00
Public Welfare	1,100.00	1,400.00	1,282.16	117.84
Low Income Energy Assistance Program	6,325.00	6,825.00	6,691.20	133.80
Mental Health Services:				
Mentally Ill	2,200.00	2,200.00	1,440.00	760.00
Mental Health Centers	17,500.00	17,500.00	15,000.00	2,500.00
Mental Illness Board	5,000.00	5,000.00	3,462.59	1,537.41
Culture and Recreation:				
Recreation:				
Exhibition Building	18,970.00	18,970.00	16,416.81	2,553.19
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	39,320.00	44,320.00	44,053.88	266.12
Weed and Pest Control	37,360.00	37,360.00	22,952.72	14,407.28
Water Conservation:				
Drainage Commissions	1,000.00	5,000.00	4,815.34	184.66
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	9,360.00	9,360.00	255.00	9,105.00
Urban and Rural Development	28,550.00	31,550.00	31,159.75	390.25
Economic Development:				
Glacial Lakes Association	581.00	581.00	581.00	0.00
Total Expenditures	<u>1,751,776.00</u>	<u>1,743,676.00</u>	<u>1,480,472.12</u>	<u>263,203.88</u>
Excess of Revenues Over (Under) Expenditures	<u>829,824.00</u>	<u>837,924.00</u>	<u>1,189,668.19</u>	<u>351,744.19</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,009,125.00)	(1,009,125.00)	(940,000.00)	69,125.00
Insurance Proceeds	0.00	0.00	3,616.77	3,616.77
Sale of County Property	0.00	0.00	2,000.00	2,000.00
Total Other Financing Sources (Uses)	<u>(1,009,125.00)</u>	<u>(1,009,125.00)</u>	<u>(934,383.23)</u>	<u>74,741.77</u>
Net Change in Fund Balance	(179,301.00)	(171,201.00)	255,284.96	426,485.96
Fund Balance - Beginning	<u>1,023,748.99</u>	<u>1,023,748.99</u>	<u>1,023,748.99</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 844,447.99</u>	<u>\$ 852,547.99</u>	<u>\$ 1,279,033.95</u>	<u>\$ 426,485.96</u>

**SUPPLEMENTARY INFORMATION**  
**KINGSBURY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Revenues:</b>				
Taxes:				
Mobile Home Tax	\$ 3,000.00	\$ 3,000.00	\$ 3,418.68	\$ 418.68
Wheel Tax	170,000.00	170,000.00	170,786.40	786.40
Licenses and Permits	500.00	500.00	850.00	350.00
Intergovernmental Revenue:				
State Grants	0.00	0.00	170,283.62	170,283.62
State Shared Revenue:				
Motor Vehicle Licenses	803,000.00	803,000.00	981,027.61	178,027.61
Prorate License Fees	45,000.00	45,000.00	52,432.11	7,432.11
Motor Fuel Tax	5,000.00	5,000.00	5,656.50	656.50
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	15,000.00	15,000.00	34,722.19	19,722.19
Other	0.00	0.00	119.99	119.99
Miscellaneous Revenue:				
Investment Earnings	3,000.00	3,000.00	5,872.03	2,872.03
<b>Total Revenues</b>	<u>1,044,500.00</u>	<u>1,044,500.00</u>	<u>1,425,169.13</u>	<u>380,669.13</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,360,050.00	2,360,050.00	2,131,830.27	228,219.73
Intergovernmental Expenditures	46,000.00	46,000.00	42,750.95	3,249.05
Debt Service	50,000.00	50,000.00	49,793.38	206.62
<b>Total Expenditures</b>	<u>2,456,050.00</u>	<u>2,456,050.00</u>	<u>2,224,374.60</u>	<u>231,675.40</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,411,550.00)</u>	<u>(1,411,550.00)</u>	<u>(799,205.47)</u>	<u>612,344.53</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,009,125.00	1,009,125.00	900,000.00	(109,125.00)
Insurance Proceeds	0.00	0.00	58,174.25	58,174.25
Sale of County Property	0.00	0.00	58,614.16	58,614.16
<b>Total Other Financing Sources (Uses)</b>	<u>1,009,125.00</u>	<u>1,009,125.00</u>	<u>1,016,788.41</u>	<u>7,663.41</u>
Net Change in Fund Balance	(402,425.00)	(402,425.00)	217,582.94	620,007.94
Fund Balance - Beginning	1,510,984.22	1,510,984.22	1,510,984.22	0.00
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,108,559.22</u>	<u>\$ 1,108,559.22</u>	<u>\$ 1,728,567.16</u>	<u>\$ 620,007.94</u>

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

**South Dakota Retirement System**

\*Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.0606407%	0.0571191%	0.0568050%
County's proportionate share of net pension liability (asset)	\$ 204,838	\$ (242,258)	\$ (409,257)
County's covered-employee payroll	\$ 1,088,620	\$ 981,792	\$ 984,429
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	18.82%	-24.68%	-41.57%
Plan fiduciary net position as a percentage of the total pension liability (asset)	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.

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

**Changes of benefit terms:**

No significant changes.

**Changes of assumptions:**

No significant changes.

**SUPPLEMENTARY INFORMATION**  
**KINGSBURY COUNTY**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**For the Two Years Ended December 31, 2016**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2015</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2016</u>
<b>Governmental Long-Term Debt:</b>				
Financing (Capital Acquisition) Leases	\$ 230,005.62	\$ 193,852.53	\$ (124,965.85)	\$ 298,892.30

Note 1 - Long-Term Debt:

Debt payable at December 31, 2016 is comprised of the following:

Financing (Capital Acquisition) Leases:

Caterpillar 950M Wheel Loader Financing Capital Acquisition Lease, Issued January 4, 2016 having annual principal and interest payments of \$42,147.47 with a final maturity of January 15, 2021 and an interest rate of 2.85%. Debt is serviced by the Road and Bridge Fund. \$ 157,229.87

Caterpillar 140M Motor Grader Financing Capital Acquisition Lease, Issued December 17, 2014 having annual principal and interest payments of \$49,793.38 with a final maturity of January 1, 2020 and an interest rate of 2.70%. Debt is serviced by the Road and Bridge Fund. \$ 141,662.43