# PERKINS COUNTY

# AUDIT REPORT

## For the Two Years Ended December 31, 2015

PERKINS COUNTY
COUNTY OFFICIALS
December 31, 2015

Board of Commissioners:
Brad W. Besler
Wayne Henderson
Willard Ottman
Mike Schweitzer
Rusty Foster

Finance Officer:
Sylvia Chapman

State's Attorney:
Shane C. Penfield

Register of Deeds:
Heidi Stevens

Sheriff:
Kelly D. Serr

PERKINS COUNTY
TABLE OF CONTENTS


| | Page |
|---|---|
| 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* | 1 |
| Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With OMB Circular A-133 | 3 |
| Schedule of Prior Audit Findings | 5 |
| Schedule of Current Audit Findings and Questioned Costs | 5 |
| Independent Auditor's Report | 6 |
| *Basic Financial Statements* | |
| **Government-wide Financial Statements:** | |
| As of December 31, 2015: | |
| Statement of Net Position--Modified Cash Basis | 8 |
| For the Year Ended December 31, 2015: | |
| Statement of Activities--Modified Cash Basis | 9 |
| For the Year Ended December 31, 2014: | |
| Statement of Activities--Modified Cash Basis | 10 |
| **Fund Financial Statements:** | |
| Governmental Funds | |
| As of December 31, 2015: | |
| Balance Sheet--Modified Cash Basis | 11 |
| For the Year Ended December 31, 2015: | |
| Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis | 12 |
| For the Year Ended December 31, 2014: | |
| Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis | 16 |
| Fiduciary Funds | |
| As of December 31, 2015: | |
| Statement of Fiduciary Net Position--Modified Cash Basis | 20 |
| Notes to the Modified Cash Basis Financial Statements | 21 |

*Supplementary Information:*

For the Year Ended December 31, 2015:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund ..... 35
Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund ..... 37

For the Year Ended December 31, 2014:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund ..... 38
Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund ..... 40

Notes to the Supplementary Information – Budgetary Comparison Schedules ..... 41

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) ..... 42

Notes to the Supplementary Information – Pension Schedules ..... 43

Schedule of Expenditures of Federal Awards ..... 44

Schedule of Changes in Long-Term Debt ..... 45

STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

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

MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Commission
Perkins County
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 modified cash basis of accounting financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Perkins County, South Dakota (County), as of December 31, 2015, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 22, 2016.

## *Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## *Compliance and Other Matters*

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

### *Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Martin L. Guindon, CPA
Auditor General

September 22, 2016

STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

County Commission
Perkins County
Bison, South Dakota

## *Report on Compliance for Each Major Federal Program*

We have audited Perkins County, South Dakota (County), compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the biennial period ended December 31, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs.

## *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

## *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the County's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, Perkins County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the biennial period ended December 31, 2015.

### *Report on Internal Control Over Compliance*

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### *Purpose of this Report*

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purposes. As required by South Dakota Codified Law 4-11-11, this report and our report on compliance for each major federal program are matters of public record and their distribution is not limited.

Martin L. Guindon, CPA
Auditor General

September 22, 2016

PERKINS COUNTY
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

## SCHEDULE OF PRIOR AUDIT FINDINGS

**Prior Audit Findings:**

The prior audit report contained no written audit findings.

## SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

**Summary of the Independent Auditor's Results:**

***Financial Statements***

**a.** An unmodified opinion was issued on the financial statements of each opinion unit.

**b.** No material weaknesses or significant deficiencies were disclosed by our audit of the financial statements.

**c.** Our audit did not disclose any noncompliance which was material to the financial statements.

***Federal Awards***

**d.** An unmodified opinion was issued on compliance with the requirements applicable to major programs.

**e.** Our audit did not disclose any audit findings that need to be disclosed in accordance with the Office of Management and Budget Circular A-133, Section .510(a).

**f.** The federal award tested as a major program was:

Payments in Lieu of Taxes CFDA # 15.266

**g.** The dollar threshold used to distinguish between Type A and Type B federal award programs was $300,000.

**h.** Perkins County did not qualify as a low-risk auditee.

**Current Federal Audit Findings:**

There are no written current federal compliance audit findings to report.

**Current Other Audit Findings:**

There are no written current other audit findings to report.

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

County Commission
Perkins County
Bison, South Dakota

## *Report on the Financial Statements*

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Perkins County, South Dakota (County), as of December 31, 2015, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

## *Management's Responsibility for the Financial Statements*

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1.c.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

## *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of accounting of the governmental activities, each major fund, and the aggregate remaining fund information of Perkins County as of December 31, 2015, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

### *Basis of Accounting*

We draw attention to Note 1.c. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### *Other Matters*

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards, which as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* the Budgetary Comparison Schedules, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Changes in Long-Term Debt listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 22, 2016, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Martin L. Guindon, CPA
Auditor General

September 22, 2016

**PERKINS COUNTY**
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**
**December 31, 2015**

| | Primary Government | |
|---|---|---|
| | Governmental Activities | |
| **ASSETS:** | | |
| Cash and Cash Equivalents | $ | 1,644,116.50 |
| Investments | | 400,000.00 |
| TOTAL ASSETS | $ | 2,044,116.50 |
| **NET POSITION:** | | |
| Restricted For: (See Note 4) | | |
| Road and Bridge Purposes | $ | 172,698.07 |
| Other Purposes | | 246,555.76 |
| Unrestricted | | 1,624,862.67 |
| TOTAL NET POSITION | $ | 2,044,116.50 |

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

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

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities |
|---|---|---|---|---|
| **Primary Government:** | | | | |
| Governmental Activities: | | | | |
| General Government | $ 939,179.74 | $ 97,865.65 | $ 2,983.61 | $ (838,330.48) |
| Public Safety | 716,941.37 | 249,667.16 | 77,637.91 | (389,636.30) |
| Public Works | 2,076,892.28 | 69,841.39 | 1,066,163.74 | (940,887.15) |
| Health and Welfare | 124,368.39 | 58,345.70 | | (66,022.69) |
| Culture and Recreation | 109,600.37 | 67,616.47 | | (41,983.90) |
| Conservation of Natural Resources | 111,284.02 | 20,706.26 | 5,900.00 | (84,677.76) |
| Urban and Economic Development | 46,550.00 | | | (46,550.00) |
| Payments to Local Education Agencies | 182,270.50 | | 182,270.50 | 0.00 |
| *Interest on Long-Term Debt | 6,032.86 | | | (6,032.86) |
| Total Primary Government | $ 4,313,119.53 | $ 564,042.63 | $ 1,334,955.76 | (2,414,121.14) |

| | |
|---|---|
| **General Revenues:** | |
| Taxes: | |
| Property Taxes | 1,699,137.23 |
| Wheel Tax | 50,573.72 |
| State Shared Revenues | 21,990.42 |
| Grants and Contributions not Restricted to Specific Programs | 182,963.10 |
| Unrestricted Investment Earnings | 5,075.96 |
| Miscellaneous Revenue | 12,220.30 |
| Total General Revenues | 1,971,960.73 |
| Change in Net Position | (442,160.41) |
| Net Position - Beginning | 2,486,276.91 |
| NET POSITION - ENDING | $ 2,044,116.50 |

* 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.

**PERKINS COUNTY**
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**
**For the Year Ended December 31, 2014**

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities |
|---|---|---|---|---|
| **Primary Government:** | | | | |
| Governmental Activities: | | | | |
| General Government | $ 799,788.46 | $ 95,224.17 | $ 577.44 | $ (703,986.85) |
| Public Safety | 660,203.74 | 219,955.97 | 73,054.83 | (367,192.94) |
| Public Works | 2,098,730.17 | 61,094.45 | 1,353,754.71 | (683,881.01) |
| Health and Welfare | 102,229.79 | 46,964.00 | | (55,265.79) |
| Culture and Recreation | 100,477.44 | 64,613.34 | | (35,864.10) |
| Conservation of Natural Resources | 103,938.33 | 15,421.42 | | (88,516.91) |
| Urban and Economic Development | 66,201.81 | | | (66,201.81) |
| Payments to Local Education Agencies | 184,407.00 | | 184,407.00 | 0.00 |
| *Interest on Long-Term Debt | 7,385.25 | | | (7,385.25) |
| Total Primary Government | $ 4,123,361.99 | $ 503,273.35 | $ 1,611,793.98 | (2,008,294.66) |
| **General Revenues:** | | | | |
| Taxes: | | | | |
| Property Taxes | | | | 1,675,723.84 |
| Wheel Tax | | | | 50,904.39 |
| State Shared Revenues | | | | 17,523.15 |
| Grants and Contributions not Restricted to Specific Programs | | | | 184,630.25 |
| Unrestricted Investment Earnings | | | | 4,293.28 |
| Miscellaneous Revenue | | | | 29,760.92 |
| Total General Revenues | | | | 1,962,835.83 |
| Change in Net Position | | | | (45,458.83) |
| Net Position - Beginning | | | | 2,531,735.74 |
| NET POSITION - ENDING | | | | $ 2,486,276.91 |

* 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.

**PERKINS COUNTY**
**BALANCE SHEET - MODIFIED CASH BASIS**
**GOVERNMENTAL FUNDS**
**December 31, 2015**

| | General Fund | Road and Bridge Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **ASSETS:** | | | | |
| Cash and Cash Equivalents | $ 872,315.65 | $ 525,245.09 | $ 246,555.76 | $ 1,644,116.50 |
| Investments | 200,000.00 | 200,000.00 | | 400,000.00 |
| TOTAL ASSETS | $ 1,072,315.65 | $ 725,245.09 | $ 246,555.76 | $ 2,044,116.50 |
| **FUND BALANCES:** (See Note 1.j.) | | | | |
| Restricted | $ | $ 172,698.07 | $ 246,555.76 | $ 419,253.83 |
| Assigned | 814,752.00 | 552,547.02 | | 1,367,299.02 |
| Unassigned | 257,563.65 | | | 257,563.65 |
| TOTAL FUND BALANCES | $ 1,072,315.65 | $ 725,245.09 | $ 246,555.76 | $ 2,044,116.50 |

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

**PERKINS 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 |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Taxes: | | | | |
| General Property Taxes--Current | $ 1,572,641.63 | $ 108,488.51 | $ | $ 1,681,130.14 |
| General Property Taxes--Delinquent | 9,267.97 | 1,123.08 | | 10,391.05 |
| Penalties and Interest | 5,083.11 | 463.58 | | 5,546.69 |
| Telephone Tax (Outside) | 28.08 | | | 28.08 |
| Mobile Home Tax | 895.00 | 50.37 | | 945.37 |
| Wheel Tax | | 50,573.72 | | 50,573.72 |
| Tax Deed Revenue | 1,036.83 | 59.07 | | 1,095.90 |
| Licenses and Permits | 4,583.50 | 125.00 | 630.00 | 5,338.50 |
| Intergovernmental Revenue: | | | | |
| Federal Grants | 224.98 | | 33,214.35 | 33,439.33 |
| Federal Shared Revenue | | 14,478.00 | | 14,478.00 |
| Federal Payments in Lieu of Taxes | 182,270.50 | 182,270.50 | | 364,541.00 |
| State Grants | 5,900.00 | | | 5,900.00 |
| State Shared Revenue: | | | | |
| Bank Franchise | 20,432.23 | 1,241.06 | | 21,673.29 |
| Motor Vehicle Licenses | | 896,130.78 | | 896,130.78 |
| Liquor Tax Reversion | 317.13 | | | 317.13 |
| State Highway Fund (former 10% game) | | 3,607.38 | | 3,607.38 |
| Prorate/Port of Entry Fees | | 50,438.49 | | 50,438.49 |
| Abused and Neglected Child Defense | 1,393.35 | | | 1,393.35 |
| 63 3/4% Mobile Home | | 18,011.66 | | 18,011.66 |
| Secondary Road Motor Vehicle Remittances | | 62,678.29 | | 62,678.29 |
| Telecommunications Gross Receipts Tax | 15,383.43 | | | 15,383.43 |
| Motor Vehicle 1/4% | 1,590.26 | | | 1,590.26 |
| Motor Fuel Tax | | 5,435.71 | | 5,435.71 |
| 911 Remittances | | | 44,198.58 | 44,198.58 |

| | | | | |
|---|---|---|---|---|
| Other Payments in Lieu of Taxes | 692.60 | | | 692.60 |
| Charges for Goods and Services: | | | | |
| General Government: | | | | |
| Treasurer's Fees | 7,303.75 | | | 7,303.75 |
| Register of Deeds' Fees | 61,019.25 | | 7,462.30 | 68,481.55 |
| Driver's License Exam | 1,430.00 | | | 1,430.00 |
| Legal Services | 11,375.71 | | | 11,375.71 |
| Clerk of Courts Fees | 3,662.75 | | 175.00 | 3,837.75 |
| Other Fees | 1,144.39 | | | 1,144.39 |
| Public Safety: | | | | |
| Law Enforcement | 245,208.18 | | | 245,208.18 |
| Sobriety Testing | | | 1,540.11 | 1,540.11 |
| Public Works: | | | | |
| Road Maintenance Contract Charges | | 69,716.39 | | 69,716.39 |
| Health and Welfare: | | | | |
| Economic Assistance: | | | | |
| Poor Lien Recoveries | 3,504.26 | | | 3,504.26 |
| Veterans Service Officer | 1,875.00 | | | 1,875.00 |
| Health Assistance: | | | | |
| Ambulance | | | 48,329.21 | 48,329.21 |
| Women, Infants and Children | 4,637.23 | | | 4,637.23 |
| Culture and Recreation | | | 67,616.47 | 67,616.47 |
| Conservation of Natural Resources | 20,706.26 | | | 20,706.26 |
| Fines and Forfeits: | | | | |
| Costs | 1,972.87 | | 25.00 | 1,997.87 |
| Miscellaneous Revenue: | | | | |
| Investment Earnings | 3,196.52 | 1,661.65 | 217.79 | 5,075.96 |
| Other | 7,256.10 | 2,749.20 | | 10,005.30 |
| Total Revenues | 2,196,032.87 | 1,469,302.44 | 203,408.81 | 3,868,744.12 |
| | | | | |
| **Expenditures:** | | | | |
| General Government: | | | | |
| Legislative: | | | | |
| Board of County Commissioners | 63,438.01 | | | 63,438.01 |
| Elections | 3,072.67 | | | 3,072.67 |
| Judicial System | 35,983.50 | | | 35,983.50 |
| Financial Administration: | | | | |
| Auditor | 189,136.73 | | | 189,136.73 |

**PERKINS 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 |
|---|---|---|---|---|
| Legal Services: | | | | |
| State's Attorney | 129,641.97 | | | 129,641.97 |
| Other Administration: | | | | |
| General Government Building | 192,763.49 | | | 192,763.49 |
| Director of Equalization | 188,077.90 | | | 188,077.90 |
| Register of Deeds | 90,075.95 | | 7,026.81 | 97,102.76 |
| Veterans Service Officer | 8,394.00 | | | 8,394.00 |
| Predatory Animal | 10,099.71 | | | 10,099.71 |
| Geographic Information System | 21,469.00 | | | 21,469.00 |
| Public Safety: | | | | |
| Law Enforcement: | | | | |
| Sheriff | 539,024.18 | | | 539,024.18 |
| County Jail | 32,584.93 | | 444.96 | 33,029.89 |
| Coroner | 2,820.15 | | | 2,820.15 |
| Protective and Emergency Services: | | | | |
| Fire Protection | 69,085.00 | | | 69,085.00 |
| Emergency and Disaster Services | 1,128.76 | | 33,214.35 | 34,343.11 |
| Communication Center | | | 38,639.04 | 38,639.04 |
| Public Works: | | | | |
| Highways and Bridges: | | | | |
| Highways, Roads and Bridges | | 1,644,872.61 | | 1,644,872.61 |
| Health and Welfare: | | | | |
| Economic Assistance: | | | | |
| Public Welfare | 63.16 | | | 63.16 |
| Health Assistance: | | | | |
| County Nurse | 40,640.22 | | | 40,640.22 |
| Ambulance | 22,924.80 | | 19,747.18 | 42,671.98 |
| Women, Infants and Children | 7,150.40 | | | 7,150.40 |

| | | | | |
|---|---|---|---|---|
| Social Services: | | | | |
| Care of Aged | 20,000.00 | | | 20,000.00 |
| Domestic Abuse | | | 830.24 | 830.24 |
| Mental Health Services: | | | | |
| Mentally Ill | 13,012.39 | | | 13,012.39 |
| Culture and Recreation: | | | | |
| Recreation: | | | | |
| County Fair | 23,500.00 | | 72,100.37 | 95,600.37 |
| Senior Center | 6,000.00 | | | 6,000.00 |
| Public Transportation | 8,000.00 | | | 8,000.00 |
| Conservation of Natural Resources: | | | | |
| Soil Conservation: | | | | |
| County Extension | 22,753.63 | | | 22,753.63 |
| Soil Conservation Districts | 23,850.00 | | | 23,850.00 |
| Weed and Pest Control | 64,680.39 | | | 64,680.39 |
| Urban and Economic Development: | | | | |
| Urban Development: | | | | |
| Urban and Rural Development | 46,550.00 | | | 46,550.00 |
| Debt Service | | 438,052.53 | | 438,052.53 |
| Payments to Local Education Agencies | 182,270.50 | | | 182,270.50 |
| Total Expenditures | 2,058,191.44 | 2,082,925.14 | 172,002.95 | 4,313,119.53 |
| Excess of Revenues Over (Under) Expenditures | 137,841.43 | (613,622.70) | 31,405.86 | (444,375.41) |
| **Other Financing Sources (Uses):** | | | | |
| Transfers In | | 550,000.00 | | 550,000.00 |
| Transfers Out | (550,000.00) | | | (550,000.00) |
| Sale of County Property | | 2,215.00 | | 2,215.00 |
| Total Other Financing Sources (Uses) | (550,000.00) | 552,215.00 | 0.00 | 2,215.00 |
| Net Change in Fund Balance | (412,158.57) | (61,407.70) | 31,405.86 | (442,160.41) |
| Fund Balance - Beginning | 1,484,474.22 | 786,652.79 | 215,149.90 | 2,486,276.91 |
| FUND BALANCE - ENDING | $ 1,072,315.65 | $ 725,245.09 | $ 246,555.76 | $ 2,044,116.50 |

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

**PERKINS COUNTY**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**
**GOVERNMENTAL FUNDS**
**For the Year Ended December 31, 2014**

| | General Fund | Road and Bridge Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Taxes: | | | | |
| General Property Taxes--Current | $ 1,549,315.40 | $ 107,022.59 | $ | $ 1,656,337.99 |
| General Property Taxes--Delinquent | 12,203.07 | 439.32 | | 12,642.39 |
| Penalties and Interest | 5,719.87 | 396.17 | | 6,116.04 |
| Telephone Tax (Outside) | 0.64 | | | 0.64 |
| Wheel Tax | | 50,904.39 | | 50,904.39 |
| Tax Deed Revenue | 576.96 | 49.82 | | 626.78 |
| Licenses and Permits | 4,291.50 | | | 4,291.50 |
| Intergovernmental Revenue: | | | | |
| Federal Grants | | 199,791.39 | 28,118.00 | 227,909.39 |
| Federal Shared Revenue | | 242.39 | | 242.39 |
| Federal Payments in Lieu of Taxes | 184,407.00 | 184,407.00 | | 368,814.00 |
| State Grants | | 127,880.00 | | 127,880.00 |
| State Shared Revenue: | | | | |
| Bank Franchise | 16,517.72 | 1,005.43 | | 17,523.15 |
| Motor Vehicle Licenses | | 871,510.62 | | 871,510.62 |
| State Highway Fund (former 10% game) | | 3,607.38 | | 3,607.38 |
| Prorate/Port of Entry Fees | | 50,473.58 | | 50,473.58 |
| Abused and Neglected Child Defense | 577.44 | | | 577.44 |
| 63 3/4% Mobile Home | | 19,109.78 | | 19,109.78 |
| Secondary Road Motor Vehicle Remittances | | 59,521.48 | | 59,521.48 |
| Telecommunications Gross Receipts Tax | 16,165.85 | | | 16,165.85 |
| Motor Fuel Tax | | 5,452.24 | | 5,452.24 |
| 911 Remittances | | | 44,936.83 | 44,936.83 |
| Other Payments in Lieu of Taxes | 223.25 | | | 223.25 |

| | | | | |
|---|---|---|---|---|
| Charges for Goods and Services: | | | | |
| General Government: | | | | |
| Treasurer's Fees | 8,945.43 | | | 8,945.43 |
| Register of Deeds' Fees | 56,240.00 | | 7,916.86 | 64,156.86 |
| Driver's License Exam | 1,170.00 | | | 1,170.00 |
| Legal Services | 12,052.09 | | | 12,052.09 |
| Clerk of Courts Fees | 2,831.15 | | 200.00 | 3,031.15 |
| Other Fees | 2,716.14 | | | 2,716.14 |
| Public Safety: | | | | |
| Law Enforcement | 216,556.72 | | | 216,556.72 |
| Sobriety Testing | | | 1,376.00 | 1,376.00 |
| Public Works: | | | | |
| Road Maintenance Contract Charges | | 61,094.45 | | 61,094.45 |
| Health and Welfare: | | | | |
| Economic Assistance: | | | | |
| Poor Lien Recoveries | 1,563.02 | | | 1,563.02 |
| Veterans Service Officer | 1,875.00 | | | 1,875.00 |
| Health Assistance: | | | | |
| Ambulance | | | 37,624.45 | 37,624.45 |
| Women, Infants and Children | 5,901.53 | | | 5,901.53 |
| Culture and Recreation | | | 64,613.34 | 64,613.34 |
| Conservation of Natural Resources | 15,421.42 | | | 15,421.42 |
| Fines and Forfeits: | | | | |
| Fines | 884.25 | | | 884.25 |
| Miscellaneous Revenue: | | | | |
| Investment Earnings | 2,477.76 | 1,669.26 | 146.26 | 4,293.28 |
| Other | 6,484.79 | 802.68 | | 7,287.47 |
| Total Revenues | 2,125,118.00 | 1,745,379.97 | 184,931.74 | 4,055,429.71 |
| **Expenditures:** | | | | |
| General Government: | | | | |
| Legislative: | | | | |
| Board of County Commissioners | 73,954.01 | | | 73,954.01 |
| Elections | 20,605.39 | | | 20,605.39 |
| Judicial System | 33,071.80 | | | 33,071.80 |
| Financial Administration: | | | | |
| Auditor | 181,944.36 | | | 181,944.36 |

**PERKINS COUNTY**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**
**GOVERNMENTAL FUNDS**
**For the Year Ended December 31, 2014**
**(Continued)**

| | General Fund | Road and Bridge Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| Legal Services: | | | | |
| State's Attorney | 104,965.24 | | | 104,965.24 |
| Other Administration: | | | | |
| General Government Building | 93,778.58 | | | 93,778.58 |
| Director of Equalization | 163,672.31 | | | 163,672.31 |
| Register of Deeds | 108,197.28 | | | 108,197.28 |
| Veterans Service Officer | 7,510.71 | | | 7,510.71 |
| Predatory Animal | 12,088.78 | | | 12,088.78 |
| Public Safety: | | | | |
| Law Enforcement: | | | | |
| Sheriff | 472,832.47 | | | 472,832.47 |
| County Jail | 43,660.20 | | 520.60 | 44,180.80 |
| Coroner | 9,321.99 | | | 9,321.99 |
| Protective and Emergency Services: | | | | |
| Fire Protection | 74,409.59 | | | 74,409.59 |
| Emergency and Disaster Services | 1,410.61 | | 28,118.00 | 29,528.61 |
| Communication Center | | | 29,930.28 | 29,930.28 |
| Public Works: | | | | |
| Highways and Bridges: | | | | |
| Highways, Roads and Bridges | | 2,068,062.89 | | 2,068,062.89 |
| Health and Welfare: | | | | |
| Economic Assistance: | | | | |
| Support of Poor | 2,470.00 | | | 2,470.00 |
| Public Welfare | 33.37 | | | 33.37 |
| Health Assistance: | | | | |
| County Nurse | 37,247.96 | | | 37,247.96 |

| | | | | |
|---|---|---|---|---|
| Ambulance | 20,698.79 | | 21,980.42 | 42,679.21 |
| Women, Infants and Children | 8,765.71 | | | 8,765.71 |
| Social Services: | | | | |
| Domestic Abuse | | | 770.22 | 770.22 |
| Mental Health Services: | | | | |
| Mentally Ill | 10,263.32 | | | 10,263.32 |
| Culture and Recreation: | | | | |
| Recreation: | | | | |
| County Fair | 23,500.00 | | 62,977.44 | 86,477.44 |
| Senior Center | 6,000.00 | | | 6,000.00 |
| Public Transportation | 8,000.00 | | | 8,000.00 |
| Conservation of Natural Resources: | | | | |
| Soil Conservation: | | | | |
| County Extension | 33,228.22 | | | 33,228.22 |
| Soil Conservation Districts | 23,850.00 | | | 23,850.00 |
| Weed and Pest Control | 46,860.11 | | | 46,860.11 |
| Urban and Economic Development: | | | | |
| Urban Development: | | | | |
| Planning and Zoning | 9,651.81 | | | 9,651.81 |
| Urban and Rural Development | 56,550.00 | | | 56,550.00 |
| Debt Service | | 38,052.53 | | 38,052.53 |
| Payments to Local Education Agencies | 184,407.00 | | | 184,407.00 |
| Total Expenditures | 1,872,949.61 | 2,106,115.42 | 144,296.96 | 4,123,361.99 |
| Excess of Revenues Over (Under) Expenditures | 252,168.39 | (360,735.45) | 40,634.78 | (67,932.28) |
| **Other Financing Sources (Uses):** | | | | |
| Sale of County Property | 2,218.05 | 20,255.40 | | 22,473.45 |
| Net Change in Fund Balance | 254,386.44 | (340,480.05) | 40,634.78 | (45,458.83) |
| Fund Balance - Beginning | 1,230,087.78 | 1,127,132.84 | 174,515.12 | 2,531,735.74 |
| FUND BALANCE - ENDING | $ 1,484,474.22 | $ 786,652.79 | $ 215,149.90 | $ 2,486,276.91 |

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

**PERKINS COUNTY**
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**
**FIDUCIARY FUNDS**
**December 31, 2015**

| | Agency Funds |
|---|---|
| **ASSETS:** | |
| Cash and Cash Equivalents | $ 200,788.20 |
| TOTAL ASSETS | $ 200,788.20 |
| **NET POSITION:** | |
| Net Position Held in Agency Capacity | $ 200,788.20 |
| TOTAL NET POSITION | $ 200,788.20 |

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

## 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 Perkins 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 under the authority of South Dakota Codified Law 11-7-7. This commission has not been active and there is no financial information to report.

The County participates in a cooperative unit, the North Central Regional E-911 Center. See detailed note entitled "Joint Ventures" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit, but are discussed in these notes because of the nature of their relationship with the County.

### b. Basis of Presentation:

*Government-wide Financial Statements:*

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

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

*Fund Financial Statements:*

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

category. A fund is considered major if it is the primary operating fund of the County or it meets the following criteria:

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

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

**Governmental Funds:**

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

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

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

The remaining special revenue funds are not considered major funds: 911 Service, Emergency Management, Domestic Abuse, Bison Ambulance, Perkins County Fair, 24/7 Sobriety, and Modernization and Preservation Relief. These funds are reported on the fund financial statements as "Other Governmental Funds."

**Fiduciary Funds:**

Fiduciary funds consist of the following sub-category and are never considered to be major funds:

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

c. Measurement Focus and Basis of Accounting:

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

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

*Measurement Focus:*

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

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

*Basis of Accounting:*

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

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

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

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

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

d. <u>Deposits and Investments</u>:

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

Investments classified in the financial statements consist entirely of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of

investment authorized by South Dakota Codified Law (SDCL) 4-5-6. Under the modified cash basis of accounting, investments are carried at cost.

e. Capital Assets:

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. *Infrastructure assets* are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The County has not elected to modify their cash basis presentation by recording capital assets arising from cash transactions and depreciating those assets where appropriate so any capital assets owned by the County and the related depreciation are not reported on the financial statements of the County.

f. Long-Term Liabilities:

Long-term liabilities include, but are not limited to, General Obligation Bonds, Revenue Bonds, Certificates of Participation, Financing (Capital Acquisition) Leases, and Compensated Absences.

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The County has not elected to modify their cash basis presentation by recording long-term debt arising from cash transactions so any outstanding indebtedness is not reported on the financial statements of the County. The County does report the principal and interest payments on long-term debt as Debt Service expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances. On the Statement of Activities, the principal portion of the Debt Service payments are reported within the appropriate expense function while the interest portion is reported as Interest on Long-Term Debt.

The County has presented as Supplementary Information a Schedule of Changes in Long-Term Debt along with related notes that include details of any outstanding Long-Term Debt.

g. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the County's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

h. Equity Classifications:

*Government-wide Financial Statements:*

Equity is classified as Net Position and is displayed in two components:

1. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

2. Unrestricted Net Position – All other net position that do not meet the definition of Restricted Net Position.

*Fund Financial Statements:*

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned", and "Unassigned" components. Agency Funds have no fund equity. The Net Position is reported as Net Position Held in Agency Capacity.

i. Application of Net Position:

It is the County's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

j. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the County classifies governmental fund balances as follows:

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the County Commissioners.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

The Government *does not* have a formal minimum fund balance policy.

The purpose of each major special revenue fund and revenue source is listed below:

| **Major Special Revenue Fund** | **Revenue Source** |
| --- | --- |
| Road and Bridge Fund | Motor Vehicle Licenses, Property Taxes, and Wheel Tax |

A schedule of fund balances is provided as follows:

**PERKINS COUNTY**
**DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**DECEMBER 31, 2015**

| | General Fund | Road and Bridge Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Fund Balances:** | | | | |
| Restricted For: | | | | |
| Secondary Road Purposes | $ | $ 172,698.07 | $ | $ 172,698.07 |
| 911 Service Purposes | | | 88,796.64 | 88,796.64 |
| Domestic Abuse Purposes | | | 55.29 | 55.29 |
| County Fair Purposes | | | 25,106.99 | 25,106.99 |
| County Ambulance Purposes | | | 111,669.82 | 111,669.82 |
| 24/7 Sobriety Purposes | | | 4,015.58 | 4,015.58 |
| Modernization and Preservation Relief Purposes | | | 16,911.44 | 16,911.44 |
| Assigned To: | | | | |
| Applied to Next Year's Budget | 464,752.00 | | | 464,752.00 |
| Capital Outlay Accumulations | 350,000.00 | | | 350,000.00 |
| Road and Bridge Purposes | | 552,547.02 | | 552,547.02 |
| Unassigned | 257,563.65 | | | 257,563.65 |
| Total Fund Balances | $ 1,072,315.65 | $ 725,245.09 | $ 246,555.76 | $ 2,044,116.50 |

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

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

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

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

**Credit Risk** – State law limits eligible investments for the County, as discussed above. The County's investment policy does not further limit its investment choices.

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

**Interest Rate Risk** – The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The restriction is that certificates of deposit maturities must not exceed 18 months.

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

## 3. PROPERTY TAXES

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

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

4. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2015 was as follows:

| | | |
|---|---|---|
| **Major Purposes:** | | |
| Secondary Road Purposes | $ 172,698.07 | |
| **Other Purposes:** | | |
| 911 Service Purposes | 88,796.64 | |
| Domestic Abuse Purposes | 55.29 | |
| County Fair Purposes | 25,106.99 | |
| County Ambulance Purposes | 111,669.82 | |
| 24/7 Sobriety Purposes | 4,015.58 | |
| Modernization and Preservation Relief Purposes | 16,911.44 | |
| Total Other Purposes | 246,555.76 | |
| **Total Restricted Net Position** | | **$ 419,253.83** |

These balances are restricted due to federal grant and statutory requirements.

5. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2015 were as follows:

| | **Transfers To:** |
|---|---|
| **Transfers From:** | Road and Bridge Fund |
| Major Funds: | |
| General Fund | $ 550,000.00 |

There were no interfund transfers for the year ended December 31, 2014. The County typically budgets transfers to the Road and Bridge Fund to conduct the indispensable functions of the County.

6. RETIREMENT PLAN

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

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

The annual increase in the amount of the SDRS benefits payable on each July 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, 6.0% 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 fiscal years ended December 31, 2015, 2014, and 2013 were $60,713.62, $60,639.85, and $53,075.50, respectively, equal to the required contributions each year.

**Pension Liabilities (Assets):**
At June 30, 2015, SDRS is 104.1% funded and accordingly has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the County as of June 30, 2015 are as follows:

| | |
|---|---|
| Proportionate share of net position restricted for pension benefits | $ 5,952,116.60 |
| Less proportionate share of total pension liability | 5,717,861.06 |
| Proportionate share of net pension liability (asset) | $ (234,255.54) |

The net pension liability (asset) was measured as of June 30, 2015 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, 2015, the County's proportion was .0552322%, which is a decrease of .0009007% from its proportion measured as of June 30, 2014.

**Actuarial Assumptions:**
The total pension liability (asset) in the June 30, 2015 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 2016 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, 2015 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, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Global Equity | 61.0% | 4.5% |
| Fixed Income | 27.0% | 1.8% |
| Real Estate | 10.0% | 5.2% |
| Cash | 2.0% | 0.0% |
| Total | 100% | |

**Discount Rate:**
The discount rate used to measure the total pension liability (asset) was 7.25 percent through 2016 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 2016 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:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|---|---|---|
| County's proportionate share of the net pension liability (asset) | $ 589,618.58 | $ (234,255.54) | $ (906,053.93) |

**Pension Plan Fiduciary Net Position:**
Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

7. JOINT VENTURES

The County participates in a joint venture, known as the North Central Regional E-911 Center, formed for the purpose of providing 911 services to the participating Counties.

| Original Members | Contracting Members |
|---|---|
| Corson County | Campbell County |
| Edmunds County | McPherson County |
| Perkins County | Sioux County, North Dakota |
| Walworth County | Harding County |
| | Potter County |

The joint powers agreement is formulated in accordance with SDCL 34-45. The governing board consists of two members from each governmental entity entering the joint agreement. The War Hawk Civil Defense Coordinator, as well as a responder from Standing Rock Emergency Services are permanent nonvoting board members.

The operations and activities of the center are financed by the telephone surcharge, less the state coordinator fee per phone of the participating government entity. Original members were required to remit 47 cents of the 75 cent surcharge. Contracting members were required to remit 75 cents for the first two years and 65 cents thereafter. As of July 1, 2012, the surcharge changed to $1.25 per line. The surcharge collected by the phone companies are directly remitted to the State of South Dakota. Of the surcharge that the County receives back from the State of South Dakota they are currently still remitting 47 cents to the North Central Regional E-911 Center.

The County retains no equity interest in the Net Position of the joint venture, but does have a responsibility to fund its proportionate share of deficits of the joint venture. The County's proportionate share varies based upon its cumulative contributions.

Separate financial statements for this joint venture are available from the City of Mobridge.

At December 31, 2015, this joint venture had total assets of $535,406.34, total liabilities of $424.09, and total Net Position of $534,982.25.

8. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2015, the County was not involved in any litigation.

## 9. SUBSEQUENT EVENTS

On June 29, 2016, the County entered into an Energy Efficient School Loan Agreement through the Governor's Office of Economic Development to fund heating, ventilation and air conditioning improvements to the courthouse. The initial loan balance was $440,148 with a zero percent interest rate. Repayment is to be made in ten equal annual payments not to exceed $44,120 commencing July 31, 2017 and the final payment due July 31, 2026.

In June of 2016, the County entered into an agreement with the South Dakota Department of Transportation (DOT) to resurface the Bixby Road. Project costs are estimated at $4.295 million. Perkins County will be responsible for approximately $2.674 million of the project. They will receive a State Infrastructure Bank (SIB) Loan which will be repaid over the next 10 years by their annual allocation of the Statewide Transportation Improvement Program (STIP) money.

## 10. 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, 2015, the County managed its risks as follows:

Employee Health Insurance:

The County joined the South Dakota Public Entity Fund. This is a public risk pool currently operating as a common risk management and insurance program for South Dakota local governmental entities. The County pays a monthly premium to the pool to provide health insurance for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. The coverage includes an unlimited lifetime maximum. Settled claims resulting from these risks have not exceeded the liability coverage for the past three years.

Liability Insurance:

The County 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 resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation:

The County joined the South Dakota Municipal League Worker's Compensation Fund (Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The County's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The County pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of $2,000,000 per incident.

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

Unemployment Benefits:

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

During the year two years ended December 31, 2015, one claim was filed for unemployment benefits. This claim resulted in the payment of benefits in the amount of $317.35. At December 31, 2015, no claims had been filed and were outstanding. It is not anticipated that any additional claims for unemployment benefits will be filed in the next year.

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

| | Budgeted Amounts | | | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Positive (Negative) |
| **Revenues:** | | | | |
| Taxes: | | | | |
| General Property Taxes--Current | $ 1,585,716.00 | $ 1,585,716.00 | $ 1,572,641.63 | $ (13,074.37) |
| General Property Taxes--Delinquent | 30,000.00 | 30,000.00 | 9,267.97 | (20,732.03) |
| Penalties and Interest | 6,000.00 | 6,000.00 | 5,083.11 | (916.89) |
| Telephone Tax (Outside) | 1.00 | 1.00 | 28.08 | 27.08 |
| Mobile Home Tax | 1,000.00 | 1,000.00 | 895.00 | (105.00) |
| Tax Deed Revenue | 2,000.00 | 2,000.00 | 1,036.83 | (963.17) |
| Other Taxes | 1,200.00 | 1,200.00 | 0.00 | (1,200.00) |
| Licenses and Permits | 4,400.00 | 4,400.00 | 4,583.50 | 183.50 |
| Intergovernmental Revenue: | | | | |
| Federal Grants | 0.00 | 0.00 | 224.98 | 224.98 |
| Federal Payments in Lieu of Taxes | 185,000.00 | 185,000.00 | 182,270.50 | (2,729.50) |
| State Grants | 3,000.00 | 3,000.00 | 5,900.00 | 2,900.00 |
| State Shared Revenue: | | | | |
| Bank Franchise | 20,000.00 | 20,000.00 | 20,432.23 | 432.23 |
| Liquor Tax Reversion | 0.00 | 0.00 | 317.13 | 317.13 |
| Abused and Neglected Child Defense | 1,200.00 | 1,200.00 | 1,393.35 | 193.35 |
| Telecommunications Gross Receipts Tax | 20,000.00 | 20,000.00 | 15,383.43 | (4,616.57) |
| Motor Vehicle 1/4% | 0.00 | 0.00 | 1,590.26 | 1,590.26 |
| Other Payments in Lieu of Taxes | 0.00 | 0.00 | 692.60 | 692.60 |
| Charges for Goods and Services: | | | | |
| General Government: | | | | |
| Treasurer's Fees | 9,690.00 | 9,690.00 | 7,303.75 | (2,386.25) |
| Register of Deeds' Fees | 46,750.00 | 46,750.00 | 61,019.25 | 14,269.25 |
| Driver's License Exam | 1,250.00 | 1,250.00 | 1,430.00 | 180.00 |
| Legal Services | 15,400.00 | 15,400.00 | 11,375.71 | (4,024.29) |
| Clerk of Courts Fees | 3,750.00 | 3,750.00 | 3,662.75 | (87.25) |
| Other Fees | 1,500.00 | 1,500.00 | 1,144.39 | (355.61) |
| Public Safety: | | | | |
| Law Enforcement | 230,400.00 | 230,400.00 | 245,208.18 | 14,808.18 |
| Prisoner Care | 1,000.00 | 1,000.00 | 0.00 | (1,000.00) |
| Health and Welfare: | | | | |
| Economic Assistance: | | | | |
| Poor Lien Recoveries | 1,000.00 | 1,000.00 | 3,504.26 | 2,504.26 |
| Veterans Service Officer | 1,875.00 | 1,875.00 | 1,875.00 | 0.00 |
| Health Assistance: | | | | |
| Women, Infants and Children | 6,000.00 | 6,000.00 | 4,637.23 | (1,362.77) |
| Social Services | 10.00 | 10.00 | 0.00 | (10.00) |
| Conservation of Natural Resources | 20,520.00 | 20,520.00 | 20,706.26 | 186.26 |
| Fines and Forfeits: | | | | |
| Fines | 150.00 | 150.00 | 0.00 | (150.00) |
| Costs | 3,350.00 | 3,350.00 | 1,972.87 | (1,377.13) |
| Miscellaneous Revenue: | | | | |
| Investment Earnings | 3,000.00 | 3,000.00 | 3,196.52 | 196.52 |
| Other | 9,000.00 | 9,000.00 | 7,256.10 | (1,743.90) |
| Total Revenues | 2,214,162.00 | 2,214,162.00 | 2,196,032.87 | (18,129.13) |
| **Expenditures:** | | | | |
| General Government: | | | | |
| Legislative: | | | | |
| Board of County Commissioners | 70,655.00 | 70,655.00 | 63,438.01 | 7,216.99 |
| Contingency | 85,000.00 | 85,000.00 | | |
| Amount Transferred | | (25,500.00) | | 59,500.00 |
| Elections | 2,675.00 | 3,075.00 | 3,072.67 | 2.33 |
| Judicial System | 38,400.00 | 38,400.00 | 35,983.50 | 2,416.50 |
| Financial Administration: | | | | |
| Auditor | 192,450.00 | 192,450.00 | 189,136.73 | 3,313.27 |
| Legal Services: | | | | |
| State's Attorney | 127,360.00 | 129,660.00 | 129,641.97 | 18.03 |
| Other Administration: | | | | |
| General Government Building | 97,855.00 | 207,855.00 | 192,763.49 | 15,091.51 |
| Director of Equalization | 193,550.00 | 193,550.00 | 188,077.90 | 5,472.10 |
| Register of Deeds | 123,250.00 | 123,250.00 | 90,075.95 | 33,174.05 |
| Veterans Service Officer | 11,140.00 | 11,140.00 | 8,394.00 | 2,746.00 |

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

| | Budgeted Amounts | | | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Positive (Negative) |
| Predatory Animal | 10,100.00 | 10,100.00 | 10,099.71 | 0.29 |
| Geographic Information System | 20,000.00 | 21,500.00 | 21,469.00 | 31.00 |
| Public Safety: | | | | |
| Law Enforcement: | | | | |
| Sheriff | 547,850.00 | 547,850.00 | 539,024.18 | 8,825.82 |
| County Jail | 51,000.00 | 51,000.00 | 32,584.93 | 18,415.07 |
| Coroner | 5,145.00 | 5,145.00 | 2,820.15 | 2,324.85 |
| Protective and Emergency Services: | | | | |
| Fire Protection | 75,000.00 | 75,000.00 | 69,085.00 | 5,915.00 |
| Emergency and Disaster Services | 5,000.00 | 5,000.00 | 1,128.76 | 3,871.24 |
| Other (West Nile) | 370.00 | 370.00 | 0.00 | 370.00 |
| Health and Welfare: | | | | |
| Economic Assistance: | | | | |
| Support of Poor | 7,000.00 | 7,000.00 | 0.00 | 7,000.00 |
| Public Welfare | 100.00 | 100.00 | 63.16 | 36.84 |
| Health Assistance: | | | | |
| County Nurse | 39,415.00 | 40,715.00 | 40,640.22 | 74.78 |
| Ambulance | 28,800.00 | 28,800.00 | 22,924.80 | 5,875.20 |
| Women, Infants and Children | 9,130.00 | 9,130.00 | 7,150.40 | 1,979.60 |
| Social Services: | | | | |
| Care of Aged | 0.00 | 20,000.00 | 20,000.00 | 0.00 |
| Mental Health Services: | | | | |
| Mentally Ill | 20,325.00 | 20,325.00 | 13,012.39 | 7,312.61 |
| Culture and Recreation: | | | | |
| Recreation: | | | | |
| County Fair | 23,500.00 | 23,500.00 | 23,500.00 | 0.00 |
| Senior Center | 6,000.00 | 6,000.00 | 6,000.00 | 0.00 |
| Public Transportation | 8,000.00 | 8,000.00 | 8,000.00 | 0.00 |
| Conservation of Natural Resources: | | | | |
| Soil Conservation: | | | | |
| County Extension | 35,098.00 | 35,098.00 | 22,753.63 | 12,344.37 |
| Soil Conservation Districts | 23,850.00 | 23,850.00 | 23,850.00 | 0.00 |
| Weed and Pest Control | 80,185.00 | 80,185.00 | 64,680.39 | 15,504.61 |
| Urban and Economic Development: | | | | |
| Urban Development: | | | | |
| Planning and Zoning | 2,485.00 | 2,485.00 | 0.00 | 2,485.00 |
| Urban and Rural Development | 46,550.00 | 46,550.00 | 46,550.00 | 0.00 |
| Payments to Local Education Agencies | 185,000.00 | 185,000.00 | 182,270.50 | 2,729.50 |
| Total Expenditures | 2,172,238.00 | 2,282,238.00 | 2,058,191.44 | 224,046.56 |
| Excess of Revenues Over (Under) Expenditures | 41,924.00 | (68,076.00) | 137,841.43 | 205,917.43 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers Out | (150,000.00) | (550,000.00) | (550,000.00) | 0.00 |
| Net Change in Fund Balance | (108,076.00) | (618,076.00) | (412,158.57) | 205,917.43 |
| Fund Balance - Beginning | 1,484,474.22 | 1,484,474.22 | 1,484,474.22 | 0.00 |
| FUND BALANCE - ENDING | $ 1,376,398.22 | $ 866,398.22 | $ 1,072,315.65 | $ 205,917.43 |

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

| | Budgeted Amounts | | | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Positive (Negative) |
| **Revenues:** | | | | |
| Taxes: | | | | |
| General Property Taxes--Current | $ 109,816.00 | $ 109,816.00 | $ 108,488.51 | $ (1,327.49) |
| General Property Taxes--Delinquent | 1,500.00 | 1,500.00 | 1,123.08 | (376.92) |
| Penalties and Interest | 500.00 | 500.00 | 463.58 | (36.42) |
| Mobile Home Tax | 50.00 | 50.00 | 50.37 | 0.37 |
| Wheel Tax | 51,000.00 | 51,000.00 | 50,573.72 | (426.28) |
| Tax Deed Revenue | 75.00 | 75.00 | 59.07 | (15.93) |
| Licenses and Permits | 0.00 | 0.00 | 125.00 | 125.00 |
| Intergovernmental Revenue: | | | | |
| Federal Shared Revenue | 7,500.00 | 7,500.00 | 14,478.00 | 6,978.00 |
| Federal Payments in Lieu of Taxes | 185,000.00 | 185,000.00 | 182,270.50 | (2,729.50) |
| State Shared Revenue: | | | | |
| Bank Franchise | 1,000.00 | 1,000.00 | 1,241.06 | 241.06 |
| Motor Vehicle Licenses | 900,000.00 | 900,000.00 | 896,130.78 | (3,869.22) |
| State Highway Fund (former 10% game) | 4,000.00 | 4,000.00 | 3,607.38 | (392.62) |
| Prorate/Port of Entry Fees | 50,000.00 | 50,000.00 | 50,438.49 | 438.49 |
| 63 3/4% Mobile Home | 7,500.00 | 7,500.00 | 18,011.66 | 10,511.66 |
| Secondary Road Motor Vehicle Remittances | 55,000.00 | 55,000.00 | 62,678.29 | 7,678.29 |
| Motor Fuel Tax | 6,000.00 | 6,000.00 | 5,435.71 | (564.29) |
| Charges for Goods and Services: | | | | |
| Public Works: | | | | |
| Road Maintenance Contract Charges | 49,000.00 | 49,000.00 | 69,716.39 | 20,716.39 |
| Miscellaneous Revenue: | | | | |
| Investment Earnings | 2,000.00 | 2,000.00 | 1,661.65 | (338.35) |
| Other | 3,200.00 | 3,200.00 | 2,749.20 | (450.80) |
| Total Revenues | 1,433,141.00 | 1,433,141.00 | 1,469,302.44 | 36,161.44 |
| **Expenditures:** | | | | |
| Public Works: | | | | |
| Highways and Bridges: | | | | |
| Highways, Roads and Bridges | 2,153,370.00 | 2,153,370.00 | 1,644,872.61 | 508,497.39 |
| Debt Service | 0.00 | 400,000.00 | 438,052.53 | (38,052.53) |
| Total Expenditures | 2,153,370.00 | 2,553,370.00 | 2,082,925.14 | 470,444.86 |
| Excess of Revenues Over (Under) Expenditures | (720,229.00) | (1,120,229.00) | (613,622.70) | 506,606.30 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers In | 150,000.00 | 550,000.00 | 550,000.00 | 0.00 |
| Sale of County Property | 0.00 | 0.00 | 2,215.00 | 2,215.00 |
| Total Other Financing Sources (Uses) | 150,000.00 | 550,000.00 | 552,215.00 | 2,215.00 |
| Net Change in Fund Balance | (570,229.00) | (570,229.00) | (61,407.70) | 508,821.30 |
| Fund Balance - Beginning | 786,652.79 | 786,652.79 | 786,652.79 | 0.00 |
| FUND BALANCE - ENDING | $ 216,423.79 | $ 216,423.79 | $ 725,245.09 | $ 508,821.30 |

**SUPPLEMENTARY INFORMATION**
**PERKINS COUNTY**
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**
**GENERAL FUND**
**For the Year Ended December 31, 2014**

| | Budgeted Amounts | | | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Positive (Negative) |
| **Revenues:** | | | | |
| Taxes: | | | | |
| General Property Taxes--Current | $ 1,560,450.00 | $ 1,560,450.00 | $ 1,549,315.40 | $ (11,134.60) |
| General Property Taxes--Delinquent | 11,000.00 | 11,000.00 | 12,203.07 | 1,203.07 |
| Penalties and Interest | 5,000.00 | 5,000.00 | 5,719.87 | 719.87 |
| Telephone Tax (Outside) | 1.00 | 1.00 | 0.64 | (0.36) |
| Tax Deed Revenue | 2,000.00 | 2,000.00 | 576.96 | (1,423.04) |
| Licenses and Permits | 4,750.00 | 4,750.00 | 4,291.50 | (458.50) |
| Intergovernmental Revenue: | | | | |
| Federal Payments in Lieu of Taxes | 140,000.00 | 140,000.00 | 184,407.00 | 44,407.00 |
| State Grants | 3,000.00 | 3,000.00 | 0.00 | (3,000.00) |
| State Shared Revenue: | | | | |
| Bank Franchise | 20,000.00 | 20,000.00 | 16,517.72 | (3,482.28) |
| Abused and Neglected Child Defense | 1,000.00 | 1,000.00 | 577.44 | (422.56) |
| Telecommunications Gross Receipts Tax | 20,000.00 | 20,000.00 | 16,165.85 | (3,834.15) |
| Other Payments in Lieu of Taxes | 2,000.00 | 2,000.00 | 223.25 | (1,776.75) |
| Charges for Goods and Services: | | | | |
| General Government: | | | | |
| Treasurer's Fees | 8,490.00 | 8,490.00 | 8,945.43 | 455.43 |
| Register of Deeds' Fees | 49,000.00 | 49,000.00 | 56,240.00 | 7,240.00 |
| Driver's License Exam | 1,500.00 | 1,500.00 | 1,170.00 | (330.00) |
| Legal Services | 15,000.00 | 15,000.00 | 12,052.09 | (2,947.91) |
| Clerk of Courts Fees | 4,200.00 | 4,200.00 | 2,831.15 | (1,368.85) |
| Other Fees | 1,450.00 | 1,450.00 | 2,716.14 | 1,266.14 |
| Public Safety: | | | | |
| Law Enforcement | 220,088.00 | 220,088.00 | 216,556.72 | (3,531.28) |
| Health and Welfare: | | | | |
| Economic Assistance: | | | | |
| Poor Lien Recoveries | 4,000.00 | 4,000.00 | 1,563.02 | (2,436.98) |
| Veterans Service Officer | 1,875.00 | 1,875.00 | 1,875.00 | 0.00 |
| Health Assistance: | | | | |
| Women, Infants and Children | 7,500.00 | 7,500.00 | 5,901.53 | (1,598.47) |
| Social Services | 10.00 | 10.00 | 0.00 | (10.00) |
| Conservation of Natural Resources | 21,500.00 | 21,500.00 | 15,421.42 | (6,078.58) |
| Fines and Forfeits: | | | | |
| Fines | 6,000.00 | 6,000.00 | 884.25 | (5,115.75) |
| Miscellaneous Revenue: | | | | |
| Investment Earnings | 3,500.00 | 3,500.00 | 2,477.76 | (1,022.24) |
| Other | 7,000.00 | 7,000.00 | 6,484.79 | (515.21) |
| Total Revenues | 2,120,314.00 | 2,120,314.00 | 2,125,118.00 | 4,804.00 |
| **Expenditures:** | | | | |
| General Government: | | | | |
| Legislative: | | | | |
| Board of County Commissioners | 70,751.00 | 74,251.00 | 73,954.01 | 296.99 |
| Contingency | 85,000.00 | 85,000.00 | | |
| Amount Transferred | | (23,500.00) | | 61,500.00 |
| Elections | 21,455.00 | 21,455.00 | 20,605.39 | 849.61 |
| Judicial System | 39,900.00 | 39,900.00 | 33,071.80 | 6,828.20 |
| Financial Administration: | | | | |
| Auditor | 186,623.00 | 186,623.00 | 181,944.36 | 4,678.64 |
| Legal Services: | | | | |
| State's Attorney | 110,960.00 | 110,960.00 | 104,965.24 | 5,994.76 |
| Other Administration: | | | | |
| General Government Building | 89,425.00 | 94,425.00 | 93,778.58 | 646.42 |
| Director of Equalization | 187,520.00 | 187,520.00 | 163,672.31 | 23,847.69 |
| Register of Deeds | 119,625.00 | 119,625.00 | 108,197.28 | 11,427.72 |
| Veterans Service Officer | 11,090.00 | 11,090.00 | 7,510.71 | 3,579.29 |
| Predatory Animal | 12,090.00 | 12,090.00 | 12,088.78 | 1.22 |

**SUPPLEMENTARY INFORMATION**
**PERKINS COUNTY**
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**
**GENERAL FUND**
**For the Year Ended December 31, 2014**
**(Continued)**

| | Budgeted Amounts | | | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Positive (Negative) |
| Public Safety: | | | | |
| Law Enforcement: | | | | |
| Sheriff | 479,643.00 | 479,643.00 | 472,832.47 | 6,810.53 |
| County Jail | 51,000.00 | 51,000.00 | 43,660.20 | 7,339.80 |
| Coroner | 4,145.00 | 9,645.00 | 9,321.99 | 323.01 |
| Protective and Emergency Services: | | | | |
| Fire Protection | 75,000.00 | 75,000.00 | 74,409.59 | 590.41 |
| Emergency and Disaster Services | 4,200.00 | 4,200.00 | 1,410.61 | 2,789.39 |
| Other (West Nile) | 415.00 | 415.00 | 0.00 | 415.00 |
| Health and Welfare: | | | | |
| Economic Assistance: | | | | |
| Support of Poor | 7,000.00 | 7,000.00 | 2,470.00 | 4,530.00 |
| Public Welfare | 150.00 | 150.00 | 33.37 | 116.63 |
| Health Assistance: | | | | |
| County Nurse | 35,705.00 | 37,705.00 | 37,247.96 | 457.04 |
| Ambulance | 28,800.00 | 28,800.00 | 20,698.79 | 8,101.21 |
| Women, Infants and Children | 10,987.00 | 10,987.00 | 8,765.71 | 2,221.29 |
| Mental Health Services: | | | | |
| Mentally Ill | 19,325.00 | 19,325.00 | 10,263.32 | 9,061.68 |
| Culture and Recreation: | | | | |
| Recreation: | | | | |
| County Fair | 23,500.00 | 23,500.00 | 23,500.00 | 0.00 |
| Senior Center | 6,000.00 | 6,000.00 | 6,000.00 | 0.00 |
| Public Transportation | 8,000.00 | 8,000.00 | 8,000.00 | 0.00 |
| Conservation of Natural Resources: | | | | |
| Soil Conservation: | | | | |
| County Extension | 48,068.00 | 48,068.00 | 33,228.22 | 14,839.78 |
| Soil Conservation Districts | 23,850.00 | 23,850.00 | 23,850.00 | 0.00 |
| Weed and Pest Control | 90,185.00 | 90,185.00 | 46,860.11 | 43,324.89 |
| Urban and Economic Development: | | | | |
| Urban Development: | | | | |
| Planning and Zoning | 2,485.00 | 9,985.00 | 9,651.81 | 333.19 |
| Urban and Rural Development | 56,550.00 | 56,550.00 | 56,550.00 | 0.00 |
| Payments to Local Education Agencies | 140,000.00 | 184,407.00 | 184,407.00 | 0.00 |
| Total Expenditures | 2,049,447.00 | 2,093,854.00 | 1,872,949.61 | 220,904.39 |
| Excess of Revenues Over (Under) Expenditures | 70,867.00 | 26,460.00 | 252,168.39 | 225,708.39 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers Out | (150,000.00) | (150,000.00) | 0.00 | 150,000.00 |
| Sale of County Property | 0.00 | 0.00 | 2,218.05 | 2,218.05 |
| Total Other Financing Sources (Uses) | (150,000.00) | (150,000.00) | 2,218.05 | 152,218.05 |
| Net Change in Fund Balance | (79,133.00) | (123,540.00) | 254,386.44 | 377,926.44 |
| Fund Balance - Beginning | 1,230,087.78 | 1,230,087.78 | 1,230,087.78 | 0.00 |
| FUND BALANCE - ENDING | $ 1,150,954.78 | $ 1,106,547.78 | $ 1,484,474.22 | $ 377,926.44 |

**SUPPLEMENTARY INFORMATION**
**PERKINS COUNTY**
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**
**ROAD AND BRIDGE FUND**
**For the Year Ended December 31, 2014**

| | Budgeted Amounts | | | Variance with Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Positive (Negative) |
| **Revenues:** | | | | |
| Taxes: | | | | |
| General Property Taxes--Current | $ 108,164.00 | $ 108,164.00 | $ 107,022.59 | $ (1,141.41) |
| General Property Taxes--Delinquent | 1,350.00 | 1,350.00 | 439.32 | (910.68) |
| Penalties and Interest | 500.00 | 500.00 | 396.17 | (103.83) |
| Wheel Tax | 50,000.00 | 50,000.00 | 50,904.39 | 904.39 |
| Tax Deed Revenue | 75.00 | 75.00 | 49.82 | (25.18) |
| Intergovernmental Revenue: | | | | |
| Federal Grants | 0.00 | 0.00 | 199,791.39 | 199,791.39 |
| Federal Shared Revenue | 8,000.00 | 8,000.00 | 242.39 | (7,757.61) |
| Federal Payments in Lieu of Taxes | 140,000.00 | 140,000.00 | 184,407.00 | 44,407.00 |
| State Grants | 0.00 | 0.00 | 127,880.00 | 127,880.00 |
| State Shared Revenue: | | | | |
| Bank Franchise | 1,000.00 | 1,000.00 | 1,005.43 | 5.43 |
| Motor Vehicle Licenses | 900,000.00 | 900,000.00 | 871,510.62 | (28,489.38) |
| State Highway Fund (former 10% game) | 4,000.00 | 4,000.00 | 3,607.38 | (392.62) |
| Prorate/Port of Entry Fees | 50,000.00 | 50,000.00 | 50,473.58 | 473.58 |
| 63 3/4% Mobile Home | 5,000.00 | 5,000.00 | 19,109.78 | 14,109.78 |
| Secondary Road Motor Vehicle Remittances | 60,000.00 | 60,000.00 | 59,521.48 | (478.52) |
| Motor Fuel Tax | 6,000.00 | 6,000.00 | 5,452.24 | (547.76) |
| Charges for Goods and Services: | | | | |
| Public Works: | | | | |
| Road Maintenance Contract Charges | 63,000.00 | 63,000.00 | 61,094.45 | (1,905.55) |
| Miscellaneous Revenue: | | | | |
| Investment Earnings | 3,000.00 | 3,000.00 | 1,669.26 | (1,330.74) |
| Other | 2,000.00 | 2,000.00 | 802.68 | (1,197.32) |
| Total Revenues | 1,402,089.00 | 1,402,089.00 | 1,745,379.97 | 343,290.97 |
| **Expenditures:** | | | | |
| Public Works: | | | | |
| Highways and Bridges: | | | | |
| Highways, Roads and Bridges | 2,068,420.00 | 2,174,394.32 | 2,068,062.89 | 106,331.43 |
| Debt Service | 38,060.00 | 38,060.00 | 38,052.53 | 7.47 |
| Total Expenditures | 2,106,480.00 | 2,212,454.32 | 2,106,115.42 | 106,338.90 |
| Excess of Revenues Over (Under) Expenditures | (704,391.00) | (810,365.32) | (360,735.45) | 449,629.87 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers In | 150,000.00 | 150,000.00 | 0.00 | (150,000.00) |
| Sale of County Property | 0.00 | 0.00 | 20,255.40 | 20,255.40 |
| Total Other Financing Sources (Uses) | 150,000.00 | 150,000.00 | 20,255.40 | (129,744.60) |
| Net Change in Fund Balance | (554,391.00) | (660,365.32) | (340,480.05) | 319,885.27 |
| Fund Balance - Beginning | 1,127,132.84 | 1,127,132.84 | 1,127,132.84 | 0.00 |
| FUND BALANCE - ENDING | $ 572,741.84 | $ 466,767.52 | $ 786,652.79 | $ 319,885.27 |

PERKINS 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.

Note 2. Expenditures in Excess of Appropriations:

The following represents the overdrafts of the expenditures compared to appropriations at the legal level of budgetary control:

| | Year Ended 12/31/2015 |
|---|---|
| Road and Bridge Fund: | |
| Activity | |
| Debt Service | $ 38,052.53 |

The County included the appropriation equipment payment in of Highways, Roads and Bridges line item, instead of the Debt Service line item.

## SUPPLEMENTARY INFORMATION
## PERKINS COUNTY
## SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

### South Dakota Retirement System

*Last 10 Fiscal Years

| | 2015 | 2014 |
|---|---|---|
| County's proportion of the net pension liability (asset) | 0.0552322% | 0.0561329% |
| County's proportionate share of net pension liability (asset) | $ (234,256) | $ (404,415) |
| County's covered-employee payroll | $ 920,981 | $ 948,330 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -25.44% | -42.64% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 104.1% | 107.3% |

* The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30. Until a full 10-year trend is compiled, the County will present information for those years for which information is available.

**Changes of benefit terms:**

No significant changes.

**Changes of assumptions:**

No significant changes.

**SUPPLEMENTARY INFORMATION**
**PERKINS COUNTY**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**For the Two Years Ended December 31, 2015**

| Federal Grantor/Pass-Through Grantor Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures 2014 | Total Federal Expenditures 2015 |
|---|---|---|---|---|---|
| **Schools and Roads Cluster:** | | | | | |
| US Department of Agriculture - Direct Programs: | | | | | |
| Schools and Roads - Grants to Counties (Note 3) | 10.666 | | $ 0.00 | $ 242.39 | $ 14,478.00 |
| **Total for US Department of Agriculture - Schools and Roads Cluster** | | | **0.00** | **242.39** | **14,478.00** |
| US Department of Interior - Direct Programs: | | | | | |
| Bureau of Land Management, | | | | | |
| Payments in Lieu of Taxes (Note 3) (Note 4) | 15.226 | | 366,677.50 | 368,814.00 | 364,541.00 |
| **Total US Department of Interior** | | | **366,677.50** | **368,814.00** | **364,541.00** |
| US Department of Homeland Security - Pass-Through Programs: | | | | | |
| SD Department of Public Safety - Office of Emergency Management, | | | | | |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters) | 97.036 | | | 195,615.06 | |
| Homeland Security Grant Program | 97.067 | | | 28,118.00 | 33,214.35 |
| **Total US Department of Homeland Security** | | | **0.00** | **223,733.06** | **33,214.35** |
| GRAND TOTAL | | | $ 366,677.50 | $ 592,789.45 | $ 412,233.35 |

**Note 1:** ***Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**Note 2:** ***Summary of Significant Accounting Policies***

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles referenced in OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3:** ***Federal Reimbursement***

Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.

**Note 4:** ***Major Federal Financial Assistance Program***

This represents a Major Federal Financial Assistance Program.

**SUPPLEMENTARY INFORMATION**
**PERKINS COUNTY**
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**
**For the Two Years Ended December 31, 2015**

| Indebtedness | Long-Term Debt January 1, 2014 | Add New Debt | Less Debt Retired | Long-Term Debt December 31, 2015 |
|---|---|---|---|---|
| **Governmental Long-Term Debt:** | | | | |
| Other Long-Term Debt Payable | $ | $ 460,505.58 | $ 400,000.00 | $ 60,505.58 |
| Financing (Capital Acquisition) Leases | | 167,470.00 | 62,686.95 | 104,783.05 |
| **Total** | $ 0.00 | $ 627,975.58 | $ 462,686.95 | $ 165,288.63 |

Note 1 - Long-Term Debt:

Debt payable at December 31, 2015 is comprised of the following:

Other Long-Term Debt Payable:

| | |
|---|---|
| Statewide Transportation Improvement Plan (STIP) Loan, Final Maturity-none (when paid), Interest Rate 0%, Paid from the Road and Bridge Fund with annual Surface Transportation Program (STP) allocation funds. | $ 60,505.58 |

Financing (Capital Acquisition) Leases:

| | |
|---|---|
| Lease Purchase of an asphalt zipper for the highway department; annual payments of principal and interest of $38,052.53 made from the Road and Bridge Fund with an interest rate of 4.41%. Payments began August 1, 2014 and end August 1, 2018. | $ 104,783.05 |