

**SPINK COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2014**

SPINK COUNTY  
COUNTY OFFICIALS  
December 31, 2014

Board of Commissioners:

Dave Albrecht  
Jeff Albrecht  
Craig Johnson  
Pat Kramp  
Cindy Schultz

Auditor:  
Theresa Hodges

Treasurer:  
Kathy Ludwig

State's Attorney:  
Vic Fischbach

Register of Deeds:  
Sharon Jungwirth

Sheriff:  
Kevin Schurch



SPINK 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 <i>Government Auditing Standards</i> .....	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.....	8
<i>Basic Financial Statements</i>	
<b><u>Government-wide Financial Statements:</u></b>	
As of December 31, 2014:	
Statement of Net Position--Modified Cash Basis .....	10
For the Year Ended December 31, 2014:	
Statement of Activities--Modified Cash Basis.....	11
For the Year Ended December 31, 2013:	
Statement of Activities--Modified Cash Basis.....	12
<b><u>Fund Financial Statements:</u></b>	
<u>Governmental Funds</u>	
As of December 31, 2014:	
Balance Sheet--Modified Cash Basis.....	13
For the Year Ended December 31, 2014:	
Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis.....	14
For the Year Ended December 31, 2013:	
Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis.....	18
<u>Fiduciary Funds</u>	
As of December 31, 2014:	
Statement of Fiduciary Net Position--Modified Cash Basis.....	22
Notes to the Modified Cash Basis Financial Statements.....	23

*Supplementary Information:*

For the Year Ended December 31, 2014:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund .....	34
Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund .....	36

For the Year Ended December 31, 2013:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund .....	37
Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund .....	39

Notes to the Supplementary Information – Budgetary Comparison Schedules .....	40
---	----

Schedule of Expenditures of Federal Awards .....	41
--	----

Schedule of Changes in Long-Term Debt .....	43
---	----



427 SOUTH CHAPELLE  
C/O 500 EAST CAPITOL  
PIERRE SD 57501-5070  
(605) 773-3595  
FAX (605) 773-6454

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  
Spink County  
Redfield, 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 Spink County, South Dakota (County), as of December 31, 2014, 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, 2015.

***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.

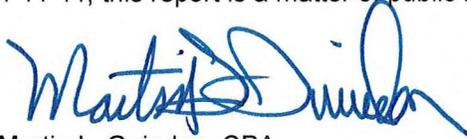
***Compliance and Other Matters***

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, 2015



427 SOUTH CHAPELLE  
C/O 500 EAST CAPITOL  
PIERRE SD 57501-5070  
(605) 773-3595  
FAX (605) 773-6454

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  
Spink County  
Redfield, South Dakota

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

We have audited Spink 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, 2014. 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, Spink 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, 2014.

## ***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, 2015

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

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Federal Audit Findings:**

There were no prior Federal audit findings.

**Prior Other Audit Findings:**

Finding No. 2012-01:

Internal accounting controls over financial reporting for the years 2011 and 2012 were inadequate resulting in inaccurate information being presented to users of the annual financial reports. This finding has been resolved.

Finding No. 2012-02:

The unassigned fund balance of the General Fund exceeded the maximum allowed by South Dakota Codified Law (SDCL) 7-21-18.1 by approximately \$710,000 as of December 31, 2012. This finding has not been resolved and is restated as current audit finding No. 2014-001.

**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:
  - Highway Planning and Construction Cluster
- g. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$300,000.
- h. Spink 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:**

**Compliance and Other Matters:**

Surplus Unassigned Fund Balance

Finding No. 2014-001:

The unassigned fund balance of the General Fund exceeded the maximum allowed by South Dakota Codified Law (SDCL) 7-21-18.1 by approximately \$951,000 as of December 31, 2014. This is the third consecutive audit to contain this finding.

Analysis:

SDCL 7-21-18.1 states:

“The total unreserved, undesignated fund balance of the general fund may not exceed forty percent of the total amount of all general fund appropriations contained in the budget for the next fiscal year....”

Governmental Accounting Standards Board (GASB) Statement 54, paragraph 17 states: “Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.”

GASB 54 changed the manner in which fund balance is to be reported by changing unreserved, undesignated fund balance to unassigned fund balance. So while SDCL 7-21-18.1 refers to unreserved, undesignated fund balance and GASB 54 refers to unassigned fund balance these terms are synonymous.

Our analysis of the County General Fund indicated an excessive unassigned fund balance existed at December 31, 2014 as follows:

Total Unassigned Fund Balance at December 31, 2014		\$ 2,519,164.48
Less:		
2015 General Fund Appropriations	3,919,294.00	
Percentage of Allowable Retainage	<u>40%</u>	
Allowable Fund Balance Retainage		<u>(1,567,717.60)</u>
Unassigned Surplus Fund Balance at December 31, 2014 in Excess of the Amount Allowed by SDCL 7-21-18.1		<u>\$ 951,446.88</u>

RECOMMENDATION:

1. We recommend the unassigned fund balance of the General Fund be limited to 40 percent of the next year's General Fund appropriations as required by SDCL 7-21-18.1.

Management's Response:

We have reviewed the applicable SDCL's and will monitor the unassigned fund balance at year end.

## Unfunded Snow Removal Reserve

### Finding No. 2014-002:

The County improperly expended \$57,197.11 of Snow Removal Reserve Funds and did not maintain an adequate reserve for the Snow Removal Reserve as required by South Dakota Codified Law (SDCL) 34-5-7.

### Analysis:

SDCL 34-5-7 states:

Any unexpended balance remaining in the county snow removal and special emergency fund at the end of the fiscal year shall be allowed to accumulate as a reserve fund and available for future use as set forth in § 34-5-3. No part of the fund created under § 34-5-2 shall revert to the general funds of the county nor shall any of said fund be used for any other purposes.

Based on the County records, the unexpended balance of the Snow Removal Reserve as of December 31, 2014, accounted for within the Road and Bridge Fund, should have been \$271,402.61. However, the available cash balance of the Road and Bridge Fund at December 31, 2014, after funding the Secondary Road Reserve, to fund the Snow Removal Reserve was only \$214,205.50. The County improperly expended \$57,197.11 in Snow Removal Reserves for activities other than snow removal and special emergencies as required by SDCL 34-5-7.

### RECOMMENDATION:

2. We recommend the County replenish the Snow Removal Reserve to the required balance and refrain from expending the reserve funds for purposes other than those allowed by statute.

### Management's Response:

Snow Removal Reserve will be monitored at year end to ensure the cash balance in the Road & Bridge Fund is sufficient for the reserve amount.



427 SOUTH CHAPELLE  
C/O 500 EAST CAPITOL  
PIERRE SD 57501-5070  
(605) 773-3595  
FAX (605) 773-6454

MARTIN L. GUINDON, CPA  
AUDITOR GENERAL

## INDEPENDENT AUDITOR'S REPORT

County Commission  
Spink County  
Redfield, 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 Spink County, South Dakota (County), as of December 31, 2014, 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 Spink County as of December 31, 2014, 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 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 financial statements or to the 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, 2015, 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, 2015

**SPINK COUNTY**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2014**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 2,125,923.75
Investments	1,780,000.00
<b>TOTAL ASSETS</b>	<b>\$ 3,905,923.75</b>
<b>NET POSITION:</b>	
Restricted For: (See Note 5)	
Road and Bridge Purposes	\$ 246,082.27
Other Purposes	13,184.40
Unrestricted	3,646,657.08
<b>TOTAL NET POSITION</b>	<b>\$ 3,905,923.75</b>

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 1,134,943.17	\$ 187,605.15	\$ 10,211.74	\$ (937,126.28)
Public Safety	1,084,420.33	382,404.90	202,685.17	(499,330.26)
Public Works	3,490,940.06	29,210.50	1,805,705.66	(1,656,023.90)
Health and Welfare	153,073.43	34,276.24		(118,797.19)
Culture and Recreation	46,474.78			(46,474.78)
Conservation of Natural Resources	179,430.84	2,646.96	5,900.00	(170,883.88)
Urban and Economic Development	227,835.63	14,427.16		(213,408.47)
Intergovernmental	52,190.74			(52,190.74)
*Interest on Long-Term Debt	57,416.39			(57,416.39)
<b>Total Primary Government</b>	<b>\$ 6,426,725.37</b>	<b>\$ 650,570.91</b>	<b>\$ 2,024,502.57</b>	<b>(3,751,651.89)</b>
<b>General Revenues:</b>				
Taxes:				
				3,090,275.31
				192,530.36
				152,328.57
				10,742.78
				138,087.00
				<u>3,583,964.02</u>
				(167,687.87)
				<u>4,073,611.62</u>
				<u>\$ 3,905,923.75</u>

\* The County does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

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

**SPINK COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 1,050,487.61	\$ 208,804.51	\$ 30,852.13	\$ (810,830.97)
Public Safety	1,119,468.68	363,859.89	136,630.61	(618,978.18)
Public Works	2,726,380.79	19,532.15	1,972,033.21	(734,815.43)
Health and Welfare	215,657.80	28,853.35		(186,804.45)
Culture and Recreation	40,506.39	1,710.00		(38,796.39)
Conservation of Natural Resources	178,830.00	3,079.72	11,500.00	(164,250.28)
Urban and Economic Development	218,781.22	14,155.76		(204,625.46)
Intergovernmental	51,057.18			(51,057.18)
*Interest on Long-Term Debt	69,050.40			(69,050.40)
<b>Total Primary Government</b>	<b>\$ 5,670,220.07</b>	<b>\$ 639,995.38</b>	<b>\$ 2,151,015.95</b>	<b>(2,879,208.74)</b>
<b>General Revenues:</b>				
Taxes:				
				3,064,417.97
				189,659.60
				58,434.50
				12,170.85
				90,779.37
				<u>3,415,462.29</u>
				536,253.55
				<u>3,537,358.07</u>
				<u>\$ 4,073,611.62</u>

\* The County does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

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

**SPINK COUNTY  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
December 31, 2014**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,789,684.63	\$ 246,082.27	\$ 90,156.85	\$ 2,125,923.75
Investments	1,780,000.00			1,780,000.00
<b>TOTAL ASSETS</b>	<u>\$ 3,569,684.63</u>	<u>\$ 246,082.27</u>	<u>\$ 90,156.85</u>	<u>\$ 3,905,923.75</u>
<b>FUND BALANCES:</b> (See Note 1.j.)				
Restricted	\$	\$ 246,082.27	\$ 13,184.40	\$ 259,266.67
Assigned	1,050,520.15		76,972.45	1,127,492.60
Unassigned	2,519,164.48			2,519,164.48
<b>TOTAL FUND BALANCES</b>	<u>\$ 3,569,684.63</u>	<u>\$ 246,082.27</u>	<u>\$ 90,156.85</u>	<u>\$ 3,905,923.75</u>

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

**SPINK 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
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 2,866,528.47	\$	\$ 197,152.51	\$ 3,063,680.98
General Property Taxes--Delinquent	15,270.34			15,270.34
Penalties and Interest	8,500.85	83.50		8,584.35
Telephone Tax (Outside)	850.94			850.94
Mobile Home Tax	323.61			323.61
Wheel Tax		192,530.36		192,530.36
Tax Deed Revenue	1,565.09			1,565.09
Licenses and Permits	17,844.16	1,525.00	855.00	20,224.16
Intergovernmental Revenue:				
Federal Grants		106,904.15	127,506.30	234,410.45
Federal Shared Revenue	2,502.20			2,502.20
Federal Payments in Lieu of Taxes	1,902.00			1,902.00
State Grants	9,500.00	156,157.48		165,657.48
State Shared Revenue:				
Bank Franchise	20,975.44			20,975.44
Motor Vehicle Licenses		1,411,276.48		1,411,276.48
Court Appointed Attorney/Public Defender	2,024.59			2,024.59
Prorate License Fees		80,627.38		80,627.38
Abused and Neglected Child Defense	186.37			186.37
63 3/4% Mobile Home		10,635.25		10,635.25
Secondary Road Motor Vehicle Remittances		40,104.92		40,104.92
Telecommunications Gross Receipts Tax	34,776.63			34,776.63
Motor Vehicle 1/4%	3,596.58			3,596.58
911 Remittances			71,578.87	71,578.87
Other State Shared Revenue		96,576.50		96,576.50
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	11,762.42			11,762.42
Register of Deeds' Fees	99,343.55		9,680.86	109,024.41

Legal Services	19,921.37			19,921.37
Clerk of Court Fees	14,441.36		382.00	14,823.36
Other Fees	20,175.16	5.93		20,181.09
Public Safety:				
Law Enforcement	351,474.26			351,474.26
Prisoner Care	7,959.00			7,959.00
Sobriety Testing			4,934.00	4,934.00
Other			16,587.25	16,587.25
Public Works:				
Road Maintenance Contract Charges		26,785.50		26,785.50
Other		900.00		900.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	11,793.68			11,793.68
Veterans Service Officer	2,812.50			2,812.50
Health Assistance:				
Women, Infants and Children			5,693.17	5,693.17
Other	328.27			328.27
Social Services	13,806.12			13,806.12
Conservation of Natural Resources	2,646.96			2,646.96
Fines and Forfeits:				
Fines	36.40			36.40
Costs	846.99			846.99
Miscellaneous Revenue:				
Investment Earnings	8,984.68	1,591.03	167.07	10,742.78
Rent	8,030.00			8,030.00
Refund of Prior Year's Expenditures	7,596.30	279.00		7,875.30
Total Revenues	<u>3,568,306.29</u>	<u>2,125,982.48</u>	<u>434,537.03</u>	<u>6,128,825.80</u>

**Expenditures:**

## General Government:

## Legislative:

Board of County Commissioners

117,658.84

117,658.84

Elections

37,711.90

37,711.90

Judicial System

6,249.34

6,249.34

## Financial Administration:

Auditor

133,547.65

133,547.65

Treasurer

132,370.02

132,370.02

## Legal Services:

State's Attorney

109,780.42

109,780.42

Court Appointed Attorney

60,695.90

60,695.90

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Administration:				
General Government Building	229,751.53			229,751.53
Director of Equalization	192,181.18			192,181.18
Register of Deeds	80,945.36		7,573.60	88,518.96
Veterans Service Officer	20,374.43			20,374.43
Predatory Animal	6,103.00			6,103.00
Public Safety:				
Law Enforcement:				
Sheriff	657,260.46			657,260.46
County Jail	119,638.69		8,865.02	128,503.71
Coroner	6,116.28			6,116.28
Protective and Emergency Services:				
Emergency and Disaster Services			77,036.21	77,036.21
Communication Center			215,503.67	215,503.67
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		3,481,418.43	9,521.63	3,490,940.06
Health and Welfare:				
Economic Assistance:				
Support of Poor	36,543.69			36,543.69
Public Welfare	5,146.81			5,146.81
Other	2,500.00			2,500.00
Health Assistance:				
County Nurse	46,323.92			46,323.92
Ambulance	13,000.00			13,000.00
Women, Infants and Children			4,445.15	4,445.15
Social Services:				
Domestic Abuse			4,400.00	4,400.00
Other	5,250.00			5,250.00
Mental Health Services:				
Mentally Ill	17,405.48			17,405.48

Mental Health Centers	16,200.00			16,200.00
Mental Illness Board	1,858.38			1,858.38
Culture and Recreation:				
Culture:				
Historical Museum	8,000.00			8,000.00
Recreation:				
County Fair	12,806.78			12,806.78
Senior Center	25,668.00			25,668.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	62,210.35			62,210.35
Soil Conservation Districts	7,500.00			7,500.00
Weed and Pest Control	109,720.49			109,720.49
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	23,201.59			23,201.59
Urban and Rural Development	5,000.00			5,000.00
Economic Development:				
Tourism, Industrial or Recreational Development	745.00			745.00
Other	59,584.36			59,584.36
Intergovernmental Expenditures	3,910.39	48,280.35		52,190.74
Debt Service			196,721.07	196,721.07
Total Expenditures	<u>2,372,960.24</u>	<u>3,529,698.78</u>	<u>524,066.35</u>	<u>6,426,725.37</u>
Excess of Revenues Over (Under) Expenditures	<u>1,195,346.05</u>	<u>(1,403,716.30)</u>	<u>(89,529.32)</u>	<u>(297,899.57)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		1,000,000.00	148,200.00	1,148,200.00
Transfers Out	(1,148,200.00)			(1,148,200.00)
Insurance Proceeds	50,530.59	4,063.79		54,594.38
Sale of County Property	5,403.85	70,213.47		75,617.32
Total Other Financing Sources (Uses)	<u>(1,092,265.56)</u>	<u>1,074,277.26</u>	<u>148,200.00</u>	<u>130,211.70</u>
Net Change in Fund Balance	103,080.49	(329,439.04)	58,670.68	(167,687.87)
Fund Balance - Beginning	<u>3,466,604.14</u>	<u>575,521.31</u>	<u>31,486.17</u>	<u>4,073,611.62</u>
FUND BALANCE - ENDING	<u>\$ 3,569,684.63</u>	<u>\$ 246,082.27</u>	<u>\$ 90,156.85</u>	<u>\$ 3,905,923.75</u>

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

**SPINK COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2013**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 2,792,308.55	\$	\$ 230,796.14	\$ 3,023,104.69
General Property Taxes--Delinquent	25,342.84			25,342.84
Penalties and Interest	12,436.73			12,436.73
Telephone Tax (Outside)	1,790.92			1,790.92
Mobile Home Tax	421.42			421.42
Wheel Tax		189,659.60		189,659.60
Tax Deed Revenue	1,321.37			1,321.37
Licenses and Permits	17,629.76	1,475.00	690.00	19,794.76
Intergovernmental Revenue:				
Federal Grants	23,174.23	633,968.38	46,221.24	703,363.85
Federal Shared Revenue	1,342.99			1,342.99
Federal Payments in Lieu of Taxes	1,778.00			1,778.00
State Grants	11,500.00		16,571.00	28,071.00
State Shared Revenue:				
Bank Franchise	18,427.45			18,427.45
Motor Vehicle Licenses		1,228,671.96		1,228,671.96
Court Appointed Attorney/Public Defender	2,617.07			2,617.07
Prorate License Fees		76,021.48		76,021.48
Abused and Neglected Child Defense	171.05			171.05
63 3/4% Mobile Home		13,134.87		13,134.87
Secondary Road Motor Vehicle Remittances		11,344.28		11,344.28
Telecommunications Gross Receipts Tax	40,007.05			40,007.05
Motor Vehicle 1/4%	3,111.78			3,111.78
Motor Fuel Tax		8,892.24		8,892.24
911 Remittances			73,838.37	73,838.37
Other Intergovernmental Revenue			15,924.39	15,924.39
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	11,702.96			11,702.96

Register of Deeds' Fees	135,881.25		11,709.42	147,590.67
Legal Services	20,100.07		725.00	20,825.07
Clerk of Court Fees	13,426.81			13,426.81
Other Fees	13,431.76	827.24		14,259.00
Public Safety:				
Law Enforcement	332,726.61			332,726.61
Prisoner Care	8,032.20			8,032.20
Sobriety Testing			8,016.00	8,016.00
Other			12,517.58	12,517.58
Public Works:				
Road Maintenance Contract Charges		16,207.15		16,207.15
Other		1,850.00		1,850.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	5,825.58			5,825.58
Health Assistance:				
Women, Infants and Children			5,316.08	5,316.08
Other	185.77			185.77
Social Services	15,135.92			15,135.92
Conservation of Natural Resources	3,079.72			3,079.72
Fines and Forfeits:				
Fines	123.50			123.50
Costs	1,670.00			1,670.00
Miscellaneous Revenue:				
Investment Earnings	9,509.35	2,547.07	114.43	12,170.85
Rent	1,710.00			1,710.00
Refund of Prior Year's Expenditures	323.00	695.40		1,018.40
Total Revenues	<u>3,526,245.71</u>	<u>2,185,294.67</u>	<u>422,439.65</u>	<u>6,133,980.03</u>

**Expenditures:**

## General Government:

## Legislative:

Board of County Commissioners	122,134.20			122,134.20
-------------------------------	------------	--	--	------------

Elections	9,386.91			9,386.91
-----------	----------	--	--	----------

Judicial System	12,220.32			12,220.32
-----------------	-----------	--	--	-----------

## Financial Administration:

Auditor	144,548.21			144,548.21
---------	------------	--	--	------------

Treasurer	128,816.84			128,816.84
-----------	------------	--	--	------------

## Legal Services:

State's Attorney	100,343.94			100,343.94
------------------	------------	--	--	------------

Court Appointed Attorney	40,281.12			40,281.12
--------------------------	-----------	--	--	-----------

**SPINK COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2013**  
**(Continued)**

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Other Administration:				
General Government Building	191,732.30			191,732.30
Director of Equalization	196,146.04			196,146.04
Register of Deeds	76,557.69		3,757.53	80,315.22
Veterans Service Officer	18,459.51			18,459.51
Predatory Animal	6,103.00			6,103.00
Public Safety:				
Law Enforcement:				
Sheriff	610,087.54			610,087.54
County Jail	136,334.86		23,211.73	159,546.59
Coroner	4,104.16			4,104.16
Protective and Emergency Services:				
Emergency and Disaster Services			168,378.51	168,378.51
Communication Center			177,351.88	177,351.88
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		2,705,147.25	21,233.54	2,726,380.79
Health and Welfare:				
Economic Assistance:				
Support of Poor	110,631.53			110,631.53
Public Welfare	3,148.07			3,148.07
Other	2,500.00			2,500.00
Health Assistance:				
County Nurse	44,362.67			44,362.67
Ambulance	12,450.00			12,450.00
Women, Infants and Children			4,980.75	4,980.75
Social Services:				
Domestic Abuse			4,400.00	4,400.00
Other	5,250.00			5,250.00
Mental Health Services:				
Mentally Ill	9,890.11			9,890.11

Mental Health Centers	15,480.00			15,480.00
Mental Illness Board	2,564.67			2,564.67
Culture and Recreation:				
Culture:				
Historical Museum	6,877.00			6,877.00
Recreation:				
County Fair	7,961.39			7,961.39
Senior Center	25,668.00			25,668.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	58,583.88			58,583.88
Soil Conservation Districts	7,500.00			7,500.00
Weed and Pest Control	112,746.12			112,746.12
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	30,589.73			30,589.73
Urban and Rural Development	5,000.00			5,000.00
Economic Development:				
Tourism, Industrial or Recreational Development	745.00			745.00
Other	35,034.70			35,034.70
Intergovernmental Expenditures	3,910.39	47,146.79		51,057.18
Debt Service			216,462.19	216,462.19
Total Expenditures	<u>2,298,149.90</u>	<u>2,752,294.04</u>	<u>619,776.13</u>	<u>5,670,220.07</u>
Excess of Revenues Over (Under) Expenditures	<u>1,228,095.81</u>	<u>(566,999.37)</u>	<u>(197,336.48)</u>	<u>463,759.96</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In			174,979.00	174,979.00
Transfers Out	(174,979.00)			(174,979.00)
Sale of County Property	15,000.00	57,493.59		72,493.59
Total Other Financing Sources (Uses)	<u>(159,979.00)</u>	<u>57,493.59</u>	<u>174,979.00</u>	<u>72,493.59</u>
Net Change in Fund Balance	1,068,116.81	(509,505.78)	(22,357.48)	536,253.55
Fund Balance - Beginning	<u>2,398,487.33</u>	<u>1,085,027.09</u>	<u>53,843.65</u>	<u>3,537,358.07</u>
FUND BALANCE - ENDING	<u>\$ 3,466,604.14</u>	<u>\$ 575,521.31</u>	<u>\$ 31,486.17</u>	<u>\$ 4,073,611.62</u>

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

**SPINK COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**December 31, 2014**

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	<u>\$ 380,382.86</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 380,382.86</u></u>
<b>NET POSITION:</b>	
Net Position Held in Agency Capacity	<u>\$ 380,382.86</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 380,382.86</u></u>

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

SPINK COUNTY  
NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity:

The reporting entity of Spink 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, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

The County organized the Spink County Housing and Redevelopment Commission solely for abdicating its authority over the non-city housing projects within Spink County to the Redfield Housing Commission organized by the City of Redfield. Therefore, this component unit's financial activity was not included on the County's annual report. The financial activity of this component unit is to be included as a component unit on the City of Redfield's annual report.

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 county road and bridge fund pursuant to SDCL 32-11-4.2 to be used by the board of county commissioners for grading, constructing, planning, 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, Women, Infants and Children, Dissolved Township, 24/7 Sobriety, and Modernization and Preservation Relief. These funds are reported on the fund financial statements as "Other Governmental Funds".

*Debt Service Funds* – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Tax Increment No. 1 Debt Service Fund (TIF #1 Debt Service) – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs. This is not a major fund.

**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 Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus, applied within the limitations of the modified cash basis of accounting as defined below.

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

*Basis of Accounting:*

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

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

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

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

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

d. Deposits and Investments:

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

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 these Debt Service payments are reported within the appropriate expense function while the interest portion is reported as Interest on Long-Term Debt.

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

g. Program Revenues:

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

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

h. Equity Classifications:

*Government-wide Financial Statements:*

Equity is classified as net assets 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 Funds**

Road and Bridge Fund

**Revenue Source**

Wheel Tax and Intergovernmental Revenue

A schedule of fund balances is provided as follows:

**SPINK COUNTY  
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2014**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances:</b>				
Restricted For:				
Snow Removal Purposes	\$	\$ 214,205.50	\$	\$ 214,205.50
Secondary Road Purposes		31,876.77		31,876.77
24/7 Sobriety Purposes			81.77	81.77
Modernization and Preservation Relief Purposes			12,490.47	12,490.47
TIF #1 Debt Service Purposes			612.16	612.16
Assigned To:				
Applied to Next Year's Budget	549,727.00			549,727.00
Construction Project Purposes	300,000.00			300,000.00
Capital Outlay Accumulations	160,000.00			160,000.00
Unemployment Purposes	40,793.15			40,793.15
911 Service Purposes			20,034.17	20,034.17
Emergency Management Purposes			50,618.72	50,618.72
Domestic Abuse Purposes			672.00	672.00
24/7 Sobriety Purposes			2,000.00	2,000.00
Women, Infants and Children Purposes			3,647.56	3,647.56
Unassigned	<u>2,519,164.48</u>			<u>2,519,164.48</u>
<b>Total Fund Balances</b>	<u>\$ 3,569,684.63</u>	<u>\$ 246,082.27</u>	<u>\$ 90,156.85</u>	<u>\$ 3,905,923.75</u>

## 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 has no investment policy that would 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 not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

## 3. PROPERTY TAXES

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

The 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. CONDUIT DEBT

In the past, the County has issued revenue bonds to provide financial assistance to certain private-sector entities for the acquisition and/or construction of facilities deemed to be in the public interest. These bonds are secured by the property being financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities is retained by the private-sector entity served by the bond issuance. Neither the County, the State of South Dakota, nor any other political subdivision of the State is obligated in any manner for the repayment of these conduit debt issues. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2014, there was one series of conduit bonds outstanding, was an aggregate unpaid principal amount of \$3,170,788.09.

5. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2014 was as follows:

**Major Purposes:**

Road and Bridge Purposes	<u>\$ 246,082.27</u>
--------------------------	----------------------

**Other Purposes:**

24/7 Sobriety Purposes	81.77
Modernization and Preservation Relief Purposes	12,490.47
TIF #1 Debt Service Purposes	<u>612.16</u>

Total Other Purposes	<u>13,184.40</u>
----------------------	------------------

<b>Total Restricted Net Position</b>	<b><u><u>\$ 259,266.67</u></u></b>
--------------------------------------	------------------------------------

These balances are restricted due to statutory requirements.

6. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2014 were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>		<u>Total</u>
	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	
Major Funds:			
General Fund	\$ 1,000,000.00	\$ 148,200.00	\$ 1,148,200.00



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.

The County has assigned fund balance in the General Fund in the amount of \$40,793.15 for the payment of future unemployment benefits.

During the two years ended December 31, 2014, one claim was filed for unemployment benefits. The claim resulted in the payment of benefits in the amount of \$662.00. At December 31, 2014, 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  
SPINK COUNTY  
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 2,886,450.00	\$ 2,886,450.00	\$ 2,866,528.47	\$ (19,921.53)
General Property Taxes--Delinquent	15,000.00	15,000.00	15,270.34	270.34
Penalties and Interest	8,000.00	8,000.00	8,500.85	500.85
Telephone Tax (Outside)	900.00	900.00	850.94	(49.06)
Mobile Home Tax	300.00	300.00	323.61	23.61
Tax Deed Revenue	0.00	0.00	1,565.09	1,565.09
Licenses and Permits	11,750.00	11,750.00	17,844.16	6,094.16
Intergovernmental Revenue:				
Federal Shared Revenue	1,442.00	1,442.00	2,502.20	1,060.20
Federal Payments in Lieu of Taxes	1,821.00	1,821.00	1,902.00	81.00
State Grants	4,000.00	4,000.00	9,500.00	5,500.00
State Shared Revenue:				
Bank Franchise	12,000.00	12,000.00	20,975.44	8,975.44
Court Appointed Attorney/Public Defender	2,000.00	2,000.00	2,024.59	24.59
Abused and Neglected Child Defense	200.00	200.00	186.37	(13.63)
Telecommunications Gross Receipts Tax	43,000.00	43,000.00	34,776.63	(8,223.37)
Motor Vehicle 1/4%	2,000.00	2,000.00	3,596.58	1,596.58
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	8,900.00	8,900.00	11,762.42	2,862.42
Register of Deeds' Fees	71,000.00	71,000.00	99,343.55	28,343.55
Legal Services	15,000.00	15,000.00	19,921.37	4,921.37
Clerk of Courts Fees	11,400.00	11,400.00	14,441.36	3,041.36
Other Fees	10,000.00	10,000.00	20,175.16	10,175.16
Public Safety:				
Law Enforcement	347,267.00	347,267.00	351,473.26	4,206.26
Prisoner Care	7,500.00	7,500.00	7,960.00	460.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	5,000.00	5,000.00	11,793.68	6,793.68
Veterans Service Officer	2,800.00	2,800.00	2,812.50	12.50
Health Assistance:				
Other	400.00	400.00	328.27	(71.73)
Social Services	8,834.00	8,834.00	13,806.12	4,972.12
Conservation of Natural Resources	2,600.00	2,600.00	2,646.96	46.96
Fines and Forfeits:				
Fines	0.00	0.00	36.40	36.40
Costs	7,000.00	7,000.00	846.99	(6,153.01)
Miscellaneous Revenue:				
Investment Earnings	25,000.00	25,000.00	8,984.68	(16,015.32)
Rent	1,500.00	1,500.00	8,030.00	6,530.00
Refund of Prior Year's Expenditures	0.00	0.00	7,596.30	7,596.30
<b>Total Revenues</b>	<b>3,513,064.00</b>	<b>3,513,064.00</b>	<b>3,568,306.29</b>	<b>55,242.29</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	107,586.00	127,286.00	117,658.84	9,627.16
Contingency	300,000.00	300,000.00		
Amount Transferred		(211,663.00)		88,337.00
Elections	40,073.00	40,073.00	37,711.90	2,361.10
Judicial System	15,200.00	15,200.00	6,249.34	8,950.66
Financial Administration:				
Auditor	144,191.00	144,191.00	133,547.65	10,643.35
Treasurer	141,884.00	141,884.00	132,370.02	9,513.98
Legal Services:				
State's Attorney	108,609.00	109,809.00	109,780.42	28.58
Court Appointed Attorney	58,500.00	60,800.00	60,695.90	104.10
Other Administration:				
General Government Building	231,318.00	231,318.00	229,751.53	1,566.47
Director of Equalization	203,894.00	203,894.00	192,181.18	11,712.82
Register of Deeds	84,604.00	84,604.00	80,945.36	3,658.64
Veterans Service Officer	21,454.00	21,454.00	20,374.43	1,079.57
Predatory Animal	6,103.00	6,103.00	6,103.00	0.00

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety:				
Law Enforcement:				
Sheriff	682,037.00	682,037.00	657,260.46	24,776.54
County Jail	141,094.00	141,094.00	119,638.69	21,455.31
Coroner	4,831.00	6,131.00	6,116.28	14.72
Health and Welfare:				
Economic Assistance:				
Support of Poor	84,222.00	84,222.00	36,543.69	47,678.31
Public Welfare	5,000.00	5,150.00	5,146.81	3.19
Other	2,500.00	2,500.00	2,500.00	0.00
Health Assistance:				
County Nurse	46,406.00	46,406.00	46,323.92	82.08
Ambulance	13,000.00	13,000.00	13,000.00	0.00
Social Services:				
Other	5,250.00	5,250.00	5,250.00	0.00
Mental Health Services:				
Mentally Ill	10,000.00	17,450.00	17,405.48	44.52
Mental Health Centers	16,200.00	16,200.00	16,200.00	0.00
Mental Illness Board	3,600.00	3,600.00	1,858.38	1,741.62
Culture and Recreation:				
Culture:				
Historical Museum	8,000.00	8,000.00	8,000.00	0.00
Recreation:				
County Fair	13,503.00	13,503.00	12,806.78	696.22
Senior Center	25,668.00	25,668.00	25,668.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	62,281.00	62,281.00	62,210.35	70.65
Soil Conservation Districts	7,500.00	7,500.00	7,500.00	0.00
Weed and Pest Control	107,121.00	113,021.00	109,720.49	3,300.51
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	33,821.00	33,821.00	23,201.59	10,619.41
Urban and Rural Development	5,000.00	5,000.00	5,000.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	745.00	745.00	745.00	0.00
Other	60,038.00	60,038.00	59,584.36	453.64
Intergovernmental Expenditures	3,911.00	3,911.00	3,910.39	0.61
Total Expenditures	<u>2,805,144.00</u>	<u>2,631,481.00</u>	<u>2,372,960.24</u>	<u>258,520.76</u>
Excess of Revenues Over (Under) Expenditures	<u>707,920.00</u>	<u>881,583.00</u>	<u>1,195,346.05</u>	<u>313,763.05</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,455,135.00)	(1,455,135.00)	(1,148,200.00)	306,935.00
Insurance Proceeds	0.00	0.00	50,530.59	50,530.59
Sale of County Property	0.00	0.00	5,403.85	5,403.85
Total Other Financing Sources (Uses)	<u>(1,455,135.00)</u>	<u>(1,455,135.00)</u>	<u>(1,092,265.56)</u>	<u>362,869.44</u>
Net Change in Fund Balance	(747,215.00)	(573,552.00)	103,080.49	676,632.49
Fund Balance - Beginning	<u>3,466,604.14</u>	<u>3,466,604.14</u>	<u>3,466,604.14</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,719,389.14</u>	<u>\$ 2,893,052.14</u>	<u>\$ 3,569,684.63</u>	<u>\$ 676,632.49</u>

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Penalties and Interest	\$ 0.00	\$ 0.00	\$ 83.50	\$ 83.50
Wheel Tax	186,200.00	186,200.00	192,530.36	6,330.36
Licenses and Permits	1,000.00	1,000.00	1,525.00	525.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	106,904.15	106,904.15
State Grants	0.00	0.00	156,157.48	156,157.48
State Shared Revenue:				
Motor Vehicle Licenses	1,400,000.00	1,400,000.00	1,411,276.48	11,276.48
Prorate License Fees	70,000.00	70,000.00	80,627.38	10,627.38
63 3/4% Mobile Home	5,000.00	5,000.00	10,635.25	5,635.25
Secondary Road Motor Vehicle Remittances	20,000.00	20,000.00	40,104.92	20,104.92
Other Intergovernmental Revenue	0.00	0.00	96,576.50	96,576.50
Charges for Goods and Services:				
General Government:				
Other Fees	0.00	0.00	5.93	5.93
Public Works:				
Road Maintenance Contract Charges	12,000.00	12,000.00	26,785.50	14,785.50
Other	0.00	0.00	900.00	900.00
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	1,591.03	1,591.03
Refund of Prior Year's Expenditures	0.00	0.00	279.00	279.00
<b>Total Revenues</b>	<b>1,694,200.00</b>	<b>1,694,200.00</b>	<b>2,125,982.48</b>	<b>431,782.48</b>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	3,000,758.00	3,481,451.33	3,481,418.43	32.90
Intergovernmental Expenditures	50,000.00	50,000.00	48,280.35	1,719.65
<b>Total Expenditures</b>	<b>3,050,758.00</b>	<b>3,531,451.33</b>	<b>3,529,698.78</b>	<b>1,752.55</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,356,558.00)</b>	<b>(1,837,251.33)</b>	<b>(1,403,716.30)</b>	<b>433,535.03</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,200,000.00	1,200,000.00	1,000,000.00	(200,000.00)
Insurance Proceeds	0.00	0.00	4,063.79	4,063.79
Sale of County Property	50,000.00	50,000.00	70,213.47	20,213.47
<b>Total Other Financing Sources (Uses)</b>	<b>1,250,000.00</b>	<b>1,250,000.00</b>	<b>1,074,277.26</b>	<b>(175,722.74)</b>
<b>Net Change in Fund Balance</b>	<b>(106,558.00)</b>	<b>(587,251.33)</b>	<b>(329,439.04)</b>	<b>257,812.29</b>
Fund Balance - Beginning	575,521.31	575,521.31	575,521.31	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 468,963.31</b>	<b>\$ (11,730.02)</b>	<b>\$ 246,082.27</b>	<b>\$ 257,812.29</b>

**SUPPLEMENTARY INFORMATION  
SPINK COUNTY  
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 2,802,380.00	\$ 2,802,380.00	\$ 2,792,308.55	\$ (10,071.45)
General Property Taxes--Delinquent	12,000.00	12,000.00	25,342.84	13,342.84
Penalties and Interest	8,000.00	8,000.00	12,436.73	4,436.73
Telephone Tax (Outside)	900.00	900.00	1,790.92	890.92
Mobile Home Tax	400.00	400.00	421.42	21.42
Tax Deed Revenue	0.00	0.00	1,321.37	1,321.37
Licenses and Permits	11,750.00	11,750.00	17,629.76	5,879.76
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	23,174.23	23,174.23
Federal Shared Revenue	0.00	0.00	1,342.99	1,342.99
Federal Payments in Lieu of Taxes	2,500.00	2,500.00	1,778.00	(722.00)
State Grants	4,000.00	4,000.00	11,500.00	7,500.00
State Shared Revenue:				
Bank Franchise	12,000.00	12,000.00	18,427.45	6,427.45
Court Appointed Attorney/Public Defender	2,000.00	2,000.00	2,617.07	617.07
Abused and Neglected Child Defense	200.00	200.00	171.05	(28.95)
Telecommunications Gross Receipts Tax	45,000.00	45,000.00	40,007.05	(4,992.95)
Motor Vehicle 1/4%	2,000.00	2,000.00	3,111.78	1,111.78
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	8,470.00	8,470.00	11,702.96	3,232.96
Register of Deeds' Fees	63,000.00	63,000.00	135,881.25	72,881.25
Legal Services	15,000.00	15,000.00	20,100.07	5,100.07
Clerk of Courts Fees	11,000.00	11,000.00	13,426.81	2,426.81
Other Fees	10,000.00	10,000.00	13,431.76	3,431.76
Public Safety:				
Law Enforcement	304,200.00	304,200.00	332,726.61	28,526.61
Prisoner Care	8,000.00	8,000.00	8,032.20	32.20
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	5,000.00	5,000.00	5,825.58	825.58
Health Assistance:				
Other	600.00	600.00	185.77	(414.23)
Social Services	6,900.00	6,900.00	15,135.92	8,235.92
Conservation of Natural Resources	2,700.00	2,700.00	3,079.72	379.72
Fines and Forfeits:				
Fines	0.00	0.00	123.50	123.50
Costs	7,000.00	7,000.00	1,670.00	(5,330.00)
Miscellaneous Revenue:				
Investment Earnings	30,000.00	30,000.00	9,509.35	(20,490.65)
Rent	500.00	500.00	1,710.00	1,210.00
Refund of Prior Year's Expenditures	0.00	0.00	323.00	323.00
<b>Total Revenues</b>	<b>3,375,500.00</b>	<b>3,375,500.00</b>	<b>3,526,245.71</b>	<b>150,745.71</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	115,586.00	122,186.00	122,134.20	51.80
Contingency	300,000.00	300,000.00		
Amount Transferred		(173,345.00)		126,655.00
Elections	10,190.00	10,190.00	9,386.91	803.09
Judicial System	13,440.00	13,440.00	12,220.32	1,219.68
Financial Administration:				
Auditor	144,599.00	144,599.00	144,548.21	50.79
Treasurer	135,917.00	135,917.00	128,816.84	7,100.16
Legal Services:				
State's Attorney	103,956.00	103,956.00	100,343.94	3,612.06
Court Appointed Attorney	58,500.00	58,500.00	40,281.12	18,218.88
Other Administration:				
General Government Building	171,772.00	191,750.71	191,732.30	18.41
Director of Equalization	198,139.00	198,139.00	196,146.04	1,992.96
Register of Deeds	81,959.00	81,959.00	76,557.69	5,401.31
Veterans Service Officer	20,318.00	20,318.00	18,459.51	1,858.49
Predatory Animal	6,103.00	6,103.00	6,103.00	0.00

**SUPPLEMENTARY INFORMATION**  
**SPINK COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2013**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Public Safety:				
Law Enforcement:				
Sheriff	666,610.00	666,610.00	610,087.54	56,522.46
County Jail	133,363.00	136,363.00	136,334.86	28.14
Coroner	4,831.00	4,831.00	4,104.16	726.84
Health and Welfare:				
Economic Assistance:				
Support of Poor	83,092.00	110,692.00	110,631.53	60.47
Public Welfare	4,000.00	4,000.00	3,148.07	851.93
Other	2,500.00	2,500.00	2,500.00	0.00
Health Assistance:				
County Nurse	44,054.00	44,364.00	44,362.67	1.33
Ambulance	12,450.00	12,450.00	12,450.00	0.00
Social Services:				
Other	5,250.00	5,250.00	5,250.00	0.00
Mental Health Services:				
Mentally Ill	8,000.00	9,900.00	9,890.11	9.89
Mental Health Centers	15,480.00	15,480.00	15,480.00	0.00
Mental Illness Board	3,600.00	3,600.00	2,564.67	1,035.33
Culture and Recreation:				
Culture:				
Historical Museum	6,877.00	6,877.00	6,877.00	0.00
Recreation:				
County Fair	11,503.00	11,503.00	7,961.39	3,541.61
Senior Center	25,668.00	25,668.00	25,668.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	59,645.00	59,645.00	58,583.88	1,061.12
Soil Conservation Districts	7,500.00	7,500.00	7,500.00	0.00
Weed and Pest Control	113,363.00	119,663.00	112,746.12	6,916.88
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	32,779.00	32,779.00	30,589.73	2,189.27
Urban and Rural Development	5,000.00	5,000.00	5,000.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	745.00	745.00	745.00	0.00
Other	35,038.00	35,038.00	35,034.70	3.30
Intergovernmental Expenditures	3,911.00	3,911.00	3,910.39	0.61
<b>Total Expenditures</b>	<b>2,645,738.00</b>	<b>2,538,081.71</b>	<b>2,298,149.90</b>	<b>239,931.81</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>729,762.00</b>	<b>837,418.29</b>	<b>1,228,095.81</b>	<b>390,677.52</b>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(680,479.00)	(680,479.00)	(174,979.00)	505,500.00
Sale of County Property	0.00	0.00	15,000.00	15,000.00
<b>Total Other Financing Sources (Uses)</b>	<b>(680,479.00)</b>	<b>(680,479.00)</b>	<b>(159,979.00)</b>	<b>520,500.00</b>
<b>Net Change in Fund Balance</b>	<b>49,283.00</b>	<b>156,939.29</b>	<b>1,068,116.81</b>	<b>911,177.52</b>
<b>Fund Balance - Beginning</b>	<b>2,398,487.33</b>	<b>2,398,487.33</b>	<b>2,398,487.33</b>	<b>0.00</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 2,447,770.33</b>	<b>\$ 2,555,426.62</b>	<b>\$ 3,466,604.14</b>	<b>\$ 911,177.52</b>

SUPPLEMENTARY INFORMATION  
 SPINK COUNTY  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 ROAD AND BRIDGE FUND  
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Wheel Tax	\$ 186,200.00	\$ 186,200.00	\$ 189,659.60	\$ 3,459.60
Licenses and Permits	1,000.00	1,000.00	1,475.00	475.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	633,968.38	633,968.38
State Shared Revenue:				
Motor Vehicle Licenses	1,100,000.00	1,100,000.00	1,228,671.96	128,671.96
Prorate License Fees	70,000.00	70,000.00	76,021.48	6,021.48
63 3/4% Mobile Home	3,000.00	3,000.00	13,134.87	10,134.87
Secondary Road Motor Vehicle Remittances	0.00	0.00	11,344.28	11,344.28
Motor Fuel Tax	0.00	0.00	8,892.24	8,892.24
Charges for Goods and Services:				
General Government:				
Other Fees	0.00	0.00	827.24	827.24
Public Works:				
Road Maintenance Contract Charges	10,000.00	10,000.00	16,207.15	6,207.15
Other	2,000.00	2,000.00	1,850.00	(150.00)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	2,547.07	2,547.07
Refund of Prior Year's Expenditures	0.00	0.00	695.40	695.40
<b>Total Revenues</b>	<b>1,372,200.00</b>	<b>1,372,200.00</b>	<b>2,185,294.67</b>	<b>813,094.67</b>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,626,983.00	2,718,673.48	2,705,147.25	13,526.23
Intergovernmental Expenditures	55,000.00	55,000.00	47,146.79	7,853.21
<b>Total Expenditures</b>	<b>2,681,983.00</b>	<b>2,773,673.48</b>	<b>2,752,294.04</b>	<b>21,379.44</b>
Excess of Revenues Over (Under) Expenditures	(1,309,783.00)	(1,401,473.48)	(566,999.37)	834,474.11
<b>Other Financing Sources (Uses):</b>				
Transfers In	578,828.00	578,828.00	0.00	(578,828.00)
Sale of County Property	50,000.00	50,000.00	57,493.59	7,493.59
<b>Total Other Financing Sources (Uses)</b>	<b>628,828.00</b>	<b>628,828.00</b>	<b>57,493.59</b>	<b>(571,334.41)</b>
Net Change in Fund Balance	(680,955.00)	(772,645.48)	(509,505.78)	263,139.70
Fund Balance - Beginning	1,085,027.09	1,085,027.09	1,085,027.09	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 404,072.09</b>	<b>\$ 312,381.61</b>	<b>\$ 575,521.31</b>	<b>\$ 263,139.70</b>

SPINK 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.

**SPINK COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Two Years Ended December 31, 2014**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures 2013	Expenditures 2014
US Department of Interior:				
Direct Federal Funding:				
Bureau of Land Management,				
Payments in Lieu of Taxes (Note 2)	15.226		\$ 1,778.00	\$ 1,902.00
Distribution of Receipts to State and Local Governments (Refuge Revenue Sharing) (Note 2)	15.227		<u>1,342.99</u>	<u>2,502.20</u>
Total US Department of Interior			<u>3,120.99</u>	<u>4,404.20</u>
US Department of Transportation:				
Highway Planning and Construction Cluster:				
Indirect Federal Funding:				
SD Department of Transportation, Highway Planning and Construction (Note 3)	20.205		<u>513,269.60</u>	
US General Services Administration:				
Indirect Federal Funding:				
SD Federal Property Agency, Donation of Federal Surplus Personal Property (Note 4)	39.003		<u>1,316.42</u>	<u>4,670.51</u>
US Elections Assistance Commission:				
Indirect Federal Funding:				
SD Secretary of State, Help America Vote Act Requirements Payments	90.401		<u>11,495.52</u>	
US Department of Health and Human Services:				
Indirect Federal Funding:				
SD Secretary of State, Voting Access for Individuals with Disabilities - Grants to States	93.617		<u>11,678.71</u>	
US Department of Homeland Security:				
Indirect Federal Funding:				
SD Department of Public Safety, Office of Emergency Management,				
Disaster Grants-Public Assistance	97.036		203,085.15	
Hazard Mitigation Grant	97.039			10,125.00
Emergency Management Performance Grants	97.042		25,416.14	27,919.67
Homeland Security Grant Program	97.067		<u>21,775.65</u>	<u>499.50</u>
Total US Department of Homeland Security			<u>250,276.94</u>	<u>38,544.17</u>
GRAND TOTAL			<u>\$ 791,158.18</u>	<u>\$ 47,618.88</u>

**Note 1:** This accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on the modified cash basis of accounting unless otherwise noted. 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

**Note 2:** Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.

**SPINK COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Two Years Ended December 31, 2014**  
**(Continued)**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures 2013	Expenditures 2014
--	------------------------	--	----------------------	----------------------

**Note 3:** This represents a Major Federal Financial Assistance Program.

**Note 4:** The amount reported represents 23.3% of the original acquisition cost of the federal surplus property received by the County.

**SPINK COUNTY**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**For the Two Years Ended December 31, 2014**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2013</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2014</u>
<b>Governmental Long-Term Debt:</b>				
Tax Increment Revenue Bonds Payable	\$ 899,263.64	\$	\$ 286,716.47	\$ 612,547.17

Note 1 - Long-Term Debt:

Debt payable at December 31, 2014 is comprised of the following:

Tax Increment Revenue Bonds:

Series 2006 Tax Incremental Finance Bonds, Maturity Date - June 1, 2022, Interest Rate - 8%, Paid from the TIF #1 Debt Service Fund	\$	612,547.17
---	----	------------