

TRIPP COUNTY

AUDIT REPORT

For the Two Years Ended December 31, 2014

TRIPP COUNTY
COUNTY OFFICIALS
December 31, 2014

Board of Commissioners:

Daniel Forgey
Mark Winter
Curtis Littau
Eric Connot
Clifford Schroeder

Auditor:
Barb Desersa

Treasurer:
Marla Liggett

State's Attorney:
Alvin Pahlke

Register of Deeds:
Louise Filsram

Sheriff:
Shawn Pettit

TRIPP COUNTY
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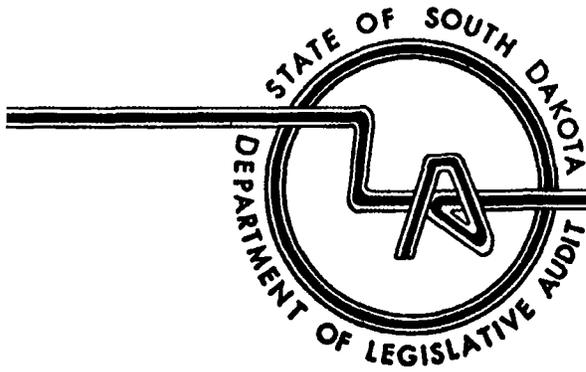
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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

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
Tripp County
Winner, 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 Tripp 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 April 7, 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.

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

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. We consider the deficiencies described in the accompanying Schedule of Current Audit Findings as items No. 2014-001 and 2014-002 to be material weaknesses.

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,

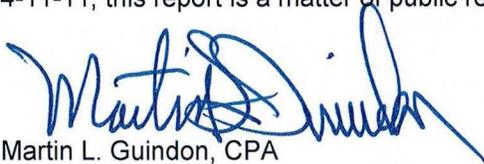
and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Audit Findings as items No. 2014-003, 2014-004, and 2014-005.

County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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

April 7, 2016

TRIPP COUNTY
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Audit Finding:

Finding No. 2012-01:

Deficiencies were noted in the delinquent tax collection process as properties with delinquent taxes were not being taken for tax deed. This finding has been resolved.

SCHEDULE OF CURRENT AUDIT FINDINGS

Current Audit Findings:

Internal Control-Related Findings - Material Weaknesses:

Financial Reporting Errors

Finding No. 2014-001:

Internal accounting controls over financial reporting for the year ended December 31, 2014 were inadequate resulting in inaccurate information being presented to the users of the annual financial report.

Analysis:

We noted the following significant errors in the County's annual financial report for the year ended December 31, 2014:

- a. The 2014 Statement of Net Position contained the following errors:
 - Net Position – Unrestricted was understated by \$285,375.00.
 - Net Position – Restricted for Road and Bridge Purposes was overstated by \$7,420.92.
 - Net Position – Restricted for Other Purposes was overstated by \$277,954.08.

- b. The 2014 Statement of Activities contained the following errors:
 - General Government Expenses was understated by \$415,218.42.
 - Prior Period Adjustments was overstated by \$402,274.40.

- c. The 2014 Governmental Funds Balance Sheet contained the following errors:
 - General Fund Cash and Cash Equivalents was understated by \$115,382.87.
 - General Fund Unassigned Fund Balance was overstated by \$889,279.19.
 - General Fund Restricted Fund Balance was understated by \$7,000.00
 - General Fund Assigned Fund Balance was understated by \$997,662.06.
 - Road and Bridge Fund Cash and Cash Equivalents was overstated by \$12,736.06.
 - Road and Bridge Fund Unassigned Fund Balance was overstated by \$5,315.14.
 - Road and Bridge Fund Restricted Fund Balance was overstated by \$7,420.92.
 - Other Governmental Funds Cash and Cash Equivalents was overstated by \$115,382.87.
 - Other Governmental Funds Assigned Fund Balance was understated by \$169,571.21.

- Other Governmental Funds Restricted Fund Balance was overstated by \$284,954.08.
- d. The 2014 Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances contained the following errors:
- General Fund General Government Building Expenditures was understated by \$422,274.40.
 - General Fund Ambulance Expenditures was overstated by \$20,000.00
 - General Fund Prior Period Adjustments was overstated by \$516,274.40.
 - Other Governmental Funds Transfers In was understated by \$23,861.00.
 - Other Governmental Funds County Fair Expenditures was understated by \$76,641.38.
 - Other Governmental Funds County Fair Expenditures was understated by \$47,176.66.
 - Other Governmental Funds Prior Period Adjustments was overstated by \$114,000.00.

Other less significant errors were also noted in the County's annual financial report.

We were able to correct the material reporting errors and therefore have issued an unmodified auditor's opinion on the financial statements contained in this audit report. However, users of the annual financial report received information of diminished reliability.

RECOMMENDATION:

1. We recommend the County strengthen internal accounting controls over financial reporting.

Management's Response:

Tripp County will work on training, had new employees with no training.

Cash Internal Control Deficiencies

Finding No. 2014-002:

The County's internal controls over accounting for cash assets were inadequate resulting in diminished assurance that the County's financial transactions were properly recorded and its assets were adequately safeguarded.

Analysis:

United States General Accounting Office, Government Auditing Standards, 2011 revisions, state:

Internal control serves as a defense in safeguarding assets and in preventing and detecting errors; fraud; noncompliance with provisions of laws, regulations, contracts or grant agreements; or abuse.

We noted that the County Auditor had not reconciled the General Ledger cash balances with the County Treasurer's Office balances since May 2014 resulting in an internal control deficiency over accounting for cash.

During the audit, the cash balances by fund were reconciled and reconstructed as of December 31, 2014.

The County was exposed to an increased risk of accounting errors or irregularities not being detected in a timely manner. The County was also exposed to a greater risk that management decisions could be made using inaccurate cash balance amounts.

RECOMMENDATION:

2. We recommend that the County improve internal controls over accounting for cash to insure that cash assets are properly recorded.

Management's Response:

We now balance between treasurer and auditor as directed by the Department of Legislative Audit.

Compliance and Other Matters:

Annual Financial Reports

Finding No. 2014-003:

The County Auditor did not prepare, publish or file with the Auditor General of the Department of Legislative Audit on a timely basis the annual financial reports for the years ended December 31, 2013 or December 31, 2014 as required by South Dakota Codified Law (SDCL) 7-10-4.

Analysis:

SDCL 7-10-4 states:

The County Auditor shall prepare by the first day of March of each year a report of the revenues and expenditures of the previous years and the assets, liabilities and equity of the county as of December thirty-first of the previous year. The report shall be made in the form prescribed by the auditor-general and shall be published within thirty days in the official newspapers of the county. A copy of the publication shall be filed with the auditor-general.

The annual financial reports for Tripp County for the years ended December 31, 2013 and December 31, 2014 were not published or filed with the Department of Legislative Audit. In addition to being a violation of SDCL 7-10-4, the County Auditor's failure to prepare, publish and file the annual financial report on a timely basis resulted in withholding financial information from the taxpayers of the County.

RECOMMENDATION:

3. We recommend that future annual reports be prepared, published and filed with the Department of Legislative Audit on a timely basis.

Management's Response:

New leadership is now in place and will work on this process.

Unfunded Highway and Bridge Reserve

Finding No. 2014-004:

The County improperly expended \$129,351.61 of Highway and Bridge Reserve Funds and did not maintain an adequate reserve for the Highway and Bridge Reserve in violation of SDCL 10-12-13.

Analysis:

SDCL 10-12-13 states:

The board of county commissioners may levy an annual tax as a reserve fund to be accumulated and used for the purpose of maintaining, repairing, constructing, and reconstructing roads and bridges as follows:

...

Moneys in the fund may be expended in the laying out, marking, maintaining, constructing, and reconstructing roads and maintaining, constructing, and reconstructing bridges, under the jurisdiction of the board of county commissioners. The tax levy shall be in addition to all other levies authorized to be made by the board of county commissioners for road and bridge purposes provided for in § 10-12-21. The proceeds of such levy shall be placed in a special fund to be known as the county highway and bridge reserve fund. Any increased tax levy imposed pursuant to this section is exempt from the provisions of chapter 10-13, if the county establishes the amount of revenue payable from taxes on real property pursuant to § 10-12-13.1. However, each year thereafter, the county may increase the amount of revenue payable from property taxes by applying the growth and the index factor pursuant to the provisions of § 10-13-35.

Based on the County records, the unexpended balance of the Highway and Bridge Reserve as of December 31, 2014, accounted for within the Road and Bridge Fund, should have been \$152,708.48. However, the balance of the Highway and Bridge Reserve as of December 31, 2014 was only \$23,356.87. The County improperly expended \$129,351.61 in Highway and Bridge Reserves for activities other than intended by SDCL 10-12-13.

RECOMMENDATION:

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

Management's Response:

County will adhere to recommendation.

Budgetary Noncompliance

Finding No. 2014-005:

The County incurred expenditures in excess of appropriations contrary to SDCL 7-21-25.

Analysis:

Appropriations included in the annual budget constitute maximum authorizations to spend during the fiscal year (SDCL 7-21-25), and cannot be exceeded except by subsequent amendment of the budget by the County Commission pursuant to SDCL.

SDCL 7-21-25 states:

Unless specially and expressly authorized by law, it shall be unlawful for the board of county commissioners for any member thereof, or for any officer of any county or any employee thereof in charge of any institution or agency of a county, to contract any indebtedness or incur any liabilities for or in behalf of the county, in any manner whatsoever, either for a purpose, object, or item for which no appropriation is provided in the budget of such county for the fiscal year in

which such indebtedness is attempted to be contracted or liability attempted to be created, or in excess of the amount of any specific appropriation for any purpose, object, or item set forth in the budgets of such county, for the fiscal year in which such indebtedness is attempted to be contracted or liability attempted to be created.

The County is prohibited by statute from spending in excess of appropriated amounts at the department level. The following represents the significant overdraft of the expenditures compared to appropriation noncompliance with SDCL 7-21-25:

	<u>Year Ended</u> <u>12/31/2014</u>
<u>General Fund:</u>	
<u>Activity</u>	
General Government Building	\$ 416,810.95

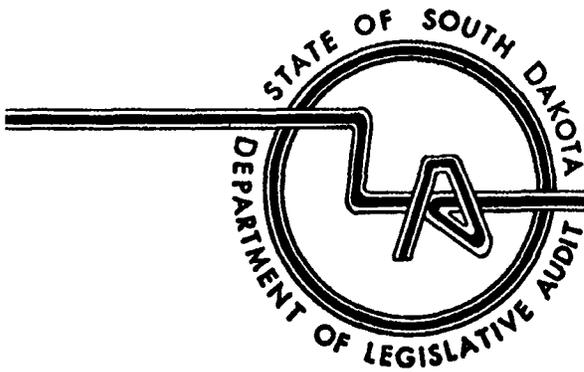
The County incorrectly coded the expenditures directly to Assigned Fund Balance. The amount was adjusted to be properly reported as expenditures resulting in the expenditures in excess of appropriations. The County would not have had an opportunity to supplement the budget at the time of this correction. The County did not exceed the total General Fund budget in 2014.

RECOMMENDATION:

5. We recommend that the County refrain from incurring any expenditure in excess of the amount appropriated as required by SDCL 7-21-25.

Management's Response:

The County will follow the recommendation.



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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

County Commission
Tripp County
Winner, 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 Tripp 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 Tripp 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.

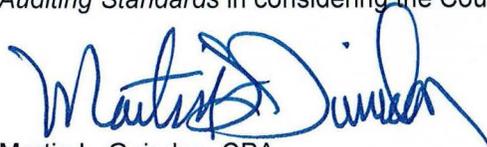
Other Matters

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 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 April 7, 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, 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

April 7, 2016

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

	Primary Government Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 4,557,551.43
TOTAL ASSETS	\$ 4,557,551.43
NET POSITION:	
Restricted For: (See Note 5)	
Road and Bridge Purposes	\$ 406,670.19
Other Purposes	31,155.96
Unrestricted	4,119,725.28
TOTAL NET POSITION	\$ 4,557,551.43

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 1,503,135.42	\$ 147,577.12	\$ 19,126.38	\$ (1,336,431.92)
Public Safety	658,524.25	13,409.95	102,977.27	(542,137.03)
Public Works	2,335,218.82	44,366.13	1,115,763.13	(1,175,089.56)
Health and Welfare	287,106.16	235,051.91		(52,054.25)
Culture and Recreation	201,520.65	51,640.71		(149,879.94)
Conservation of Natural Resources	158,138.24	31,906.90		(126,231.34)
Urban and Economic Development	18,761.00			(18,761.00)
Total Primary Government	\$ 5,162,404.54	\$ 523,952.72	\$ 1,237,866.78	(3,400,585.04)
General Revenues:				
Taxes:				
Property Taxes				2,893,097.81
Wheel Tax				155,561.28
State Shared Revenues				62,781.98
Grants and Contributions not Restricted to Specific Programs				413.00
Unrestricted Investment Earnings				21,643.20
Miscellaneous Revenue				16,069.87
Total General Revenues				3,149,567.14
Change in Net Position				(251,017.90)
Net Position - Beginning				4,808,569.33
NET POSITION - ENDING				\$ 4,557,551.43

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

TRIPP 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
Primary Government:				
Governmental Activities:				
General Government	\$ 999,385.88	\$ 149,054.32	\$ 35,544.89	\$ (814,786.67)
Public Safety	826,263.58	19,363.46	125,074.93	(681,825.19)
Public Works	1,956,893.09	27,272.08	984,400.20	(945,220.81)
Health and Welfare	419,079.73	176,719.65		(242,360.08)
Culture and Recreation	150,352.18	32,986.50		(117,365.68)
Conservation of Natural Resources	125,971.93			(125,971.93)
Urban and Economic Development	18,529.00	1,945.00		(16,584.00)
*Interest on Long-Term Debt	18,713.76			(18,713.76)
Total Primary Government	\$ 4,515,189.15	\$ 407,341.01	\$ 1,145,020.02	(2,962,828.12)
General Revenues:				
Taxes:				
	Property Taxes			2,755,617.90
	Wheel Tax			155,131.66
	State Shared Revenues			68,879.25
	Grants and Contributions not Restricted to Specific Programs			385.00
	Unrestricted Investment Earnings			29,807.47
	Miscellaneous Revenue			25,079.31
	Total General Revenues			3,034,900.59
	Change in Net Position			72,072.47
	Net Position - Beginning			4,741,008.62
Adjustments:				
	Correct Prior Year Fair Board Overstatement			(4,511.76)
	Adjusted Net Position - Beginning			4,736,496.86
	NET POSITION - ENDING			\$ 4,808,569.33

* 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.

TRIPP 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>
ASSETS:				
Cash and Cash Equivalents	\$ 4,086,505.68	\$ 277,318.58	\$ 193,727.17	\$ 4,557,551.43
TOTAL ASSETS	<u>\$ 4,086,505.68</u>	<u>\$ 277,318.58</u>	<u>\$ 193,727.17</u>	<u>\$ 4,557,551.43</u>
FUND BALANCES: (See Note 1.j.)				
Restricted	\$ 7,000.00	\$ 406,670.19	\$ 24,155.96	\$ 437,826.15
Assigned	2,659,404.22		169,571.21	2,828,975.43
Unassigned	1,420,101.46	(129,351.61)		1,290,749.85
TOTAL FUND BALANCES	<u>\$ 4,086,505.68</u>	<u>\$ 277,318.58</u>	<u>\$ 193,727.17</u>	<u>\$ 4,557,551.43</u>

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

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 2,760,216.67	\$ 20,306.44	\$ 54,361.74	\$ 2,834,884.85
General Property Taxes--Delinquent	40,890.62	82.91	723.39	41,696.92
Penalties and Interest	16,240.52	30.92	218.19	16,489.63
Telephone Tax (Outside)	26.41			26.41
Wheel Tax		155,561.28		155,561.28
Licenses and Permits	4,385.00	80.00	1,118.00	5,583.00
Intergovernmental Revenue:				
Federal Grants	63.07		31,889.63	31,952.70
Federal Payments in Lieu of Taxes	413.00			413.00
State Grants	3,000.00			3,000.00
State Shared Revenue:				
Bank Franchise	31,331.56	235.38	618.11	32,185.05
Motor Vehicle Licenses		1,028,484.57		1,028,484.57
Court Appointed Attorney/Public Defender	3,468.57			3,468.57
Prorate License Fees		62,797.69		62,797.69
Abused and Neglected Child Defense	379.18			379.18
63 3/4% Mobile Home		7,948.88		7,948.88
Secondary Road Motor Vehicle Remittances		9,776.22		9,776.22
Telecommunications Gross Receipts Tax	30,596.93			30,596.93
Motor Vehicle 1/4%	2,215.56			2,215.56
Motor Fuel Tax		6,755.77		6,755.77
911 Remittances			68,087.64	68,087.64
Other Intergovernmental Revenue	10,000.00	3,000.00		13,000.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	8,635.95			8,635.95
Register of Deeds' Fees	74,292.00		8,141.86	82,433.86
Legal Services	33,987.15		225.00	34,212.15
Clerk of Courts Fees	6,610.00			6,610.00
Other Fees	7,289.66			7,289.66
Public Safety:				
Law Enforcement	6,172.59			6,172.59

Public Works:				
Road Maintenance Contract Charges		10,917.58		10,917.58
Other	33,448.55			33,448.55
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	18,215.92			18,215.92
Veterans Service Officer	2,812.50			2,812.50
Health Assistance:				
Ambulance	216,835.99			216,835.99
Culture and Recreation			51,640.71	51,640.71
Conservation of Natural Resources	31,906.90			31,906.90
Fines and Forfeits:				
Costs	7,226.36		11.00	7,237.36
Miscellaneous Revenue:				
Investment Earnings	18,422.65	2,502.30	718.25	21,643.20
Contributions and Donations	8,317.50		5,341.04	13,658.54
Other	2,410.33			2,410.33
Total Revenues	<u>3,379,811.14</u>	<u>1,308,479.94</u>	<u>223,094.56</u>	<u>4,911,385.64</u>

Expenditures:

General Government:				
Legislative:				
Board of County Commissioners	116,898.58			116,898.58
Elections	24,568.75			24,568.75
Judicial System	8,604.08			8,604.08
Financial Administration:				
Auditor	104,845.83			104,845.83
Treasurer	102,458.63			102,458.63
Data Processing	46,398.50			46,398.50
Legal Services:				
State's Attorney	123,293.00			123,293.00
Court Appointed Attorney	96,649.04			96,649.04
Abused and Neglected Child Defense	10,369.42			10,369.42
Other Administration:				
General Government Building	514,390.95		67,879.64	582,270.59
Director of Equalization	73,619.82			73,619.82
Register of Deeds	81,054.72		1,220.00	82,274.72
Veterans Service Officer	16,797.68			16,797.68
Predatory Animal	11,641.05			11,641.05
Self-Insurance Plan	102,445.73			102,445.73
Public Safety:				
Law Enforcement:				
Sheriff	247,270.67			247,270.67
County Jail	184,660.84			184,660.84

TRIPP 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>
Juvenile Detention	61,275.00			61,275.00
Protective and Emergency Services:				
Fire Protection	34,246.66			34,246.66
Emergency and Disaster Services Communication Center	3,908.84		37,043.17 90,119.07	37,043.17 94,027.91
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		2,296,826.29		2,296,826.29
Sanitation:				
Solid Waste	38,392.53			38,392.53
Health and Welfare:				
Economic Assistance:				
Support of Poor	24,283.20			24,283.20
Public Welfare	121.30			121.30
Health Assistance:				
County Nurse	29,503.00			29,503.00
Ambulance	193,541.26		7,790.97	201,332.23
Social Services:				
Care of Aged	4,426.00			4,426.00
Domestic Abuse			2,500.00	2,500.00
Other	400.00			400.00
Mental Health Services:				
Mentally Ill	5,351.09			5,351.09
Developmentally Disabled	735.00			735.00
Drug Abuse	2,200.00			2,200.00
Mental Health Centers	12,430.00			12,430.00
Mental Illness Board	3,824.34			3,824.34
Culture and Recreation:				
Culture:				
Public Library	112,010.77		5,543.50	117,554.27
Historical Museum	3,500.00			3,500.00
County Monuments	540.00			540.00
Recreation:				
County Fair			76,641.38	76,641.38

Senior Center	3,285.00			3,285.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	60,509.40			60,509.40
Weed and Pest Control	97,628.84			97,628.84
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	13,761.00			13,761.00
Urban and Rural Development	5,000.00			5,000.00
Total Expenditures	<u>2,576,840.52</u>	<u>2,296,826.29</u>	<u>288,737.73</u>	<u>5,162,404.54</u>
Excess of Revenues Over (Under) Expenditures	<u>802,970.62</u>	<u>(988,346.35)</u>	<u>(65,643.17)</u>	<u>(251,018.90)</u>
Other Financing Sources (Uses):				
Transfers In		420,000.00	70,394.00	490,394.00
Transfers Out	(490,394.00)			(490,394.00)
Sale of County Property		1.00		1.00
Total Other Financing Sources (Uses)	<u>(490,394.00)</u>	<u>420,001.00</u>	<u>70,394.00</u>	<u>1.00</u>
Net Change in Fund Balance	312,576.62	(568,345.35)	4,750.83	(251,017.90)
Fund Balance - Beginning	<u>3,773,929.06</u>	<u>845,663.93</u>	<u>188,976.34</u>	<u>4,808,569.33</u>
FUND BALANCE - ENDING	<u>\$ 4,086,505.68</u>	<u>\$ 277,318.58</u>	<u>\$ 193,727.17</u>	<u>\$ 4,557,551.43</u>

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

TRIPP 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>
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 2,657,156.74	\$ 20,217.15	\$ 52,573.40	\$ 2,729,947.29
General Property Taxes--Delinquent	16,537.64	173.92	285.52	16,997.08
Penalties and Interest	8,382.53	135.48	155.52	8,673.53
Wheel Tax		155,131.66		155,131.66
Licenses and Permits	4,141.00	140.00	1,000.00	5,281.00
Intergovernmental Revenue:				
Federal Grants	14,071.44		49,736.91	63,808.35
Federal Payments in Lieu of Taxes	385.00			385.00
State Grants	5,200.00			5,200.00
State Shared Revenue:				
Bank Franchise	32,777.35	254.55	648.63	33,680.53
Motor Vehicle Licenses		912,690.11		912,690.11
Court Appointed Attorney/Public Defender	6,994.74			6,994.74
Prorate License Fees		59,093.30		59,093.30
Abused and Neglected Child Defense	485.34			485.34
63 3/4% Mobile Home		1,264.77		1,264.77
Secondary Road Motor Vehicle Remittances		4,421.49		4,421.49
Telecommunications Gross Receipts Tax	35,198.72			35,198.72
Motor Vehicle 1/4%	1,993.37			1,993.37
Motor Fuel Tax		6,930.53		6,930.53
911 Remittances			70,138.02	70,138.02
Other Intergovernmental Revenue	9,000.00	3,000.00		12,000.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	8,380.66			8,380.66
Register of Deeds' Fees	80,652.00		10,107.42	90,759.42
Legal Services	30,612.46		275.00	30,887.46
Clerk of Courts Fees	7,164.00			7,164.00
Other Fees	6,581.78			6,581.78
Public Safety:				
Law Enforcement	7,595.31			7,595.31

Public Works:				
Road Maintenance Contract Charges		13,856.14		13,856.14
Other	13,415.94			13,415.94
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	7,303.80			7,303.80
Health Assistance:				
Ambulance	169,415.85			169,415.85
Culture and Recreation			32,986.50	32,986.50
Conservation of Natural Resources	1,945.00			1,945.00
Fines and Forfeits:				
Costs	9,518.15			9,518.15
Forfeits	2,250.00			2,250.00
Miscellaneous Revenue:				
Investment Earnings	22,247.45	6,721.99	838.03	29,807.47
Contributions and Donations	1,467.00		1,670.00	3,137.00
Other	969.00	185.13		1,154.13
Total Revenues	<u>3,161,842.27</u>	<u>1,184,216.22</u>	<u>220,414.95</u>	<u>4,566,473.44</u>

Expenditures:

General Government:

Legislative:

Board of County Commissioners	117,818.50			117,818.50
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Elections	3,994.93			3,994.93
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Judicial System	11,794.30			11,794.30
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Financial Administration:

Auditor	111,084.64			111,084.64
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Treasurer	102,746.31			102,746.31
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Data Processing	35,810.76			35,810.76
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Legal Services:

State's Attorney	120,930.35			120,930.35
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Court Appointed Attorney	84,963.53			84,963.53
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Abused and Neglected Child Defense	812.19			812.19
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Other Administration:

General Government Building	76,596.32		66,530.62	143,126.94
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Director of Equalization	67,690.57			67,690.57
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Register of Deeds	75,232.61			75,232.61
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Veterans Service Officer	17,103.88			17,103.88
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Predatory Animal	11,641.05			11,641.05
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Self-Insurance Plan	94,635.32			94,635.32
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Public Safety:

Law Enforcement:

Sheriff	288,065.84			288,065.84
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County Jail	231,554.75			231,554.75
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TRIPP 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
Juvenile Detention	35,087.50			35,087.50
Protective and Emergency Services:				
Fire Protection	102,580.00			102,580.00
Emergency and Disaster Services			63,458.13	63,458.13
Communication Center			105,517.36	105,517.36
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		1,918,053.15		1,918,053.15
Sanitation:				
Solid Waste	38,839.94			38,839.94
Health and Welfare:				
Economic Assistance:				
Support of Poor	4,878.00			4,878.00
Public Welfare	130.71			130.71
Health Assistance:				
County Nurse	28,644.00			28,644.00
Ambulance	356,416.48		1,816.48	358,232.96
Social Services:				
Care of Aged	3,200.00			3,200.00
Domestic Abuse			2,500.00	2,500.00
Mental Health Services:				
Mentally Ill	3,611.63			3,611.63
Developmentally Disabled	240.00			240.00
Drug Abuse	2,125.00			2,125.00
Mental Health Centers	12,220.00			12,220.00
Mental Illness Board	3,297.43			3,297.43
Culture and Recreation:				
Culture:				
Public Library	96,801.51		2,792.53	99,594.04
Historical Museum	3,500.00			3,500.00
County Monuments	2,849.13			2,849.13
Recreation:				
County Fair			42,849.01	42,849.01

Senior Center	1,560.00			1,560.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	55,610.92			55,610.92
Weed and Pest Control	70,361.01			70,361.01
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	13,529.00			13,529.00
Urban and Rural Development	5,000.00			5,000.00
Debt Service	18,713.76			18,713.76
Total Expenditures	<u>2,311,671.87</u>	<u>1,918,053.15</u>	<u>285,464.13</u>	<u>4,515,189.15</u>
Excess of Revenues Over (Under) Expenditures	<u>850,170.40</u>	<u>(733,836.93)</u>	<u>(65,049.18)</u>	<u>51,284.29</u>
Other Financing Sources (Uses):				
Transfers In		500,000.00	52,625.00	552,625.00
Transfers Out	(552,625.00)			(552,625.00)
Insurance Proceeds	20,788.18			20,788.18
Total Other Financing Sources (Uses)	<u>(531,836.82)</u>	<u>500,000.00</u>	<u>52,625.00</u>	<u>20,788.18</u>
Net Change in Fund Balance	<u>318,333.58</u>	<u>(233,836.93)</u>	<u>(12,424.18)</u>	<u>72,072.47</u>
Fund Balance - Beginning	3,455,595.48	1,079,500.86	205,912.28	4,741,008.62
Adjustments:				
Correct Prior Year Fair Board Overstatement			(4,511.76)	(4,511.76)
Adjusted Fund Balance - Beginning	<u>3,455,595.48</u>	<u>1,079,500.86</u>	<u>201,400.52</u>	<u>4,736,496.86</u>
FUND BALANCE - ENDING	<u>\$ 3,773,929.06</u>	<u>\$ 845,663.93</u>	<u>\$ 188,976.34</u>	<u>\$ 4,808,569.33</u>

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

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

	Agency Funds
ASSETS:	
Cash and Cash Equivalents	\$ 457,876.69
TOTAL ASSETS	\$ 457,876.69
NET POSITION:	
Net Position Held in Agency Capacity	\$ 457,876.69
TOTAL NET POSITION	\$ 457,876.69

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

TRIPP 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 Tripp 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.

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

The County organized the Tripp County Housing and Redevelopment Commission solely for abdicating its authority over the non-municipal housing projects within the County to the Yankton Housing Authority organized by the Municipality of Yankton. 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 Municipality of Yankton's annual report.

The Tripp County Fair Board, Inc. (Fair Board) is a governmental fund-type, blended component unit. The seven members of the Fair Board are appointed by the County Commission's Chairperson with the approval of the Board of County Commissioners for no more than two consecutive three-year terms. The Fair Board recruits and employs its own management personnel and other workers. The County Commission, though, does have the ability to impose its will on the Fair Board as approximately 35% of the Fair Board's funding comes from the County. The financial information of the Fair Board has been blended into the Other Governmental Funds on the County's Financial Statements. Separate financial information relating to the blended component unit can be obtained from: Tripp County Auditor, 200 East 3rd Street, Winner, SD 57580.

The County participates in a cooperative unit, the Tri-County Landfill Association, Inc. 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. Blended component units are legally separate organizations that meet certain criteria, as described in Note 1.a., above, and may be classified as either governmental or business-type activities. See the discussion of individual component units in Note 1.a., above.

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, Courthouse Building, Fair Board, Library Fines, Donated Ambulance, 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 and component unit 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.

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 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

Road and Bridge Fund

Revenue Source

Motor Vehicle Licenses

A schedule of fund balances is provided as follows:

**TRIPP 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>
Fund Balances:				
Restricted For:				
Library Donation Purposes	\$ 7,000.00	\$	\$	\$ 7,000.00
Snow Removal Purposes		151,641.29		151,641.29
Secondary Road Purposes		102,320.42		102,320.42
Highway and Bridge Reserve Purposes		152,708.48		152,708.48
Library Fines Purposes			1,790.02	1,790.02
Ambulance Donation Purposes			2,851.77	2,851.77
Domestic Abuse Purposes			1,034.12	1,034.12
Modernization and Preservation Relief Purposes			18,480.05	18,480.05
Assigned To:				
Applied to Next Year's Budget	526,161.00			526,161.00
Capital Outlay Accumulations	2,133,243.22			2,133,243.22
911 Service Purposes			36,823.27	36,823.27
Emergency Management Purposes			23,062.26	23,062.26
Domestic Abuse Purposes			298.77	298.77
Courthouse Building Purposes			89,534.53	89,534.53
Donated Ambulance Purposes			3,261.00	3,261.00
Fair Board Purposes			16,591.38	16,591.38
Unassigned	1,420,101.46	(129,351.61)		1,290,749.85
Total Fund Balances	<u>\$ 4,086,505.68</u>	<u>\$ 277,318.58</u>	<u>\$ 193,727.17</u>	<u>\$ 4,557,551.43</u>

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The County is limited by Statute as to what types of expenditures can be made from Highway and Bridge Reserve funds, which are accounted for within the Road and Bridge Fund. The County may use Highway and Bridge Reserve funds for the laying out, marking, maintaining, constructing, and reconstructing roads and maintaining, constructing, and reconstructing bridges under the jurisdiction of the board of County Commissioners.

During the course of business in calendar year 2014 the County had expenditures in the Road and Bridge Fund that were greater than the amount of cash needed to fund all statutorily required restrictions within the fund. As a result of these expenditures, the balance of the Highway and Bridge Reserve funds was depleted in the amount of \$129,351.61. The following shows the required Highway and Bridge Reserve balance as compared to the December 31, 2014 actual balance of the restriction and the amount that the County will be required to replenish.

<u>Required Restriction</u>	<u>December 31, 2014 Actual Balance</u>	<u>Required Refund Amount</u>
\$ 152,708.48	\$ 23,356.87	\$ 129,351.61

Also, the County is prohibited by statute from spending in excess of appropriated amounts at the department level. The following represents the significant overdrafts of the expenditures compared to appropriations:

<u>General Fund:</u>	<u>Year Ended 12/31/2014</u>
<u>Activity</u>	
General Government Building	\$ 416,810.95

The County incorrectly coded the expenditures directly to Assigned Fund Balance. The amount was adjusted to be properly reported as expenditures resulting in the expenditures in excess of appropriations. The County would not have had an opportunity to supplement the budget at the time of this correction. The County did not exceed the total General Fund budget in 2014.

3. 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.

4. 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.

5. RESTRICTED NET POSITION

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

Major Purposes:

Road and Bridge Purposes	<u>\$ 406,670.19</u>
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Other Purposes:

Library Donation Purposes (General Fund)	7,000.00
Library Fines Purposes	1,790.02
Ambulance Donation Purposes	2,851.77
Domestic Abuse Purposes	1,034.12
Modernization and Preservation Relief Purposes	<u>18,480.05</u>

Total Other Purposes	<u>31,155.96</u>
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Total Restricted Net Position	<u><u>\$ 437,826.15</u></u>
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These balances are restricted due to federal grant, donor, and statutory requirements.

6. INTERFUND TRANSFERS

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

Transfers From:	Transfers To:		Total
	Road and Bridge Fund	Other Governmental Funds	
Major Funds:			
General Fund	\$ 420,000.00	\$ 70,394.00	\$ 490,394.00

Interfund transfers for the year ended December 31, 2013 were as follows:

Transfers From:	Transfers To:		Total
	Road and Bridge Fund	Other Governmental Funds	
Major Funds:			
General Fund	\$ 500,000.00	\$ 52,625.00	\$ 552,625.00

The County typically budgets transfers to the Road and Bridge Fund and the Other Governmental Funds to conduct the indispensable functions of the County.

7. PRIOR PERIOD ADJUSTMENTS

The Net Position as of January 1, 2013 on the Government-Wide Statement of Net Position has been adjusted to restate the effects of a prior year overstatement of the Net Position related to the Fair Board Fund. The January 1, 2013 beginning fund balance has been adjusted for the same reason stated above.

The following items reconcile the beginning fund balances:

	2013 Other Governmental Funds	2013 Statement of Activities
Correct Prior Overstatement of Fair Board	\$ 4,511.76	\$ 4,511.76

8. RETIREMENT PLAN

All employees, except for part-time employees, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering, and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. 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, 2014, 2013, and 2012 were \$71,495.54, \$69,305.63, and \$69,486.05, respectively, equal to the required contributions each year.

9. JOINT VENTURES

The County participates in a joint venture, known as the Tri-County Landfill Association, Inc., formed for the purpose of providing solid waste disposal services to participating members.

The members of the joint venture and their relative percentage of participation are as follows:

Plankinton City	2.50%	Murdo City	2.81%
Stickney City	1.33%	Jones County	2.16%
White Lake City	1.73%	Kennebec City	1.17%
Aurora County	7.39%	Oacoma City	1.52%
Chamberlain City	9.70%	Presho City	2.70%
Kimball City	3.07%	Reliance City	0.70%
Pukwana City	1.09%	Lyman County	4.30%
Brule County	8.81%	Colome City	1.28%
Buffalo County	1.09%	New Witten City	0.36%
Alpena City	1.04%	Winner City	13.84%
Lane City	0.29%	Tripp County	13.10%
Wessington Springs City	4.47%	White River City	2.46%
Jerauld County	4.21%	Wood City	0.30%
Draper City	0.51%	Mellette County	6.07%

The joint venture's governing board is composed of 12 representatives, one from each of the 8 counties and 4 members at large. The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

The County retains no equity in the Net Position of the joint venture, but does have a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from the Tri-County Landfill Association, Inc.

At December 31, 2014, this joint venture had total assets of \$1,994,520.00, total liabilities of \$1,127,580.00, and total Net Position of \$866,940.00.

10. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2014, the County was not involved in any litigation:

11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2014, the County managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

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

- General Liability,
- Automobile Liability,
- Law Enforcement Liability,
- Officials Liability, and
- Property Damage

The agreement with the SDPAA provides that the above coverages will be provided to a \$2,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$250,000 for property coverage and \$500,000 for liability coverage to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The County would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

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

As of December 31, 2014, the County has vested balance in the cumulative reserve fund of \$26,693.67.

The County carries various deductibles for the above coverages.

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

Worker's Compensation:

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

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

Unemployment Benefits:

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

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 2,776,855.00	\$ 2,776,855.00	\$ 2,760,216.67	\$ (16,638.33)
General Property Taxes--Delinquent	22,000.00	22,000.00	40,890.62	18,890.62
Penalties and Interest	11,150.00	11,150.00	16,240.52	5,090.52
Telephone Tax (Outside)	50.00	50.00	26.41	(23.59)
Licenses and Permits	4,100.00	4,100.00	4,385.00	285.00
Intergovernmental Revenue:				
Federal Grants	2,000.00	2,000.00	63.07	(1,936.93)
Federal Payments in Lieu of Taxes	1,000.00	1,000.00	413.00	(587.00)
State Grants	4,000.00	4,000.00	3,000.00	(1,000.00)
State Shared Revenue:				
Bank Franchise	35,000.00	35,000.00	31,331.56	(3,668.44)
Court Appointed Attorney/Public Defender	6,000.00	6,000.00	3,468.57	(2,531.43)
Abused and Neglected Child Defense	50.00	50.00	379.18	329.18
Telecommunications Gross Receipts Tax	34,000.00	34,000.00	30,596.93	(3,403.07)
Motor Vehicle 1/4%	4,000.00	4,000.00	2,215.56	(1,784.44)
Other Intergovernmental Revenue	12,880.00	12,880.00	10,000.00	(2,880.00)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	9,000.00	9,000.00	8,635.95	(364.05)
Register of Deeds' Fees	75,000.00	75,000.00	74,292.00	(708.00)
Legal Services	34,000.00	34,000.00	33,987.15	(12.85)
Clerk of Courts Fees	6,500.00	6,500.00	6,610.00	110.00
Other Fees	1,000.00	1,000.00	7,289.66	6,289.66
Public Safety:				
Law Enforcement	6,200.00	6,200.00	6,172.59	(27.41)
Public Works:				
Other	34,000.00	34,000.00	33,448.55	(551.45)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	19,000.00	19,000.00	18,215.92	(784.08)
Veterans Service Officer	2,822.00	2,822.00	2,812.50	(9.50)
Health Assistance:				
Ambulance	156,300.00	156,300.00	216,835.99	60,535.99
Conservation of Natural Resources	30,000.00	30,000.00	31,906.90	1,906.90
Fines and Forfeits:				
Costs	7,300.00	7,300.00	7,226.36	(73.64)
Forfeits	200.00	200.00	0.00	(200.00)
Miscellaneous Revenue:				
Investment Earnings	20,000.00	20,000.00	18,422.65	(1,577.35)
Contributions and Donations	7,000.00	7,000.00	8,317.50	1,317.50
Other	1,000.00	1,000.00	2,410.33	1,410.33
Total Revenues	3,322,407.00	3,322,407.00	3,379,811.14	57,404.14
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	118,641.00	118,641.00	116,898.58	1,742.42
Contingency	117,000.00	117,000.00		
Amount Transferred		(63,380.11)		53,619.89
Elections	30,000.00	30,000.00	24,568.75	5,431.25
Judicial System	50,000.00	50,000.00	8,604.08	41,395.92
Financial Administration:				
Auditor	105,822.00	105,822.00	104,845.83	976.17
Treasurer	100,234.00	102,458.63	102,458.63	0.00
Data Processing	40,000.00	46,398.50	46,398.50	0.00
Legal Services:				
State's Attorney	130,668.00	130,668.00	123,293.00	7,375.00
Court Appointed Attorney	130,000.00	130,000.00	96,649.04	33,350.96
Abused and Neglected Child Defense	30,000.00	30,000.00	10,369.42	19,630.58
Other Administration:				
General Government Building	97,580.00	97,580.00	514,390.95	(416,810.95)
Director of Equalization	80,665.00	80,665.00	73,619.82	7,045.18
Register of Deeds	82,202.00	82,202.00	81,054.72	1,147.28
Veterans Service Officer	21,230.00	21,230.00	16,797.68	4,432.32
Predatory Animal	11,642.00	11,642.00	11,641.05	0.95
Self-Insurance Plan	100,000.00	108,100.00	102,445.73	5,654.27

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Public Safety:				
Law Enforcement:				
Sheriff	315,567.00	315,567.00	247,270.67	68,296.33
County Jail	275,000.00	275,000.00	184,660.84	90,339.16
Coroner	7,500.00	7,500.00	0.00	7,500.00
Juvenile Detention	120,000.00	120,000.00	61,275.00	58,725.00
Protective and Emergency Services:				
Fire Protection	46,293.00	56,293.00	34,246.66	22,046.34
Communication Center	2,500.00	3,700.00	3,908.84	(208.84)
Public Works:				
Sanitation:				
Solid Waste	42,294.00	42,294.00	38,392.53	3,901.47
Health and Welfare:				
Economic Assistance:				
Support of Poor	80,000.00	80,000.00	24,283.20	55,716.80
Public Welfare	500.00	500.00	121.30	378.70
Health Assistance:				
County Nurse	29,503.00	29,503.00	29,503.00	0.00
Ambulance	216,251.00	216,251.00	193,541.26	22,709.74
Board of Health	100.00	100.00	0.00	100.00
Social Services:				
Child Support Enforcement	1,000.00	1,000.00	0.00	1,000.00
Care of Aged	4,426.00	4,426.00	4,426.00	0.00
Other	400.00	400.00	400.00	0.00
Mental Health Services:				
Mentally Ill	9,000.00	9,000.00	5,351.09	3,648.91
Developmentally Disabled	720.00	720.00	735.00	0.00
Drug Abuse	2,200.00	2,200.00	2,200.00	0.00
Mental Health Centers	12,430.00	12,430.00	12,430.00	0.00
Mental Illness Board	8,000.00	8,000.00	3,824.34	4,175.66
Culture and Recreation:				
Culture:				
Public Library	93,017.00	113,510.77	112,010.77	1,500.00
Historical Museum	3,500.00	3,500.00	3,500.00	0.00
County Monuments	3,000.00	3,000.00	540.00	2,460.00
Recreation:				
County Fair	20,600.00	20,600.00	0.00	20,600.00
Senior Center	3,325.00	3,325.00	3,285.00	40.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	61,588.00	61,588.00	60,509.40	1,078.60
Weed and Pest Control	67,072.00	99,473.00	97,628.84	1,844.16
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	13,761.00	13,761.00	13,761.00	0.00
Urban and Rural Development	5,000.00	5,000.00	5,000.00	0.00
Total Expenditures	<u>2,690,231.00</u>	<u>2,707,683.79</u>	<u>2,576,840.52</u>	<u>130,843.27</u>
Excess of Revenues Over (Under) Expenditures	632,176.00	614,723.21	802,970.62	188,247.41
Other Financing Sources (Uses):				
Transfers Out	<u>(1,046,300.00)</u>	<u>(1,046,300.00)</u>	<u>(490,394.00)</u>	<u>555,906.00</u>
Net Change in Fund Balance	(414,124.00)	(431,576.79)	312,576.62	744,153.41
Fund Balance - Beginning	<u>3,773,929.06</u>	<u>3,773,929.06</u>	<u>3,773,929.06</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 3,359,805.06</u>	<u>\$ 3,342,352.27</u>	<u>\$ 4,086,505.68</u>	<u>\$ 744,153.41</u>

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

	<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>
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 20,307.00	\$ 20,307.00	\$ 20,306.44	\$ (0.56)
General Property Taxes--Delinquent	110.00	110.00	82.91	(27.09)
Penalties and Interest	100.00	100.00	30.92	(69.08)
Wheel Tax	155,000.00	155,000.00	155,561.28	561.28
Licenses and Permits	100.00	100.00	80.00	(20.00)
Intergovernmental Revenue:				
State Shared Revenue:				
Bank Franchise	300.00	300.00	235.38	(64.62)
Motor Vehicle Licenses	998,000.00	998,000.00	1,028,484.57	30,484.57
Prorate License Fees	60,000.00	60,000.00	62,797.69	2,797.69
63 3/4% Mobile Home	8,000.00	8,000.00	7,948.88	(51.12)
Secondary Road Motor Vehicle Remittances	16,000.00	16,000.00	9,776.22	(6,223.78)
Motor Fuel Tax	5,000.00	5,000.00	6,755.77	1,755.77
Other Intergovernmental Revenue	1,835.00	1,835.00	3,000.00	1,165.00
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	10,000.00	10,000.00	10,917.58	917.58
Miscellaneous Revenue:				
Investment Earnings	6,000.00	6,000.00	2,502.30	(3,497.70)
Total Revenues	<u>1,280,752.00</u>	<u>1,280,752.00</u>	<u>1,308,479.94</u>	<u>27,727.94</u>
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,356,216.00	2,356,216.00	2,296,826.29	59,389.71
Excess of Revenues Over (Under) Expenditures	<u>(1,075,464.00)</u>	<u>(1,075,464.00)</u>	<u>(988,346.35)</u>	<u>87,117.65</u>
Other Financing Sources (Uses):				
Transfers In	1,000,000.00	1,000,000.00	420,000.00	(580,000.00)
Sale of County Property	0.00	0.00	1.00	1.00
Total Other Financing Sources (Uses)	<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>420,001.00</u>	<u>(579,999.00)</u>
Net Change in Fund Balance	<u>(75,464.00)</u>	<u>(75,464.00)</u>	<u>(568,345.35)</u>	<u>(492,881.35)</u>
Fund Balance - Beginning	<u>845,663.93</u>	<u>845,663.93</u>	<u>845,663.93</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 770,199.93</u>	<u>\$ 770,199.93</u>	<u>\$ 277,318.58</u>	<u>\$ (492,881.35)</u>

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 2,694,075.00	\$ 2,694,075.00	\$ 2,657,158.74	\$ (36,918.26)
General Property Taxes--Delinquent	22,000.00	22,000.00	16,537.64	(5,462.36)
Penalties and Interest	11,600.00	11,600.00	8,382.53	(3,217.47)
Licenses and Permits	3,925.00	3,925.00	4,141.00	216.00
Intergovernmental Revenue:				
Federal Grants	10,000.00	10,000.00	14,071.44	4,071.44
Federal Payments in Lieu of Taxes	500.00	500.00	385.00	(115.00)
State Grants	5,500.00	5,500.00	5,200.00	(300.00)
State Shared Revenue:				
Bank Franchise	30,000.00	30,000.00	32,777.35	2,777.35
Court Appointed Attorney/Public Defender	7,000.00	7,000.00	6,994.74	(5.26)
Abused and Neglected Child Defense	500.00	500.00	485.34	(14.66)
Telecommunications Gross Receipts Tax	36,000.00	36,000.00	35,198.72	(801.28)
Motor Vehicle 1/4%	2,000.00	2,000.00	1,993.37	(6.63)
Other Intergovernmental Revenue	7,475.00	7,475.00	9,000.00	1,525.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	10,000.00	10,000.00	8,380.66	(1,619.34)
Register of Deeds' Fees	82,000.00	82,000.00	80,652.00	(1,348.00)
Legal Services	32,000.00	32,000.00	30,612.46	(1,387.54)
Clerk of Courts Fees	8,500.00	8,500.00	7,164.00	(1,336.00)
Other Fees	7,000.00	7,000.00	6,581.78	(418.22)
Public Safety:				
Law Enforcement	7,500.00	7,500.00	7,595.31	95.31
Public Works:				
Other	15,000.00	15,000.00	13,415.94	(1,584.06)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	8,000.00	8,000.00	7,303.80	(696.20)
Health Assistance:				
Ambulance	170,000.00	170,000.00	169,415.85	(584.15)
Conservation of Natural Resources	1,705.00	1,705.00	1,945.00	240.00
Fines and Forfeits:				
Costs	7,000.00	7,000.00	9,518.15	2,518.15
Forfeits	500.00	500.00	2,250.00	1,750.00
Miscellaneous Revenue:				
Investment Earnings	28,000.00	28,000.00	22,247.45	(5,752.55)
Contributions and Donations	1,500.00	1,500.00	1,467.00	(33.00)
Other	1,000.00	1,000.00	969.00	(31.00)
Total Revenues	3,210,280.00	3,210,280.00	3,161,842.27	(48,437.73)
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	115,827.00	117,827.00	117,818.50	8.50
Contingency	117,000.00	117,000.00	117,000.00	
Amount Transferred		(78,688.00)		38,312.00
Elections	7,500.00	7,500.00	3,994.93	3,505.07
Judicial System	50,000.00	50,000.00	11,794.30	38,205.70
Financial Administration:				
Auditor	91,434.00	111,434.00	111,084.64	349.36
Treasurer	94,928.00	102,748.00	102,746.31	1.69
Data Processing	30,000.00	35,815.00	35,810.76	4.24
Legal Services:				
State's Attorney	129,000.00	129,000.00	120,930.35	8,069.65
Court Appointed Attorney	110,000.00	110,000.00	84,963.53	25,036.47
Abused and Neglected Child Defense	50,000.00	50,000.00	812.19	49,187.81
Other Administration:				
General Government Building	96,327.00	96,327.00	76,596.32	19,730.68
Director of Equalization	68,947.00	68,947.00	67,690.57	1,256.43
Register of Deeds	61,772.00	75,232.00	75,232.81	4.39
Veterans Service Officer	20,011.00	20,011.00	17,103.88	2,907.12
Predatory Animal	11,642.00	11,642.00	11,641.05	0.95
Self-Insurance Plan	95,000.00	99,700.00	94,635.32	5,064.68

SUPPLEMENTARY INFORMATION
TRIPP 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	349,795.00	349,795.00	288,065.84	61,729.16
County Jail	254,000.00	254,000.00	231,554.75	22,445.25
Coroner	7,500.00	7,500.00	0.00	7,500.00
Juvenile Detention	100,000.00	100,000.00	35,087.50	64,912.50
Protective and Emergency Services:				
Fire Protection	27,580.00	102,580.00	102,580.00	0.00
Communication Center	2,500.00	2,500.00	0.00	2,500.00
Public Works:				
Sanitation:				
Solid Waste	39,900.00	39,900.00	38,839.94	1,060.06
Health and Welfare:				
Economic Assistance:				
Support of Poor	80,000.00	80,000.00	4,878.00	75,122.00
Public Welfare	500.00	500.00	130.71	369.29
Health Assistance:				
County Nurse	28,644.00	28,644.00	28,644.00	0.00
Ambulance	175,000.00	356,420.00	356,416.48	3.52
Board of Health	100.00	100.00	0.00	100.00
Social Services:				
Child Support Enforcement	1,000.00	1,000.00	0.00	1,000.00
Care of Aged	3,200.00	3,200.00	3,200.00	0.00
Other	400.00	400.00	0.00	400.00
Mental Health Services:				
Mentally Ill	9,000.00	9,000.00	3,611.63	5,388.37
Developmentally Disabled	720.00	720.00	240.00	480.00
Drug Abuse	2,125.00	2,125.00	2,125.00	0.00
Mental Health Centers	12,220.00	12,220.00	12,220.00	0.00
Mental Illness Board	8,000.00	8,000.00	3,297.43	4,702.57
Culture and Recreation:				
Culture:				
Public Library	87,125.00	96,803.00	96,801.51	1.49
Historical Museum	3,500.00	3,500.00	3,500.00	0.00
County Monuments	3,000.00	3,000.00	2,849.13	150.87
Recreation:				
County Fair	20,600.00	20,600.00	0.00	20,600.00
Senior Center	3,235.00	3,235.00	1,560.00	1,675.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	55,442.00	55,612.00	55,610.92	1.08
Weed and Pest Control	64,425.00	70,365.00	70,361.01	3.99
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	13,529.00	13,529.00	13,529.00	0.00
Urban and Rural Development	5,000.00	5,000.00	5,000.00	0.00
Debt Service	18,714.00	18,714.00	18,713.76	0.24
Total Expenditures	<u>2,526,142.00</u>	<u>2,773,462.00</u>	<u>2,311,671.87</u>	<u>461,790.13</u>
Excess of Revenues Over (Under) Expenditures	<u>684,138.00</u>	<u>436,818.00</u>	<u>850,170.40</u>	<u>413,352.40</u>
Other Financing Sources (Uses):				
Transfers Out	(1,232,025.00)	(1,232,025.00)	(552,625.00)	679,400.00
Insurance Proceeds	0.00	0.00	20,788.18	20,788.18
Total Other Financing Sources (Uses)	<u>(1,232,025.00)</u>	<u>(1,232,025.00)</u>	<u>(531,836.82)</u>	<u>700,188.18</u>
Net Change in Fund Balance	(547,887.00)	(795,207.00)	318,333.58	1,113,540.58
Fund Balance - Beginning	3,455,595.48	3,455,595.48	3,455,595.48	0.00
FUND BALANCE - ENDING	<u>\$ 2,907,708.48</u>	<u>\$ 2,660,388.48</u>	<u>\$ 3,773,929.06</u>	<u>\$ 1,113,540.58</u>

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

	<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>
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 20,298.00	\$ 20,298.00	\$ 20,217.15	\$ (80.85)
General Property Taxes--Delinquent	200.00	200.00	173.92	(26.08)
Penalties and Interest	200.00	200.00	135.48	(64.52)
Wheel Tax	149,725.00	149,725.00	155,131.66	5,406.66
Licenses and Permits	100.00	100.00	140.00	40.00
Intergovernmental Revenue:				
State Shared Revenue:				
Bank Franchise	300.00	300.00	254.55	(45.45)
Motor Vehicle Licenses	911,000.00	911,000.00	912,690.11	1,690.11
Prorate License Fees	60,000.00	60,000.00	59,093.30	(906.70)
63 3/4% Mobile Home	1,595.00	1,595.00	1,264.77	(330.23)
Secondary Road Motor Vehicle Remittances	4,500.00	4,500.00	4,421.49	(78.51)
Motor Fuel Tax	7,000.00	7,000.00	6,930.53	(69.47)
Other Intergovernmental Revenue	0.00	0.00	3,000.00	3,000.00
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	22,500.00	22,500.00	13,856.14	(8,643.86)
Miscellaneous Revenue:				
Investment Earnings	9,000.00	9,000.00	6,721.99	(2,278.01)
Other	200.00	200.00	185.13	(14.87)
Total Revenues	<u>1,186,618.00</u>	<u>1,186,618.00</u>	<u>1,184,216.22</u>	<u>(2,401.78)</u>
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	<u>2,320,000.00</u>	<u>2,320,000.00</u>	<u>1,918,053.15</u>	<u>401,946.85</u>
Excess of Revenues Over (Under) Expenditures	(1,133,382.00)	(1,133,382.00)	(733,836.93)	399,545.07
Other Financing Sources (Uses):				
Transfers In	<u>1,200,000.00</u>	<u>1,200,000.00</u>	<u>500,000.00</u>	<u>(700,000.00)</u>
Net Change in Fund Balance	66,618.00	66,618.00	(233,836.93)	(300,454.93)
Fund Balance - Beginning	<u>1,079,500.86</u>	<u>1,079,500.86</u>	<u>1,079,500.86</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 1,146,118.86</u>	<u>\$ 1,146,118.86</u>	<u>\$ 845,663.93</u>	<u>\$ (300,454.93)</u>

TRIPP 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:

Also, the County is prohibited by statute from spending in excess of appropriated amounts at the department level. The following represents the significant overdrafts of the expenditures compared to appropriations:

	<u>Year Ended</u> <u>12/31/2014</u>
<u>General Fund:</u>	
<u>Activity</u>	
General Government Building	\$ 416,810.95

The County incorrectly coded the expenditures directly to Assigned Fund Balance. The amount was adjusted to be properly reported as expenditures resulting in the expenditures in excess of appropriations. The County would not have had an opportunity to supplement the budget at the time of this correction. The County did not exceed the total General Fund budget in 2014.

**SUPPLEMENTARY INFORMATION
TRIPP 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>
Governmental Long-Term Debt:				
Financing (Capital Acquisition) Lease	\$ 17,739.84	\$	\$ (17,739.84)	\$ 0.00

Note 1 - Long-Term Debt:

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

Financing (Capital Acquisition) Leases:

44	Lease Purchase of a GMC Fire Truck Retrofit; annual payments of principal and 6.25% interest in the amount of \$18,713.76 will be made from the General Fund. These payments started in November 2009 and continued until November 2013. At December 31, 2014 this lease had been fully paid.	\$	0.00
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