

TURNER COUNTY

AUDIT REPORT

For the Two Years Ended December 31, 2015

TURNER COUNTY
COUNTY OFFICIALS
December 31, 2015

Board of Commissioners:

Lyle Van Hove
James Adamson
Ron Globke
Gary Hansen
Ross Miller

Auditor:

Sheila Hagemann

Treasurer:

Marlys Andersen

State's Attorney:

Katelynn Hoffman

Register of Deeds:

Carol Viet

Sheriff:

Byron Nogelmeier

TURNER COUNTY
TABLE OF CONTENTS

Page

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
Schedule of Prior Audit Findings.....	3
Schedule of Current Audit Findings.....	3
Independent Auditor's Report.....	5
<i>Basic Financial Statements</i>	
<u>Government-wide Financial Statements:</u>	
As of December 31, 2015:	
Statement of Net Position--Modified Cash Basis	7
For the Year Ended December 31, 2015:	
Statement of Activities--Modified Cash Basis	8
For the Year Ended December 31, 2014:	
Statement of Activities--Modified Cash Basis	9
<u>Fund Financial Statements:</u>	
<u>Governmental Funds</u>	
As of December 31, 2015:	
Balance Sheet--Modified Cash Basis.....	10
For the Year Ended December 31, 2015:	
Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis.....	12
For the Year Ended December 31, 2014:	
Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis.....	16
<u>Fiduciary Funds</u>	
As of December 31, 2015:	
Statement of Fiduciary Net Position--Modified Cash Basis.....	20
Notes to the Modified Cash Basis Financial Statements.....	21

Supplementary Information:

For the Year Ended December 31, 2015:

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

For the Year Ended December 31, 2014:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund.....	38
Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund.....	40
Notes to the Supplementary Information – Budgetary Comparison Schedules.....	41
Schedule of the County’s Proportionate Share of the Net Pension Liability (Asset).....	42
Notes to the Supplementary Information – Pension Schedules.....	43
Schedule of Changes in Long-Term Debt.....	44



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

MARTIN L. GUINDON, CPA
AUDITOR GENERAL

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

County Commission
Turner County
Parker, 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 Turner County, South Dakota (County), as of December 31, 2015, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 25, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of

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 Turner County as of December 31, 2015, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Basis of Accounting

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the County's basic financial statements. The Budgetary Comparison Schedules, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Changes in Long-Term Debt listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2017, 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 25, 2017

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

	Primary Government Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 4,506,127.82
TOTAL ASSETS	\$ 4,506,127.82
NET POSITION:	
Restricted For: (See Note 4)	
Road and Bridge Purposes	\$ 179,473.83
Debt Service Purposes	1,063,317.88
Other Purposes	115,646.43
Unrestricted	3,147,689.68
TOTAL NET POSITION	\$ 4,506,127.82

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

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental Activities:				
General Government	\$ 1,162,634.02	\$ 194,127.09	\$ 12,877.81	\$ (955,629.12)
Public Safety	1,102,177.29	233,562.15	143,503.67	(725,111.47)
Public Works	4,011,718.13	20,728.87	1,297,280.01	(2,693,709.25)
Health and Welfare	225,456.09	8,603.51	2,800.00	(214,052.58)
Culture and Recreation	85,131.99	2,607.00	5,900.00	(76,624.99)
Conservation of Natural Resources	99,346.59	387.95		(98,958.64)
Urban and Economic Development	140,652.12			(140,652.12)
Intergovernmental	32,378.10			(32,378.10)
*Interest on Long-Term Debt	94,287.50			(94,287.50)
Total Primary Government	\$ 6,953,781.83	\$ 460,016.57	\$ 1,462,361.49	(5,031,403.77)
General Revenues:				
Taxes:				
Property Taxes				4,892,454.14
Wheel Tax				214,974.75
State Shared Revenues				64,395.19
Unrestricted Investment Earnings				21,040.88
Miscellaneous Revenue				268,819.07
Total General Revenues				5,461,684.03
Change in Net Position				430,280.26
Net Position - Beginning				4,075,847.56
NET POSITION - ENDING				\$ 4,506,127.82

* 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.

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental Activities:				
General Government	\$ 1,145,307.28	\$ 226,434.85	\$ 11,036.83	\$ (907,835.60)
Public Safety	979,433.63	243,167.93	111,741.19	(624,524.51)
Public Works	3,845,017.16	21,105.23	1,232,534.11	(2,591,377.82)
Health and Welfare	165,783.32	1,502.77	2,800.00	(161,480.55)
Culture and Recreation	55,432.53			(55,432.53)
Conservation of Natural Resources	99,340.80	100.00	6,300.00	(92,940.80)
Urban and Economic Development	508,219.77			(508,219.77)
Intergovernmental	312,519.07			(312,519.07)
*Interest on Long-Term Debt	121,170.05			(121,170.05)
Total Primary Government	\$ 7,232,223.61	\$ 492,310.78	\$ 1,364,412.13	\$ (5,375,500.70)
General Revenues:				
Taxes:				
Property Taxes				5,097,173.58
Wheel Tax				213,223.15
State Shared Revenues				67,477.16
Unrestricted Investment Earnings				19,096.71
Miscellaneous Revenue				86,440.08
Total General Revenues				5,483,410.68
Change in Net Position				107,909.98
Net Position - Beginning				3,967,937.58
NET POSITION - ENDING				\$ 4,075,847.56

* 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.

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,835,017.10	\$ 1,439,071.29	\$ 1,063,317.88	\$ 168,721.55	\$ 4,506,127.82
TOTAL ASSETS	<u>\$ 1,835,017.10</u>	<u>\$ 1,439,071.29</u>	<u>\$ 1,063,317.88</u>	<u>\$ 168,721.55</u>	<u>\$ 4,506,127.82</u>
FUND BALANCES: (See Note 1.j.)					
Restricted		\$ 179,473.83	\$ 1,063,317.88	\$ 115,646.43	\$ 1,358,438.14
Assigned	954,433.44	1,259,597.46		53,075.12	2,267,106.02
Unassigned	880,583.66				880,583.66
TOTAL FUND BALANCES	<u>\$ 1,835,017.10</u>	<u>\$ 1,439,071.29</u>	<u>\$ 1,063,317.88</u>	<u>\$ 168,721.55</u>	<u>\$ 4,506,127.82</u>

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

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
General Property Taxes--Current	\$ 4,466,800.74	\$	\$ 351,934.42	\$ 41,484.92	\$ 4,860,220.08
General Property Taxes--Delinquent	16,362.75			90.27	16,453.02
Penalties and Interest	10,591.57			85.77	10,677.34
Telephone Tax (Outside)	1,521.60				1,521.60
Mobile Home Tax	448.99			2.09	451.08
Wheel Tax		214,974.75			214,974.75
Tax Deed Revenue	3,131.02				3,131.02
Licenses and Permits	19,568.59	3,250.00		1,080.00	23,898.59
Intergovernmental Revenue:					
Federal Grants	17,585.72				17,585.72
Federal Shared Revenue	2,809.81				2,809.81
State Grants	9,239.80	38,850.77		38,337.23	48,090.57
State Shared Revenue:					
Bank Franchise	21,334.99				21,334.99
Motor Vehicle Licenses		1,194,878.81			1,194,878.81
Court Appointed Attorney/Public Defender	6,890.32				6,890.32
Prorate License Fees		54,445.28			54,445.28
63 3/4% Mobile Home		3,230.46			3,230.46
Telecommunications Gross Receipts Tax	43,060.20				43,060.20
Motor Vehicle 1/4%	3,177.68				3,177.68
Motor Fuel Tax		5,874.69		87,040.92	5,874.69
911 Remittances					87,040.92
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	12,320.00				12,320.00
Register of Deeds' Fees	92,213.25			10,033.30	102,246.55
Legal Services	30,556.74				30,556.74
Clerk of Courts Fees	15,098.05			875.00	15,973.05
Other Fees	6,319.66				6,319.66

Public Safety:					
Law Enforcement	218,864.94				218,864.94
Prisoner Care	5,907.21				5,907.21
Sobriety Testing		8,790.00			8,790.00
Public Works:					
Road Maintenance Contract Charges			20,728.87		20,728.87
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	8,603.51				8,603.51
Veterans Service Officer	2,812.50				2,812.50
Culture and Recreation		2,607.00			2,607.00
Other Charges	266.98	10.39	110.58		387.95
Miscellaneous Revenue:					
Investment Earnings	13,829.78		6,098.32	522.14	21,040.88
Rent	19,500.00				19,500.00
Contributions and Donations	40.00				40.00
Other	9,599.64		2,723.33		12,322.97
Total Revenues	5,058,456.04	191,027.53	1,545,165.86	352,456.56	7,147,105.99

Expenditures:

General Government:					
Legislative:					
Board of County Commissioners	89,112.44				89,112.44
Elections	4,244.38				4,244.38
Judicial System	119,306.30				119,306.30
Financial Administration:					
Auditor	131,561.93				131,561.93
Treasurer	172,068.22				172,068.22
Data Processing	2,870.47				2,870.47
Legal Services:					
State's Attorney	175,725.32				175,725.32
Other Administration:					
General Government Building	132,834.51				132,834.51
Director of Equalization	188,985.87				188,985.87
Register of Deeds	118,125.39	3,712.50			121,837.89
Veterans Service Officer	18,889.73				18,889.73
Predatory Animal	5,196.96				5,196.96
Public Safety:					
Law Enforcement:					
Sheriff	646,784.45				646,784.45
County Jail	88,316.00	8,482.52			96,798.52
Coroner	9,383.40				9,383.40

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
County-Wide Law Enforcement	176,111.68				176,111.68
Juvenile Detention	5,190.00				5,190.00
Protective and Emergency Services:					
Fire Protection				34,000.00	34,000.00
Emergency and Disaster Services				49,964.15	49,964.15
Communication Center				83,945.09	83,945.09
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		4,011,718.13			4,011,718.13
Health and Welfare:					
Economic Assistance:					
Support of Poor	104,434.13			1,628.07	106,062.20
Health Assistance:					
County Nurse	48,708.00				48,708.00
Ambulance	20,480.00				20,480.00
Social Services:					
Domestic Abuse	2,300.00			1,480.00	3,780.00
Other	7,755.96				7,755.96
Mental Health Services:					
Mentally Ill	9,252.47				9,252.47
Developmentally Disabled	12,720.00				12,720.00
Mental Health Centers	8,347.00				8,347.00
Mental Illness Board	8,350.46				8,350.46
Culture and Recreation:					
Recreation:					
County Fair	85,131.99				85,131.99
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	74,047.80				74,047.80
Soil Conservation Districts	8,000.00				8,000.00
Weed and Pest Control	17,298.79				17,298.79

Urban and Economic Development:					
Urban Development:					
Planning and Zoning	5,921.12				5,921.12
Urban and Rural Development	12,376.00				12,376.00
Economic Development:					
Tourism, Industrial or Recreational Development	355.00				355.00
Other	10,000.00		32,378.10		10,000.00
Intergovernmental Expenditures				206,287.50	32,378.10
Debt Service				206,287.50	206,287.50
Total Expenditures	<u>2,520,185.77</u>		<u>4,044,096.23</u>	<u>206,287.50</u>	<u>6,953,781.83</u>
Excess of Revenues Over (Under) Expenditures	<u>2,538,270.27</u>		<u>(2,498,930.37)</u>	<u>146,169.06</u>	<u>193,324.16</u>
Other Financing Sources (Uses):					
Transfers In		2,498,781.15			2,527,629.15
Transfers Out	(2,527,629.15)			28,848.00	(2,527,629.15)
Insurance Proceeds	13,279.56	340.45			13,620.01
Sale of County Property	6,740.00	216,596.09			223,336.09
Total Other Financing Sources (Uses)	<u>(2,507,609.59)</u>	<u>2,715,717.69</u>		<u>0.00</u>	<u>236,956.10</u>
Net Change in Fund Balance	30,660.68	216,787.32		146,169.06	430,280.26
Fund Balance - Beginning	<u>1,804,356.42</u>	<u>1,222,283.97</u>		<u>917,148.82</u>	<u>4,075,847.56</u>
FUND BALANCE - ENDING	<u>\$ 1,835,017.10</u>	<u>\$ 1,439,071.29</u>		<u>\$ 1,063,317.88</u>	<u>\$ 4,506,127.82</u>

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

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
General Property Taxes--Current	\$ 4,396,543.13	\$	\$ 315,523.62	\$ 346,869.73	\$ 5,058,936.48
General Property Taxes--Delinquent	24,756.94			154.92	24,911.86
Penalties and Interest	11,436.43			88.10	11,524.53
Telephone Tax (Outside)	219.94				219.94
Mobile Home Tax	865.59			5.29	870.88
Wheel Tax		213,223.15			213,223.15
Tax Deed Revenue	709.89				709.89
Licenses and Permits	30,651.70	2,170.00		1,105.00	33,926.70
Intergovernmental Revenue:					
Federal Grants		19,903.82		21,472.48	41,376.30
Federal Shared Revenue	3,026.25				3,026.25
State Grants	14,782.40				14,782.40
State Shared Revenue:					
Bank Franchise	22,226.89				22,226.89
Motor Vehicle Licenses		1,152,137.40			1,152,137.40
Court Appointed Attorney/Public Defender	5,151.58				5,151.58
Prorate License Fees		54,618.53			54,618.53
Telecommunications Gross Receipts Tax	45,250.27				45,250.27
Motor Vehicle 1/4%	2,859.00				2,859.00
Motor Fuel Tax		5,874.36		84,586.31	5,874.36
911 Remittances					
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	12,749.00				12,749.00
Register of Deeds' Fees	109,903.00			10,517.86	120,420.86
Legal Services	40,797.85				40,797.85
Clerk of Courts Fees	11,829.31			375.00	12,204.31
Other Fees	3,523.63				3,523.63

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Juvenile Detention	21,111.64				21,111.64
Protective and Emergency Services:					
Fire Protection				34,000.00	34,000.00
Emergency and Disaster Services				40,874.43	40,874.43
Communication Center				86,085.88	86,085.88
Public Works:					
Highways and Bridges:		3,802,143.54			3,802,143.54
Highways, Roads and Bridges					
Health and Welfare:					
Economic Assistance:					
Support of Poor	45,876.34				45,876.34
Public Welfare	149.98			2,795.97	2,945.95
Health Assistance:					
County Nurse	45,759.96				45,759.96
Ambulance	20,995.00				20,995.00
Social Services:					
Domestic Abuse	2,300.00				4,115.00
Other	7,223.04			1,815.00	7,223.04
Mental Health Services:					
Mentally Ill	9,593.87				9,593.87
Developmentally Disabled	8,460.00				8,460.00
Mental Health Centers	8,347.00				8,347.00
Mental Illness Board	12,467.16				12,467.16
Culture and Recreation:					
Recreation:					
County Fair	55,432.53				55,432.53
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	72,291.57				72,291.57
Soil Conservation Districts	8,000.00				8,000.00
Weed and Pest Control	19,049.23				19,049.23

Urban and Economic Development:					
Urban Development:					
Planning and Zoning	5,755.46				5,755.46
Urban and Rural Development	12,216.00				12,216.00
Economic Development:					
Tourism, Industrial or Recreational Development	350.00				350.00
Other	10,000.00				10,000.00
Intergovernmental Expenditures		29,984.57		282,534.50	312,519.07
Debt Service		45,040.19		392,073.27	643,941.98
Total Expenditures	<u>2,297,888.75</u>	<u>3,877,168.30</u>	<u>206,828.52</u>	<u>850,338.04</u>	<u>7,232,223.61</u>
Excess of Revenues Over (Under) Expenditures	2,711,064.73	(2,402,228.51)	109,221.60	(373,218.50)	44,839.32
Other Financing Sources (Uses):					
Transfers In		2,300,000.00		28,000.00	2,328,000.00
Transfers Out	(2,328,000.00)				(2,328,000.00)
Insurance Proceeds	13,103.79	560.06			13,663.85
Sale of County Property	755.00	48,651.81			49,406.81
Total Other Financing Sources (Uses)	<u>(2,314,141.21)</u>	<u>2,349,211.87</u>	<u>0.00</u>	<u>28,000.00</u>	<u>63,070.66</u>
Net Change in Fund Balance	396,923.52	(53,016.64)	109,221.60	(345,218.50)	107,909.98
Fund Balance - Beginning	1,407,432.90	1,275,300.61	807,927.22	477,276.85	3,967,937.58
FUND BALANCE - ENDING	<u>\$ 1,804,356.42</u>	<u>\$ 1,222,283.97</u>	<u>\$ 917,148.82</u>	<u>\$ 132,058.35</u>	<u>\$ 4,075,847.56</u>

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

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

	<u>Agency Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 230,976.15
TOTAL ASSETS	<u>\$ 230,976.15</u>
NET POSITION:	
Net Position Held in Agency Capacity	\$ 230,976.15
TOTAL NET POSITION	<u>\$ 230,976.15</u>

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

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/Taxes

A schedule of fund balances is provided as follows:

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:					
Restricted For:					
Snow Removal Purposes	\$	\$ 179,473.83	\$		\$ 179,473.83
Debt Service Purposes			1,063,317.88		1,063,317.88
911 Service Purposes				22,918.12	22,918.12
Rural Fire Purposes				29,430.42	29,430.42
Domestic Abuse Purposes				2,065.00	2,065.00
24/7 Sobriety Purposes				33,189.85	33,189.85
United Way Purposes				1,175.96	1,175.96
Modernization and Preservation Relief Purposes				26,867.08	26,867.08
Assigned To:					
Applied to Next Year's Budget	954,433.44				954,433.44
Road and Bridge Purposes		1,259,597.46			1,259,597.46
911 Service Purposes				18,000.00	18,000.00
Emergency Management Purposes				35,075.12	35,075.12
Unassigned	880,583.66				880,583.66
Total Fund Balances	<u>\$ 1,835,017.10</u>	<u>\$ 1,439,071.29</u>	<u>\$ 1,063,317.88</u>	<u>\$ 168,721.55</u>	<u>\$ 4,506,127.82</u>

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

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

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

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

Credit Risk – State law limits eligible investments for the County, as discussed above. The County has an investment policy that further limits its investment choices.

Custodial Credit Risk – Deposits – The risk that, in the event of a depository failure, the County’s deposits may not be returned to it. The County does have a deposit policy for custodial credit risk. As of December 31, 2015 the County’s deposits in financial institutions were not exposed to custodial credit.

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

Interest Rate Risk – The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

3. PROPERTY TAXES

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

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

4. RESTRICTED NET POSITION

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

Major Purposes:

Road and Bridge Purposes	\$ 179,473.83
Debt Service Purposes	<u>1,063,317.88</u>

Other Purposes:

911 Service Purposes	22,918.12
Rural Fire Purposes	29,430.42
Domestic Abuse Purposes	2,065.00
24/7 Sobriety Purposes	33,189.85
United Way Purposes	1,175.96
Modernization and Preservation Relief Purposes	<u>26,867.08</u>

Total Other Purposes	<u>115,646.43</u>
----------------------	-------------------

Total Restricted Net Position **\$ 1,358,438.14**

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

5. INTERFUND TRANSFERS

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

	<u>Transfers To:</u>		
	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>Transfers From:</u>			
Major Funds:			
General Fund	\$ 2,498,781.15	\$ 28,848.00	\$ 2,527,629.15

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

	<u>Transfers To:</u>		
	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>Transfers From:</u>			
Major Funds:			
General Fund	\$ 2,300,000.00	\$ 28,000.00	\$ 2,328,000.00

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

6. RETIREMENT PLAN

Plan Information:

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

Benefits Provided:

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

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

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

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

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The County's share of contributions to the SDRS for the calendar years ended December 31, 2015, 2014, and 2013 were \$88,166.21, \$82,493.16, and \$81,558.32, respectively, equal to the required contributions each year.

Pension Liabilities (Assets):

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

Proportionate share of net position restricted for pension benefits	\$ 8,286,216.79
Less proportionate share of total pension liability	<u>7,960,098.82</u>
Proportionate share of net pension liability (asset)	<u><u>\$ (326,117.97)</u></u>

The net pension liability (asset) was measured as of June 30, 2015 and the total pension liability (asset) used to calculate the net pension liability (asset) was based on a projection of the County's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2015, the County's proportion was .0768913%, which is a decrease of .0017959% from its proportion measured as of June 30, 2014.

Actuarial Assumptions:

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

Inflation	3.25 percent
Salary Increases	5.83 percent at entry to 3.87 percent after 30 years of service
Investment Rate of Return	7.25 percent through 2016 and 7.50 percent thereafter, net of pension plan investment expense

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

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

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

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

Discount Rate:

The discount rate used to measure the total pension liability (asset) was 7.25 percent through 2016 and 7.50% thereafter. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

The following presents the County’s proportionate share of net pension liability (asset) calculated using the discount rate of 7.25 percent through 2016 and 7.50 percent thereafter, as well as what the County’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.25/6.50%) or 1-percentage point higher (8.25/8.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County’s proportionate share of the net pension liability (asset)	\$ 820,835.29	\$ 326,117.97	\$ 1,261,359.58

Pension Plan Fiduciary Net Position:

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

7. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2015, the County was involved in several lawsuits. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the County has liability coverage for itself and its employees with South Dakota Public Assurance Alliance. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

8. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2015, the County managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

The County joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against

liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The County's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the County. The County pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The County pays an annual premium to the pool to provide coverage for:

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

The agreement with the SDPAA provides that the above coverages will be provided to a \$6,600,000 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, 2015, the County has vested balance in the cumulative reserve fund of \$84,436.38.

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

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 4,499,585.57	\$ 4,499,585.57	\$ 4,466,800.74	\$ (32,784.83)
General Property Taxes--Delinquent	17,300.00	17,300.00	16,362.75	(937.25)
Penalties and Interest	8,500.00	8,500.00	10,591.57	2,091.57
Telephone Tax (Outside)	0.00	0.00	1,521.60	1,521.60
Mobile Home Tax	1,000.00	1,000.00	448.99	(551.01)
Tax Deed Revenue	0.00	0.00	3,131.02	3,131.02
Licenses and Permits	8,310.00	8,310.00	19,568.59	11,258.59
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	17,585.72	17,585.72
Federal Shared Revenue	0.00	0.00	2,809.81	2,809.81
State Grants	0.00	0.00	9,239.80	9,239.80
State Shared Revenue:				
Bank Franchise	15,000.00	15,000.00	21,334.99	6,334.99
Court Appointed Attorney/Public Defender	4,000.00	4,000.00	6,890.32	2,890.32
Telecommunications Gross Receipts Tax	45,000.00	45,000.00	43,060.20	(1,939.80)
Motor Vehicle 1/4%	1,700.00	1,700.00	3,177.68	1,477.68
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	11,200.00	11,200.00	12,320.00	1,120.00
Register of Deeds' Fees	83,000.00	83,000.00	92,213.25	9,213.25
Legal Services	18,500.00	18,500.00	30,556.74	12,056.74
Clerk of Courts Fees	10,500.00	10,500.00	15,098.05	4,598.05
Other Fees	1,600.00	1,600.00	6,319.66	4,719.66
Public Safety:				
Law Enforcement	254,014.00	254,014.00	218,864.94	(35,149.06)
Prisoner Care	2,500.00	2,500.00	5,907.21	3,407.21
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	3,000.00	3,000.00	8,603.51	5,603.51
Veterans Service Officer	2,812.00	2,812.00	2,812.50	0.50
Other Charges	0.00	0.00	266.98	266.98
Miscellaneous Revenue:				
Investment Earnings	10,000.00	10,000.00	13,829.78	3,829.78
Rent	0.00	0.00	19,500.00	19,500.00
Contributions and Donations	0.00	0.00	40.00	40.00
Other	5,000.00	5,000.00	9,599.64	4,599.64
Total Revenues	5,002,521.57	5,002,521.57	5,058,456.04	55,934.47
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	97,966.00	97,966.00	89,112.44	8,853.56
Contingency	80,000.00	80,000.00		
Amount Transferred		(33,100.00)		46,900.00
Elections	5,000.00	5,000.00	4,244.38	755.62
Judicial System	115,750.00	119,750.00	119,306.30	443.70
Financial Administration:				
Auditor	136,223.00	136,223.00	131,561.93	4,661.07
Treasurer	191,300.00	191,300.00	172,068.22	19,231.78
Data Processing	3,200.00	3,200.00	2,870.47	329.53
Legal Services:				
State's Attorney	214,500.00	214,500.00	175,725.32	38,774.68
Other Administration:				
General Government Building	130,879.00	133,879.00	132,834.51	1,044.49
Director of Equalization	220,312.00	220,312.00	188,985.87	31,326.13
Register of Deeds	132,905.80	132,905.80	118,125.39	14,780.41
Veterans Service Officer	17,878.00	19,178.00	18,889.73	288.27
Predatory Animal	5,196.96	5,196.96	5,196.96	0.00
Public Safety:				
Law Enforcement:				
Sheriff	682,234.75	702,165.27	646,784.45	55,380.82

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
County Jail	85,000.00	88,600.00	88,316.00	284.00
Coroner	3,000.00	11,000.00	9,383.40	1,616.60
County-Wide Law Enforcement	209,469.00	209,469.00	176,111.68	33,357.32
Juvenile Detention	43,000.00	43,000.00	5,190.00	37,810.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	75,540.00	115,540.00	104,434.13	11,105.87
Public Welfare	600.00	600.00	0.00	600.00
Health Assistance:				
County Nurse	49,000.00	49,000.00	48,708.00	292.00
Ambulance	26,000.00	26,000.00	20,480.00	5,520.00
Social Services:				
Domestic Abuse	2,300.00	2,300.00	2,300.00	0.00
Other	7,756.00	7,756.00	7,755.96	0.04
Mental Health Services:				
Mentally Ill	7,000.00	10,000.00	9,252.47	747.53
Developmentally Disabled	16,500.00	16,500.00	12,720.00	3,780.00
Mental Health Centers	8,347.00	8,347.00	8,347.00	0.00
Mental Illness Board	8,000.00	8,400.00	8,350.46	49.54
Culture and Recreation:				
Recreation:				
County Fair	76,357.00	85,357.00	85,131.99	225.01
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	80,301.00	80,301.00	74,047.80	6,253.20
Soil Conservation Districts	8,000.00	8,000.00	8,000.00	0.00
Weed and Pest Control	23,050.00	23,050.00	17,298.79	5,751.21
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	5,907.00	6,007.00	5,921.12	85.88
Urban and Rural Development	12,376.00	12,376.00	12,376.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	400.00	400.00	355.00	45.00
Other	11,000.00	11,000.00	10,000.00	1,000.00
Total Expenditures	<u>2,792,248.51</u>	<u>2,851,479.03</u>	<u>2,520,185.77</u>	<u>331,293.26</u>
Excess of Revenues Over (Under) Expenditures	<u>2,210,273.06</u>	<u>2,151,042.54</u>	<u>2,538,270.27</u>	<u>387,227.73</u>
Other Financing Sources (Uses):				
Transfers Out	(2,545,154.03)	(2,545,154.03)	(2,527,629.15)	17,524.88
Insurance Proceeds	0.00	0.00	13,279.56	13,279.56
Sale of County Property	0.00	0.00	6,740.00	6,740.00
Total Other Financing Sources (Uses)	<u>(2,545,154.03)</u>	<u>(2,545,154.03)</u>	<u>(2,507,609.59)</u>	<u>37,544.44</u>
Net Change in Fund Balance	(334,880.97)	(394,111.49)	30,660.68	424,772.17
Fund Balance - Beginning	1,804,356.42	1,804,356.42	1,804,356.42	0.00
FUND BALANCE - ENDING	<u>\$ 1,469,475.45</u>	<u>\$ 1,410,244.93</u>	<u>\$ 1,835,017.10</u>	<u>\$ 424,772.17</u>

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes:				
Wheel Tax	\$ 207,000.00	\$ 207,000.00	\$ 214,974.75	\$ 7,974.75
Licenses and Permits	800.00	800.00	3,250.00	2,450.00
Intergovernmental Revenue:				
State Grants	0.00	0.00	38,850.77	38,850.77
State Shared Revenue:				
Motor Vehicle Licenses	1,000,000.00	1,000,000.00	1,194,878.81	194,878.81
Prorate License Fees	40,000.00	40,000.00	54,445.28	14,445.28
63 3/4% Mobile Home	2,000.00	2,000.00	3,230.46	1,230.46
Motor Fuel Tax	0.00	0.00	5,874.69	5,874.69
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	11,000.00	11,000.00	20,728.87	9,728.87
Other Charges	0.00	0.00	110.58	110.58
Miscellaneous Revenue:				
Investment Earnings	3,000.00	3,000.00	6,098.32	3,098.32
Other	0.00	0.00	2,723.33	2,723.33
Total Revenues	1,263,800.00	1,263,800.00	1,545,165.86	281,365.86
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	4,333,581.15	4,333,581.15	4,011,718.13	321,863.02
Intergovernmental Expenditures	36,000.00	36,000.00	32,378.10	3,621.90
Total Expenditures	4,369,581.15	4,369,581.15	4,044,096.23	325,484.92
Excess of Revenues Over (Under) Expenditures	(3,105,781.15)	(3,105,781.15)	(2,498,930.37)	606,850.78
Other Financing Sources (Uses):				
Transfers In	2,498,781.15	2,498,781.15	2,498,781.15	0.00
Insurance Proceeds	0.00	0.00	340.45	340.45
Sale of County Property	207,000.00	207,000.00	216,596.09	9,596.09
Total Other Financing Sources (Uses)	2,705,781.15	2,705,781.15	2,715,717.69	9,936.54
Net Change in Fund Balance	(400,000.00)	(400,000.00)	216,787.32	616,787.32
Fund Balance - Beginning	1,222,283.97	1,222,283.97	1,222,283.97	0.00
FUND BALANCE - ENDING	\$ 822,283.97	\$ 822,283.97	\$ 1,439,071.29	\$ 616,787.32

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 4,355,414.09	\$ 4,355,414.09	\$ 4,396,543.13	\$ 41,129.04
General Property Taxes--Delinquent	15,100.00	15,100.00	24,756.94	9,656.94
Penalties and Interest	8,500.00	8,500.00	11,436.43	2,936.43
Telephone Tax (Outside)	0.00	0.00	219.94	219.94
Mobile Home Tax	1,000.00	1,000.00	865.59	(134.41)
Tax Deed Revenue	0.00	0.00	709.89	709.89
Licenses and Permits	8,320.00	8,320.00	30,651.70	22,331.70
Intergovernmental Revenue:				
Federal Shared Revenue	0.00	0.00	3,026.25	3,026.25
State Grants	0.00	0.00	14,782.40	14,782.40
State Shared Revenue:				
Bank Franchise	15,000.00	15,000.00	22,226.89	7,226.89
Court Appointed Attorney/Public Defender	4,000.00	4,000.00	5,151.58	1,151.58
Telecommunications Gross Receipts Tax	45,000.00	45,000.00	45,250.27	250.27
Motor Vehicle 1/4%	1,200.00	1,200.00	2,859.00	1,659.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	10,100.00	10,100.00	12,749.00	2,649.00
Register of Deeds' Fees	77,000.00	77,000.00	109,903.00	32,903.00
Legal Services	18,500.00	18,500.00	40,797.85	22,297.85
Clerk of Courts Fees	13,500.00	13,500.00	11,829.31	(1,670.69)
Other Fees	1,800.00	1,800.00	3,523.63	1,723.63
Public Safety:				
Law Enforcement	224,000.00	224,000.00	226,147.74	2,147.74
Prisoner Care	5,000.00	5,000.00	5,566.19	566.19
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	3,000.00	3,000.00	1,502.77	(1,497.23)
Veterans Service Officer	0.00	0.00	2,812.50	2,812.50
Conservation of Natural Resources	0.00	0.00	100.00	100.00
Miscellaneous Revenue:				
Investment Earnings	19,000.00	19,000.00	12,738.65	(6,261.35)
Rent	0.00	0.00	10,500.00	10,500.00
Contributions and Donations	0.00	0.00	45.00	45.00
Other	11,000.00	11,000.00	12,257.83	1,257.83
Total Revenues	4,836,434.09	4,836,434.09	5,008,953.48	172,519.39
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	120,265.00	120,265.00	101,530.12	18,734.88
Contingency	80,000.00	80,000.00		
Amount Transferred		(26,301.00)		53,699.00
Elections	27,642.00	27,642.00	23,587.89	4,054.11
Judicial System	113,260.00	125,260.00	124,934.70	325.30
Financial Administration:				
Auditor	140,144.00	140,144.00	125,390.51	14,753.49
Treasurer	190,942.00	190,942.00	172,029.45	18,912.55
Data Processing	3,200.00	3,200.00	1,592.30	1,607.70
Legal Services:				
State's Attorney	172,964.00	172,964.00	164,112.37	8,851.63
Other Administration:				
General Government Building	120,945.00	120,945.00	108,045.30	12,899.70
Director of Equalization	206,415.00	206,415.00	179,142.07	27,272.93
Register of Deeds	133,112.35	133,112.35	115,094.16	18,018.19
Veterans Service Officer	17,273.00	18,173.00	18,119.16	53.84
Predatory Animal	6,229.25	6,229.25	6,229.25	0.00
Public Safety:				
Law Enforcement:				
Sheriff	632,682.28	632,682.28	540,787.73	91,894.55
County Jail	85,000.00	85,000.00	36,151.80	48,848.20

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Coroner	3,000.00	3,000.00	1,747.10	1,252.90
County-Wide Law Enforcement	209,676.40	218,464.40	214,016.06	4,448.34
Juvenile Detention	43,000.00	43,000.00	21,111.64	21,888.36
Health and Welfare:				
Economic Assistance:				
Support of Poor	75,540.00	75,540.00	45,876.34	29,663.66
Public Welfare	550.00	550.00	149.98	400.02
Health Assistance:				
County Nurse	46,350.00	46,350.00	45,759.96	590.04
Ambulance	20,000.00	21,000.00	20,995.00	5.00
Social Services:				
Domestic Abuse	2,300.00	2,300.00	2,300.00	0.00
Other	7,223.00	7,224.00	7,223.04	0.96
Mental Health Services:				
Mentally Ill	9,000.00	9,600.00	9,593.87	6.13
Developmentally Disabled	17,500.00	17,500.00	8,460.00	9,040.00
Mental Health Centers	8,347.00	8,347.00	8,347.00	0.00
Mental Illness Board	8,000.00	14,000.00	12,467.16	1,532.84
Culture and Recreation:				
Recreation:				
County Fair	71,357.00	71,357.00	55,432.53	15,924.47
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	80,543.00	80,543.00	72,291.57	8,251.43
Soil Conservation Districts	8,000.00	8,000.00	8,000.00	0.00
Weed and Pest Control	22,410.00	22,410.00	19,049.23	3,360.77
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	5,572.00	5,772.00	5,755.46	16.54
Urban and Rural Development	12,216.00	12,216.00	12,216.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	400.00	400.00	350.00	50.00
Other	11,000.00	11,000.00	10,000.00	1,000.00
Total Expenditures	<u>2,712,058.28</u>	<u>2,715,246.28</u>	<u>2,297,888.75</u>	<u>417,357.53</u>
Excess of Revenues Over (Under) Expenditures	<u>2,124,375.81</u>	<u>2,121,187.81</u>	<u>2,711,064.73</u>	<u>589,876.92</u>
Other Financing Sources (Uses):				
Transfers Out	(2,638,141.07)	(2,638,141.07)	(2,328,000.00)	310,141.07
Insurance Proceeds	0.00	0.00	13,103.79	13,103.79
Sale of County Property	0.00	0.00	755.00	755.00
Total Other Financing Sources (Uses)	<u>(2,638,141.07)</u>	<u>(2,638,141.07)</u>	<u>(2,314,141.21)</u>	<u>323,999.86</u>
Net Change in Fund Balance	(513,765.26)	(516,953.26)	396,923.52	913,876.78
Fund Balance - Beginning	<u>1,407,432.90</u>	<u>1,407,432.90</u>	<u>1,407,432.90</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 893,667.64</u>	<u>\$ 890,479.64</u>	<u>\$ 1,804,356.42</u>	<u>\$ 913,876.78</u>

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes:				
Wheel Tax	\$ 207,000.00	\$ 207,000.00	\$ 213,223.15	\$ 6,223.15
Licenses and Permits	800.00	800.00	2,170.00	1,370.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	19,903.82	19,903.82
State Shared Revenue:				
Motor Vehicle Licenses	1,000,000.00	1,000,000.00	1,152,137.40	152,137.40
Prorate License Fees	40,000.00	40,000.00	54,618.53	14,618.53
63 3/4% Mobile Home	1,500.00	1,500.00	0.00	(1,500.00)
Motor Fuel Tax	0.00	0.00	5,874.36	5,874.36
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	11,000.00	11,000.00	21,105.23	10,105.23
Miscellaneous Revenue:				
Investment Earnings	2,000.00	2,000.00	5,340.71	3,340.71
Other	0.00	0.00	566.59	566.59
Total Revenues	<u>1,262,300.00</u>	<u>1,262,300.00</u>	<u>1,474,939.79</u>	<u>212,639.79</u>
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	3,874,598.00	3,874,598.00	3,802,143.54	72,454.46
Intergovernmental Expenditures	36,000.00	36,000.00	29,984.57	6,015.43
Debt Service	45,040.19	45,040.19	45,040.19	0.00
Total Expenditures	<u>3,955,638.19</u>	<u>3,955,638.19</u>	<u>3,877,168.30</u>	<u>78,469.89</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,693,338.19)</u>	<u>(2,693,338.19)</u>	<u>(2,402,228.51)</u>	<u>291,109.68</u>
Other Financing Sources (Uses):				
Transfers In	2,586,338.19	2,586,338.19	2,300,000.00	(286,338.19)
Insurance Proceeds	0.00	0.00	560.06	560.06
Sale of County Property	7,000.00	7,000.00	48,651.81	41,651.81
Total Other Financing Sources (Uses)	<u>2,593,338.19</u>	<u>2,593,338.19</u>	<u>2,349,211.87</u>	<u>(244,126.32)</u>
Net Change in Fund Balance	(100,000.00)	(100,000.00)	(53,016.64)	46,983.36
Fund Balance - Beginning	1,275,300.61	1,275,300.61	1,275,300.61	0.00
FUND BALANCE - ENDING	<u>\$ 1,175,300.61</u>	<u>\$ 1,175,300.61</u>	<u>\$ 1,222,283.97</u>	<u>\$ 46,983.36</u>

TURNER 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.

