

**SD DEPARTMENT OF REVENUE**

PROPERTY AND SPECIAL TAXES DIVISION  
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April 8, 2016

**TO:** County Commissioners (c/o County Auditors)  
Directors of Equalization

**FROM:** Michael S. Houdyshell, Director  
Property and Special Taxes Division

**RE:** Sales and Compliance Audit Reports

Enclosed please find a copy of the audit reports prepared by the Department of Revenue for your Director of Equalization's office. I hope the reports provide a useful assessment of the work performed by your county's office, highlighting the areas where the office is doing well and the areas that could be improved.

The reports summarize the sales information available in your county. The reports also show each of the areas the auditor looked at, and notes any problems that were found. In addition, the reports review the resources the office has to establish the values in your county. In some cases, the auditor will make an evaluation, based upon the auditor's experience and work with many different counties, as to whether the office has adequate resources. If you would like more information about the evaluation or anything else in the audit reports, please contact the Property Tax Specialist who prepared the report.

If you have any further questions, suggestions, or comments about the audit reports, please do not hesitate to contact me at 605.773.5125 or [michael.houdyshell@state.sd.us](mailto:michael.houdyshell@state.sd.us).

Best regards,

/s/ Michael S. Houdyshell

March 7, 2016

County Commissioners  
Brookings County  
% Brookings County Auditor  
520 3<sup>rd</sup> Street, Suite 110  
Brookings, SD 57006

Commissioners:

On December 10, 2015 Corina Erickson, a property tax specialist from the Department of Revenue, performed a compliance audit and a sales ratio audit for Brookings County.

We have audited the practices of the County Director of Equalization for compliance with state laws, regulation and policies pursuant to SDCL10-1-15.

### **Compliance Audit Findings**

#### **Summary of Inventory and Classification**

- The county has adequate mapping systems and utilizes GIS and Pictometry for property classification and inventory
- The Director will continue with reappraisal projects as indicated in assessment plan
- The Director performs a sales ratio study to apply yearly market adjustments
- The audit indicates a good verification and documentation process for Ag and Non Ag classification

#### **Summary of Assessment records and practices**

- All information on property cards are annually maintained
- Verification of adjustments are tracked and documented
- The cost manual is through Marshall and Swift and current

#### **Summary of Staff and Budget**

- The Director of Equalization meets the IAAO and State standards for office staffing.
- Brookings County has sufficient office space with a good technical library

#### **Summary of Submission of Required Data and Reports**

- All required reports are submitted as prescribed by Law or Rule

## Sales Ratio Audit of Brookings County

### Summary of sales information:

*Transfers filed in Register of Deeds office November 1, 2014 thru October 31, 2015*

For 2015 assessment year Brookings County processed 1136 transfers:

- 23 good ag sales
- 156 rejected ag transfers
- 460 good non-ag sales
- 497 rejected non-ag transfers

### Verification of Sales:

Brookings County uses certificates of value, letters, personal contact and phone calls to verify information reported on the PT 55 forms. I reviewed the information on the certificates and they all matched the information on the PT 55 forms. The Director oversees the verification process and maintains the sales ratio data. A few problems were found and corrected.

### Selling Price Adjustments:

Brookings County does adjust the selling price on transfers for personal property. All personal property adjustments were reviewed and no irregularities were found.

### Agricultural Sales:

The verification and adjustment documentation was reviewed for each ag sale. Adjustments were made for properties having buildings under the limiting dollar amount.

### Non-agricultural Sales:

The verification and adjustment documentation was reviewed for each non-ag sale. No adjustments were made for properties having buildings lacking utility.

### Miscellaneous:

Brookings County is managed by a full time director, one deputy, three appraisers and two clerks. Joyce does a good job managing the office and all records appear to be properly maintained.

I am willing to answer any questions you have regarding the compliance and sales ratio audit reports.



Corina Erickson, CAA  
Property Tax Specialist

Cc: Michael S. Houdyshell, Director Property and Special Taxes Division  
Director of Equalization