

DEWEY COUNTY

AUDIT REPORT

For the Two Years Ended December 31, 2013

DEWEY COUNTY
COUNTY OFFICIALS
December 31, 2013

Board of Commissioners:
Robert W. Berndt, Chairman
John C. Meginness, Vice-Chairman
LeRoy DuBray
Dee A. Lawrence
Robert Keckler

Auditor:
Kyrie Lemburg

Treasurer:
Renee Leibel

State's Attorney:
Steven Aberle

Register of Deeds:
Deborah Goldade

Sheriff:
Les Mayer



DEWEY COUNTY
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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
Dewey County
Timber Lake, 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 Dewey County, South Dakota (County), as of December 31, 2013, 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 October 7, 2014.

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.

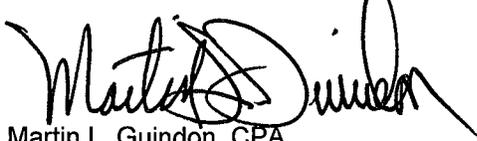
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Martin L. Guindon, CPA
Auditor General

October 7, 2014

DEWEY COUNTY
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Audit Finding:

Finding No. 2011-001:

The County incurred expenditures in excess of appropriations in violation of South Dakota Codified Law (SDCL) 7-21-25. This finding has been resolved.

SCHEDULE OF CURRENT AUDIT FINDINGS

Current Audit Findings:

There are no written current audit findings to report.



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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

County Commission
Dewey County
Timber Lake, 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 Dewey County, South Dakota (County), as of December 31, 2013, 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 Dewey County as of December 31, 2013, 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.

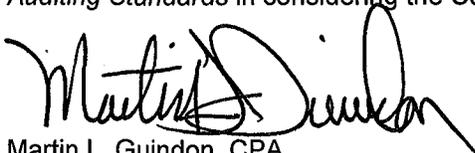
Other Matters

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 October 7, 2014, 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

October 7, 2014

DEWEY COUNTY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2013

	Primary Government Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 768,060.52
Investments	475,000.00
TOTAL ASSETS	\$ 1,243,060.52
NET POSITION:	
Restricted For: (See Note 4)	
Road and Bridge Purposes	\$ 44,451.62
Courthouse Building Purposes	47,332.44
Other Purposes	22,415.90
Unrestricted	1,128,860.56
TOTAL NET POSITION	\$ 1,243,060.52

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

DEWEY COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2012

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	\$ 591,277.58	\$ 41,249.44	\$ 1,133.01	\$ (548,895.13)
Public Safety	348,817.62	54,251.93	5,494.40	(289,071.29)
Public Works	1,061,353.31	7,895.00	782,660.24	(270,798.07)
Health and Welfare	43,185.72	1,882.76		(41,302.96)
Culture and Recreation	56,069.37			(56,069.37)
Conservation of Natural Resources	31,203.43			(31,203.43)
*Interest on Long-Term Debt	28,250.00			(28,250.00)
Total Primary Government	\$ 2,160,157.03	\$ 105,279.13	\$ 789,287.65	(1,265,590.25)
General Revenues:				
Taxes:				
				1,040,984.66
				56,826.32
				194,305.00
				7,744.92
				27,403.00
				72,626.13
				<u>1,399,890.03</u>
				Change in Net Position 134,299.78
				Net Position - Beginning <u>1,092,500.89</u>
				NET POSITION - ENDING \$ <u>1,226,800.67</u>

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

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

**DEWEY COUNTY
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2013**

	<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	\$ 1,687.22	\$ 637,579.19	\$ 128,794.11	\$ 768,060.52
Investments	475,000.00			475,000.00
TOTAL ASSETS	<u>\$ 476,687.22</u>	<u>\$ 637,579.19</u>	<u>\$ 128,794.11</u>	<u>\$ 1,243,060.52</u>
FUND BALANCES: (See Note 1.j.)				
Restricted	\$	\$ 44,451.62	\$ 69,748.34	\$ 114,199.96
Assigned	476,687.22	593,127.57	59,045.77	1,128,860.56
TOTAL FUND BALANCES	<u>\$ 476,687.22</u>	<u>\$ 637,579.19</u>	<u>\$ 128,794.11</u>	<u>\$ 1,243,060.52</u>

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

DEWEY 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	\$ 881,225.66	\$ 121,037.69	\$ 43,610.84	\$ 1,045,874.19
General Property Taxes--Delinquent	13,614.84	1,804.66	662.08	16,081.58
Penalties and Interest	5,705.33	782.76	281.25	6,769.34
Mobile Home Tax	214.55	32.52	10.39	257.46
Licenses and Permits	1,571.00		330.00	1,901.00
Intergovernmental Revenue:				
Federal Grants	4,659.98			4,659.98
Federal Payments in Lieu of Taxes	75,854.00	75,854.00	37,926.00	189,634.00
State Grants	30,372.59	255,761.04		286,133.63
State Shared Revenue:				
Bank Franchise	10,195.30			10,195.30
Motor Vehicle Licenses		366,188.18		366,188.18
Liquor Tax Reversion	1,030.13			1,030.13
Prorate/Port of Entry Fees		31,808.09		31,808.09
Abused and Neglected Child Defense	160.97			160.97
63 3/4% Mobile Home		8,171.52		8,171.52
Secondary Road Motor Vehicle Remittances		124,912.30		124,912.30
Telecommunications Gross Receipts Tax	33,059.60			33,059.60
Motor Vehicle 1/4%	1,136.72			1,136.72
Motor Fuel Tax		3,732.05		3,732.05
Other Intergovernmental Revenue		10,397.04		10,397.04
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	8,076.36			8,076.36
Register of Deeds' Fees	23,394.50		6,584.42	29,978.92
Driver's License Exam	2,055.00			2,055.00
Legal Services	3,285.25		25.00	3,310.25
Other Fees	90.50			90.50
Public Safety:				
Law Enforcement	54,196.12			54,196.12
Prisoner Care	100.00			100.00

Sobriety Testing			144.00	144.00
Public Works:				
Road Maintenance Contract Charges		4,995.00		4,995.00
Health and Welfare:				
Health Assistance:				
Women Infants and Children	2,574.30			2,574.30
Other Charges	33.80			33.80
Fines and Forfeits:				
Fines	25.00			25.00
Costs	2,025.12			2,025.12
Other	1,780.95			1,780.95
Miscellaneous Revenue:				
Investment Earnings	4,064.21	2,414.07	532.15	7,010.43
Contributions and Donations	4,416.98			4,416.98
Refund of Prior Year's Expenditures	2,246.19	285.82		2,532.01
Other	1,740.86	113.75		1,854.61
Total Revenues	<u>1,168,905.81</u>	<u>1,008,290.49</u>	<u>90,106.13</u>	<u>2,267,302.43</u>

Expenditures:

General Government:

Legislative:

Board of County Commissioners	52,903.71			52,903.71
Elections	5,015.12			5,015.12
Judicial System	3,881.02			3,881.02

Financial Administration:

Auditor	93,364.52			93,364.52
Treasurer	93,171.05			93,171.05

Legal Services:

State's Attorney	77,767.30			77,767.30
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Other Administration:

General Government Building			54,000.79	54,000.79
Director of Equalization	107,676.17			107,676.17
Register of Deeds	82,428.87		5,140.36	87,569.23
Veterans Service Officer	6,590.75			6,590.75
Predatory Animal	4,941.12			4,941.12

Public Safety:

Law Enforcement:

Sheriff	262,652.26			262,652.26
County Jail	23,797.49			23,797.49
Coroner	1,611.53			1,611.53

Protective and Emergency Services:

Fire Protection			10,242.21	10,242.21
Emergency and Disaster Services	16,096.42			16,096.42

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		1,570,874.02		1,570,874.02
Health and Welfare:				
Economic Assistance:				
Support of Poor	1,443.21			1,443.21
Health Assistance:				
County Nurse	20,151.52			20,151.52
Timber Lake Ambulance	7,443.00			7,443.00
Isabel Ambulance	7,443.00			7,443.00
Women Infants and Children	3,266.60			3,266.60
Mental Health Services:				
Mental Health Centers	6,000.00			6,000.00
Culture and Recreation:				
Culture:				
Public Library	40,138.31			40,138.31
Dakota Club Library	12,550.00			12,550.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	32,234.38			32,234.38
Debt Service		165,100.00		165,100.00
Total Expenditures	<u>962,567.35</u>	<u>1,735,974.02</u>	<u>69,383.36</u>	<u>2,767,924.73</u>
Excess of Revenues Over (Under) Expenditures	<u>206,338.46</u>	<u>(727,683.53)</u>	<u>20,722.77</u>	<u>(500,622.30)</u>
Other Financing Sources (Uses):				
Transfers In		452,981.50		452,981.50
Transfers Out	(452,981.50)			(452,981.50)
Insurance Proceeds	2,694.50			2,694.50
Sale of County Property	1,200.00	512,987.65		514,187.65
Total Other Financing Sources (Uses)	<u>(449,087.00)</u>	<u>965,969.15</u>	<u>0.00</u>	<u>516,882.15</u>

Net Change in Fund Balance	(242,748.54)	238,285.62	20,722.77	16,259.85
Fund Balance - Beginning	<u>719,435.76</u>	<u>399,293.57</u>	<u>108,071.34</u>	<u>1,226,800.67</u>
FUND BALANCE - ENDING	<u>\$ 476,687.22</u>	<u>\$ 637,579.19</u>	<u>\$ 128,794.11</u>	<u>\$ 1,243,060.52</u>

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

DEWEY COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 852,087.20	\$ 116,018.39	\$ 41,408.55	\$ 1,009,514.14
General Property Taxes--Delinquent	18,260.24	2,407.02	913.70	21,580.96
Penalties and Interest	8,322.12	1,145.44	422.00	9,889.56
Licenses and Permits	1,514.00		510.00	2,024.00
Intergovernmental Revenue:				
Federal Grants			5,494.40	5,494.40
Federal Payments in Lieu of Taxes	87,152.50	87,152.50	20,000.00	194,305.00
State Grants		267,270.29		267,270.29
State Shared Revenue:				
Bank Franchise	9,031.52			9,031.52
Motor Vehicle Licenses		349,247.68		349,247.68
Liquor Tax Reversion	1,065.00			1,065.00
Prorate/Port of Entry Fees		37,662.57		37,662.57
Abused and Neglected Child Defense	127.83			127.83
63 3/4% Mobile Home		10,229.46		10,229.46
Secondary Road Motor Vehicle Remittances		118,250.24		118,250.24
Telecommunications Gross Receipts Tax	34,017.30			34,017.30
Motor Vehicle 1/4%	1,005.18			1,005.18
Other Intergovernmental Revenue		12,712.50		12,712.50
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	8,629.03			8,629.03
Register of Deeds' Fees	24,395.85		661.00	25,056.85
Driver's License Exam	2,245.00			2,245.00
Legal Services	3,073.90		150.00	3,223.90
Other Fees	70.66			70.66
Public Safety:				
Law Enforcement	51,750.95			51,750.95
Prisoner Care	120.00			120.00
Sobriety Testing			116.00	116.00
Public Works:				
Road Maintenance Contract Charges		7,895.00		7,895.00

Health and Welfare:				
Health Assistance:				
Women Infants and Children	1,882.76			1,882.76
Fines and Forfeits:				
Costs	1,113.28			1,113.28
Forfeits	214.20			214.20
Other	937.50			937.50
Miscellaneous Revenue:				
Investment Earnings	4,487.80	2,669.50	587.62	7,744.92
Refund of Prior Year's Expenditures	24,972.04	14,698.42		39,670.46
Other	35.00			35.00
Total Revenues	<u>1,136,510.86</u>	<u>1,027,359.01</u>	<u>70,263.27</u>	<u>2,234,133.14</u>

Expenditures:

General Government:

 Legislative:

Board of County Commissioners	69,282.03			69,282.03
Elections	37,208.56			37,208.56
Judicial System	7,342.71			7,342.71

 Financial Administration:

Auditor	94,561.81			94,561.81
Treasurer	94,186.62			94,186.62

 Legal Services:

State's Attorney	68,038.24			68,038.24
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 Other Administration:

General Government Building			39,705.55	39,705.55
Director of Equalization	99,275.37			99,275.37
Register of Deeds	71,825.41			71,825.41
Veterans Service Officer	4,910.16			4,910.16
Predatory Animal	4,941.12			4,941.12

Public Safety:

 Law Enforcement:

Sheriff	284,687.73			284,687.73
County Jail	18,416.99			18,416.99
Coroner	1,905.66			1,905.66

 Protective and Emergency Services:

Fire Protection			12,960.84	12,960.84
Emergency and Disaster Services	30,846.40			30,846.40

Public Works:

 Highways and Bridges:

Highways, Roads and Bridges		921,353.31		921,353.31
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Health and Welfare:

 Economic Assistance:

Support of Poor	1,700.00			1,700.00
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DEWEY COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012
(Continued)

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Health Assistance:				
County Nurse	19,846.23			19,846.23
Timber Lake Ambulance	7,144.58			7,144.58
Isabel Ambulance	7,464.81			7,464.81
Women Infants and Children	2,530.10			2,530.10
Mental Health Services:				
Mental Health Centers	4,500.00			4,500.00
Culture and Recreation:				
Culture:				
Public Library	45,519.37			45,519.37
Dakota Club Library	10,550.00			10,550.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	31,203.43			31,203.43
Debt Service		168,250.00		168,250.00
Total Expenditures	<u>1,017,887.33</u>	<u>1,089,603.31</u>	<u>52,666.39</u>	<u>2,160,157.03</u>
Excess of Revenues Over (Under) Expenditures	<u>118,623.53</u>	<u>(62,244.30)</u>	<u>17,596.88</u>	<u>73,976.11</u>
Other Financing Sources (Uses):				
Transfers In	34,387.50	169,450.00		203,837.50
Transfers Out	(169,450.00)	(34,387.50)		(203,837.50)
Long-Term Debt Issued	27,403.00			27,403.00
Sale of County Property	13,354.31	19,566.36		32,920.67
Total Other Financing Sources (Uses)	<u>(94,305.19)</u>	<u>154,628.86</u>	<u>0.00</u>	<u>60,323.67</u>
Net Change in Fund Balance	24,318.34	92,384.56	17,596.88	134,299.78
Fund Balance - Beginning	<u>695,117.42</u>	<u>306,909.01</u>	<u>90,474.46</u>	<u>1,092,500.89</u>
FUND BALANCE - ENDING	<u>\$ 719,435.76</u>	<u>\$ 399,293.57</u>	<u>\$ 108,071.34</u>	<u>\$ 1,226,800.67</u>

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

DEWEY COUNTY
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
December 31, 2013

	<u>Agency Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 143,077.01
TOTAL ASSETS	<u>\$ 143,077.01</u>
NET POSITION:	
Net Position Held in Agency Capacity	\$ 143,077.01
TOTAL NET POSITION	<u>\$ 143,077.01</u>

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

DEWEY 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 Dewey 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 has created the Dewey County Housing and Redevelopment Commission under the authority of South Dakota Codified Law (SDCL) 11-7-7 solely for abdicating its authority over the non-city housing projects within the County to the Mobridge Housing Commission organized by the City of Mobridge. Therefore, this component unit's financial activity was not included on the County's annual report. The financial activity of this component unit is to be included as a component unit on the City of Mobridge's annual report.

The County participates in a cooperative unit, the War Hawk Emergency Management District. See detailed note entitled "Joint Ventures" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit, but are discussed in these notes because of the nature of their relationship with the County.

b. Basis of Presentation:

Government-wide Financial Statements:

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

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

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

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

Governmental Funds:

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

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

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

The remaining special revenue funds are not considered major funds: Fire Protection, Emergency Management, Domestic Abuse, Courthouse Building, 24/7 Sobriety, and Modernization and Preservation Relief. These funds are reported on the fund financial statements as "Other Governmental Funds."

Fiduciary Funds:

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

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

c. Measurement Focus and Basis of Accounting:

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

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

Measurement Focus:

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

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

Basis of Accounting:

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

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

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

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

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

d. Deposits and Investments:

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

Investments classified in the financial statements consist entirely of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investment authorized by SDCL 4-5-6. Under the modified cash basis of accounting, investments are carried at cost.

e. Capital Assets:

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

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

f. Long-Term Liabilities:

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

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

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

g. Program Revenues:

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

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

h. Equity Classifications:

Government-wide Financial Statements:

Equity is classified as Net 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 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

Property Taxes, Motor Vehicle Licenses,
Grants, and Other Intergovernmental Revenues

A schedule of fund balances is provided as follows:

**DEWEY COUNTY
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Restricted For:				
Snow Removal Purposes	\$	\$ 21,314.31	\$	\$ 21,314.31
Road and Bridge Purposes		23,137.31		23,137.31
Fire Protection Purposes			11,215.15	11,215.15
Emergency Management Purposes			5,612.40	5,612.40
Domestic Abuse Purposes			1,050.00	1,050.00
Courthouse Building Purposes			47,332.44	47,332.44
24/7 Sobriety Purposes			2,433.29	2,433.29
Modernization and Preservation Relief Purposes			2,105.06	2,105.06
Assigned To:				
Applied to Next Year's Budget	225,756.88			225,756.88
Opt-Out Purposes**	250,930.34			250,930.34
Road and Bridge Purposes		593,127.57		593,127.57
Courthouse Building Purposes			59,045.77	59,045.77
Total Fund Balances	<u>\$ 476,687.22</u>	<u>\$ 637,579.19</u>	<u>\$ 128,794.11</u>	<u>\$ 1,243,060.52</u>

**General Fund Fund Balance Assigned for Opt-Out Purposes is to be used for the payment of Series 2010A debt obligations. Remaining Opt-Out funds are to be used for County operations with special consideration given for road purposes as outlined in the original Opt-Out Resolution (Assigned by the County Commissioners).

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

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

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

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

Credit Risk – State law limits eligible investments for the County, as discussed above. The County has no investment policy that would further limit its investment choices.

Custodial Credit Risk – Investments – The risk that, in the event of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

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

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

3. PROPERTY TAXES

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of 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, 2013 was as follows:

Major Purposes:

Road and Bridge Purposes	\$ 44,451.62
Courthouse Building Purposes	<u>47,332.44</u>

Other Purposes:

Fire Protection Purposes	11,215.15
Emergency Management Purposes	5,612.40
Domestic Abuse Purposes	1,050.00
24/7 Sobriety Purposes	2,433.29
Modernization and Preservation Relief Purposes	<u>2,105.06</u>

Total Other Purposes	<u>22,415.90</u>
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Total Restricted Net Position **\$ 114,199.96**

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

5. INTERFUND TRANSFERS

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

	<u>Transfers To:</u>
	Road and Bridge Fund
<u>Transfers From:</u>	<u> </u>

Major Funds:	
General Fund	\$ 452,981.50

Interfund transfers for the year ended December 31, 2012 were as follows:

	<u>Transfers To:</u>		
	General Fund	Road and Bridge Fund	Total
<u>Transfers From:</u>	<u> </u>	<u> </u>	<u> </u>
Major Funds:			
General Fund	\$	\$ 169,450.00	\$ 169,450.00
Road and Bridge Fund	<u>34,387.50</u>	<u> </u>	<u>34,387.50</u>
Total	<u>\$ 34,387.50</u>	<u>\$ 169,450.00</u>	<u>\$ 203,837.50</u>

The County typically budgets transfers to the Road and Bridge Fund to conduct the indispensable functions of the County. The transfer from the Road and Bridge Fund to the General Fund was to place unspent Opt-Out funds back into the General Fund for future use.

6. 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, 2013, 2012, and 2011 were \$52,296.68, \$49,877.56, and \$50,283.06, respectively, equal to the required contributions each year.

7. JOINT VENTURES

The County participates in a joint venture, known as the War Hawk Emergency Management District, formed in accordance with SDCL 33-15 for the purpose of providing emergency management services to the participating members.

The members of the joint venture are as follows:

Campbell County
Corson County
Dewey County
Walworth County
Ziebach County
Cheyenne Indian Agency Tribal Council
Standing Rock Tribal Council

Each member has an equal percentage of participation, an equal responsibility for funding of deficits, and would share in the distribution of assets in case of dissolution.

The joint venture's governing board is composed of twelve representatives. It consists of one board member and civil defense director from each county and one representative for each of the Indian Tribal Councils.

The board is responsible for appointing a director for the district, approving the budget, setting the district's policies, and holding regular monthly meetings to review the progress of the Emergency Management Organization and to make further recommendations. Dewey County is the recording agency for the district.

Separate financial statements for this joint venture are available from Dewey County.

At December 31, 2013, this joint venture had total assets of \$24,451.23, no liabilities, and total Net Position of \$24,451.23.

8. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2013, the County was not involved in any litigation.

9. 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, 2013, 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 purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation:

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

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

Unemployment Benefits:

The County provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

**SUPPLEMENTARY INFORMATION
DEWEY 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	\$ 890,716.00	\$ 890,716.00	\$ 881,225.66	\$ (9,490.34)
General Property Taxes--Delinquent	11,223.00	11,223.00	13,614.84	2,391.84
Penalties and Interest	5,700.00	5,700.00	5,705.33	5.33
Mobile Home Tax	0.00	0.00	214.55	214.55
Tax Deed Revenue	200.00	200.00	0.00	(200.00)
Licenses and Permits	1,450.00	1,450.00	1,571.00	121.00
Intergovernmental Revenue:				
Federal Grants	32,722.00	32,722.00	4,659.98	(28,062.02)
Federal Payments in Lieu of Taxes	85,000.00	85,000.00	75,854.00	(9,146.00)
State Grants	0.00	0.00	30,372.59	30,372.59
State Shared Revenue:				
Bank Franchise	7,600.00	7,600.00	10,195.30	2,595.30
Liquor Tax Reversion	1,000.00	1,000.00	1,030.13	30.13
Court Appointed Attorney/Public Defender	100.00	100.00	0.00	(100.00)
Abused and Neglected Child Defense	150.00	150.00	160.97	10.97
Telecommunications Gross Receipts Tax	32,000.00	32,000.00	33,059.60	1,059.60
Motor Vehicle 1/4%	900.00	900.00	1,136.72	236.72
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	7,510.00	7,510.00	8,076.36	566.36
Register of Deeds' Fees	12,000.00	12,000.00	23,394.50	11,394.50
Driver's License Exam	2,000.00	2,000.00	2,055.00	55.00
Legal Services	1,610.00	1,610.00	3,285.25	1,675.25
Other Fees	100.00	100.00	90.50	(9.50)
Public Safety:				
Law Enforcement	48,900.00	48,900.00	54,196.12	5,296.12
Prisoner Care	600.00	600.00	100.00	(500.00)
Health and Welfare:				
Health Assistance:				
Women Infants and Children	1,700.00	1,700.00	2,574.30	874.30
Other Charges	0.00	0.00	33.80	33.80
Fines and Forfeits:				
Fines	200.00	200.00	25.00	(175.00)
Costs	1,500.00	1,500.00	2,025.12	525.12
Forfeits	200.00	200.00	0.00	(200.00)
Other	1,200.00	1,200.00	1,780.95	580.95
Miscellaneous Revenue:				
Investment Earnings	5,000.00	5,000.00	4,064.21	(935.79)
Contributions and Donations	0.00	0.00	4,416.98	4,416.98
Refund of Prior Year's Expenditures	5,000.00	5,000.00	2,246.19	(2,753.81)
Other	100.00	100.00	1,740.86	1,640.86
Total Revenues	1,156,381.00	1,156,381.00	1,168,905.81	12,524.81
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	69,325.00	69,325.00	52,903.71	16,421.29
Contingency	202,076.00	202,076.00		
Amount Transferred		(78,526.63)		123,549.37
Elections	12,400.00	12,400.00	5,015.12	7,384.88
Judicial System	16,700.00	16,700.00	3,881.02	12,818.98
Financial Administration:				
Auditor	97,945.00	97,945.00	93,364.52	4,580.48
Treasurer	106,285.00	106,285.00	93,171.05	13,113.95
Legal Services:				
State's Attorney	71,540.00	78,740.00	77,767.30	972.70

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Other Administration:				
Director of Equalization	111,708.35	111,708.35	107,676.17	4,032.18
Register of Deeds	92,225.00	92,225.00	82,428.87	9,796.13
Veterans Service Officer	7,655.00	7,655.00	6,590.75	1,064.25
Predatory Animal	4,942.00	4,942.00	4,941.12	0.88
Public Safety:				
Law Enforcement:				
Sheriff	247,982.00	265,689.01	262,652.26	3,036.75
County Jail	22,705.00	23,805.00	23,797.49	7.51
Coroner	3,555.00	3,555.00	1,611.53	1,943.47
Protective and Emergency Services:				
Emergency and Disaster Services	11,125.00	18,855.77	16,096.42	2,759.35
Health and Welfare:				
Economic Assistance:				
Support of Poor	20,000.00	20,000.00	1,443.21	18,556.79
Health Assistance:				
County Nurse	17,310.00	20,410.00	20,151.52	258.48
Timber Lake Ambulance	7,443.00	7,443.00	7,443.00	0.00
Isabel Ambulance	7,443.00	7,443.00	7,443.00	0.00
Women Infants and Children	2,962.00	3,272.00	3,266.60	5.40
Mental Health Services:				
Mental Health Centers	6,000.00	6,000.00	6,000.00	0.00
Culture and Recreation:				
Culture:				
Public Library	21,764.00	40,850.55	40,138.31	712.24
Dakota Club Library	8,550.00	12,550.00	12,550.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	0.00	35,577.06	32,234.38	3,342.68
Total Expenditures	<u>1,169,640.35</u>	<u>1,186,925.11</u>	<u>962,567.35</u>	<u>224,357.76</u>
Excess of Revenues Over (Under) Expenditures	<u>(13,259.35)</u>	<u>(30,544.11)</u>	<u>206,338.46</u>	<u>236,882.57</u>
Other Financing Sources (Uses):				
Transfers Out	(215,000.00)	(215,000.00)	(452,981.50)	(237,981.50)
Insurance Proceeds	500.00	500.00	2,694.50	2,194.50
Sale of County Property	100.00	100.00	1,200.00	1,100.00
Total Other Financing Sources (Uses)	<u>(214,400.00)</u>	<u>(214,400.00)</u>	<u>(449,087.00)</u>	<u>(234,687.00)</u>
Net Change in Fund Balance	(227,659.35)	(244,944.11)	(242,748.54)	2,195.57
Fund Balance - Beginning	719,435.76	719,435.76	719,435.76	0.00
FUND BALANCE - ENDING	<u>\$ 491,776.41</u>	<u>\$ 474,491.65</u>	<u>\$ 476,687.22</u>	<u>\$ 2,195.57</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 122,250.00	\$ 122,250.00	\$ 121,037.69	\$ (1,212.31)
General Property Taxes--Delinquent	800.00	800.00	1,804.66	1,004.66
Penalties and Interest	200.00	200.00	782.76	582.76
Mobile Home Tax	0.00	0.00	32.52	32.52
Intergovernmental Revenue:				
Federal Grants	20,000.00	20,000.00	0.00	(20,000.00)
Federal Payments in Lieu of Taxes	85,000.00	85,000.00	75,854.00	(9,146.00)
State Grants	66,197.00	66,197.00	255,761.04	189,564.04
State Shared Revenue:				
Motor Vehicle Licenses	340,000.00	340,000.00	366,188.18	26,188.18
Prorate/Port of Entry Fees	34,000.00	34,000.00	31,808.09	(2,191.91)
63 3/4% Mobile Home	3,400.00	3,400.00	8,171.52	4,771.52
Secondary Road Motor Vehicle Remittances	90,000.00	90,000.00	124,912.30	34,912.30
Motor Fuel Tax	0.00	0.00	3,732.05	3,732.05
Other Intergovernmental Revenue	0.00	0.00	10,397.04	10,397.04
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	3,000.00	3,000.00	4,995.00	1,995.00
Miscellaneous Revenue:				
Investment Earnings	3,600.00	3,600.00	2,414.07	(1,185.93)
Refund of Prior Year's Expenditures	2,000.00	2,000.00	285.82	(1,714.18)
Other	1,000.00	1,000.00	113.75	(886.25)
Total Revenues	771,447.00	771,447.00	1,008,290.49	236,843.49
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	953,900.00	1,858,026.00	1,570,874.02	287,151.98
Debt Service	0.00	165,100.00	165,100.00	0.00
Total Expenditures	953,900.00	2,023,126.00	1,735,974.02	287,151.98
Excess of Revenues Over (Under) Expenditures	(182,453.00)	(1,251,679.00)	(727,683.53)	523,995.47
Other Financing Sources (Uses):				
Transfers In	215,000.00	215,000.00	452,981.50	237,981.50
Insurance Proceeds	1,000.00	1,000.00	0.00	(1,000.00)
Sale of County Property	8,000.00	8,000.00	512,987.65	504,987.65
Total Other Financing Sources (Uses)	224,000.00	224,000.00	965,969.15	741,969.15
Net Change in Fund Balance	41,547.00	(1,027,679.00)	238,285.62	1,265,964.62
Fund Balance - Beginning	339,293.57	399,293.57	399,293.57	0.00
FUND BALANCE - ENDING	\$ 380,840.57	\$ (628,385.43)	\$ 637,579.19	\$ 1,265,964.62

**SUPPLEMENTARY INFORMATION
DEWEY COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 864,492.00	\$ 864,492.00	\$ 852,087.20	\$ (12,404.80)
General Property Taxes--Delinquent	18,000.00	18,000.00	18,260.24	260.24
Penalties and Interest	7,000.00	7,000.00	8,322.12	1,322.12
Tax Deed Revenue	200.00	200.00	0.00	(200.00)
Licenses and Permits	1,260.00	1,260.00	1,514.00	254.00
Intergovernmental Revenue:				
Federal Grants	28,000.00	28,000.00	0.00	(28,000.00)
Federal Payments in Lieu of Taxes	85,000.00	85,000.00	87,152.50	2,152.50
State Grants	400.00	400.00	0.00	(400.00)
State Shared Revenue:				
Bank Franchise	6,800.00	6,800.00	9,031.52	2,231.52
Liquor Tax Reversion	980.00	980.00	1,065.00	85.00
Court Appointed Attorney/Public Defender	100.00	100.00	0.00	(100.00)
Abused and Neglected Child Defense	150.00	150.00	127.83	(22.17)
Telecommunications Gross Receipts Tax	32,000.00	32,000.00	34,017.30	2,017.30
Motor Vehicle 1/4%	700.00	700.00	1,005.18	305.18
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	7,020.00	7,020.00	8,629.03	1,609.03
Register of Deeds' Fees	10,700.00	10,700.00	24,395.85	13,695.85
Driver's License Exam	1,600.00	1,600.00	2,245.00	645.00
Legal Services	1,600.00	1,600.00	3,073.90	1,473.90
Other Fees	100.00	100.00	70.66	(29.34)
Public Safety:				
Law Enforcement	56,600.00	56,600.00	51,750.95	(4,849.05)
Prisoner Care	600.00	600.00	120.00	(480.00)
Health and Welfare:				
Health Assistance:				
Women Infants and Children	1,700.00	1,700.00	1,882.76	182.76
Fines and Forfeits:				
Fines	200.00	200.00	0.00	(200.00)
Costs	1,500.00	1,500.00	1,113.28	(386.72)
Forfeits	200.00	200.00	214.20	14.20
Other	1,200.00	1,200.00	937.50	(262.50)
Miscellaneous Revenue:				
Investment Earnings	5,000.00	5,000.00	4,487.80	(512.20)
Refund of Prior Year's Expenditures	4,000.00	4,000.00	24,972.04	20,972.04
Other	100.00	100.00	35.00	(65.00)
Total Revenues	1,137,202.00	1,137,202.00	1,136,510.86	(691.14)
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	81,925.00	81,925.00	69,282.03	12,642.97
Contingency	20,000.00	20,000.00		
Amount Transferred		(5,750.00)		14,250.00
Elections	44,540.00	44,540.00	37,208.56	7,331.44
Judicial System	16,600.00	16,600.00	7,342.71	9,257.29
Financial Administration:				
Auditor	97,393.00	97,393.00	94,561.81	2,831.19
Treasurer	99,603.00	99,603.00	94,186.62	5,416.38
Legal Services:				
State's Attorney	71,919.00	71,919.00	68,038.24	3,880.76
Other Administration:				
Director of Equalization	111,765.00	111,765.00	99,275.37	12,489.63
Register of Deeds	83,969.00	83,969.00	71,825.41	12,143.59
Veterans Service Officer	8,961.00	8,961.00	4,910.16	4,050.84

SUPPLEMENTARY INFORMATION
DEWEY COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2012
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Predatory Animal	4,942.00	4,942.00	4,941.12	0.88
Public Safety:				
Law Enforcement:				
Sheriff	246,423.00	284,687.73	284,687.73	0.00
County Jail	23,176.00	23,176.00	18,416.99	4,759.01
Coroner	3,500.00	3,500.00	1,905.66	1,594.34
Protective and Emergency Services:				
Emergency and Disaster Services	10,925.00	30,846.40	30,846.40	0.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	20,000.00	20,000.00	1,700.00	18,300.00
Health Assistance:				
County Nurse	27,966.00	27,966.00	19,846.23	8,119.77
Timber Lake Ambulance	7,443.00	7,443.00	7,144.58	298.42
Isabel Ambulance	7,443.00	7,464.81	7,464.81	0.00
Women Infants and Children	2,962.00	2,962.00	2,530.10	431.90
Mental Health Services:				
Mental Health Centers	6,000.00	6,000.00	4,500.00	1,500.00
Culture and Recreation:				
Culture:				
Public Library	39,600.00	45,519.37	45,519.37	0.00
Dakota Club Library	10,550.00	10,550.00	10,550.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	34,930.00	34,930.00	31,203.43	3,726.57
Total Expenditures	<u>1,082,535.00</u>	<u>1,140,912.31</u>	<u>1,017,887.33</u>	<u>123,024.98</u>
Excess of Revenues Over (Under) Expenditures	<u>54,667.00</u>	<u>(3,710.31)</u>	<u>118,623.53</u>	<u>122,333.84</u>
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	34,387.50	34,387.50
Transfers Out	(215,000.00)	(215,000.00)	(169,450.00)	45,550.00
Long-Term Debt Issued	0.00	0.00	27,403.00	27,403.00
Insurance Proceeds	500.00	500.00	0.00	(500.00)
Sale of County Property	100.00	100.00	13,354.31	13,254.31
Total Other Financing Sources (Uses)	<u>(214,400.00)</u>	<u>(214,400.00)</u>	<u>(94,305.19)</u>	<u>120,094.81</u>
Net Change in Fund Balance	(159,733.00)	(218,110.31)	24,318.34	242,428.65
Fund Balance - Beginning	695,117.42	695,117.42	695,117.42	0.00
FUND BALANCE - ENDING	<u>\$ 535,384.42</u>	<u>\$ 477,007.11</u>	<u>\$ 719,435.76</u>	<u>\$ 242,428.65</u>

**SUPPLEMENTARY INFORMATION
DEWEY COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 121,412.00	\$ 121,412.00	\$ 116,018.39	\$ (5,393.61)
General Property Taxes--Delinquent	700.00	700.00	2,407.02	1,707.02
Penalties and Interest	200.00	200.00	1,145.44	945.44
Intergovernmental Revenue:				
Federal Grants	20,000.00	20,000.00	0.00	(20,000.00)
Federal Payments in Lieu of Taxes	85,000.00	85,000.00	87,152.50	2,152.50
State Grants	60,000.00	60,000.00	267,270.29	207,270.29
State Shared Revenue:				
Motor Vehicle Licenses	328,000.00	328,000.00	349,247.68	21,247.68
Prorate/Port of Entry Fees	34,000.00	34,000.00	37,662.57	3,662.57
63 3/4% Mobile Home	3,000.00	3,000.00	10,229.46	7,229.46
Secondary Road Motor Vehicle Remittances	70,000.00	70,000.00	118,250.24	48,250.24
Other Intergovernmental Revenue	0.00	0.00	12,712.50	12,712.50
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	3,000.00	3,000.00	7,895.00	4,895.00
Miscellaneous Revenue:				
Investment Earnings	3,500.00	3,500.00	2,669.50	(830.50)
Refund of Prior Year's Expenditures	2,000.00	2,000.00	14,698.42	12,698.42
Other	1,000.00	1,000.00	0.00	(1,000.00)
Total Revenues	731,812.00	731,812.00	1,027,359.01	295,547.01
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	858,996.00	921,354.02	921,353.31	0.71
Debt Service	168,250.00	168,250.00	168,250.00	0.00
Total Expenditures	1,027,246.00	1,089,604.02	1,089,603.31	0.71
Excess of Revenues Over (Under) Expenditures	(295,434.00)	(357,792.02)	(62,244.30)	295,547.72
Other Financing Sources (Uses):				
Transfers In	215,000.00	215,000.00	169,450.00	(45,550.00)
Transfers Out	0.00	0.00	(34,387.50)	(34,387.50)
Insurance Proceeds	1,000.00	1,000.00	0.00	(1,000.00)
Sale of County Property	8,000.00	8,000.00	19,566.36	11,566.36
Total Other Financing Sources (Uses)	224,000.00	224,000.00	154,628.86	(69,371.14)
Net Change in Fund Balance	(71,434.00)	(133,792.02)	92,384.56	226,176.58
Fund Balance - Beginning	306,909.01	306,909.01	306,909.01	0.00
FUND BALANCE - ENDING	\$ 235,475.01	\$ 173,116.99	\$ 399,293.57	\$ 226,176.58

DEWEY 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.

DEWEY COUNTY
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Two Years Ended December 31, 2013

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2012</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2013</u>
Governmental Long-Term Debt:				
2010A Certificates of Participation	\$ 865,000.00	\$	\$ (280,000.00)	\$ 585,000.00

Note 1 - Long-Term Debt:

Debt payable at December 31, 2013 is comprised of the following:

General Obligation Bonds:

Limited Tax General Obligation Bonds Series 2010A; semi-annual payments of principal and interest ranging from 1.75% to 4.00%, adjusting yearly, will be made from the Road and Bridge Fund. The payments started in November 2011 and will continue until November 2017. \$ 585,000.00