

**JERAULD COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2013**

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JERAULD COUNTY  
COUNTY OFFICIALS  
December 31, 2013

Board of Commissioners:

Fred Krohmer  
Lynn Horsley  
Leo Channel  
Larry Olson  
Ronny Kopfmann

Auditor:  
Cindy Peterson

Treasurer:  
Connie Ness

State's Attorney:  
Dedrich Koch

Register of Deeds:  
Mette Ness

Sheriff:  
Jason Weber

JERAULD 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  
Jerauld County  
Wessington Springs, 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 Jerauld 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 June 10, 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.

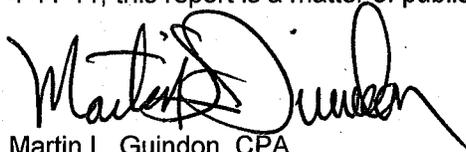
***Compliance and Other Matters***

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

June 10, 2014

JERAULD COUNTY  
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Audit Findings:**

The prior audit report contained no written audit findings.

**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  
Jerauld County  
Wessington Springs, 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 Jerauld 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 Jerauld 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.

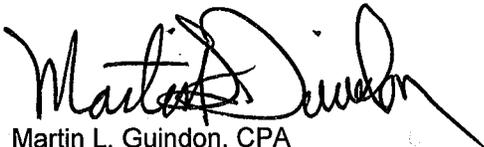
### **Other Matters**

#### **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 Schedules 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 June 10, 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

June 10, 2014

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

	<b>Primary Government Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 3,080,276.58
Investments	200,000.00
<b>TOTAL ASSETS</b>	<b>\$ 3,280,276.58</b>
<b>NET POSITION:</b>	
Restricted For: (See Note 6)	
Road and Bridge Purposes	\$ 43,983.35
Ambulance Purposes	201,421.98
Other Purposes	58,461.58
Unrestricted	2,976,409.67
<b>TOTAL NET POSITION</b>	<b>\$ 3,280,276.58</b>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 535,902.20	\$ 54,149.06	\$ 10,333.31	\$	\$ (471,419.83)
Public Safety	328,296.49	56,083.82	109,608.43		(162,604.24)
Public Works	866,114.98	33,597.17	681,178.63		(151,339.18)
Health and Welfare	321,194.49	89,889.01	514,862.52	148,175.62	431,732.66
Culture and Recreation	19,313.37	1,345.00			(17,968.37)
Conservation of Natural Resources	103,760.43	6,879.29	5,946.00		(90,935.14)
Urban and Economic Development	11,409.00				(11,409.00)
*Interest on Long-Term Debt	68,100.51				(68,100.51)
<b>Total Primary Government</b>	<b>\$ 2,254,091.47</b>	<b>\$ 241,943.35</b>	<b>\$ 1,321,928.89</b>	<b>\$ 148,175.62</b>	<b>(542,043.61)</b>
<b>General Revenues:</b>					
Taxes:					
					1,153,294.96
					31,753.43
					139,776.23
					896.98
					5,715.06
					228,079.32
					<u>1,559,515.98</u>
					1,017,472.37
					<u>2,262,804.21</u>
					<u>\$ 3,280,276.58</u>

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

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

**JERAULD 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	Capital Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 534,264.19	\$ 53,048.90	\$ 9,156.54	\$	\$ (472,058.75)
Public Safety	276,026.30	74,669.46	20,409.74		(180,947.10)
Public Works	807,926.30	29,720.00	425,763.65		(352,442.65)
Health and Welfare	355,802.48	77,232.74		516,223.78	237,654.04
Culture and Recreation	14,541.69	1,385.00			(13,156.69)
Conservation of Natural Resources	64,208.14	9,748.99	5,200.00		(49,259.15)
Urban and Economic Development	11,147.00				(11,147.00)
*Interest on Long-Term Debt	73,538.95				(73,538.95)
<b>Total Primary Government</b>	<b>\$ 2,137,455.05</b>	<b>\$ 245,805.09</b>	<b>\$ 460,529.93</b>	<b>\$ 516,223.78</b>	<b>(914,896.25)</b>
<b>General Revenues:</b>					
Taxes:					
Property Taxes					1,129,328.89
Wheel Tax					30,940.92
911 Telephone Surcharge					22,249.42
State Shared Revenues					141,573.80
Grants and Contributions not Restricted to Specific Programs					1,042.14
Unrestricted Investment Earnings					5,106.84
Miscellaneous Revenue					31,197.00
<b>Total General Revenues</b>					<b>1,361,439.01</b>
Change in Net Position					446,542.76
Net Position - Beginning					1,816,261.45
<b>NET POSITION - ENDING</b>					<b>\$ 2,262,804.21</b>

\* 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.

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Funded Depreciation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 656,353.80	\$ 542,696.85	\$ 1,622,260.11	\$ 258,965.82	\$ 3,080,276.58
Investments			200,000.00		200,000.00
<b>TOTAL ASSETS</b>	<u>\$ 656,353.80</u>	<u>\$ 542,696.85</u>	<u>\$ 1,822,260.11</u>	<u>\$ 258,965.82</u>	<u>\$ 3,280,276.58</u>
<b>FUND BALANCES:</b> (See Note 1. j.)					
Restricted	\$ 917.74	\$ 43,983.35		\$ 258,965.82	\$ 303,866.91
Committed			1,822,260.11		1,822,260.11
Assigned	232,733.00	498,713.50			731,446.50
Unassigned	422,703.06				422,703.06
<b>TOTAL FUND BALANCES</b>	<u>\$ 656,353.80</u>	<u>\$ 542,696.85</u>	<u>\$ 1,822,260.11</u>	<u>\$ 258,965.82</u>	<u>\$ 3,280,276.58</u>

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

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

	General Fund	Road and Bridge Fund	Funded Depreciation Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes:					
General Property Taxes--Current	\$ 989,141.49	\$ 158,722.22	\$	\$	\$ 1,147,863.71
General Property Taxes--Delinquent	2,732.50	426.63			3,159.13
Penalties and Interest	1,947.43	324.69			2,272.12
Wheel Tax		31,753.43			31,753.43
Licenses and Permits	2,353.94			400.00	2,753.94
Intergovernmental Revenue:					
Federal Grants	5,679.90	255,021.33		63,626.64	324,327.87
Federal Payments in Lieu of Taxes	896.98				896.98
State Grants	10,811.65			16,571.00	27,382.65
State Shared Revenue:					
Bank Franchise	11,841.39				11,841.39
Motor Vehicle Licenses		380,449.50			380,449.50
Court Appointed Attorney/Public Defender	5,583.90				5,583.90
Prorate/Port of Entry Fees		24,201.03			24,201.03
63 3/4% Mobile Home		2,282.20			2,282.20
Secondary Road Motor Vehicle Remittances		19,224.57			19,224.57
Telecommunications Gross Receipts Tax	12,915.75				12,915.75
Motor Vehicle 1/4%	1,006.71				1,006.71
Wind Farm Taxes	110,857.13	1,330.91			112,188.04
Motor Fuel Tax		2,831.05			2,831.05
911 Telephone Surcharge				23,608.14	23,608.14
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	2,919.00				2,919.00
Register of Deeds' Fees	34,431.25			1,906.00	36,337.25
Driver's License Exam	1,265.00				1,265.00
Modernization and Preservation Relief				5,643.42	5,643.42
Legal Services	1,555.90			150.00	1,705.90
Clerk of Courts Fees	3,597.55				3,597.55
Public Safety:					
Law Enforcement	50,580.12				50,580.12
Prisoner Care	4,551.10				4,551.10

Public Works:					
Road Maintenance Contract Charges		33,597.17			33,597.17
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	207.88				207.88
Health Assistance:					
Ambulance				54,820.76	54,820.76
Women Infants and Children	123.00				123.00
Social Services	360.00				360.00
Culture and Recreation	1,345.00				1,345.00
Conservation of Natural Resources	6,879.29				6,879.29
Other Charges	800.00				800.00
Fines and Forfeits:					
Costs	724.60				724.60
Miscellaneous Revenue:					
Investment Earnings	2,065.18	961.09	2,537.39	151.40	5,715.06
Rent	9,732.37		24,000.00		33,732.37
Contributions and Donations	937.00		148,175.62		149,112.62
Refund of Prior Year's Expenditures	1,189.44	519.88			1,709.32
Funded Depreciation Reimbursement			512,925.32		512,925.32
<b>Total Revenues</b>	<u>1,279,032.45</u>	<u>911,645.70</u>	<u>687,638.33</u>	<u>166,877.36</u>	<u>3,045,193.84</u>

**Expenditures:**

General Government:

Legislative:					
Board of County Commissioners	41,142.73				41,142.73
Elections	9,850.62				9,850.62
Judicial System	5,882.72				5,882.72
Financial Administration:					
Auditor	52,855.83				52,855.83
Treasurer	64,434.63				64,434.63
Legal Services:					
State's Attorney	68,474.66				68,474.66
Court Appointed Attorney	15,114.13				15,114.13
Other Administration:					
General Government Building	99,496.18				99,496.18
Director of Equalization	115,683.46				115,683.46
Register of Deeds	47,502.11			1,820.75	49,322.86
Veterans Service Officer	9,815.70				9,815.70
Predatory Animal	3,828.68				3,828.68
Public Safety:					
Law Enforcement:					
Sheriff	210,874.82				210,874.82
County Jail	17,730.76			332.33	18,063.09

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

	General Fund	Road and Bridge Fund	Funded Depreciation Fund	Other Governmental Funds	Total Governmental Funds
Coroner	169.68				169.68
Protective and Emergency Services:					
Emergency and Disaster Services	18,220.42			51,999.34	70,219.76
Communication Center				28,969.14	28,969.14
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		813,083.95			813,083.95
Secondary Road		14,346.64			14,346.64
Health and Welfare:					
Economic Assistance:					
Support of Poor	3,300.05				3,300.05
Health Assistance:					
County Nurse	31,906.76				31,906.76
Ambulance				41,461.53	41,461.53
Funded Depreciation			173,889.02		173,889.02
Social Services:					
Domestic Abuse	1,000.00			355.00	1,355.00
Mental Health Services:					
Mentally Ill	6,901.84				6,901.84
Mental Health Centers	5,000.00				5,000.00
Mental Illness Board	488.96				488.96
Culture and Recreation:					
Culture:					
Public Library	300.00				300.00
Historical Museum	1,000.00				1,000.00
Recreation:					
Exhibition Building	17,013.37				17,013.37
Senior Center	1,000.00				1,000.00
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	30,859.75				30,859.75
Weed and Pest Control	72,900.68				72,900.68

Urban and Economic Development:

Urban Development:

Planning and Zoning

10,109.00

10,109.00

Economic Development:

Tourism, Industrial or Recreational Development

1,300.00

1,300.00

Debt Service

40,231.76

123,444.47

163,676.23

Total Expenditures

964,157.54

867,662.35

297,333.49

124,938.09

2,254,091.47

Excess of Revenues Over (Under) Expenditures

314,874.91

43,983.35

390,304.84

41,939.27

791,102.37

**Other Financing Sources (Uses):**

Transfers In

2,900.00

2,900.00

Transfers Out

(2,900.00)

(2,900.00)

Sale of County Property

225,870.00

500.00

226,370.00

Total Other Financing Sources (Uses)

2,900.00

225,870.00

500.00

(2,900.00)

226,370.00

Net Change in Fund Balance

317,774.91

269,853.35

390,804.84

39,039.27

1,017,472.37

Fund Balance - Beginning

338,578.89

272,843.50

1,431,455.27

219,926.55

2,262,804.21

FUND BALANCE - ENDING

\$ 656,353.80

\$ 542,696.85

\$ 1,822,260.11

\$ 258,965.82

\$ 3,280,276.58

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

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Funded Depreciation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Taxes:					
General Property Taxes--Current	\$ 960,679.72	\$ 159,400.27	\$	\$	\$ 1,120,079.99
General Property Taxes--Delinquent	5,311.76	792.19			6,103.95
Penalties and Interest	2,726.34	418.61			3,144.95
Wheel Tax		30,940.92			30,940.92
911 Telephone Surcharge				14,280.32	14,280.32
Licenses and Permits	2,213.78			230.00	2,443.78
Intergovernmental Revenue:					
Federal Grants	3,173.46			20,409.74	23,583.20
Federal Payments in Lieu of Taxes	1,042.14				1,042.14
State Grants	6,200.00	15,708.00			21,908.00
State Shared Revenue:					
Bank Franchise	14,347.90				14,347.90
Motor Vehicle Licenses		362,274.28			362,274.28
Court Appointed Attorney/Public Defender	4,089.84				4,089.84
Prorate/Port of Entry Fees		26,003.44			26,003.44
63 3/4% Mobile Home		5,771.28			5,771.28
Secondary Road Motor Vehicle Remittances		16,006.65			16,006.65
Telecommunications Gross Receipts Tax	13,289.92				13,289.92
Motor Vehicle 1/4%	893.24				893.24
Wind Farm Taxes	106,869.01	1,399.00			108,268.01
Motor Fuel Tax		5,667.97			5,667.97
911 Telephone Surcharge				7,969.10	7,969.10
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	3,225.92				3,225.92
Register of Deeds' Fees	28,241.00			846.00	29,087.00
Driver's License Exam	1,755.00				1,755.00
Legal Services	2,315.96			250.00	2,565.96
Clerk of Courts Fees	3,909.20				3,909.20
Public Safety:					
Law Enforcement	40,919.59				40,919.59
Prisoner Care	14,209.62				14,209.62

Drug Dog	19,369.25				19,369.25
Public Works:					
Road Maintenance Contract Charges		29,720.00			29,720.00
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	1,645.97				1,645.97
Health Assistance:					
Ambulance			49,574.84		49,574.84
Women Infants and Children	1,108.85				1,108.85
Social Services	543.08				543.08
Culture and Recreation	1,385.00				1,385.00
Conservation of Natural Resources	9,748.99				9,748.99
Other Charges	800.00				800.00
Miscellaneous Revenue:					
Investment Earnings	2,503.65	114.07	2,372.33	116.79	5,106.84
Rent	9,793.04		24,000.00		33,793.04
Refund of Prior Year's Expenditures	1,102.63	246.87			1,349.50
Funded Depreciation Reimbursement			516,223.78		516,223.78
<b>Total Revenues</b>	<b>1,263,413.86</b>	<b>654,463.55</b>	<b>542,596.11</b>	<b>93,676.79</b>	<b>2,554,150.31</b>

**Expenditures:**

General Government:

  Legislative:

    Board of County Commissioners 53,659.02 53,659.02

    Elections 18,878.56 18,878.56

    Judicial System 9,531.66 9,531.66

  Financial Administration:

    Auditor 54,063.11 54,063.11

    Treasurer 62,740.38 62,740.38

  Legal Services:

    State's Attorney 61,955.11 61,955.11

    Court Appointed Attorney 7,080.40 7,080.40

  Other Administration:

    General Government Building 89,071.69 89,071.69

    Director of Equalization 116,623.88 116,623.88

    Register of Deeds 47,293.31 47,293.31

    Veterans Service Officer 9,538.39 9,538.39

    Predatory Animal 3,828.68 3,828.68

Public Safety:

  Law Enforcement:

    Sheriff 198,593.79 198,593.79

    County Jail 19,249.46 19,249.46

    Coroner 975.52 975.52

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

	General Fund	Road and Bridge Fund	Funded Depreciation Fund	Other Governmental Funds	Total Governmental Funds
Protective and Emergency Services:					
Emergency and Disaster Services	10,101.69			31,790.65	41,892.34
Communication Center				15,315.19	15,315.19
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		737,586.20			737,586.20
Secondary Road		11,032.34			11,032.34
Health and Welfare:					
Economic Assistance:					
Support of Poor	25,452.73				25,452.73
Health Assistance:					
County Nurse	30,438.96				30,438.96
Ambulance				28,464.94	28,464.94
Funded Depreciation			204,600.43		204,600.43
Social Services:					
Domestic Abuse	1,000.00			585.00	1,585.00
Mental Health Services:					
Mentally Ill	6,232.57				6,232.57
Mental Health Centers	5,000.00				5,000.00
Culture and Recreation:					
Culture:					
Public Library	300.00				300.00
Historical Museum	1,000.00				1,000.00
Recreation:					
Exhibition Building	12,241.69				12,241.69
Senior Center	1,000.00				1,000.00
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	26,804.83				26,804.83
Weed and Pest Control	37,403.31				37,403.31
Urban and Economic Development:					
Urban Development:					
Planning and Zoning	9,847.00				9,847.00

Economic Development:					
Tourism, Industrial or Recreational Development	1,300.00				1,300.00
Debt Service		63,430.09	123,444.47		186,874.56
Total Expenditures	<u>921,205.74</u>	<u>812,048.63</u>	<u>328,044.90</u>	<u>76,155.78</u>	<u>2,137,455.05</u>
Excess of Revenues Over (Under) Expenditures	<u>342,208.12</u>	<u>(157,585.08)</u>	<u>214,551.21</u>	<u>17,521.01</u>	<u>416,695.26</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In		415,000.00		2,900.00	417,900.00
Transfers Out	(417,900.00)				(417,900.00)
Insurance Proceeds	2,683.60				2,683.60
Sale of County Property	3,608.50	6,355.40	17,200.00		27,163.90
Total Other Financing Sources (Uses)	<u>(411,607.90)</u>	<u>421,355.40</u>	<u>17,200.00</u>	<u>2,900.00</u>	<u>29,847.50</u>
Net Change in Fund Balance	(69,399.78)	263,770.32	231,751.21	20,421.01	446,542.76
Fund Balance - Beginning	<u>407,978.67</u>	<u>9,073.18</u>	<u>1,199,704.06</u>	<u>199,505.54</u>	<u>1,816,261.45</u>
FUND BALANCE - ENDING	<u>\$ 338,578.89</u>	<u>\$ 272,843.50</u>	<u>\$ 1,431,455.27</u>	<u>\$ 219,926.55</u>	<u>\$ 2,262,804.21</u>

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

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

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 95,064.11
<b>TOTAL ASSETS</b>	<u>\$ 95,064.11</u>
<b>NET POSITION:</b>	
Net Position Held in Agency Capacity	\$ 95,064.11
<b>TOTAL NET POSITION</b>	<u>\$ 95,064.11</u>

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

JERAULD 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 Jerauld 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.

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

b. Basis of Presentation:

*Government-wide Financial Statements:*

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

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.

Funded Depreciation Fund (Hospital) – to account for funds generated by hospital operations and remitted by the hospital to this fund to be used for future additions and improvements. This is a major fund.

The remaining special revenue funds are not considered major funds: 911 Service, Emergency Management, Domestic Abuse, Ambulance, 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 has reported Committed Fund Balance in the Funded Depreciation Fund due to the contractual agreement made with the lessee of the County owned hospital to use the amounts in the fund to purchase and maintain the hospital building and to purchase, repair, or replace equipment for the hospital.

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

Funded Depreciation Fund

**Revenue Source**

Property Taxes, State Shared Revenue,  
and Grants

Funded depreciation reimbursement from the  
hospital lessee

A schedule of fund balances is provided as follows:

**JERAULD 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>Funded Depreciation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances:</b>					
Restricted For:					
Motor Vehicle 1/4% Purposes	\$ 917.74	\$	\$	\$	\$ 917.74
Road and Bridge Purposes		22,958.20			22,958.20
Secondary Road Purposes		21,025.15			21,025.15
911 Service Purposes				25,170.47	25,170.47
Ambulance Purposes				201,421.98	201,421.98
Emergency Management Purposes				9,044.06	9,044.06
24/7 Sobriety Purposes				16,278.16	16,278.16
Modernization and Preservation					
Relief Purposes				6,583.13	6,583.13
Domestic Abuse Purposes				468.02	468.02
Assigned To:					
Applied to Next Year's Budget	232,733.00				232,733.00
Road and Bridge Purposes		498,713.50			498,713.50
Funded Depreciation (Hospital) Purposes			1,822,260.11		1,822,260.11
Unassigned	<u>422,703.06</u>				<u>422,703.06</u>
<b>Total Fund Balances</b>	<u>\$ 656,353.80</u>	<u>\$ 542,696.85</u>	<u>\$ 1,822,260.11</u>	<u>\$ 258,965.82</u>	<u>\$ 3,280,276.58</u>

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

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

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

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

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

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

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

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

3. PROPERTY TAXES

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

The County has entered into an agreement to lease a 2013 140M2 Caterpillar Motor Grader. The lease calls for seven (7) annual principal/interest payments of \$20,763.88 beginning 6/1/13 and a final payment of \$150,000.00 on 6/1/20. The lease carries a 2.75% interest rate and payments are made from the Road and Bridge Fund.

The following are the minimum payments on the existing operating lease:

Year	Road and Bridge Fund
2014	\$ 20,763.88
2015	20,763.88
2016	20,763.88
2017	20,763.88
2018	20,763.88
2019	20,763.88
2020	150,000.00
Total	\$ 274,583.28

5. OPERATING LEASE RECEIVABLE

The County owns a healthcare facility known as the Weskota Memorial Medical Center on property located in the City of Wessington Springs. The County, under the provisions of SDCL 7-29-27, as a lessor, possesses the power to lease such property for the purpose of providing health care to the residents of the County. The County has entered an agreement to lease the Weskota Memorial Medical Center to Avera Queen of Peace (Avera), a South Dakota non-profit corporation. Avera possesses management skills in health services which will allow for the maximum utilization of the healthcare property.

The lease agreement is for the initial term of January 1, 2006, through December 31, 2026. On January 1 of each year, Avera shall pay to the County One Dollar for the right to lease these premises and the hospital equipment.

The agreement with Avera requires them to remit a penalty sum if they terminate the lease, for any reason other than a material breach of the agreement by the County. If Avera would have terminated the lease during the first year they would have paid Two Hundred Thousand Dollars to the County. That amount will be reduced by Ten Thousand Dollars each succeeding year if the lease is terminated.

The County also rents a portion of the physician's wing of the Weskota Memorial Medical Center to other parties on a monthly rental agreement.

6. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2013 was as follows:

**Major Purposes:**

Road and Bridge Purposes	\$ 43,983.35
Ambulance Purposes	<u>201,421.98</u>

**Other Purposes:**

Motor Vehicle 1/4% Purposes	917.74
911 Service Purposes	25,170.47
Domestic Abuse Purposes	468.02
Emergency Management Purposes	9,044.06
24/7 Sobriety Purposes	16,278.16
Modernization and Preservation Relief Purposes	<u>6,583.13</u>

Total Other Purposes	<u>58,461.58</u>
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**Total Restricted Net Position** **\$ 303,866.91**

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

7. INTERFUND TRANSFERS

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

	<b><u>Transfers To:</u></b>
	General
<b><u>Transfers From:</u></b>	<u>Fund</u>

Other Governmental Funds:

Emergency Management Fund	\$ 2,900.00
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Interfund transfers for the year ended December 31, 2012 were as follows:

	<b><u>Transfers To:</u></b>		
	Road	Other	
	and Bridge	Governmental	
<b><u>Transfers From:</u></b>	<u>Fund</u>	<u>Funds</u>	<u>Total</u>

Major Funds:

General Fund	\$ 415,000.00	\$ 2,900.00	\$ 417,900.00
--------------	---------------	-------------	---------------

The County typically transfers funds to the Road and Bridge Fund to conduct the indispensable functions of the County.

In 2012, the County transferred from the General Fund to the Emergency Management Fund to pay for equipment in advance of getting reimbursement.

In 2013, the County returned the funds from the Emergency Management Fund to the General Fund.

8. RETIREMENT PLAN

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

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The County's share of contributions to the SDRS for the fiscal years ended December 31, 2013, 2012, and 2011 were \$36,794.32, \$37,467.33, and \$37,171.14, respectively, equal to the required contributions each year.

9. JOINT VENTURES

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

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

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

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

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

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

At December 31, 2012, this joint venture had total Net Position of \$781,579.

At December 31, 2013, financial information for the joint venture was not available.

10. SIGNIFICANT CONTINGENCIES – LITIGATION

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

11. RISK MANAGEMENT

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

Automobile Liability,  
General Liability, and  
Law Enforcement Liability

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

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

As of December 31, 2013, the County has vested balance in the cumulative reserve fund of \$29,167.02.

The County carries a \$2,000 deductible for the Law Enforcement coverage and \$500 deductible for the Officials' coverage.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 1,003,270.00	\$ 1,003,270.00	\$ 989,141.49	\$ (14,128.51)
General Property Taxes--Delinquent	4,000.00	4,000.00	2,732.50	(1,267.50)
Penalties and Interest	1,000.00	1,000.00	1,947.43	947.43
Licenses and Permits	1,220.00	1,220.00	2,353.94	1,133.94
<b>Intergovernmental Revenue:</b>				
Federal Grants	0.00	0.00	5,679.90	5,679.90
Federal Payments in Lieu of Taxes	0.00	0.00	896.98	896.98
State Grants	5,200.00	7,550.00	10,811.65	3,261.65
<b>State Shared Revenue:</b>				
Bank Franchise	14,000.00	14,000.00	11,841.39	(2,158.61)
Court Appointed Attorney/Public Defender	3,000.00	3,000.00	5,583.90	2,583.90
Abused and Neglected Child Defense	600.00	600.00	0.00	(600.00)
Telecommunications Gross Receipts Tax	14,000.00	14,000.00	12,915.75	(1,084.25)
Motor Vehicle 1/4%	700.00	700.00	1,006.71	306.71
Wind Farm Taxes	106,000.00	106,000.00	110,857.13	4,857.13
<b>Charges for Goods and Services:</b>				
<b>General Government:</b>				
Treasurer's Fees	2,890.00	2,890.00	2,919.00	29.00
Register of Deeds' Fees	29,400.00	29,400.00	34,431.25	5,031.25
Driver's License Exam	1,600.00	1,600.00	1,265.00	(335.00)
Legal Services	900.00	900.00	1,555.90	655.90
Clerk of Courts Fees	3,000.00	3,000.00	3,597.55	597.55
Other Fees	1,500.00	1,500.00	0.00	(1,500.00)
<b>Public Safety:</b>				
Law Enforcement	42,100.00	42,100.00	50,580.12	8,480.12
Prisoner Care	7,500.00	7,500.00	4,551.10	(2,948.90)
<b>Health and Welfare:</b>				
<b>Economic Assistance:</b>				
Poor Lien Recoveries	4,000.00	4,000.00	207.88	(3,792.12)
<b>Health Assistance:</b>				
Women Infants and Children	1,000.00	1,000.00	123.00	(877.00)
Social Services	360.00	360.00	360.00	0.00
Culture and Recreation	1,200.00	1,200.00	1,345.00	145.00
Conservation of Natural Resources	11,000.00	11,000.00	6,879.29	(4,120.71)
Other Charges	1,200.00	1,200.00	800.00	(400.00)
<b>Fines and Forfeits:</b>				
Costs	0.00	0.00	724.60	724.60
<b>Miscellaneous Revenue:</b>				
Investment Earnings	1,700.00	1,700.00	2,065.18	365.18
Rent	21,720.00	21,720.00	9,732.37	(11,987.63)
Contributions and Donations	0.00	0.00	937.00	937.00
Refund of Prior Year's Expenditures	0.00	0.00	1,189.44	1,189.44
<b>Total Revenues</b>	<b>1,284,060.00</b>	<b>1,286,410.00</b>	<b>1,279,032.45</b>	<b>(7,377.55)</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Legislative:</b>				
Board of County Commissioners	43,060.00	43,060.00	41,142.73	1,917.27
Contingency	30,000.00	30,000.00		
Amount Transferred		(25,515.46)		4,484.54
Elections	12,320.00	12,320.00	9,850.62	2,469.38
Judicial System	12,850.00	12,850.00	5,882.72	6,967.28
<b>Financial Administration:</b>				
Auditor	54,660.00	54,660.00	52,855.83	1,804.17
Treasurer	70,400.00	70,400.00	64,434.63	5,965.37
<b>Legal Services:</b>				
State's Attorney	63,435.00	69,000.46	68,474.66	525.80
Court Appointed Attorney	15,000.00	15,150.00	15,114.13	35.87
<b>Other Administration:</b>				
General Government Building	104,110.00	104,110.00	99,496.18	4,613.82
Director of Equalization	120,875.00	120,875.00	115,683.46	5,191.54
Register of Deeds	51,885.00	48,885.00	47,502.11	1,382.89
Veterans Service Officer	10,045.00	10,045.00	9,815.70	229.30

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Predatory Animal	3,830.00	3,830.00	3,828.68	1.32
Public Safety:				
Law Enforcement:				
Sheriff	194,355.00	211,705.00	210,874.82	830.18
County Jail	15,200.00	17,500.00	17,730.76	(230.76)
Coroner	572.00	572.00	169.68	402.32
Juvenile Detention	1,000.00	1,000.00	0.00	1,000.00
Protective and Emergency Services:				
Emergency and Disaster Services	18,530.00	18,530.00	18,220.42	309.58
Health and Welfare:				
Economic Assistance:				
Support of Poor	64,000.00	64,000.00	3,300.05	60,699.95
Health Assistance:				
County Nurse	31,080.00	31,980.00	31,906.76	73.24
Meals on Wheels	1,000.00	1,000.00	0.00	1,000.00
Social Services:				
Domestic Abuse	1,000.00	1,000.00	1,000.00	0.00
Mental Health Services:				
Mentally Ill	7,000.00	7,000.00	6,901.84	98.16
Mental Health Centers	5,000.00	5,000.00	5,000.00	0.00
Mental Illness Board	700.00	700.00	488.96	211.04
Culture and Recreation:				
Culture:				
Public Library	300.00	300.00	300.00	0.00
Historical Museum	1,000.00	1,000.00	1,000.00	0.00
Recreation:				
Exhibition Building	18,735.00	18,735.00	17,013.37	1,721.63
Senior Center	1,000.00	1,000.00	1,000.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	29,420.00	31,020.00	30,859.75	160.25
Weed and Pest Control	75,310.00	75,310.00	72,900.68	2,409.32
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	10,109.00	10,109.00	10,109.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	1,300.00	1,300.00	1,300.00	0.00
Total Expenditures	<u>1,069,081.00</u>	<u>1,068,431.00</u>	<u>964,157.54</u>	<u>104,273.46</u>
Excess of Revenues Over (Under) Expenditures	<u>214,979.00</u>	<u>217,979.00</u>	<u>314,874.91</u>	<u>96,895.91</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	0.00	0.00	2,900.00	2,900.00
Transfers Out	(225,000.00)	(225,000.00)	0.00	225,000.00
Total Other Financing Sources (Uses)	<u>(225,000.00)</u>	<u>(225,000.00)</u>	<u>2,900.00</u>	<u>227,900.00</u>
Net Change in Fund Balance	(10,021.00)	(7,021.00)	317,774.91	324,795.91
Fund Balance - Beginning	<u>338,578.89</u>	<u>338,578.89</u>	<u>338,578.89</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 328,557.89</u>	<u>\$ 331,557.89</u>	<u>\$ 656,353.80</u>	<u>\$ 324,795.91</u>

**SUPPLEMENTARY INFORMATION**  
**JERAULD 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		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 160,000.00	\$ 160,000.00	\$ 158,722.22	\$ (1,277.78)
General Property Taxes--Delinquent	700.00	700.00	426.63	(273.37)
Penalties and Interest	410.00	410.00	324.69	(85.31)
Wheel Tax	30,000.00	30,000.00	31,753.43	1,753.43
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	255,021.33	255,021.33
State Grants	500,000.00	500,000.00	0.00	(500,000.00)
State Shared Revenue:				
Motor Vehicle Licenses	250,000.00	250,000.00	380,449.50	130,449.50
Prorate/Port of Entry Fees	260,000.00	260,000.00	24,201.03	(235,798.97)
63 3/4% Mobile Home	0.00	0.00	2,282.20	2,282.20
Secondary Road Motor Vehicle Remittances	15,500.00	15,500.00	19,224.57	3,724.57
Wind Farm Taxes	1,600.00	1,600.00	1,330.91	(269.09)
Motor Fuel Tax	0.00	0.00	2,831.05	2,831.05
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	685,000.00	685,000.00	33,597.17	(651,402.83)
Miscellaneous Revenue:				
Investment Earnings	130.00	130.00	961.09	831.09
Refund of Prior Year's Expenditures	0.00	0.00	519.88	519.88
<b>Total Revenues</b>	<b>1,903,340.00</b>	<b>1,903,340.00</b>	<b>911,645.70</b>	<b>(991,694.30)</b>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	3,315,808.00	3,315,808.00	813,083.95	2,502,724.05
Secondary Roads	19,140.00	19,140.00	14,346.64	4,793.36
Debt Service	113,000.00	113,000.00	40,231.76	72,768.24
<b>Total Expenditures</b>	<b>3,447,948.00</b>	<b>3,447,948.00</b>	<b>867,662.35</b>	<b>2,580,285.65</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,544,608.00)</b>	<b>(1,544,608.00)</b>	<b>43,983.35</b>	<b>1,588,591.35</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	225,000.00	225,000.00	0.00	(225,000.00)
Debt Issued	1,250,000.00	1,250,000.00	0.00	(1,250,000.00)
Sale of County Property	0.00	0.00	225,870.00	225,870.00
<b>Total Other Financing Sources (Uses)</b>	<b>1,475,000.00</b>	<b>1,475,000.00</b>	<b>225,870.00</b>	<b>(1,249,130.00)</b>
<b>Net Change in Fund Balance</b>	<b>(69,608.00)</b>	<b>(69,608.00)</b>	<b>269,853.35</b>	<b>339,461.35</b>
Fund Balance - Beginning	272,843.50	272,843.50	272,843.50	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 203,235.50</b>	<b>\$ 203,235.50</b>	<b>\$ 542,696.85</b>	<b>\$ 339,461.35</b>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Miscellaneous Revenue:				
Investment Earnings	\$ 0.00	\$ 0.00	\$ 2,537.39	\$ 2,537.39
Rent	12,000.00	12,000.00	24,000.00	12,000.00
Contributions and Donations	0.00	0.00	148,175.62	148,175.62
Funded Depreciation Reimbursement	511,720.00	511,720.00	512,925.32	1,205.32
<b>Total Revenues</b>	<b>523,720.00</b>	<b>523,720.00</b>	<b>687,638.33</b>	<b>163,918.33</b>
<b>Expenditures:</b>				
Health and Welfare:				
Health Assistance:				
Funded Depreciation	403,020.00	403,020.00	173,889.02	229,130.98
Debt Service	120,700.00	120,700.00	123,444.47	(2,744.47)
<b>Total Expenditures</b>	<b>523,720.00</b>	<b>523,720.00</b>	<b>297,333.49</b>	<b>226,386.51</b>
Excess of Revenues Over (Under) Expenditures	0.00	0.00	390,304.84	390,304.84
<b>Other Financing Sources (Uses):</b>				
Sale of County Property	0.00	0.00	500.00	500.00
Net Change in Fund Balance	0.00	0.00	390,804.84	390,804.84
Fund Balance - Beginning	1,431,455.27	1,431,455.27	1,431,455.27	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 1,431,455.27</b>	<b>\$ 1,431,455.27</b>	<b>\$ 1,822,260.11</b>	<b>\$ 390,804.84</b>

**SUPPLEMENTARY INFORMATION**  
**JERAULD 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)
<b>Revenues:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 967,575.00	\$ 967,575.00	\$ 960,679.72	\$ (6,895.28)
General Property Taxes--Delinquent	4,000.00	4,000.00	5,311.76	1,311.76
Penalties and Interest	500.00	500.00	2,726.34	2,226.34
Licenses and Permits	2,220.00	2,220.00	2,213.78	(6.22)
<b>Intergovernmental Revenue:</b>				
Federal Grants	0.00	0.00	3,173.46	3,173.46
Federal Payments in Lieu of Taxes	0.00	0.00	1,042.14	1,042.14
State Grants	3,500.00	3,500.00	6,200.00	2,700.00
<b>State Shared Revenue:</b>				
Bank Franchise	10,000.00	10,000.00	14,347.90	4,347.90
Court Appointed Attorney/Public Defender	4,000.00	4,000.00	4,089.84	89.84
Abused and Neglected Child Defense	400.00	400.00	0.00	(400.00)
Telecommunications Gross Receipts Tax	14,000.00	14,000.00	13,289.92	(710.08)
Motor Vehicle 1/4%	600.00	600.00	893.24	293.24
Wind Farm Taxes	84,000.00	84,000.00	106,869.01	22,869.01
<b>Charges for Goods and Services:</b>				
<b>General Government:</b>				
Treasurer's Fees	3,270.00	3,270.00	3,225.92	(44.08)
Register of Deeds' Fees	27,200.00	27,200.00	28,241.00	1,041.00
Driver's License Exam	1,400.00	1,400.00	1,755.00	355.00
Legal Services	1,125.00	1,125.00	2,315.96	1,190.96
Clerk of Courts Fees	6,000.00	6,000.00	3,909.20	(2,090.80)
Other Fees	1,500.00	1,500.00	0.00	(1,500.00)
<b>Public Safety:</b>				
Law Enforcement	37,800.00	37,800.00	40,919.59	3,119.59
Prisoner Care	10,000.00	10,000.00	14,209.62	4,209.62
Drug Dog	0.00	0.00	19,369.25	19,369.25
<b>Health and Welfare:</b>				
<b>Economic Assistance:</b>				
Poor Lien Recoveries	6,000.00	6,000.00	1,645.97	(4,354.03)
<b>Health Assistance:</b>				
Women Infants and Children	1,000.00	1,000.00	1,108.85	108.85
Social Services	360.00	360.00	543.08	183.08
Culture and Recreation	1,200.00	1,200.00	1,385.00	185.00
Conservation of Natural Resources	11,000.00	11,000.00	9,748.99	(1,251.01)
Other Charges	0.00	0.00	800.00	800.00
<b>Miscellaneous Revenue:</b>				
Investment Earnings	3,000.00	3,000.00	2,503.65	(496.35)
Rent	5,000.00	5,000.00	9,793.04	4,793.04
Refund of Prior Year's Expenditures	1,000.00	1,000.00	1,102.63	102.63
<b>Total Revenues</b>	<b>1,207,650.00</b>	<b>1,207,650.00</b>	<b>1,263,413.86</b>	<b>55,763.86</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Legislative:</b>				
Board of County Commissioners	53,500.00	53,700.00	53,659.02	40.98
Contingency	30,000.00	30,000.00		
Amount Transferred		(14,860.00)		15,140.00
Elections	18,960.00	18,960.00	18,878.56	81.44
Judicial System	16,350.00	16,350.00	9,531.66	6,818.34
<b>Financial Administration:</b>				
Auditor	53,020.00	54,320.00	54,063.11	256.89
Treasurer	70,360.00	70,360.00	62,740.38	7,619.62
<b>Legal Services:</b>				
State's Attorney	64,755.00	64,755.00	61,955.11	2,799.89
Court Appointed Attorney	20,000.00	20,000.00	7,080.40	12,919.60
<b>Other Administration:</b>				
General Government Building	120,649.00	120,649.00	89,071.69	31,577.31
Director of Equalization	112,160.00	116,860.00	116,623.88	236.12
Register of Deeds	50,935.00	50,935.00	47,293.31	3,641.69
Veterans Service Officer	9,125.00	9,585.00	9,538.39	46.61
Predatory Animal	3,828.68	3,828.68	3,828.68	0.00

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Public Safety:				
Law Enforcement:				
Sheriff	179,520.00	198,814.25	198,593.79	220.46
County Jail	15,200.00	19,400.00	19,249.46	150.54
Coroner	495.00	995.00	975.52	19.48
Juvenile Detention	1,000.00	1,000.00	0.00	1,000.00
Protective and Emergency Services:				
Emergency and Disaster Services	10,630.00	10,630.00	10,101.69	528.31
Health and Welfare:				
Economic Assistance:				
Support of Poor	64,200.00	64,200.00	25,452.73	38,747.27
Health Assistance:				
County Nurse	30,445.00	30,445.00	30,438.96	6.04
Meals on Wheels	1,000.00	1,000.00	0.00	1,000.00
Social Services:				
Domestic Abuse	1,000.00	1,000.00	1,000.00	0.00
Mental Health Services:				
Mentally Ill	4,000.00	6,600.00	6,232.57	367.43
Mental Health Centers	5,000.00	5,000.00	5,000.00	0.00
Mental Illness Board	100.00	100.00	0.00	100.00
Culture and Recreation:				
Culture:				
Public Library	300.00	300.00	300.00	0.00
Historical Museum	1,000.00	1,000.00	1,000.00	0.00
Recreation:				
Exhibition Building	13,555.00	13,555.00	12,241.69	1,313.31
Senior Center	1,000.00	1,000.00	1,000.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	28,380.00	28,380.00	26,804.83	1,575.17
Weed and Pest Control	45,860.00	45,860.00	37,403.31	8,456.69
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	9,847.00	9,847.00	9,847.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	1,300.00	1,300.00	1,300.00	0.00
Total Expenditures	<u>1,037,474.68</u>	<u>1,055,868.93</u>	<u>921,205.74</u>	<u>134,663.19</u>
Excess of Revenues Over (Under) Expenditures	<u>170,175.32</u>	<u>151,781.07</u>	<u>342,208.12</u>	<u>190,427.05</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(218,673.35)	(218,673.35)	(417,900.00)	(199,226.65)
Insurance Proceeds	0.00	0.00	2,683.60	2,683.60
Sale of County Property	0.00	0.00	3,608.50	3,608.50
Total Other Financing Sources (Uses)	<u>(218,673.35)</u>	<u>(218,673.35)</u>	<u>(411,607.90)</u>	<u>(192,934.55)</u>
Net Change in Fund Balance	(48,498.03)	(66,892.28)	(69,399.78)	(2,507.50)
Fund Balance - Beginning	407,978.67	407,978.67	407,978.67	0.00
<b>FUND BALANCE - ENDING</b>	<u>\$ 359,480.64</u>	<u>\$ 341,086.39</u>	<u>\$ 338,578.89</u>	<u>\$ (2,507.50)</u>

**SUPPLEMENTARY INFORMATION**  
**JERAULD 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		
<b>Revenues:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 160,000.00	\$ 160,000.00	\$ 159,400.27	\$ (599.73)
General Property Taxes--Delinquent	700.00	700.00	792.19	92.19
Penalties and Interest	400.00	400.00	418.61	18.61
Wheel Tax	28,900.00	28,900.00	30,940.92	2,040.92
Other Taxes	10,000.00	10,000.00	0.00	(10,000.00)
<b>Intergovernmental Revenue:</b>				
Federal Payments in Lieu of Taxes	3,000.00	3,000.00	0.00	(3,000.00)
State Grants	500,000.00	500,000.00	15,708.00	(484,292.00)
<b>State Shared Revenue:</b>				
Motor Vehicle Licenses	221,475.00	221,475.00	362,274.28	140,799.28
Prorate/Port of Entry Fees	215,000.00	215,000.00	26,003.44	(188,996.56)
63 3/4% Mobile Home	0.00	0.00	5,771.28	5,771.28
Secondary Road Motor Vehicle Remittances	13,000.00	13,000.00	16,006.65	3,006.65
Wind Farm Taxes	1,525.00	1,525.00	1,399.00	(126.00)
Motor Fuel Tax	0.00	0.00	5,667.97	5,667.97
<b>Charges for Goods and Services:</b>				
<b>Public Works:</b>				
Road Maintenance Contract Charges	30,000.00	30,000.00	29,720.00	(280.00)
<b>Miscellaneous Revenue:</b>				
Investment Earnings	165.00	165.00	114.07	(50.93)
Refund of Prior Year's Expenditures	500.00	500.00	246.87	(253.13)
Other	100.00	100.00	0.00	(100.00)
<b>Total Revenues</b>	<b>1,184,765.00</b>	<b>1,184,765.00</b>	<b>654,463.55</b>	<b>(530,301.45)</b>
<b>Expenditures:</b>				
<b>Public Works:</b>				
<b>Highways and Bridges:</b>				
Highways, Roads and Bridges	2,526,423.35	2,526,423.35	737,586.20	1,788,837.15
Secondary Roads	16,590.00	16,590.00	11,032.34	5,557.66
Debt Service	105,425.00	105,425.00	63,430.09	41,994.91
<b>Total Expenditures</b>	<b>2,648,438.35</b>	<b>2,648,438.35</b>	<b>812,048.63</b>	<b>1,836,389.72</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,463,673.35)</b>	<b>(1,463,673.35)</b>	<b>(157,585.08)</b>	<b>1,306,088.27</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	218,673.35	218,673.35	415,000.00	196,326.65
Debt Issued	1,200,000.00	1,200,000.00	0.00	(1,200,000.00)
Sale of County Property	45,000.00	45,000.00	6,355.40	(38,644.60)
<b>Total Other Financing Sources (Uses)</b>	<b>1,463,673.35</b>	<b>1,463,673.35</b>	<b>421,355.40</b>	<b>(1,042,317.95)</b>
<b>Net Change in Fund Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>263,770.32</b>	<b>263,770.32</b>
<b>Fund Balance - Beginning</b>	<b>9,073.18</b>	<b>9,073.18</b>	<b>9,073.18</b>	<b>0.00</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 9,073.18</b>	<b>\$ 9,073.18</b>	<b>\$ 272,843.50</b>	<b>\$ 263,770.32</b>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Miscellaneous Revenue:				
Investment Earnings	\$ 0.00	\$ 0.00	\$ 2,372.33	\$ 2,372.33
Rent	24,001.00	24,001.00	24,000.00	(1.00)
Funded Depreciation Reimbursement	473,899.00	473,899.00	516,223.78	42,324.78
<b>Total Revenues</b>	<b>497,900.00</b>	<b>497,900.00</b>	<b>542,596.11</b>	<b>44,696.11</b>
<b>Expenditures:</b>				
Health and Welfare:				
Health Assistance:				
Funded Depreciation	374,100.00	374,100.00	204,600.43	169,499.57
Debt Service	123,800.00	123,800.00	123,444.47	355.53
<b>Total Expenditures</b>	<b>497,900.00</b>	<b>497,900.00</b>	<b>328,044.90</b>	<b>169,855.10</b>
Excess of Revenues Over (Under) Expenditures	0.00	0.00	214,551.21	214,551.21
<b>Other Financing Sources (Uses):</b>				
Sale of County Property	0.00	0.00	17,200.00	17,200.00
Net Change in Fund Balance	0.00	0.00	231,751.21	231,751.21
Fund Balance - Beginning	1,199,704.06	1,199,704.06	1,199,704.06	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 1,199,704.06</b>	<b>\$ 1,199,704.06</b>	<b>\$ 1,431,455.27</b>	<b>\$ 231,751.21</b>

JERAULD 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.

**JERAULD COUNTY**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**For the Year Ended December 31, 2013**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2013</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2013</u>
<b>Governmental Long-Term Debt:</b>				
Bonds Payable	\$ 1,255,719.63	\$	\$ 56,891.33	\$ 1,198,828.30
Financing (Capital Acquisition) Lease	38,684.39	\$	38,684.39	0.00
<b>Total</b>	<u>\$ 1,294,404.02</u>	<u>\$ 0.00</u>	<u>\$ 95,575.72</u>	<u>\$ 1,198,828.30</u>

Note 1 - Long-Term Debt:

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

General Obligation Bonds:

General Obligation County Hospital Building Bonds, Series 2006, Final Maturity - December 2027, Interest Rate - 5.30%, Paid from the Fund Depreciation Fund \$ 1,198,828.30

Financing (Capital Acquisition) Leases:

Caterpillar 140M Motor Grader Financing Capital Acquisition Lease, Final Maturity - March 2013, Interest Rate - 4.00%, Paid from Road and Bridge Fund \$ 0.00

**JERAULD COUNTY**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
For the Year Ended December 31, 2012

<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, 2012</u>
<b>Governmental Long-Term Debt:</b>				
Bonds Payable	\$ 1,309,747.48	\$	\$ 54,027.85	\$ 1,255,719.63
Financing (Capital Acquisition) Lease	97,992.15	\$	59,307.76	38,684.39
<b>Total</b>	<u>\$ 1,407,739.63</u>	<u>\$ 0.00</u>	<u>\$ 113,335.61</u>	<u>\$ 1,294,404.02</u>

Note 1 - Long-Term Debt:

Debt payable at December 31, 2012 is comprised of the following:

General Obligation Bonds:

General Obligation County Hospital Building Bonds, Series 2006, Final Maturity - December 2027, Interest Rate - 5.30%, Paid from the Fund Depreciation Fund	\$ 1,255,719.63
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Financing (Capital Acquisition) Leases:

Caterpillar 140M Motor Grader Financing Capital Acquisition Lease, Final Maturity - March 2013, Interest Rate - 4.00%, Paid from Road and Bridge Fund	\$ 38,684.39
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