KINGSBURY COUNTY

AUDIT REPORT

For the Two Years Ended December 31, 2014

KINGSBURY COUNTY
COUNTY OFFICIALS
December 31, 2014

Board of Commissioners:
Shelley Nelson
Roger Lee
Roger Walls
Audrey Lembke
Joe Jensen

Auditor:
Jennifer Albrecht

Treasurer:
Elaine Blachford

State's Attorney:
Gregg Gass

Register of Deeds:
Caryn Hojer

Sheriff:
Kevin Scotting

KINGSBURY COUNTY
TABLE OF CONTENTS

Page

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* 1

Schedule of Prior Audit Findings 3

Schedule of Current Audit Findings 3

Independent Auditor's Report 4

Basic Financial Statements

Government-wide Financial Statements:

As of December 31, 2014:

Statement of Net Position--Modified Cash Basis 6

For the Year Ended December 31, 2014:

Statement of Activities--Modified Cash Basis 7

For the Year Ended December 31, 2013:

Statement of Activities--Modified Cash Basis 8

Fund Financial Statements:

Governmental Funds

As of December 31, 2014:

Balance Sheet--Modified Cash Basis 9

For the Year Ended December 31, 2014:

Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis 10

For the Year Ended December 31, 2013:

Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis 14

Fiduciary Funds

As of December 31, 2014:

Statement of Fiduciary Net Position--Modified Cash Basis 18

Notes to the Modified Cash Basis Financial Statements 19

Supplementary Information:

For the Year Ended December 31, 2014:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund 30
Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund 32

For the Year Ended December 31, 2013:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund 33
Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund 35

Notes to the Supplementary Information – Budgetary Comparison Schedules 36

STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

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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
Kingsbury County
De Smet, 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 Kingsbury County, South Dakota (County), as of December 31, 2014 and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 22, 2015.

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

December 22, 2015

KINGSBURY COUNTY
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Audit Finding:

Finding No. 2012-01:

The County incurred expenditures in excess of appropriations contrary to 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.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

County Commission
Kingsbury County
De Smet, 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 Kingsbury County, South Dakota (County), as of December 31, 2014 and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1.c.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of accounting of the governmental activities, each major fund, and the aggregate remaining fund information of Kingsbury County as of December 31, 2014, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

Basis of Accounting

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the County's basic financial statements. The Budgetary Comparison Schedules 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 December 22, 2015 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

December 22, 2015

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

	Primary Government	
	Governmental Activities	
ASSETS:		
Cash and Cash Equivalents	$	1,399,335.15
Investments		1,636,558.22
TOTAL ASSETS	$	3,035,893.37
NET POSITION:		
Restricted For: (See Note 4)		
911 Service Purposes	$	186,505.92
Revolving Loan Purposes		190,525.16
Wetlands Purposes		79,591.51
Other Purposes		29,895.19
Unrestricted		2,549,375.59
TOTAL NET POSITION	$	3,035,893.37

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

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities
Primary Government:				
Governmental Activities:				
General Government	$ 832,811.41	$ 160,097.59	$ 2,803.17	$ (669,910.65)
Public Safety	588,283.92	179,841.04	104,818.28	(303,624.60)
Public Works	2,415,357.70	4,303.87	1,202,352.33	(1,208,701.50)
Health and Welfare	37,955.25	13,115.47		(24,839.78)
Culture and Recreation	10,176.60			(10,176.60)
Conservation of Natural Resources	71,221.21	11,300.00		(59,921.21)
Urban and Economic Development	25,944.73			(25,944.73)
Intergovernmental	41,728.26			(41,728.26)
Total Primary Government	$ 4,023,479.08	$ 368,657.97	$ 1,309,973.78	(2,344,847.33)
General Revenues:				
Taxes:				
Property Taxes				2,244,487.01
Wheel Tax				166,913.06
State Shared Revenues				46,968.69
Grants and Contributions not Restricted to Specific Programs				6,685.04
Unrestricted Investment Earnings				15,492.59
Miscellaneous Revenue				22,339.32
Total General Revenues				2,502,885.71
Change in Net Position				158,038.38
Net Position - Beginning				2,877,854.99
NET POSITION - ENDING				$ 3,035,893.37

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

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities
Primary Government:				
Governmental Activities:				
General Government	$ 837,140.86	$ 127,852.29	$ 9,624.98	$ (699,663.59)
Public Safety	552,741.91	184,891.59	58,774.02	(309,076.30)
Public Works	2,054,458.27	54,929.50	891,677.27	(1,107,851.50)
Health and Welfare	30,441.24	31,000.69		559.45
Culture and Recreation	8,111.84			(8,111.84)
Conservation of Natural Resources	99,874.59	4,494.99		(95,379.60)
Urban and Economic Development	4,258.63			(4,258.63)
Intergovernmental	42,639.83			(42,639.83)
Total Primary Government	$ 3,629,667.17	$ 403,169.06	$ 960,076.27	(2,266,421.84)
General Revenues:				
Taxes:				
Property Taxes				2,187,940.02
Wheel Tax				170,559.43
State Shared Revenues				122,665.75
Unrestricted Investment Earnings				14,486.03
Miscellaneous Revenue				3,762.25
Total General Revenues				2,499,413.48
Change in Net Position				232,991.64
Net Position - Beginning				2,644,863.35
NET POSITION - ENDING				$ 2,877,854.99

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

KINGSBURY COUNTY
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2014

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	$ 481,730.71	$ 716,958.59	$ 200,645.85	$ 1,399,335.15
Investments	542,018.28	794,025.63	300,514.31	1,636,558.22
TOTAL ASSETS	$ 1,023,748.99	$ 1,510,984.22	$ 501,160.16	$ 3,035,893.37
FUND BALANCES: (See Note 1.i.)				
Restricted	$	$	$ 486,517.78	$ 486,517.78
Assigned	324,612.00	1,510,984.22	14,642.38	1,850,238.60
Unassigned	699,136.99			699,136.99
TOTAL FUND BALANCES	$ 1,023,748.99	$ 1,510,984.22	$ 501,160.16	$ 3,035,893.37

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

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

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
General Property Taxes--Current	$ 2,228,301.77	$	$	$ 2,228,301.77
General Property Taxes--Delinquent	8,524.30			8,524.30
Penalties and Interest	3,432.11			3,432.11
Telephone Tax (Outside)	308.00			308.00
Mobile Home Tax		3,092.53		3,092.53
Wheel Tax		166,913.06		166,913.06
Tax Deed Revenue	828.30			828.30
Licenses and Permits	8,325.50	1,350.00	300.00	9,975.50
Intergovernmental Revenue:				
Federal Grants	6,675.00		38,841.21	45,516.21
Federal Payments in Lieu of Taxes	6,685.04			6,685.04
State Grants		201,283.01		201,283.01
State Shared Revenue:				
Bank Franchise	17,620.97			17,620.97
Motor Vehicle Licenses		942,828.44		942,828.44
Prorate License Fees		52,582.24		52,582.24
Abused and Neglected Child Defense	244.14			244.14
Telecommunications Gross Receipts Tax	27,908.04			27,908.04
Motor Vehicle 1/4%	2,559.03			2,559.03
Motor Fuel Tax		5,658.64		5,658.64
911 Remittances			59,302.07	59,302.07
Other Payments in Lieu of Taxes	1,439.68			1,439.68
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	18,323.79			18,323.79
Register of Deeds' Fees	97,207.50		8,377.86	105,585.36
Auditor's Fees	1,038.40			1,038.40
Legal Services	7,301.99		150.00	7,451.99
Clerk of Court Fees	4,409.40			4,409.40
Public Safety:				
Law Enforcement	168,791.64			168,791.64

Sobriety Testing			3,139.00	3,139.00
Public Works:				
Other		2,953.87		2,953.87
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	12,815.47			12,815.47
Conservation of Natural Resources	11,300.00			11,300.00
Other Charges	2,256.38			2,256.38
Fines and Forfeits:				
Fines	62.40			62.40
Costs	1,848.00			1,848.00
Forfeits	6,000.00			6,000.00
Miscellaneous Revenue:				
Investment Earnings	6,950.99	6,127.27	2,414.33	15,492.59
Rent	12,706.77			12,706.77
Other	5,947.88			5,947.88
Total Revenues	2,669,812.49	1,382,789.06	112,524.47	4,165,126.02
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	118,920.26			118,920.26
Elections	18,239.35			18,239.35
Judicial System	6,965.49			6,965.49
Financial Administration:				
Auditor	102,240.19			102,240.19
Treasurer	105,099.20			105,099.20
Legal Services:				
State's Attorney	100,027.53			100,027.53
Court Appointed Attorney	8,974.04			8,974.04
Abused and Neglected Child Defense	2,426.70			2,426.70
Catastrophic Legal Expense Relief Program	6,261.76			6,261.76
Other Administration:				
General Government Building	141,350.09			141,350.09
Director of Equalization	110,929.59			110,929.59
Register of Deeds	83,305.65		3,944.33	87,249.98
Veterans Service Officer	17,673.46			17,673.46
Predatory Animal	6,453.77			6,453.77
Public Safety:				
Law Enforcement:				
Sheriff	424,110.77			424,110.77
County Jail	40,288.60		1,141.40	41,430.00
Coroner	1,124.74			1,124.74
Juvenile Detention	440.00			440.00

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

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Protective and Emergency Services:				
Emergency and Disaster Services			55,468.47	55,468.47
Communication Center	7,194.02		58,515.92	65,709.94
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		2,415,038.10		2,415,038.10
Health and Welfare:				
Economic Assistance:				
Support of Poor	3,875.00			3,875.00
Public Welfare	1,147.63			1,147.63
Low Income Energy Assistance Program	5,791.99			5,791.99
Social Services:				
Domestic Abuse			500.00	500.00
Mental Health Services:				
Mentally Ill	1,611.00			1,611.00
Mental Health Centers	17,194.60			17,194.60
Mental Illness Board	7,835.03			7,835.03
Culture and Recreation:				
Recreation:				
Exhibition Building	10,176.60			10,176.60
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	29,568.69			29,568.69
Weed and Pest Control	41,032.06			41,032.06
Water Conservation:				
Drainage Commissions	620.46			620.46
Other			319.60	319.60
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	16.36			16.36
Urban and Rural Development	25,347.37			25,347.37
Economic Development:				
Glacial Lakes	581.00			581.00

Intergovernmental Expenditures		41,728.26		41,728.26
Total Expenditures	1,446,823.00	2,456,766.36	119,889.72	4,023,479.08
Excess of Revenues Over (Under) Expenditures	1,222,989.49	(1,073,977.30)	(7,365.25)	141,646.94
Other Financing Sources (Uses):				
Transfers In		1,250,000.00		1,250,000.00
Transfers Out	(1,250,000.00)			(1,250,000.00)
Insurance Proceeds	3,113.94	13,277.50		16,391.44
Total Other Financing Sources (Uses)	(1,246,886.06)	1,263,277.50	0.00	16,391.44
Net Change in Fund Balance	(23,896.57)	189,300.20	(7,365.25)	158,038.38
Fund Balance - Beginning	1,047,645.56	1,321,684.02	508,525.41	2,877,854.99
FUND BALANCE - ENDING	$ 1,023,748.99	$ 1,510,984.22	$ 501,160.16	$ 3,035,893.37

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

KINGSBURY 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	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
General Property Taxes--Current	$ 2,168,993.62	$	$	$ 2,168,993.62
General Property Taxes--Delinquent	8,745.21			8,745.21
Penalties and Interest	3,668.39			3,668.39
Telephone Tax (Outside)	213.89			213.89
Mobile Home Tax		4,768.91		4,768.91
Wheel Tax		170,559.43		170,559.43
Tax Deed Revenue	1,550.00			1,550.00
Licenses and Permits	7,073.48	1,300.00	330.00	8,703.48
Intergovernmental Revenue:				
Federal Grants	16,321.91	4,914.42	28,652.07	49,888.40
Federal Payments in Lieu of Taxes	5,768.46			5,768.46
State Grants	8,000.00			8,000.00
State Shared Revenue:				
Bank Franchise	22,292.00			22,292.00
Motor Vehicle Licenses		837,183.42		837,183.42
Prorate License Fees		49,579.43		49,579.43
Abused and Neglected Child Defense	1,515.27			1,515.27
Telecommunications Gross Receipts Tax	32,105.42			32,105.42
Motor Vehicle 1/4%	2,341.25			2,341.25
Motor Fuel Tax		5,800.04		5,800.04
911 Remittances			61,808.62	61,808.62
Other Payments in Lieu of Taxes	6,459.71			6,459.71
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	17,198.94			17,198.94
Register of Deeds' Fees	71,526.00		9,636.42	81,162.42
Auditor's Fees	2,750.38			2,750.38
Legal Services	5,252.37		200.00	5,452.37
Clerk of Court Fees	5,066.20		25.00	5,091.20
Public Safety:				
Law Enforcement	176,385.79			176,385.79

Sobriety Testing			4,637.00	4,637.00
Other	655.00			655.00
Public Works:				
Other		53,629.50		53,629.50
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	29,872.51			29,872.51
Other Charges	2,083.50			2,083.50
Fines and Forfeits:				
Fines	436.80			436.80
Costs	2,502.00		25.00	2,527.00
Forfeits	250.00			250.00
Miscellaneous Revenue:				
Investment Earnings	5,014.82	3,412.89	6,058.32	14,486.03
Rent	12,333.17			12,333.17
Other	3,762.25			3,762.25
Total Revenues	2,620,138.34	1,131,148.04	111,372.43	3,862,658.81
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	130,919.50			130,919.50
Elections	2,929.89			2,929.89
Judicial System	2,909.72			2,909.72
Financial Administration:				
Auditor	98,063.62			98,063.62
Treasurer	103,071.06			103,071.06
Legal Services:				
State's Attorney	92,078.96			92,078.96
Court Appointed Attorney	14,762.57			14,762.57
Abused and Neglected Child Defense	3,061.70			3,061.70
Catastrophic Legal Expense Relief Program	5,317.76			5,317.76
Other Administration:				
General Government Building	137,852.39		7,394.46	145,246.85
Director of Equalization	108,914.52			108,914.52
Register of Deeds	107,328.62			107,328.62
Veterans Service Officer	16,082.32			16,082.32
Predatory Animal	6,453.77			6,453.77
Public Safety:				
Law Enforcement:				
Sheriff	389,363.78			389,363.78
County Jail	31,804.92		2,922.70	34,727.62
Coroner	620.88			620.88
Juvenile Detention	720.00			720.00

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

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Protective and Emergency Services:				
Emergency and Disaster Services			50,572.77	50,572.77
Communication Center	7,067.70		77,331.01	84,398.71
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		2,054,458.27		2,054,458.27
Health and Welfare:				
Economic Assistance:				
Support of Poor	3,484.00			3,484.00
Public Welfare	1,006.54			1,006.54
Low Income Energy Assistance Program	5,764.59			5,764.59
Social Services:				
Domestic Abuse			496.37	496.37
Mental Health Services:				
Mentally Ill	2,160.00			2,160.00
Mental Health Centers	15,797.30			15,797.30
Mental Illness Board	1,732.44			1,732.44
Culture and Recreation:				
Recreation:				
Exhibition Building	8,111.84			8,111.84
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	30,093.49			30,093.49
Weed and Pest Control	44,071.18			44,071.18
Water Conservation:				
Water Conservation Districts			18,483.66	18,483.66
Drainage Commissions	7,226.26			7,226.26
Urban and Economic Development:				
Urban Development:				
Urban and Rural Development	3,677.63			3,677.63
Economic Development:				
Glacial Lakes	581.00			581.00

Intergovernmental Expenditures		42,639.83		42,639.83
Total Expenditures	1,383,029.95	2,097,098.10	157,200.97	3,637,329.02
Excess of Revenues Over (Under) Expenditures	1,237,108.39	(965,950.06)	(45,828.54)	225,329.79
Other Financing Sources (Uses):				
Transfers In		1,245,457.67	8,851.41	1,254,309.08
Transfers Out	(1,254,309.08)			(1,254,309.08)
Insurance Proceeds	7,661.85			7,661.85
Total Other Financing Sources (Uses)	(1,246,647.23)	1,245,457.67	8,851.41	7,661.85
Net Change in Fund Balance	(9,538.84)	279,507.61	(36,977.13)	232,991.64
Fund Balance - Beginning	1,057,184.40	1,042,176.41	545,502.54	2,644,863.35
FUND BALANCE - ENDING	$ 1,047,645.56	$ 1,321,684.02	$ 508,525.41	$ 2,877,854.99

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

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

	Agency Funds
ASSETS:	
Cash and Cash Equivalents	$ 179,744.77
TOTAL ASSETS	$ 179,744.77
NET POSITION:	
Net Position Held in Agency Capacity	$ 179,744.77
TOTAL NET POSITION	$ 179,744.77

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

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 Kingsbury 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 has created a Housing and Redevelopment Commission (HRC) under the authority of South Dakota Codified Law 11-7-7. The County created this HRC solely for the purpose of abdicating its power or authority over the housing projects within Kingsbury County to the Brookings County Housing and Redevelopment Commission organized by Brookings County. The County Commission, though, retains the statutory authority for the County Commissioner's Chairperson with the approval of the Board of County Commissioners for the appointment of five members of the HRC for five year, staggered terms. The HRC elects its own Chairperson and recruits and employees its own management personnel and other workers. The County Commission also retains the statutory authority to approve or deny, or otherwise modify, the HRC's plans to construct a low-income housing unit, or to issue debt, which gives the County Commission the ability to impose its will on the HRC. Because Kingsbury County abdicated their power and authority over this HRC to the Housing and Redevelopment Commission of Brookings County organized by Brookings County, this component unit's financial activity is not included on Kingsbury County's annual report. The financial activity of this component unit would be included as a component unit on Brookings County's annual report.

The County and the City of Lake Preston jointly govern the Kingsbury County Regional Railroad Authority. See detailed note entitled "Jointly Governed Organizations" for specific disclosures.

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: 911 Service, Emergency Management, Domestic Abuse, Revolving Loan, Wetlands, 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 South Dakota Codified Law (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. 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.

g. 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.

h. 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.

i. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the County classifies governmental fund balances as follows:

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the County Commissioners.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The County uses *restricted/committed* amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use *committed, then assigned, and lastly unassigned amounts* of unrestricted fund balance when expenditures are made.

The Government *does not* have a formal minimum fund balance policy.

The purpose of each major special revenue fund and revenue source is listed below:

Major Special Revenue Fund	**Revenue Source**
Road and Bridge Fund	Motor Vehicle Licenses, Wheel Tax, and Federal Grants

A schedule of fund balances is provided as follows:

KINGSBURY COUNTY
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:				
Restricted For:				
911 Service Purposes	$	$	$ 186,505.92	$ 186,505.92
Domestic Abuse Purposes			36.28	36.28
Revolving Loan Purposes			190,525.16	190,525.16
24/7 Sobriety Purposes			13,951.96	13,951.96
Wetlands Purposes			79,591.51	79,591.51
Modernization and Preservation Relief Purposes			15,906.95	15,906.95
Assigned To:				
Applied to Next Year's Budget	324,612.00			324,612.00
Road and Bridge Purposes		1,510,984.22		1,510,984.22
Emergency Management Purposes			14,642.38	14,642.38
Unassigned	699,136.99			699,136.99
Total Fund Balances	$ 1,023,748.99	$ 1,510,984.22	$ 501,160.16	$ 3,035,893.37

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. RESTRICTED NET POSITION

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

Major Purposes:		
911 Service Purposes	$ 186,505.92	
Revolving Loan Purposes	190,525.16	
Wetlands Purposes	79,591.51	
Other Purposes:		
Domestic Abuse Purposes	36.28	
24/7 Sobriety Program Purposes	13,951.96	
Modernization and Preservation Relief Purposes	15,906.95	
Total Other Purposes	29,895.19	
Total Restricted Net Position		**$ 486,517.78**

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

5. INTERFUND TRANSFERS

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

	Transfers To:
Transfers From:	Road and Bridge Fund
Major Funds:	
General Fund	$ 1,250,000.00

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

	Transfers To:		
Transfers From:	Road and Bridge Fund	Other Governmental Funds	Total
Major Funds:			
General Fund	$ 1,245,457.67	$ 8,851.41	$ 1,254,309.08

The County typically budgets transfers to the Road and Bridge Fund, the 911 Service Fund and the Courthouse Building Fund (Other Governmental Funds) to conduct the indispensable functions of the County.

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 South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The County's share of contributions to the SDRS for the fiscal years ended December 31, 2014, 2013, and 2012 were $61,755.44, $58,556.69, and $54,526.85, respectively, equal to the required contributions each year.

7. JOINTLY GOVERNED ORGANIZATIONS

The County, in conjunction with the City of Lake Preston (members) created the Kingsbury County Regional Railroad Authority (Authority). The Authority was created to maintain and improve the railroad to and in their respective jurisdictions. The Authority was create as allowed by SDCL 49-17A and was incorporated on March 20, 2009. The Authority's board is comprised of five commissioners, two commissioners appointed by each of the members and one commissioner appointed by the joint agreement of the members. The political subdivisions which are members of the Authority and their commissioners, officers and agents shall not be liable for any obligations of the Authority. The Authority shall not certify to any of the governing bodies of the members any tax from the governing body to which the certification shall be made. The Authority shall not issue bonds or notes as allowed by SDCL 49-17A-27 for which it or any other entity shall become liable without the approval of the governing boards of a majority of the Members.

8. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2014, the county was involved in one lawsuit concerning medical costs for indigent care. Avera Queen of Peace Hospital has offered to settle the claim for $4,954.08. The county commission has deferred action on payment of this claim in order to assess the likelihood of having to pay additional claims which were not part of the lawsuit. No material effects are anticipated to the County as a result of the potential outcome of this lawsuit.

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, 2014, the County managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

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

General Liability,
Automobile Liability,
Law Enforcement Liability, and
Official's Liability

The agreement with the SDPAA provides that the above coverages will be provided to a $1,500,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of $250,000 for property coverage and $500,000 for liability coverage to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The County would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

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

As of December 31, 2014, the County has vested balance in the cumulative reserve fund of $62,945.20.

The County carries a $2,000 deductible for the Law Enforcement coverage and $1,000 deductible for the Official's 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
KINGSBURY COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	$ 2,247,248.00	$ 2,247,248.00	$ 2,228,301.77	$ (18,946.23)
General Property Taxes--Delinquent	4,000.00	4,000.00	8,524.30	4,524.30
Penalties and Interest	1,000.00	1,000.00	3,432.11	2,432.11
Telephone Tax (Outside)	100.00	100.00	308.00	208.00
Tax Deed Revenue	0.00	0.00	828.30	828.30
Licenses and Permits	5,100.00	5,100.00	8,325.50	3,225.50
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	6,675.00	6,675.00
Federal Payments in Lieu of Taxes	0.00	0.00	6,685.04	6,685.04
State Shared Revenue:				
Bank Franchise	15,000.00	15,000.00	17,620.97	2,620.97
Abused and Neglected Child Defense	500.00	500.00	244.14	(255.86)
Telecommunications Gross Receipts Tax	30,000.00	30,000.00	27,908.04	(2,091.96)
Motor Vehicle 1/4%	1,200.00	1,200.00	2,559.03	1,359.03
Other Payments in Lieu of Taxes	6,000.00	6,000.00	1,439.68	(4,560.32)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	10,650.00	10,650.00	18,323.79	7,673.79
Register of Deeds' Fees	47,000.00	47,000.00	97,207.50	50,207.50
Auditor's Fees	300.00	300.00	1,038.40	738.40
Legal Services	5,500.00	5,500.00	7,301.99	1,801.99
Clerk of Courts Fees	5,000.00	5,000.00	4,409.40	(590.60)
Public Safety:				
Law Enforcement	143,380.00	143,380.00	168,791.64	25,411.64
Other	500.00	500.00	0.00	(500.00)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	500.00	500.00	12,815.47	12,315.47
Conservation of Natural Resources	2,000.00	2,000.00	11,300.00	9,300.00
Other Charges	1,000.00	1,000.00	2,256.38	1,256.38
Fines and Forfeits:				
Fines	0.00	0.00	62.40	62.40
Costs	0.00	0.00	1,848.00	1,848.00
Forfeits	0.00	0.00	6,000.00	6,000.00
Miscellaneous Revenue:				
Investment Earnings	5,000.00	5,000.00	6,950.99	1,950.99
Rent	9,000.00	9,000.00	12,706.77	3,706.77
Other	6,000.00	6,000.00	5,947.88	(52.12)
Total Revenues	2,545,978.00	2,545,978.00	2,669,812.49	123,834.49
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	124,665.00	124,665.00	118,920.26	5,744.74
Contingency	150,000.00	150,000.00		
Amount Transferred		(46,325.00)		103,675.00
Elections	23,000.00	23,000.00	18,239.35	4,760.65
Judicial System	6,000.00	7,000.00	6,965.49	34.51
Financial Administration:				
Auditor	105,095.00	105,095.00	102,240.19	2,854.81
Treasurer	108,630.00	108,630.00	105,099.20	3,530.80
Legal Services:				
State's Attorney	97,225.00	100,075.00	100,027.53	47.47
Court Appointed Attorney	26,000.00	26,000.00	8,974.04	17,025.96
Abused and Neglected Child Defense	6,000.00	6,000.00	2,426.70	3,573.30
Catastrophic Legal Expense Relief Program	11,000.00	11,000.00	6,261.76	4,738.24
Other Administration:				
General Government Building	144,300.00	144,300.00	141,350.09	2,949.91
Director of Equalization	111,705.00	111,705.00	110,929.59	775.41
Register of Deeds	77,780.00	83,330.00	83,305.65	24.35

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Veterans Service Officer	16,850.00	17,700.00	17,673.46	26.54
Predatory Animal	6,500.00	6,500.00	6,453.77	46.23
Public Safety:				
Law Enforcement:				
Sheriff	390,215.00	424,140.00	424,110.77	29.23
County Jail	40,000.00	40,300.00	40,288.60	11.40
Coroner	1,000.00	1,150.00	1,124.74	25.26
Juvenile Detention	5,000.00	5,000.00	440.00	4,560.00
Protective and Emergency Services:				
Communication Center	14,885.00	14,885.00	7,194.02	7,690.98
Health and Welfare:				
Economic Assistance:				
Support of Poor	70,000.00	70,000.00	3,875.00	66,125.00
Public Welfare	1,000.00	1,175.00	1,147.63	27.37
Low Income Energy Assistance Program	6,000.00	6,000.00	5,791.99	208.01
Mental Health Services:				
Mentally Ill	1,500.00	1,625.00	1,611.00	14.00
Mental Health Centers	17,500.00	17,500.00	17,194.60	305.40
Mental Illness Board	5,000.00	7,850.00	7,835.03	14.97
Culture and Recreation:				
Recreation:				
Exhibition Building	15,660.00	15,660.00	10,176.60	5,483.40
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	34,815.00	34,815.00	29,568.69	5,246.31
Weed and Pest Control	41,675.00	41,675.00	41,032.06	642.94
Water Conservation:				
Drainage Commissions	1,000.00	1,000.00	620.46	379.54
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	1,500.00	1,500.00	16.36	1,483.64
Urban and Rural Development	22,700.00	25,375.00	25,347.37	27.63
Economic Development:				
Glacial Lakes	581.00	581.00	581.00	0.00
Total Expenditures	1,684,781.00	1,688,906.00	1,446,823.00	242,083.00
Excess of Revenues Over (Under) Expenditures	861,197.00	857,072.00	1,222,989.49	365,917.49
Other Financing Sources (Uses):				
Transfers Out	(1,098,999.00)	(1,098,999.00)	(1,250,000.00)	(151,001.00)
Insurance Proceeds	0.00	0.00	3,113.94	3,113.94
Total Other Financing Sources (Uses)	(1,098,999.00)	(1,098,999.00)	(1,246,886.06)	(147,887.06)
Net Change in Fund Balance	(237,802.00)	(241,927.00)	(23,896.57)	218,030.43
Fund Balance - Beginning	1,047,645.56	1,047,645.56	1,047,645.56	0.00
FUND BALANCE - ENDING	$ 809,843.56	$ 805,718.56	$ 1,023,748.99	$ 218,030.43

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
Mobile Home Tax	$ 0.00	$ 0.00	$ 3,092.53	$ 3,092.53
Wheel Tax	160,000.00	160,000.00	166,913.06	6,913.06
Licenses and Permits	500.00	500.00	1,350.00	850.00
Intergovernmental Revenue:				
State Grants	0.00	0.00	201,283.01	201,283.01
State Shared Revenue:				
Motor Vehicle Licenses	850,000.00	850,000.00	942,828.44	92,828.44
Prorate License Fees	45,000.00	45,000.00	52,582.24	7,582.24
Motor Fuel Tax	5,000.00	5,000.00	5,658.64	658.64
Charges for Goods and Services:				
Public Works:				
Other	15,000.00	15,000.00	2,953.87	(12,046.13)
Miscellaneous Revenue:				
Investment Earnings	3,000.00	3,000.00	6,127.27	3,127.27
Total Revenues	1,078,500.00	1,078,500.00	1,382,789.06	304,289.06
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,366,350.00	2,491,186.33	2,415,038.10	76,148.23
Intergovernmental Expenditures	40,000.00	40,000.00	41,728.26	(1,728.26)
Total Expenditures	2,406,350.00	2,531,186.33	2,456,766.36	74,419.97
Excess of Revenues Over (Under) Expenditures	(1,327,850.00)	(1,452,686.33)	(1,073,977.30)	378,709.03
Other Financing Sources (Uses):				
Transfers In	1,098,999.00	1,098,999.00	1,250,000.00	151,001.00
Insurance Proceeds	0.00	0.00	13,277.50	13,277.50
Total Other Financing Sources (Uses)	1,098,999.00	1,098,999.00	1,263,277.50	164,278.50
Net Change in Fund Balance	(228,851.00)	(353,687.33)	189,300.20	542,987.53
Fund Balance - Beginning	1,321,684.02	1,321,684.02	1,321,684.02	0.00
FUND BALANCE - ENDING	$ 1,092,833.02	$ 967,996.69	$ 1,510,984.22	$ 542,987.53

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	$ 2,186,671.00	$ 2,186,671.00	$ 2,168,993.62	$ (17,677.38)
General Property Taxes--Delinquent	4,000.00	4,000.00	8,745.21	4,745.21
Penalties and Interest	1,000.00	1,000.00	3,668.39	2,668.39
Telephone Tax (Outside)	0.00	0.00	213.89	213.89
Tax Deed Revenue	0.00	0.00	1,550.00	1,550.00
Licenses and Permits	5,200.00	5,200.00	7,073.48	1,873.48
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	16,321.91	16,321.91
Federal Payments in Lieu of Taxes	6,000.00	6,000.00	5,768.46	(231.54)
State Grants	0.00	0.00	8,000.00	8,000.00
State Shared Revenue:				
Bank Franchise	10,000.00	10,000.00	22,292.00	12,292.00
Abused and Neglected Child Defense	500.00	500.00	1,515.27	1,015.27
Telecommunications Gross Receipts Tax	25,000.00	25,000.00	32,105.42	7,105.42
Motor Vehicle 1/4%	1,200.00	1,200.00	2,341.25	1,141.25
Other Payments in Lieu of Taxes	0.00	0.00	6,459.71	6,459.71
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	9,650.00	9,650.00	17,198.94	7,548.94
Register of Deeds' Fees	39,000.00	39,000.00	71,526.00	32,526.00
Auditor's Fees	300.00	300.00	2,750.38	2,450.38
Legal Services	5,500.00	5,500.00	5,252.37	(247.63)
Clerk of Courts Fees	5,000.00	5,000.00	5,066.20	66.20
Public Safety:				
Law Enforcement	143,380.00	143,380.00	176,385.79	33,005.79
Other	500.00	500.00	655.00	155.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	500.00	500.00	29,872.51	29,372.51
Conservation of Natural Resources	2,000.00	2,000.00	0.00	(2,000.00)
Other Charges	1,000.00	1,000.00	2,083.50	1,083.50
Fines and Forfeits:				
Fines	0.00	0.00	436.80	436.80
Costs	0.00	0.00	2,502.00	2,502.00
Forfeits	0.00	0.00	250.00	250.00
Miscellaneous Revenue:				
Investment Earnings	7,000.00	7,000.00	5,014.82	(1,985.18)
Rent	9,000.00	9,000.00	12,333.17	3,333.17
Other	6,000.00	6,000.00	3,762.25	(2,237.75)
Total Revenues	2,468,401.00	2,468,401.00	2,620,138.34	151,737.34
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	120,350.00	131,150.00	130,919.50	230.50
Contingency	150,000.00	150,000.00		
Amount Transferred		(74,180.00)		75,820.00
Elections	3,000.00	3,000.00	2,929.89	70.11
Judicial System	6,000.00	6,000.00	2,909.72	3,090.28
Financial Administration:				
Auditor	102,365.00	102,365.00	98,063.62	4,301.38
Treasurer	105,685.00	105,685.00	103,071.06	2,613.94
Legal Services:				
State's Attorney	94,236.00	94,236.00	92,078.96	2,157.04
Court Appointed Attorney	26,000.00	26,000.00	14,762.57	11,237.43
Abused and Neglected Child Defense	5,000.00	5,000.00	3,061.70	1,938.30
Catastrophic Legal Expense Relief Program	11,000.00	11,000.00	5,317.76	5,682.24
Other Administration:				
General Government Building	146,015.00	146,015.00	137,852.39	8,162.61
Director of Equalization	109,255.00	109,255.00	108,914.52	340.48

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Register of Deeds	107,900.00	107,900.00	107,328.62	571.38
Veterans Service Officer	15,470.00	16,095.00	16,082.32	12.68
Predatory Animal	6,500.00	6,500.00	6,453.77	46.23
Public Safety:				
Law Enforcement:				
Sheriff	357,770.00	389,370.00	389,363.78	6.22
County Jail	40,000.00	40,000.00	31,804.92	8,195.08
Coroner	1,000.00	1,000.00	620.88	379.12
Juvenile Detention	5,000.00	5,000.00	720.00	4,280.00
Protective and Emergency Services:				
Communication Center	0.00	7,100.00	7,067.70	32.30
Health and Welfare:				
Economic Assistance:				
Support of Poor	70,000.00	70,000.00	3,484.00	66,516.00
Public Welfare	0.00	1,010.00	1,006.54	3.46
Low Income Energy Assistance Program	5,800.00	5,800.00	5,764.59	35.41
Mental Health Services:				
Mentally Ill	1,500.00	2,165.00	2,160.00	5.00
Mental Health Centers	17,000.00	17,000.00	15,797.30	1,202.70
Mental Illness Board	3,500.00	3,500.00	1,732.44	1,767.56
Culture and Recreation:				
Recreation:				
Exhibition Building	16,645.00	16,645.00	8,111.84	8,533.16
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	35,395.00	35,395.00	30,093.49	5,301.51
Weed and Pest Control	53,775.00	53,775.00	44,071.18	9,703.82
Water Conservation:				
Drainage Commissions	0.00	7,230.00	7,226.26	3.74
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	1,000.00	1,000.00	0.00	1,000.00
Urban and Rural Development	10,450.00	10,450.00	3,677.63	6,772.37
Economic Development:				
Glacial Lakes	581.00	581.00	581.00	0.00
Total Expenditures	1,628,192.00	1,613,042.00	1,383,029.95	230,012.05
Excess of Revenues Over (Under) Expenditures	840,209.00	855,359.00	1,237,108.39	381,749.39
Other Financing Sources (Uses):				
Transfers Out	(1,132,184.00)	(1,132,184.00)	(1,254,309.08)	(122,125.08)
Insurance Proceeds	0.00	0.00	7,661.85	7,661.85
Total Other Financing Sources (Uses)	(1,132,184.00)	(1,132,184.00)	(1,246,647.23)	(114,463.23)
Net Change in Fund Balance	(291,975.00)	(276,825.00)	(9,538.84)	267,286.16
Fund Balance - Beginning	1,057,184.40	1,057,184.40	1,057,184.40	0.00
FUND BALANCE - ENDING	$ 765,209.40	$ 780,359.40	$ 1,047,645.56	$ 267,286.16

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
Mobile Home Tax	$ 0.00	$ 0.00	$ 4,768.91	$ 4,768.91
Wheel Tax	120,000.00	120,000.00	170,559.43	50,559.43
Licenses and Permits	500.00	500.00	1,300.00	800.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	4,914.42	4,914.42
State Shared Revenue:				
Motor Vehicle Licenses	700,000.00	700,000.00	837,183.42	137,183.42
Prorate License Fees	35,000.00	35,000.00	49,579.43	14,579.43
Motor Fuel Tax	5,000.00	5,000.00	5,800.04	800.04
Charges for Goods and Services:				
Public Works:				
Other	15,000.00	15,000.00	53,629.50	38,629.50
Miscellaneous Revenue:				
Investment Earnings	6,000.00	6,000.00	3,412.89	(2,587.11)
Total Revenues	881,500.00	881,500.00	1,131,148.04	249,648.04
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,275,760.00	2,275,760.00	2,054,458.27	221,301.73
Intergovernmental Expenditures	38,000.00	41,000.00	42,639.83	(1,639.83)
Total Expenditures	2,313,760.00	2,316,760.00	2,097,098.10	219,661.90
Excess of Revenues Over (Under) Expenditures	(1,432,260.00)	(1,435,260.00)	(965,950.06)	469,309.94
Other Financing Sources (Uses):				
Transfers In	1,132,184.00	1,132,184.00	1,245,457.67	113,273.67
Net Change in Fund Balance	(300,076.00)	(303,076.00)	279,507.61	582,583.61
Fund Balance - Beginning	1,042,176.41	1,042,176.41	1,042,176.41	0.00
FUND BALANCE - ENDING	$ 742,100.41	$ 739,100.41	$ 1,321,684.02	$ 582,583.61

KINGSBURY COUNTY
NOTES TO THE SUPPLEMENTARY INFORMATION
Schedules of Budgetary Comparisons for the General Fund
and for each major Special Revenue Fund with a legally required budget

Note 1. Budgets and Budgetary Accounting:

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Between the fifteenth and thirtieth days of July in each year the Board of County commissioners prepares and files with the County Auditor a provisional budget for the following year, containing a detailed estimate of cash balances, revenues, and expenditures.

2. Prior to the first Tuesday in September in each year a notice of budget hearing is published once each week for two successive weeks, and the text of the provisional budget is published with the first publication.

3. The Board of County Commissioners holds a meeting for the purpose of considering the provisional budget on or prior to the first Tuesday in September in each year. Such hearings must be concluded by October first. Changes made to the provisional budget are entered at length in the minutes of the Board of County Commissioners.

4. Before October first of each year the Board of County Commissioners adopts an annual budget for the ensuing year. The adopted budget is filed in the office of the County Auditor.

5. After adoption by the Board of County Commissioners, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 7.

6. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total county budget.

7. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.

8. Unexpended appropriations lapse at year end unless encumbered by resolution of the Board of County Commissioners.

9. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

Note 2. Expenditures in Excess of Appropriations:

The following represents the overdrafts of the expenditures compared to appropriations at the legal level of budgetary control:

	Year Ended 12/31/2014
Road and Bridge Fund:	
Activity	
Intergovernmental Expenditures	$ 1,728.26

	Year Ended 12/31/2013
Road and Bridge Fund:	
Activity	
Intergovernmental Expenditures	$ 1,639.83

The expenditures in excess of appropriations was the result of the County receiving more Wheel Tax revenue than anticipated, of which a portion is distributed to the townships and cities in the County and reported as Intergovernmental Expenditures.