MCCOOK COUNTY

AUDIT REPORT

For the Two Years Ended December 31, 2014

MCCOOK COUNTY
COUNTY OFFICIALS
December 31, 2014

Board of Commissioners:
Sheldon Butzke
Marc Dick
Ralph Dybdahl
Steve Gordon
Ron Scharffenberg

Auditor:
Geralyn Sherman

Treasurer:
Carol Lauer

State's Attorney:
Mike Fink

Register of Deeds:
Laurie Schwans

Sheriff:
Mark Norris

MCCOOK COUNTY
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STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

427 SOUTH CHAPELLE
C/O 500 EAST CAPITOL
PIERRE SD 57501-5070
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FAX(605)773-6454

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
McCook County
Salem, 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 McCook 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 February 9, 2016.

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

February 9, 2016

MCCOOK 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.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

County Commission
McCook County
Salem, 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 McCook 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 McCook 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 and the Schedule of Changes in Long-Term Debt listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated February 9, 2016, 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

February 9, 2016

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

	Primary Government	
	Governmental Activities	
ASSETS:		
Cash and Cash Equivalents	$	2,363,498.49
Investments		800,000.00
TOTAL ASSETS	$	3,163,498.49
NET POSITION:		
Restricted For: (See Note 5)		
911 Service Purposes	$	146,332.74
Other Purposes		10,401.92
Unrestricted		3,006,763.83
TOTAL NET POSITION	$	3,163,498.49

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

MCCOOK 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	$ 915,633.52	$ 159,829.38	$ 11,112.41	$ (744,691.73)
Public Safety	723,946.76	197,432.18	128,418.50	(398,096.08)
Public Works	2,166,491.53	64,059.97	928,669.71	(1,173,761.85)
Health and Welfare	314,371.29	25,873.84		(288,497.45)
Culture and Recreation	23,650.00			(23,650.00)
Conservation of Natural Resources	101,572.88	2,993.82	4,918.93	(93,660.13)
Urban and Economic Development	34,104.30	8,330.00		(25,774.30)
Intergovernmental	30,151.56			(30,151.56)
*Interest on Long-Term Debt	4,244.67			(4,244.67)
Total Primary Government	$ 4,314,166.51	$ 458,519.19	$ 1,073,119.55	(2,782,527.77)

General Revenues:	
Taxes:	
Property Taxes	3,263,746.60
Wheel Tax	150,822.64
State Shared Revenues	47,352.14
Grants and Contributions not Restricted to Specific Programs	8,195.84
Unrestricted Investment Earnings	11,160.82
Miscellaneous Revenue	86,392.65
Total General Revenues	3,567,670.69
Change in Net Position	785,142.92
Net Position - Beginning	2,378,355.57
NET POSITION - ENDING	$ 3,163,498.49

* 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.

MCCOOK 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	$ 1,004,778.49	$ 127,112.74	$ 4,948.50	$ (872,717.25)
Public Safety	741,922.50	228,721.00	112,510.70	(400,690.80)
Public Works	3,407,332.90	101,599.29	821,141.35	(2,484,592.26)
Health and Welfare	264,549.21	37,712.18		(226,837.03)
Culture and Recreation	36,895.00			(36,895.00)
Conservation of Natural Resources	100,919.93	4,800.00	3,602.27	(92,517.66)
Urban and Economic Development	27,507.47	5,270.00		(22,237.47)
Intergovernmental	30,001.72			(30,001.72)
*Interest on Long-Term Debt	1,402.75			(1,402.75)
Total Primary Government	$ 5,615,309.97	$ 505,215.21	$ 942,202.82	(4,167,891.94)

General Revenues:	
Taxes:	
Property Taxes	3,171,803.43
Wheel Tax	149,941.94
State Shared Revenues	48,173.92
Grants and Contributions not Restricted to Specific Programs	3,527.98
Unrestricted Investment Earnings	12,954.47
Debt Issued	158,240.00
Miscellaneous Revenue	105,242.13
Total General Revenues	3,649,883.87
Change in Net Position	(518,008.07)
Net Position - Beginning	2,896,363.64
NET POSITION - ENDING	$ 2,378,355.57

* 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.

MCCOOK 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	$ 1,816,592.04	$ 382,326.36	$ 164,580.09	$ 2,363,498.49
Investments	800,000.00			800,000.00
TOTAL ASSETS	$ 2,616,592.04	$ 382,326.36	$ 164,580.09	$ 3,163,498.49
FUND BALANCES: (See Note 1.j.)				
Restricted	$	$	$ 156,734.66	$ 156,734.66
Assigned	609,502.00	382,326.36	7,845.43	999,673.79
Unassigned	2,007,090.04			2,007,090.04
TOTAL FUND BALANCES	$ 2,616,592.04	$ 382,326.36	$ 164,580.09	$ 3,163,498.49

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

MCCOOK 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	$ 3,227,556.55	$	$	$ 3,227,556.55
General Property Taxes--Delinquent	24,315.97			24,315.97
Penalties and Interest	10,279.39			10,279.39
Telephone Tax (Outside)	1,516.22			1,516.22
Wheel Tax		150,822.64		150,822.64
Tax Deed Revenue	78.47			78.47
Licenses and Permits	13,363.82	640.00	630.00	14,633.82
Intergovernmental Revenue:				
Federal Grants	21,750.14	160,458.00	43,985.16	226,193.30
Federal Payments in Lieu of Taxes	8,195.84			8,195.84
State Grants	8,518.93			8,518.93
State Shared Revenue:				
Bank Franchise	16,896.16			16,896.16
Motor Vehicle Licenses		715,602.95		715,602.95
Court Appointed Attorney/Public Defender	2,322.59			2,322.59
Prorate License Fees		42,412.55		42,412.55
Abused and Neglected Child Defense	180.68			180.68
63 3/4% Mobile Home		5,621.19		5,621.19
Telecommunications Gross Receipts Tax	30,455.98			30,455.98
Motor Vehicle 1/4%	2,009.00			2,009.00
Motor Fuel Tax		4,575.02		4,575.02
911 Remittances			65,683.34	65,683.34
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	8,007.00			8,007.00
Register of Deeds' Fees	73,901.40		8,510.86	82,412.26
Legal Services	26,848.19		675.00	27,523.19
Clerk of Court Fees	6,189.00			6,189.00

Other Fees	4,451.00			4,451.00
Public Safety:				
Law Enforcement	190,277.10			190,277.10
Prisoner Care	1,547.77			1,547.77
Sobriety Testing			1,608.00	1,608.00
Public Works:				
Road Maintenance Contract Charges	552.00	25,445.97		25,997.97
Other			1,050.00	1,050.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	15,078.49			15,078.49
Other	4,538.17			4,538.17
Health Assistance:				
Women, Infants and Children	6,257.18			6,257.18
Fines and Forfeits:				
Fines	175.00			175.00
Costs	2,616.54			2,616.54
Forfeits	200.00			200.00
Miscellaneous Revenue:				
Investment Earnings	9,238.12	1,344.10	578.60	11,160.82
Rent		60.00		60.00
Refund of Prior Year's Expenditures	4,343.97			4,343.97
Other	282.23	637.75	457.00	1,376.98
Total Revenues	3,721,942.90	1,107,620.17	123,177.96	4,952,741.03
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	116,842.45			116,842.45
Elections	21,025.57			21,025.57
Judicial System	21,399.18			21,399.18
Financial Administration:				
Auditor	118,681.51			118,681.51
Treasurer	125,784.23			125,784.23
Legal Services:				
State's Attorney and Legal Catastrophic	82,812.54			82,812.54
Court Appointed Attorney	23,920.75			23,920.75
Abused and Neglected Child Defense	1,103.45			1,103.45
Other Administration:				
General Government Building	89,927.59			89,927.59
Director of Equalization	151,774.01			151,774.01

MCCOOK 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
Register of Deeds	106,652.91		8,930.00	115,582.91
Veterans Service Officer	11,002.69			11,002.69
Predatory Animal	3,715.31			3,715.31
Geographic Information System	32,061.33			32,061.33
Public Safety:				
Law Enforcement:				
Sheriff	310,374.57			310,374.57
County Jail	36,287.55		3,165.51	39,453.06
Coroner	2,827.22			2,827.22
County-Wide Law Enforcement	237,826.75			237,826.75
Juvenile Detention	3,822.62			3,822.62
Protective and Emergency Services:				
Emergency and Disaster Services			75,244.48	75,244.48
Communication Center			54,398.06	54,398.06
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		2,128,488.18		2,128,488.18
Health and Welfare:				
Economic Assistance:				
Support of Poor	45,653.59			45,653.59
Public Welfare	8,158.15			8,158.15
Health Assistance:				
County Nurse	50,253.17			50,253.17
Ambulance	191,885.00			191,885.00
Women, Infants and Children	169.50			169.50
Social Services:				
Domestic Abuse	850.00		1,190.00	2,040.00
Mental Health Services:				
Mentally Ill	8,133.88			8,133.88
Developmentally Disabled	2,460.00			2,460.00

Mental Health Centers	5,618.00			5,618.00
Culture and Recreation:				
Culture:				
Public Library	15,000.00			15,000.00
Recreation:				
County Fair	6,400.00			6,400.00
Senior Center	2,250.00			2,250.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	44,117.09			44,117.09
Soil Conservation Districts	12,334.88			12,334.88
Weed and Pest Control	34,809.68			34,809.68
Water Conservation:				
Drainage Commissions	10,311.23			10,311.23
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	19,104.30			19,104.30
Economic Development:				
Tourism, Industrial or Recreational Development	15,000.00			15,000.00
Intergovernmental Expenditures		30,151.56		30,151.56
Debt Service		42,248.02		42,248.02
Total Expenditures	1,970,350.70	2,200,887.76	142,928.05	4,314,166.51
Excess of Revenues Over (Under) Expenditures	1,751,592.20	(1,093,267.59)	(19,750.09)	638,574.52
Other Financing Sources (Uses):				
Transfers In		1,360,000.00	20,400.00	1,380,400.00
Transfers Out	(1,380,400.00)			(1,380,400.00)
Insurance Proceeds	28,981.93	36,312.00	602.77	65,896.70
Sale of County Property	4,000.00	76,671.70		80,671.70
Total Other Financing Sources (Uses)	(1,347,418.07)	1,472,983.70	21,002.77	146,568.40
Net Change in Fund Balance	404,174.13	379,716.11	1,252.68	785,142.92
Fund Balance - Beginning	2,212,417.91	2,610.25	163,327.41	2,378,355.57
FUND BALANCE - ENDING	$ 2,616,592.04	$ 382,326.36	$ 164,580.09	$ 3,163,498.49

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

MCCOOK 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	$ 3,146,210.43	$	$	$ 3,146,210.43
General Property Taxes--Delinquent	14,920.15			14,920.15
Penalties and Interest	8,575.99			8,575.99
Telephone Tax (Outside)	2,096.86			2,096.86
Wheel Tax		149,941.94		149,941.94
Licenses and Permits	12,078.00	315.00	690.00	13,083.00
Intergovernmental Revenue:				
Federal Grants	2,993.00	8,195.00	32,642.93	43,830.93
Federal Payments in Lieu of Taxes	3,527.98			3,527.98
State Grants	11,102.27	130,324.32		141,426.59
State Shared Revenue:				
Bank Franchise	13,137.35			13,137.35
Motor Vehicle Licenses		632,895.02		632,895.02
Court Appointed Attorney/Public Defender	2,553.73			2,553.73
Prorate License Fees		39,841.82		39,841.82
Abused and Neglected Child Defense	587.51			587.51
63 3/4% Mobile Home		5,224.95		5,224.95
Telecommunications Gross Receipts Tax	35,036.57			35,036.57
Motor Vehicle 1/4%	1,807.26			1,807.26
Motor Fuel Tax		4,660.24		4,660.24
911 Remittances			67,894.77	67,894.77
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	7,767.00			7,767.00
Register of Deeds' Fees	75,209.75		9,969.42	85,179.17
Legal Services	21,955.05		500.00	22,455.05
Clerk of Courts Fees	5,441.60			5,441.60
Other Fees	4,234.92			4,234.92

Public Safety:				
Law Enforcement	191,297.82			191,297.82
Prisoner Care	4,313.92			4,313.92
Sobriety Testing			1,791.00	1,791.00
Public Works:				
Road Maintenance Contract Charges	600.00	18,255.82		18,855.82
Other			450.00	450.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	27,922.07			27,922.07
Other	3,870.91			3,870.91
Health Assistance:				
Women, Infants and Children	5,919.20			5,919.20
Fines and Forfeits:				
Costs	4,456.02			4,456.02
Forfeits	1,875.00			1,875.00
Miscellaneous Revenue:				
Investment Earnings	12,055.53	14.14	884.80	12,954.47
Rent		715.00		715.00
Contributions and Donations	1,480.00			1,480.00
Refund of Prior Year's Expenditures	3,539.00			3,539.00
Other	25.02	403.73	1,274.38	1,703.13
Total Revenues	3,626,589.91	990,786.98	116,097.30	4,733,474.19
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	115,086.12			115,086.12
Elections	3,573.74			3,573.74
Judicial System	27,832.81			27,832.81
Financial Administration:				
Auditor	121,320.95			121,320.95
Treasurer	117,544.40			117,544.40
Legal Services:				
State's Attorney and Legal Catastrophic	79,894.36			79,894.36
Court Appointed Attorney	59,529.88			59,529.88
Abused and Neglected Child Defense	6,437.58			6,437.58
Other Administration:				
General Government Building	174,872.58			174,872.58
Director of Equalization	146,568.83			146,568.83

MCCOOK 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
Register of Deeds	104,943.76		2,820.00	107,763.76
Veterans Service Officer	10,383.07			10,383.07
Predatory Animal	3,715.31			3,715.31
Geographic Information System	30,255.10			30,255.10
Public Safety:				
Law Enforcement:				
Sheriff	278,068.33			278,068.33
County Jail	51,876.41		3,164.47	55,040.88
County-Wide Law Enforcement	228,128.95			228,128.95
Juvenile Detention	64,287.62			64,287.62
Protective and Emergency Services:				
Emergency and Disaster Services			59,514.87	59,514.87
Communication Center			56,881.85	56,881.85
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		3,367,311.83		3,367,311.83
Health and Welfare:				
Economic Assistance:				
Support of Poor	24,002.45			24,002.45
Public Welfare	4,562.07			4,562.07
Health Assistance:				
County Nurse	49,258.50			49,258.50
Ambulance	163,349.99			163,349.99
Women, Infants and Children	317.00			317.00
Social Services:				
Domestic Abuse	850.00		1,210.00	2,060.00
Mental Health Services:				
Mentally Ill	11,781.20			11,781.20
Developmentally Disabled	3,600.00			3,600.00
Mental Health Centers	5,618.00			5,618.00

Culture and Recreation:				
Culture:				
Public Library	28,745.00			28,745.00
Recreation:				
County Fair	6,400.00			6,400.00
Senior Center	1,750.00			1,750.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	40,707.06			40,707.06
Soil Conservation Districts	12,266.44			12,266.44
Weed and Pest Control	37,619.61			37,619.61
Water Conservation:				
Drainage Commissions	10,326.82			10,326.82
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	18,507.47			18,507.47
Economic Development:				
Tourism, Industrial or Recreational Development	9,000.00			9,000.00
Intergovernmental Expenditures		30,001.72		30,001.72
Debt Service		41,423.82		41,423.82
Total Expenditures	2,052,981.41	3,438,737.37	123,591.19	5,615,309.97
Excess of Revenues Over (Under) Expenditures	1,573,608.50	(2,447,950.39)	(7,493.89)	(881,835.78)
Other Financing Sources (Uses):				
Transfers In		1,365,000.00	41,350.00	1,406,350.00
Transfers Out	(1,406,350.00)			(1,406,350.00)
Long-Term Debt Issued		158,240.00		158,240.00
Insurance Proceeds	24,324.24	81,263.47		105,587.71
Sale of County Property		100,000.00		100,000.00
Total Other Financing Sources (Uses)	(1,382,025.76)	1,704,503.47	41,350.00	363,827.71
Net Change in Fund Balance	191,582.74	(743,446.92)	33,856.11	(518,008.07)
Fund Balance - Beginning	2,020,835.17	746,057.17	129,471.30	2,896,363.64
FUND BALANCE - ENDING	$ 2,212,417.91	$ 2,610.25	$ 163,327.41	$ 2,378,355.57

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

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

	Agency Funds
ASSETS:	
Cash and Cash Equivalents	$ 314,718.87
TOTAL ASSETS	$ 314,718.87
NET POSITION:	
Net Position Held in Agency Capacity	$ 314,718.87
TOTAL NET POSITION	$ 314,718.87

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 McCook County (County), consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The County is financially accountable if its County Commission appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the County (primary government). The County may also be financially accountable for another organization if that organization is fiscally dependent on the County.

The County has created a Housing and Redevelopment Commission under the authority of South Dakota Codified Law 11-7-7. This commission has not been active and there is no financial information to report.

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, 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) <u>are not recorded</u> 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. <u>Deposits and Investments</u>:

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. Long-Term Liabilities:

Long-term liabilities consist of Financing (Capital Acquisition) Leases.

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 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	Wheel Tax, Motor Vehicle Licenses, State Grants, and Road Maintenance Contract Charges

A schedule of fund balances is provided as follows:

MCCOOK 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	$	$	$ 146,332.74	$ 146,332.74
Domestic Abuse Purposes			1,496.03	1,496.03
Modernization and Preservation Relief Purposes			8,905.89	8,905.89
Assigned To:				
Applied to Next Year's Budget	609,502.00			609,502.00
Road and Bridge Purposes		382,326.36		382,326.36
Emergency Management Purposes			7,485.12	7,485.12
24/7 Sobriety Purposes			360.31	360.31
Unassigned	2,007,090.04			2,007,090.04
Total Fund Balances	$ 2,616,592.04	$ 382,326.36	$ 164,580.09	$ 3,163,498.49

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

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

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

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

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

The County entered into a lease agreement on July 1, 1995 with Minnehaha County to gain access to Minnehaha County's Juvenile Detention Facilities. This contract is to remain in effect for twenty

years (until June 30, 2015). The payments are the same throughout the term of the lease agreement and are due each June 1st and December 31st.

The County's annual rental payment is $3,822.61 and is paid out of the General Fund. There is an additional daily charge to the County for expenses related to housing juveniles in the detention facilities at Minnehaha County.

5. RESTRICTED NET POSITION

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

Major Purposes:		
911 Service Purposes	$ 146,332.74	
Other Purposes:		
Domestic Abuse Purposes	1,496.03	
Modernization and Preservation Relief Purposes	8,905.89	
Total Other Purposes	10,401.92	
Total Restricted Net Position		**$ 156,734.66**

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

6. INTERFUND TRANSFERS

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

	Transfers To:		
Transfers From:	Road and Bridge Fund	Other Governmental Funds	Total
Major Funds:			
General Fund	$ 1,360,000.00	$ 20,400.00	$ 1,380,400.00

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	$ 1,365,000.00	$ 41,350.00	$ 1,406,350.00

The County typically budgets transfers to the Road and Bridge Fund, the Emergency Management Fund, and the 24/7 Sobriety Fund (Other Governmental Funds) to conduct the indispensable functions of the County.

7. 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, 2014, 2013, and 2012 were $74,852.73, $71,508.37, and $69,442.17, respectively, equal to the required contributions each year.

8. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2014, the County was involved in several lawsuits. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the County has liability coverage for itself and its employees with South Dakota Public Assurance Alliance. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

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,
Officials Liability,
Law Enforcement Operations Liability, and
Miscellaneous Property Liability

The agreement with the SDPAA provides that the above coverages will be provided to varying limits depending on the type of loss. 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 $47,234.49.

The County carries no deductible for the General and Automobile coverage, $1,000 deductible for the Officials' coverage, $2,000 deductible for the Law Enforcement Operations coverage, and $250-$1,000 deductible for the Miscellaneous Property 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
MCCOOK 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	$ 3,262,226.00	$ 3,262,226.00	$ 3,227,556.55	$ (34,669.45)
General Property Taxes--Delinquent	16,000.00	16,000.00	24,315.97	8,315.97
Penalties and Interest	9,000.00	9,000.00	10,279.39	1,279.39
Telephone Tax (Outside)	1,500.00	1,500.00	1,516.22	16.22
Tax Deed Revenue	0.00	0.00	78.47	78.47
Licenses and Permits	9,125.00	9,125.00	13,363.82	4,238.82
Intergovernmental Revenue:				
Federal Grants	9,000.00	9,000.00	21,750.14	12,750.14
Federal Payments in Lieu of Taxes	3,000.00	3,000.00	8,195.84	5,195.84
State Grants	0.00	0.00	8,518.93	8,518.93
State Shared Revenue:				
Bank Franchise	10,000.00	10,000.00	16,896.16	6,896.16
Court Appointed Attorney/Public Defender	4,000.00	4,000.00	2,322.59	(1,677.41)
Abused and Neglected Child Defense	500.00	500.00	180.68	(319.32)
Telecommunications Gross Receipts Tax	35,000.00	35,000.00	30,455.98	(4,544.02)
Motor Vehicle 1/4%	1,500.00	1,500.00	2,009.00	509.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	6,200.00	6,200.00	8,007.00	1,807.00
Register of Deeds' Fees	65,000.00	65,000.00	73,901.40	8,901.40
Legal Services	15,300.00	15,300.00	26,848.19	11,548.19
Clerk of Courts Fees	5,000.00	5,000.00	6,189.00	1,189.00
Other Fees	4,000.00	4,000.00	4,451.00	451.00
Public Safety:				
Law Enforcement	190,640.00	190,640.00	190,277.10	(362.90)
Prisoner Care	1,000.00	1,000.00	1,547.77	547.77
Public Works:				
Road Maintenance Contract Charges	5,000.00	5,000.00	552.00	(4,448.00)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	10,000.00	10,000.00	15,078.49	5,078.49
Other	4,000.00	4,000.00	4,538.17	538.17
Health Assistance:				
Women, Infants and Children	5,000.00	5,000.00	6,257.18	1,257.18
Fines and Forfeits:				
Fines	0.00	0.00	175.00	175.00
Costs	3,000.00	3,000.00	2,616.54	(383.46)
Forfeits	0.00	0.00	200.00	200.00
Miscellaneous Revenue:				
Investment Earnings	10,000.00	10,000.00	9,238.12	(761.88)
Refund of Prior Year's Expenditures	2,500.00	2,500.00	4,343.97	1,843.97
Other	600.00	600.00	282.23	(317.77)
Total Revenues	3,688,091.00	3,688,091.00	3,721,942.90	33,851.90
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	115,550.00	116,850.00	116,842.45	7.55
Contingency	100,000.00	100,000.00		
Amount Transferred		(10,300.00)		89,700.00
Elections	25,000.00	25,000.00	21,025.57	3,974.43
Judicial System	35,000.00	35,000.00	21,399.18	13,600.82
Financial Administration:				
Auditor	118,770.00	118,770.00	118,681.51	88.49
Treasurer	128,700.00	128,700.00	125,784.23	2,915.77
Legal Services:				
State's Attorney	86,985.00	86,985.00	82,812.54	4,172.46
Court Appointed Attorney	70,000.00	70,000.00	23,920.75	46,079.25
Abused and Neglected Child Defense	8,000.00	8,000.00	1,103.45	6,896.55
Other Administration:				
General Government Building	109,750.00	109,750.00	89,927.59	19,822.41
Director of Equalization	151,860.00	151,860.00	151,774.01	85.99
Register of Deeds	109,885.00	109,885.00	106,652.91	3,232.09
Veterans Service Officer	11,630.00	11,630.00	11,002.69	627.31
Predatory Animal	3,716.00	3,716.00	3,715.31	0.69

SUPPLEMENTARY INFORMATION
MCCOOK 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)
Geographic Information System	32,000.00	32,100.00	32,061.33	38.67
Public Safety:				
Law Enforcement:				
Sheriff	316,150.00	316,150.00	310,374.57	5,775.43
County Jail	65,000.00	65,000.00	36,287.55	28,712.45
Coroner	680.00	2,980.00	2,827.22	152.78
County-Wide Law Enforcement	243,900.00	243,900.00	237,826.75	6,073.25
Juvenile Detention	15,000.00	15,000.00	3,822.62	11,177.38
Health and Welfare:				
Economic Assistance:				
Support of Poor	70,000.00	70,000.00	45,653.59	24,346.41
Public Welfare	9,850.00	9,850.00	8,158.15	1,691.85
Health Assistance:				
County Nurse	51,540.00	51,540.00	50,253.17	1,286.83
Ambulance	191,885.00	191,885.00	191,885.00	0.00
Women, Infants and Children	500.00	500.00	169.50	330.50
Social Services:				
Domestic Abuse	850.00	850.00	850.00	0.00
Mental Health Services:				
Mentally Ill	20,000.00	20,000.00	8,133.88	11,866.12
Developmentally Disabled	4,000.00	4,000.00	2,460.00	1,540.00
Mental Health Centers	5,618.00	5,618.00	5,618.00	0.00
Culture and Recreation:				
Culture:				
Public Library	15,000.00	15,000.00	15,000.00	0.00
Recreation:				
County Fair	6,400.00	6,400.00	6,400.00	0.00
Senior Center	2,250.00	2,250.00	2,250.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	46,271.00	46,271.00	44,117.09	2,153.91
Soil Conservation Districts	12,500.00	12,500.00	12,334.88	165.12
Weed and Pest Control	46,700.00	46,700.00	34,809.68	11,890.32
Water Conservation:				
Drainage Commissions	13,700.00	13,700.00	10,311.23	3,388.77
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	19,905.00	19,905.00	19,104.30	800.70
Economic Development:				
Tourism, Industrial or Recreational Development	15,000.00	15,000.00	15,000.00	0.00
Total Expenditures	2,279,545.00	2,272,945.00	1,970,350.70	302,594.30
Excess of Revenues Over (Under) Expenditures	1,408,546.00	1,415,146.00	1,751,592.20	336,446.20
Other Financing Sources (Uses):				
Transfers Out	(1,868,392.00)	(1,868,392.00)	(1,380,400.00)	487,992.00
Insurance Proceeds	0.00	0.00	28,981.93	28,981.93
Sale of County Property	0.00	0.00	4,000.00	4,000.00
Total Other Financing Sources (Uses)	(1,868,392.00)	(1,868,392.00)	(1,347,418.07)	520,973.93
Net Change in Fund Balance	(459,846.00)	(453,246.00)	404,174.13	857,420.13
Fund Balance - Beginning	2,212,417.91	2,212,417.91	2,212,417.91	0.00
FUND BALANCE - ENDING	$ 1,752,571.91	$ 1,759,171.91	$ 2,616,592.04	$ 857,420.13

SUPPLEMENTARY INFORMATION
MCCOOK 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:				
Wheel Tax	$ 145,000.00	$ 145,000.00	$ 150,822.64	$ 5,822.64
Licenses and Permits	100.00	100.00	640.00	540.00
Intergovernmental Revenue:				
Federal Grants	0.00	160,458.00	160,458.00	0.00
State Shared Revenue:				
Motor Vehicle Licenses	650,000.00	650,000.00	715,602.95	65,602.95
Prorate License Fees	40,000.00	40,000.00	42,412.55	2,412.55
63 3/4% Mobile Home	0.00	0.00	5,621.19	5,621.19
Motor Fuel Tax	4,000.00	4,000.00	4,575.02	575.02
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	25,000.00	25,000.00	25,445.97	445.97
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	1,344.10	1,344.10
Rent	100.00	100.00	60.00	(40.00)
Other	200.00	200.00	637.75	437.75
Total Revenues	864,400.00	1,024,858.00	1,107,620.17	82,762.17
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,100,000.00	2,260,458.00	2,128,488.18	131,969.82
Intergovernmental Expenditures	30,900.00	30,900.00	30,151.56	748.44
Debt Service	42,249.00	42,249.00	42,248.02	0.98
Total Expenditures	2,173,149.00	2,333,607.00	2,200,887.76	132,719.24
Excess of Revenues Over (Under) Expenditures	(1,308,749.00)	(1,308,749.00)	(1,093,267.59)	215,481.41
Other Financing Sources (Uses):				
Transfers In	1,817,862.00	1,817,862.00	1,360,000.00	(457,862.00)
Insurance Proceeds	0.00	0.00	36,312.00	36,312.00
Sale of County Property	0.00	0.00	76,671.70	76,671.70
Total Other Financing Sources (Uses)	1,817,862.00	1,817,862.00	1,472,983.70	(344,878.30)
Net Change in Fund Balance	509,113.00	509,113.00	379,716.11	(129,396.89)
Fund Balance - Beginning	2,610.25	2,610.25	2,610.25	0.00
FUND BALANCE - ENDING	$ 511,723.25	$ 511,723.25	$ 382,326.36	$ (129,396.89)

SUPPLEMENTARY INFORMATION
MCCOOK 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	$ 3,181,513.00	$ 3,181,513.00	$ 3,146,210.43	$ (35,302.57)
General Property Taxes--Delinquent	15,200.00	15,200.00	14,920.15	(279.85)
Penalties and Interest	9,000.00	9,000.00	8,575.99	(424.01)
Telephone Tax (Outside)	1,500.00	1,500.00	2,096.86	596.86
Licenses and Permits	8,575.00	8,575.00	12,078.00	3,503.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	2,993.00	2,993.00
Federal Payments in Lieu of Taxes	0.00	0.00	3,527.98	3,527.98
State Grants	0.00	0.00	11,102.27	11,102.27
State Shared Revenue:				
Bank Franchise	10,000.00	10,000.00	13,137.35	3,137.35
Court Appointed Attorney/Public Defender	4,000.00	4,000.00	2,553.73	(1,446.27)
Abused and Neglected Child Defense	500.00	500.00	587.51	87.51
Telecommunications Gross Receipts Tax	35,000.00	35,000.00	35,036.57	36.57
Motor Vehicle 1/4%	1,000.00	1,000.00	1,807.26	807.26
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	6,150.00	6,150.00	7,767.00	1,617.00
Register of Deeds' Fees	55,000.00	55,000.00	75,209.75	20,209.75
Legal Services	15,300.00	15,300.00	21,955.05	6,655.05
Clerk of Courts Fees	5,000.00	5,000.00	5,441.60	441.60
Other Fees	5,200.00	5,200.00	4,234.92	(965.08)
Public Safety:				
Law Enforcement	192,640.00	192,640.00	191,297.82	(1,342.18)
Prisoner Care	700.00	700.00	4,313.92	3,613.92
Public Works:				
Road Maintenance Contract Charges	6,000.00	6,000.00	600.00	(5,400.00)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	10,000.00	10,000.00	27,922.07	17,922.07
Other	3,000.00	3,000.00	3,870.91	870.91
Health Assistance:				
Women, Infants and Children	5,000.00	5,000.00	5,919.20	919.20
Fines and Forfeits:				
Costs	3,000.00	3,000.00	4,456.02	1,456.02
Forfeits	0.00	0.00	1,875.00	1,875.00
Miscellaneous Revenue:				
Investment Earnings	12,000.00	12,000.00	12,055.53	55.53
Contributions and Donations	0.00	0.00	1,480.00	1,480.00
Refund of Prior Year's Expenditures	2,500.00	2,500.00	3,539.00	1,039.00
Other	600.00	600.00	25.02	(574.98)
Total Revenues	3,588,378.00	3,588,378.00	3,626,589.91	38,211.91
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	123,045.00	123,045.00	115,086.12	7,958.88
Contingency	100,000.00	100,000.00		
Amount Transferred		(62,360.00)		37,640.00
Elections	4,200.00	4,200.00	3,573.74	626.26
Judicial System	35,000.00	35,000.00	27,832.81	7,167.19
Financial Administration:				
Auditor	115,335.00	121,335.00	121,320.95	14.05
Treasurer	125,900.00	125,900.00	117,544.40	8,355.60
Legal Services:				
State's Attorney	88,520.00	88,520.00	79,894.36	8,625.64
Court Appointed Attorney	70,000.00	70,000.00	59,529.88	10,470.12
Abused and Neglected Child Defense	8,000.00	8,000.00	6,437.58	1,562.42
Other Administration:				
General Government Building	207,250.00	207,250.00	174,872.58	32,377.42
Director of Equalization	158,960.00	158,960.00	146,568.83	12,391.17
Register of Deeds	106,880.00	106,880.00	104,943.76	1,936.24
Veterans Service Officer	10,550.00	10,550.00	10,383.07	166.93
Predatory Animal	3,716.00	3,716.00	3,715.31	0.69

SUPPLEMENTARY INFORMATION
MCCOOK 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)
Geographic Information System	32,000.00	32,000.00	30,255.10	1,744.90
Public Safety:				
Law Enforcement:				
Sheriff	273,200.00	278,200.00	278,068.33	131.67
County Jail	60,000.00	60,000.00	51,876.41	8,123.59
Coroner	680.00	680.00	0.00	680.00
County-Wide Law Enforcement	234,600.00	234,600.00	228,128.95	6,471.05
Juvenile Detention	15,000.00	65,000.00	64,287.62	712.38
Health and Welfare:				
Economic Assistance:				
Support of Poor	90,000.00	90,000.00	24,002.45	65,997.55
Public Welfare	3,350.00	4,600.00	4,562.07	37.93
Health Assistance:				
County Nurse	50,400.00	50,400.00	49,258.50	1,141.50
Ambulance	163,350.00	163,350.00	163,349.99	0.01
Women, Infants and Children	225.00	325.00	317.00	8.00
Social Services:				
Domestic Abuse	850.00	850.00	850.00	0.00
Mental Health Services:				
Mentally Ill	20,000.00	20,000.00	11,781.20	8,218.80
Developmentally Disabled	4,500.00	4,500.00	3,600.00	900.00
Mental Health Centers	5,618.00	5,618.00	5,618.00	0.00
Culture and Recreation:				
Culture:				
Public Library	28,745.00	28,745.00	28,745.00	0.00
Recreation:				
County Fair	6,400.00	6,400.00	6,400.00	0.00
Senior Center	1,750.00	1,750.00	1,750.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	44,655.00	44,655.00	40,707.06	3,947.94
Soil Conservation Districts	12,500.00	12,500.00	12,266.44	233.56
Weed and Pest Control	46,700.00	46,700.00	37,619.61	9,080.39
Water Conservation:				
Drainage Commissions	13,700.00	13,700.00	10,326.82	3,373.18
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	19,515.00	19,515.00	18,507.47	1,007.53
Economic Development:				
Tourism, Industrial or Recreational Development	15,000.00	15,000.00	9,000.00	6,000.00
Total Expenditures	2,300,094.00	2,300,084.00	2,052,981.41	247,102.59
Excess of Revenues Over (Under) Expenditures	1,288,284.00	1,288,294.00	1,573,608.50	285,314.50
Other Financing Sources (Uses):				
Transfers Out	(1,808,786.00)	(1,808,786.00)	(1,406,350.00)	402,436.00
Insurance Proceeds	0.00	0.00	24,324.24	24,324.24
Total Other Financing Sources (Uses)	(1,808,786.00)	(1,808,786.00)	(1,382,025.76)	426,760.24
Net Change in Fund Balance	(520,502.00)	(520,492.00)	191,582.74	712,074.74
Fund Balance - Beginning	2,020,835.17	2,020,835.17	2,020,835.17	0.00
FUND BALANCE - ENDING	$ 1,500,333.17	$ 1,500,343.17	$ 2,212,417.91	$ 712,074.74

SUPPLEMENTARY INFORMATION
MCCOOK 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:				
Wheel Tax	$ 140,000.00	$ 140,000.00	$ 149,941.94	$ 9,941.94
Licenses and Permits	100.00	100.00	315.00	215.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	8,195.00	8,195.00
State Grants	0.00	130,324.00	130,324.32	0.32
State Shared Revenue:				
Motor Vehicle Licenses	550,000.00	550,000.00	632,895.02	82,895.02
Prorate License Fees	35,000.00	35,000.00	39,841.82	4,841.82
63 3/4% Mobile Home	0.00	0.00	5,224.95	5,224.95
Motor Fuel Tax	4,000.00	4,000.00	4,660.24	660.24
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	25,000.00	25,000.00	18,255.82	(6,744.18)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	14.14	14.14
Rent	100.00	100.00	715.00	615.00
Other	200.00	200.00	403.73	203.73
Total Revenues	754,400.00	884,724.00	990,786.98	106,062.98
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	3,026,400.00	3,256,724.00	3,367,311.83	(110,587.83)
Intergovernmental Expenditures	30,900.00	30,900.00	30,001.72	898.28
Debt Service	41,425.00	41,425.00	41,423.82	1.18
Total Expenditures	3,098,725.00	3,329,049.00	3,438,737.37	(109,688.37)
Excess of Revenues Over (Under) Expenditures	(2,344,325.00)	(2,444,325.00)	(2,447,950.39)	(3,625.39)
Other Financing Sources (Uses):				
Transfers In	1,763,916.00	1,763,916.00	1,365,000.00	(398,916.00)
Long-Term Debt Issued	0.00	0.00	158,240.00	158,240.00
Insurance Proceeds	0.00	0.00	81,263.47	81,263.47
Sale of County Property	0.00	100,000.00	100,000.00	0.00
Total Other Financing Sources (Uses)	1,763,916.00	1,863,916.00	1,704,503.47	(159,412.53)
Net Change in Fund Balance	(580,409.00)	(580,409.00)	(743,446.92)	(163,037.92)
Fund Balance - Beginning	746,057.17	746,057.17	746,057.17	0.00
FUND BALANCE - ENDING	$ 165,648.17	$ 165,648.17	$ 2,610.25	$ (163,037.92)

MCCOOK 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:

In 2013 an audit adjustment was made to account for capital lease acquisition expenditures in the Road and Bridge Fund. This resulted in expenditures in excess of appropriations in the Road and Bridge Fund in the amount of $110,587.83. The County would not have had an opportunity to supplement appropriations.

SUPPLEMENTARY INFORMATION
MCCOOK COUNTY
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Two Years Ended December 31, 2014

Indebtedness	Long-Term Debt January 1, 2013	Add New Debt	Less Debt Retired	Long-Term Debt December 31, 2014
Governmental Long-Term Debt:				
Financing (Capital Acquisition) Leases	$ 40,021.07	$ 158,240.00	$ 78,024.42	$ 120,236.65

Note 1 - Long-Term Debt:

Debt payable at December 31, 2014 is comprised of the following:

Financing (Capital Acquisition) Leases:

2013 Caterpillar 140M2 Motor Grader Lease Agreement; Issued 5/10/2013; Final Maturity 5/10/2017; Interest rate 2.65%; Paid from the Road and Bridge Fund	$ 120,236.65