

**MEADE COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2012**

MEADE COUNTY  
COUNTY OFFICIALS  
December 31, 2012

Board of Commissioners:

Alan Aker  
Gary Cammack  
Doreen Creed  
Robert Heidgerken  
Linda Rausch

Auditor:

Lisa Schieffer

Treasurer:

Susan Boadwine

State's Attorney:

Kevin Krull

Register of Deeds:

Denise Deaver

Sheriff:

Ron Merwin

MEADE COUNTY  
TABLE OF CONTENTS

	<u>Page</u>
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 <i>Government Auditing Standards</i> .....	1
Schedule of Prior Audit Findings.....	3
Schedule of Current Audit Findings.....	3
Independent Auditor's Report.....	5
<i>Basic Financial Statements</i>	
<b><u>Government-wide Financial Statements:</u></b>	
As of December 31, 2012:	
Statement of Net Position--Modified Cash Basis.....	8
For the Year Ended December 31, 2012:	
Statement of Activities--Modified Cash Basis.....	9
For the Year Ended December 31, 2011:	
Statement of Activities--Modified Cash Basis.....	10
<b><u>Fund Financial Statements:</u></b>	
<u>Governmental Funds</u>	
As of December 31, 2012:	
Balance Sheet--Modified Cash Basis.....	11
For the Year Ended December 31, 2012:	
Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis.....	12
For the Year Ended December 31, 2011:	
Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis.....	16
<u>Fiduciary Funds</u>	
As of December 31, 2012:	
Statement of Fiduciary Net Position--Modified Cash Basis.....	20
Notes to the Modified Cash Basis Financial Statements.....	21

*Supplementary Information:*

For the Year Ended December 31, 2012:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund.....	34
Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund.....	36
Budgetary Comparison Schedule--Modified Cash Basis--911 Service Fund.....	37

For the Year Ended December 31, 2011:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund.....	38
Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund.....	40
Budgetary Comparison Schedule--Modified Cash Basis--911 Service Fund.....	41

Notes to the Supplementary Information – Budgetary Comparison Schedules.....	42
--	----

Schedule of Changes in Long-Term Debt.....	43
--	----



427 SOUTH CHAPELLE  
C/O 500 EAST CAPITOL  
PIERRE SD 57501-5070  
(605) 773-3595  
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  
Meade County  
Sturgis, 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 Meade County, South Dakota (County), as of December 31, 2012 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 11, 2014. An adverse opinion for the aggregate discretely presented component unit was issued due to the County's financial statements not including the financial information of the Meade County Housing and Redevelopment Commission. An unmodified opinion was issued for the remaining opinion units.

***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.

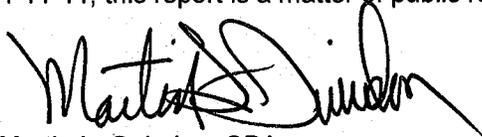
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 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 11, 2014

MEADE COUNTY  
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Audit Findings:**

Finding No. 2010-01:

Internal accounting controls over financial reporting for the years 2009 and 2010 were inadequate resulting in inaccurate information being presented to users of the annual financial reports. This finding has been resolved.

Finding No. 2010-02:

Internal accounting controls over monitoring of cash and fund balances were inadequate resulting in a negative cash balances and a deficit fund balances. This finding has been resolved.

**SCHEDULE OF CURRENT AUDIT FINDINGS**

**Current Audit Finding:**

***Compliance and Other Matters:***

Annual Financial Reports

Finding No. 2012-01:

The County Auditor did not prepare, publish or file with the Auditor General of the Department of Legislative Audit on a timely basis annual financial reports for the years ended December 31, 2011 and December 31, 2012 as required by of South Dakota Codified Law (SDCL) 7-10-4.

Analysis:

SDCL 7-10-4 states:

The county auditor shall prepare by the first day of March of each year a report of the revenues and expenditures of the previous year and the assets, liabilities, and equity of the county as of December thirty-first of the previous year. The report shall be made in the form prescribed by the auditor-general and shall be published within thirty days in the official newspapers of the county. A copy of the publication shall be filed with the auditor-general.

The annual financial report of the County for the year ended December 31, 2011 was not completed and filed with the Department of Legislative Audit until June 21, 2012 and was published on June 27, 2012. The annual financial report of the County for the year ended December 31, 2012 was not completed until June 13, 2013, was filed with the Department of Legislative Audit on December 20, 2013, and was published on March 12, 2014. In addition to being a violation of SDCL 7-10-4, the County Auditor's failure to publish the annual financial reports resulted in withholding financial information from the taxpayers of the County.

**RECOMMENDATION:**

We recommend future annual financial reports be properly prepared, published and filed with the Department of Legislative Audit on a timely basis.

**Management's Response:**

Management chose not to respond to this finding.



427 SOUTH CHAPELLE  
C/O 500 EAST CAPITOL  
PIERRE SD 57501-5070  
(605) 773-3595  
FAX (605) 773-6454

MARTIN L. GUINDON, CPA  
AUDITOR GENERAL

## INDEPENDENT AUDITOR'S REPORT

County Commission  
Meade County  
Sturgis, 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 Meade County, South Dakota (County), as of December 31, 2012 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.

### **Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit**

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, net position, revenues, and expenses of the aggregate discretely presented component unit would have been presented and are not reasonably determinable.

### **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component unit of Meade County as of December 31, 2012, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified 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 Meade County as of December 31, 2012, 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 11, 2014 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Martin L. Guindon". The signature is stylized with a large, looped initial "M" and a long, sweeping tail.

Martin L. Guindon, CPA  
Auditor General

February 11, 2014

**MEADE COUNTY**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2012**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 1,360,832.06
Investments	801,278.90
<b>TOTAL ASSETS</b>	<b>\$ 2,162,110.96</b>
<b>NET POSITION:</b>	
Restricted For: (See Note 4)	
Road and Bridge Purposes	\$ 1,001,929.70
911 Service Purposes	252,092.87
Other Purposes	209,594.35
Unrestricted	698,494.04
<b>TOTAL NET POSITION</b>	<b>\$ 2,162,110.96</b>

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 4,413,816.44	\$ 754,517.59	\$ 40,642.02	\$ (3,618,656.83)
Public Safety	4,114,458.06	640,476.72	46,093.15	(3,427,888.19)
Public Works	4,643,904.71	40,145.57	1,932,480.06	(2,671,279.08)
Health and Welfare	263,151.12	34,116.90		(229,034.22)
Culture and Recreation	90,300.00			(90,300.00)
Conservation of Natural Resources	263,167.01	49,377.10	14,125.00	(199,664.91)
Urban and Economic Development	41,075.00	2,781.70		(38,293.30)
<b>Total Primary Government</b>	<b>\$ 13,829,872.34</b>	<b>\$ 1,521,415.58</b>	<b>\$ 2,033,340.23</b>	<b>(10,275,116.53)</b>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				9,184,056.66
911 Telephone Surcharge				249,375.06
State Shared Revenues				205,673.48
Grants and Contributions not Restricted to Specific Programs				134,946.00
Unrestricted Investment Earnings				23,929.84
Miscellaneous Revenue				39,349.35
<b>Total General Revenues</b>				<b>9,837,330.39</b>
Change in Net Position				(437,786.14)
Net Position - Beginning				2,599,897.10
<b>NET POSITION - ENDING</b>				<b>\$ 2,162,110.96</b>

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

**MEADE COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**For the Year Ended December 31, 2011**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 4,277,999.80	\$ 629,266.62	\$ 25,469.51	\$ (3,623,263.67)
Public Safety	4,239,542.26	565,664.53	211,040.39	(3,462,837.34)
Public Works	4,384,579.35	12,602.19	1,567,104.66	(2,804,872.50)
Health and Welfare	254,928.35	29,477.71		(225,450.64)
Culture and Recreation	87,700.00			(87,700.00)
Conservation of Natural Resources	342,306.90	14,647.72	3,500.00	(324,159.18)
Urban and Economic Development	39,690.00	18,053.94		(21,636.06)
<b>Total Primary Government</b>	<b>\$ 13,626,746.66</b>	<b>\$ 1,269,712.71</b>	<b>\$ 1,807,114.56</b>	<b>(10,549,919.39)</b>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				9,216,215.40
911 Telephone Surcharge				231,800.26
State Shared Revenues				226,358.38
Grants and Contributions not Restricted to Specific Programs				123,634.00
Unrestricted Investment Earnings				28,014.71
Miscellaneous Revenue				134,948.06
<b>Total General Revenues</b>				<b>9,960,970.81</b>
Change in Net Position				(588,948.58)
Net Position - Beginning				3,188,845.68
<b>NET POSITION - ENDING</b>				<b>\$ 2,599,897.10</b>

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

**MEADE COUNTY  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
December 31, 2012**

	<b>General Fund</b>	<b>Road and Bridge Fund</b>	<b>911 Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$	\$ 848,229.31	\$ 252,092.87	\$ 260,509.88	\$ 1,360,832.06
Investments	451,710.58	349,568.32			801,278.90
<b>TOTAL ASSETS</b>	<b>\$ 451,710.58</b>	<b>\$ 1,197,797.63</b>	<b>\$ 252,092.87</b>	<b>\$ 260,509.88</b>	<b>\$ 2,162,110.96</b>
<b>FUND BALANCES:</b> (See Note 1. h.)					
Restricted	\$	\$ 1,001,929.70	\$ 252,092.87	\$ 209,594.35	\$ 1,463,616.92
Committed				7,975.62	7,975.62
Assigned	451,710.58	195,867.93		42,939.91	690,518.42
<b>TOTAL FUND BALANCES</b>	<b>\$ 451,710.58</b>	<b>\$ 1,197,797.63</b>	<b>\$ 252,092.87</b>	<b>\$ 260,509.88</b>	<b>\$ 2,162,110.96</b>

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

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>911 Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Taxes:					
General Property Taxes--Current	\$ 8,604,244.79	\$ 210,159.06	\$	\$ 23,785.24	\$ 8,838,189.09
General Property Taxes--Delinquent	270,336.63	5,885.03		579.93	276,801.59
Penalties and Interest	50,049.46	1,242.68		106.59	51,398.73
Mobile Home Tax	13,999.91	351.18		34.36	14,385.45
911 Telephone Surcharge			164,450.72		164,450.72
Other Taxes	3,281.80				3,281.80
Licenses and Permits	248,383.94			5,185.00	253,568.94
Intergovernmental Revenue:					
Federal Grants	12,850.00			33,243.15	46,093.15
Federal Shared Revenue	17,151.72	37,570.62			54,722.34
Federal Payments in Lieu of Taxes	134,946.00				134,946.00
State Grants	14,125.00				14,125.00
State Shared Revenue:					
Bank Franchise	26,273.73				26,273.73
Motor Vehicle Licenses		1,395,447.06			1,395,447.06
Liquor Tax Reversion	16,186.03				16,186.03
State Highway Fund (former 10% game)		13,390.12			13,390.12
Court Appointed Attorney/Public Defender	17,318.92				17,318.92
Prorate/Port of Entry Fees		67,629.67			67,629.67
Abused and Neglected Child Defense	880.22				880.22
63 3/4% Mobile Home		17,412.60			17,412.60
Secondary Road Motor Vehicle Remittances		401,029.99			401,029.99
Telecommunications Gross Receipts Tax	163,213.72				163,213.72
Motor Vehicle 1/4%	5,291.16				5,291.16
911 Remittances			84,924.34		84,924.34
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	38,188.41				38,188.41
Register of Deeds' Fees	274,914.15			7,422.00	282,336.15
Legal Services	124,171.25			2,825.00	126,996.25

Clerk of Courts Fees	24,854.20				24,854.20
Other Fees	18,545.36				18,545.36
Public Safety:					
Law Enforcement	69,744.81		128,001.17		197,745.98
Prisoner Care	321,134.96				321,134.96
Sobriety Testing	905.00			14,750.00	15,655.00
Other	45,910.02				45,910.02
Public Works:					
Road Maintenance Contract Charges		38,648.74			38,648.74
Other	576.83				576.83
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	6,896.08				6,896.08
Other	3,852.83				3,852.83
Health Assistance:					
Ambulance				63.00	63.00
Women, Infants and Children	13,794.90				13,794.90
Mental Health Services	4,325.09				4,325.09
Urban and Economic Development	2,781.70				2,781.70
Conservation of Natural Resources	49,377.10				49,377.10
Other Charges	13,302.28		40.00		13,342.28
Fines and Forfeits:					
Fines	172.90				172.90
Costs	37,973.86				37,973.86
Forfeits	19,105.00				19,105.00
Miscellaneous Revenue:					
Investment Earnings	8,483.32	11,617.09	3,829.43		23,929.84
Rent	5,570.00				5,570.00
Contributions and Donations	4,027.50				4,027.50
Other	2,154.53				2,154.53
Total Revenues	<u>10,689,295.11</u>	<u>2,200,383.84</u>	<u>381,245.66</u>	<u>87,994.27</u>	<u>13,358,918.88</u>

**Expenditures:**

## General Government:

## Legislative:

Board of County Commissioners	311,454.50				311,454.50
Elections	99,906.06				99,906.06
Judicial System	79,504.44				79,504.44
Financial Administration:					
Auditor	242,068.35				242,068.35
Treasurer	384,303.22				384,303.22
Data Processing	71,320.29				71,320.29

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>911 Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Legal Services:					
State's Attorney	513,004.73				513,004.73
Court Appointed Attorney	279,598.16				279,598.16
Abused and Neglected Child Defense	12,471.46				12,471.46
Other Administration:					
General Government Building	795,799.24			72,133.00	867,932.24
Director of Equalization	784,799.04				784,799.04
Register of Deeds	259,879.49				259,879.49
Veterans Service Officer	29,346.31				29,346.31
Predatory Animal	10,349.76				10,349.76
Other	353,650.00				353,650.00
Human Resources	114,228.39				114,228.39
Public Safety:					
Law Enforcement:					
Sheriff	1,779,427.92			1,610.00	1,781,037.92
County Jail	1,319,062.07			3,024.95	1,322,087.02
Coroner	62,354.13				62,354.13
Juvenile Detention	172,173.50				172,173.50
Protective and Emergency Services:					
Fire Protection	38,602.79			75,579.53	114,182.32
Emergency and Disaster Services				56,443.50	56,443.50
Communication Center			606,179.67		606,179.67
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		4,643,904.71			4,643,904.71
Health and Welfare:					
Economic Assistance:					
Support of Poor	50,801.39				50,801.39
Health Assistance:					
County Nurse	77,172.29				77,172.29
Social Services:					
Domestic Abuse				8,080.00	8,080.00

Mental Health Services:					
Mentally Ill	28,167.26				28,167.26
Developmentally Disabled	6,360.00				6,360.00
Drug Abuse	10,980.00				10,980.00
Mental Illness Board	81,590.18				81,590.18
Culture and Recreation:					
Culture:					
Public Library				60,300.00	60,300.00
Recreation:					
County Fair	18,000.00				18,000.00
Senior Center	12,000.00				12,000.00
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	26,692.52				26,692.52
Soil Conservation Districts	80,000.00				80,000.00
Weed and Pest Control	155,781.91				155,781.91
Other	692.58				692.58
Urban and Economic Development:					
Urban Development:					
Urban and Rural Development	8,075.00				8,075.00
Economic Development:					
Tourism, Industrial or Recreational Development	33,000.00				33,000.00
Total Expenditures	<u>8,302,616.98</u>	<u>4,643,904.71</u>	<u>606,179.67</u>	<u>277,170.98</u>	<u>13,829,872.34</u>
Excess of Revenues Over (Under) Expenditures	<u>2,386,678.13</u>	<u>(2,443,520.87)</u>	<u>(224,934.01)</u>	<u>(189,176.71)</u>	<u>(470,953.46)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In		2,395,850.00		22,000.00	2,417,850.00
Transfers Out	(2,417,850.00)				(2,417,850.00)
Insurance Proceeds	33,167.32				33,167.32
Total Other Financing Sources (Uses)	<u>(2,384,682.68)</u>	<u>2,395,850.00</u>	<u>0.00</u>	<u>22,000.00</u>	<u>33,167.32</u>
Net Change in Fund Balance	1,995.45	(47,670.87)	(224,934.01)	(167,176.71)	(437,786.14)
Fund Balance - Beginning	<u>449,715.13</u>	<u>1,245,468.50</u>	<u>477,026.88</u>	<u>427,686.59</u>	<u>2,599,897.10</u>
FUND BALANCE - ENDING	<u>\$ 451,710.58</u>	<u>\$ 1,197,797.63</u>	<u>\$ 252,092.87</u>	<u>\$ 260,509.88</u>	<u>\$ 2,162,110.96</u>

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

**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2011**

	General Fund	Road and Bridge Fund	911 Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
<b>Taxes:</b>					
General Property Taxes--Current	\$ 8,711,501.89	\$ 203,799.13	\$	\$ 22,385.72	\$ 8,937,686.74
General Property Taxes--Delinquent	173,394.80	4,254.64		409.66	178,059.10
Penalties and Interest	36,661.03	1,022.48		83.98	37,767.49
Mobile Home Tax	15,383.78	425.32		34.97	15,844.07
911 Telephone Surcharge			231,800.26		231,800.26
Other Taxes	46,858.00				46,858.00
Licenses and Permits	199,498.50			5,850.00	205,348.50
<b>Intergovernmental Revenue:</b>					
Federal Grants	39,190.00			164,606.61	203,796.61
Federal Shared Revenue		48,857.38		17,243.78	66,101.16
Federal Payments in Lieu of Taxes	123,634.00				123,634.00
State Grants	3,500.00				3,500.00
<b>State Shared Revenue:</b>					
Bank Franchise	6,491.35				6,491.35
Motor Vehicle Licenses		1,087,825.30			1,087,825.30
Liquor Tax Reversion	15,210.77				15,210.77
State Highway Fund (former 10% game)		13,390.12			13,390.12
Court Appointed Attorney/Public Defender	14,220.29				14,220.29
Prorate/Port of Entry Fees		57,514.41			57,514.41
Abused and Neglected Child Defense	1,249.22				1,249.22
63 3/4% Mobile Home		22,802.82			22,802.82
Secondary Road Motor Vehicle Remittances		332,324.35			332,324.35
Telecommunications Gross Receipts Tax	199,494.02				199,494.02
Motor Vehicle 1/4%	4,390.28				4,390.28
Other Payments in Lieu of Taxes	5,162.24				5,162.24
<b>Charges for Goods and Services:</b>					
<b>General Government:</b>					
Treasurer's Fees	38,642.71				38,642.71
Register of Deeds' Fees	223,517.50				223,517.50
Legal Services	98,329.60			2,675.00	101,004.60

Clerk of Courts Fees	25,626.20				25,626.20
Other Fees	23,280.96				23,280.96
<b>Public Safety:</b>					
Law Enforcement	182,238.20				182,238.20
Prisoner Care	257,419.77				257,419.77
Sobriety Testing				15,109.75	15,109.75
Other	41,592.77				41,592.77
<b>Public Works:</b>					
Road Maintenance Contract Charges		9,255.48			9,255.48
Other	2,726.71				2,726.71
<b>Health and Welfare:</b>					
<b>Economic Assistance:</b>					
Poor Lien Recoveries	1,947.20				1,947.20
Veterans Service Officer	4,375.00				4,375.00
Other	3,318.81				3,318.81
<b>Health Assistance:</b>					
Ambulance				87.50	87.50
Women, Infants and Children	13,201.20				13,201.20
Mental Health Services	698.00				698.00
Urban and Economic Development	18,053.94				18,053.94
Conservation of Natural Resources	14,647.72				14,647.72
Other Charges	18,053.25		10.00		18,063.25
<b>Fines and Forfeits:</b>					
Fines	19.50				19.50
Costs	42,209.04				42,209.04
Forfeits	24,596.00				24,596.00
<b>Miscellaneous Revenue:</b>					
Investment Earnings	16,064.12	7,573.13	4,377.46		28,014.71
Rent	5,720.00				5,720.00
Contributions and Donations	500.00			80,202.22	80,702.22
Other	882.46				882.46
<b>Total Revenues</b>	<b>10,653,500.83</b>	<b>1,789,044.56</b>	<b>236,187.72</b>	<b>308,689.19</b>	<b>12,987,422.30</b>

**Expenditures:****General Government:****Legislative:**

Board of County Commissioners	207,396.31				207,396.31
Elections	25,877.62				25,877.62
Judicial System	88,527.13				88,527.13
<b>Financial Administration:</b>					
Auditor	233,313.46				233,313.46
Treasurer	368,011.88				368,011.88
Data Processing	82,714.54				82,714.54

**MEADE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2011**  
(Continued)

	General Fund	Road and Bridge Fund	911 Service Fund	Other Governmental Funds	Total Governmental Funds
Legal Services:					
State's Attorney	477,521.74				477,521.74
Court Appointed Attorney	224,987.60				224,987.60
Abused and Neglected Child Defense	12,720.07				12,720.07
Other Administration:					
General Government Building	640,351.12			214,579.00	854,930.12
Director of Equalization	932,026.22				932,026.22
Register of Deeds	268,615.69				268,615.69
Veterans Service Officer	59,796.54				59,796.54
Predatory Animal	10,349.76				10,349.76
Other	334,999.10				334,999.10
Human Resources	96,212.02				96,212.02
Public Safety:					
Law Enforcement:					
Sheriff	1,729,695.23			41,442.84	1,771,138.07
County Jail	1,299,764.99			3,080.40	1,302,845.39
Coroner	57,340.85				57,340.85
Juvenile Detention	166,635.16				166,635.16
Protective and Emergency Services:					
Fire Protection	63,006.64				63,006.64
Emergency and Disaster Services				198,383.18	198,383.18
Communication Center	413,333.33		266,859.64		680,192.97
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		4,384,579.35			4,384,579.35
Health and Welfare:					
Economic Assistance:					
Support of Poor	27,897.88				27,897.88
Public Welfare	230.91				230.91
Health Assistance:					
County Nurse	93,091.77				93,091.77
Social Services:					

Domestic Abuse				8,510.00	8,510.00
Mental Health Services:					
Mentally Ill	23,717.25				23,717.25
Developmentally Disabled	8,000.00				8,000.00
Drug Abuse	10,000.00				10,000.00
Mental Health Centers	5,000.00				5,000.00
Mental Illness Board	78,480.54				78,480.54
Culture and Recreation:					
Culture:					
Public Library				57,500.00	57,500.00
Recreation:					
County Fair	18,000.00				18,000.00
Senior Center	12,200.00				12,200.00
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	109,721.56				109,721.56
Soil Conservation Districts	76,100.00				76,100.00
Weed and Pest Control	155,187.93				155,187.93
Other	1,297.41				1,297.41
Urban and Economic Development:					
Urban Development:					
Urban and Rural Development	9,690.00				9,690.00
Economic Development:					
Tourism, Industrial or Recreational Development	30,000.00				30,000.00
Total Expenditures	<u>8,451,812.25</u>	<u>4,384,579.35</u>	<u>266,859.64</u>	<u>523,495.42</u>	<u>13,626,746.66</u>
Excess of Revenues Over (Under) Expenditures	<u>2,201,688.58</u>	<u>(2,595,534.79)</u>	<u>(30,671.92)</u>	<u>(214,806.23)</u>	<u>(639,324.36)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In		2,710,000.00		719,801.24	3,429,801.24
Transfers Out	(3,429,801.24)				(3,429,801.24)
Insurance Proceeds	33,224.61				33,224.61
Sale of County Property	17,151.17				17,151.17
Total Other Financing Sources (Uses)	<u>(3,379,425.46)</u>	<u>2,710,000.00</u>	<u>0.00</u>	<u>719,801.24</u>	<u>50,375.78</u>
Net Change in Fund Balance	(1,177,736.88)	114,465.21	(30,671.92)	504,995.01	(588,948.58)
Fund Balance - Beginning	<u>1,627,452.01</u>	<u>1,131,003.29</u>	<u>507,698.80</u>	<u>(77,308.42)</u>	<u>3,188,845.68</u>
FUND BALANCE - ENDING	<u>\$ 449,715.13</u>	<u>\$ 1,245,468.50</u>	<u>\$ 477,026.88</u>	<u>\$ 427,686.59</u>	<u>\$ 2,599,897.10</u>

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

**MEADE COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**December 31, 2012**

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 747,812.83
<b>TOTAL ASSETS</b>	<u>\$ 747,812.83</u>
<b>NET POSITION:</b>	
Net Position Held in Agency Capacity	\$ 747,812.83
<b>TOTAL NET POSITION</b>	<u>\$ 747,812.83</u>

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

MEADE COUNTY  
NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.c., these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

a. Financial Reporting Entity:

The reporting entity of Meade 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, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); 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 Housing and Redevelopment Commission of Meade County, South Dakota (Commission), is a proprietary fund-type, discretely presented component unit. The five members of the Commission are appointed by the County Commission's Chairperson with the approval of the Board of County Commissioners for five year, staggered terms. The Commission elects its own chairperson and recruits and employs its own management personnel and other workers. The County Commission, though, retains the statutory authority to approve or deny or otherwise modify the Commission'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 Commission. Separately issued financial statements of the Housing and Redevelopment Commission may be obtained from: Meade County Housing and Redevelopment Commission, 1220 Cedar Street, Sturgis, SD 57785.

The financial activity of the Meade County Housing and Redevelopment Commission, a component unit of Meade County, has not been included in the financial statements presented in this report.

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

b. Basis of Presentation:

*Government-wide Financial Statements:*

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:*

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

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

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

**Governmental Funds:**

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

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

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

911 Service Fund – authorized by SDCL 34-45-4 and 12 to account for the collections generated by 911 system charges with expenditures of these funds used for the operations of the system. This is a major fund.

The remaining Special Revenue funds are not considered major funds: Drug Abuse, Fire Protection, Emergency Management, Domestic Abuse, Public Library, Ambulance, Title III Grant, Modernization and Preservation Relief (2012 only), and 24/7 Sobriety. These funds are reported on the fund financial statements as “Other Governmental Funds”.

*Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds for individuals, private organizations, or other governments).*

Capital Projects Fund – to account for financial resources to be used for the construction of Erskine Building into County offices. This is not a major fund.

#### **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. 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.

f. 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.

g. 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.

h. 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 Commissioners committed the following fund balance types by taking the following action:

<u>Fund Balance Type</u>	<u>Amount</u>	<u>Action</u>
Capital Project	\$ 7,975.62	Resolution – May 2010

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:

<u>Major Special Revenue Fund</u>	<u>Revenue Source</u>
Road and Bridge Fund	General Property Taxes and Motor Vehicle Fees
911 Service Fund	911 Surcharge

A schedule of fund balances is provided as follows:

**MEADE COUNTY  
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>911 Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances:</b>					
Restricted For:					
Snow Removal Purposes	\$	\$ 1,001,929.70	\$	\$	\$ 1,001,929.70
911 Service Purposes			252,092.87		252,092.87
Drug Abuse Purposes				58,712.83	52,712.83
Fire Protection Purposes				16,863.72	16,863.72
Title III Grant Purposes				5,934.08	5,934.08
24/7 Sobriety Purposes				64,378.05	64,378.05
Ambulance Purposes				50,323.67	50,323.67
Domestic Abuse Purposes				5,960.00	5,960.00
Modernization and Preservation Relief Purposes				7,422.00	7,422.00
Committed For:					
Capital Projects Purposes				7,975.62	7,975.62
Assigned To:					
Applied to Next Year's Budget	451,710.58				451,710.58
Road and Bridge Purposes		195,867.93			195,867.93
Emergency Management Purposes				37,486.75	37,486.75
Library Purposes				5,453.16	5,453.16
<b>Total Fund Balances</b>	<u>\$ 451,710.58</u>	<u>\$ 1,197,797.63</u>	<u>\$ 252,092.87</u>	<u>\$ 260,509.88</u>	<u>\$ 2,162,110.96</u>

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

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

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

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

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

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

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

**Assignment of Investment Income** – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The County credited 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, 2012 was as follows:

**Major Purposes:**

Road and Bridge Purposes	\$ 1,001,929.70
911 Service Purposes	252,092.87

**Other Purposes:**

Drug Abuse Purposes	58,712.83
Fire Protection Purposes	16,863.72
Title III Grant Purposes	5,934.08
Ambulance Purposes	50,323.67
Domestic Abuse Purposes	5,960.00
24/7 Sobriety Purposes	64,378.05
Modernization and Preservation Relief Purposes	<u>7,422.00</u>

Total Other Purposes	<u>209,594.35</u>
----------------------	-------------------

**Total Restricted Net Position** **\$ 1,463,616.92**

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

5. INTERFUND TRANSFERS

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

<b><u>Transfers From:</u></b>	<b><u>Transfers To:</u></b>		<b><u>Total</u></b>
	<b>Road and Bridge Fund</b>	<b>Other Governmental Funds</b>	
Major Funds:			
General Fund	\$ 2,395,850.00	\$ 22,000.00	\$ 2,417,850.00

Interfund transfers for the year ended December 31, 2011 were as follows:

<b><u>Transfers From:</u></b>	<b><u>Transfers To:</u></b>		<b><u>Total</u></b>
	<b>Road and Bridge Fund</b>	<b>Other Governmental Funds</b>	
Major Funds:			
General Fund	\$ 2,710,000.00	\$ 719,801.24	\$ 3,429,801.24

The County typically budgets transfers to the Road and Bridge Fund, the Public Library Fund, and the Emergency Management 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, 2012, 2011, and 2010 were \$324,837.29, \$315,519.62, and \$318,234.75, respectively, equal to the required contributions each year.

7. JOINT VENTURES

Meade County – City of Sturgis Ambulance Service:

The County participates in a joint venture, known as Meade County – City of Sturgis Ambulance Service, formed for the purpose of providing ambulance services to county and city residents.

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

Meade County	50%
City of Sturgis	50%

The joint venture's governing board is composed of six representatives, who are three county commissioners and three city council persons. The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

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

Separate financial statements for this joint venture are available from the City of Sturgis.

At December 31, 2012 this joint venture had total assets of \$1,194,481, total liabilities of \$26,103, and total net position of \$1,168,378.

Western South Dakota Juvenile Service Center Compact:

The County also participates in a joint venture, known as Western South Dakota Juvenile Service Center Compact, formed for the purpose of providing juvenile detention services.

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

Meade County	15%
Pennington County	55%
Lawrence County	14%
Butte County	6%
Custer County	4%
Fall River County	5%
Harding County	1%

The joint venture's governing board is composed of seven representatives, who are commissioners of each participating county. The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

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

Separate financial statements for this joint venture are available from the Pennington County Auditor's Office.

At December 31, 2012 this joint venture had total assets of \$465,684.32, total liabilities of \$445,000.00, and total net position of \$20,684.32.

Northern Hills Drug Task Force:

The County also participates in a joint venture, known as the Northern Hills Drug Task Force, formed for the purpose of implementing and improving state and local drug law enforcement.

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

Butte County	10%
Lawrence County	10%
Meade County	10%
Spearfish	10%
Newell	10%
Deadwood	10%
Belle Fourche	10%
Lead	10%
Sturgis	10%
Whitewood	10%

The joint venture's governing board is composed of ten representatives, who are the sheriffs from each county and the police chief for each city. The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

During 2011, the joint venture's board decided to dissolve the Northern Hills Drug Task Force. The remaining assets were divided between Lawrence County and Meade County which included remaining cash assets and equipment. The joint venture did not have any outstanding liabilities.

**8. SIGNIFICANT CONTINGENCIES – LITIGATION**

At December 31, 2012, 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 the 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. SUBSEQUENT EVENTS

On July 2, 2013 the County awarded a bid for ten motor graders to RDO Equipment in the amount of \$1,214,634.

10. 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, 2012, the County managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

The County purchases liability insurance for risks related to employee dishonesty and errors and omissions of law enforcement employees from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

In addition, 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, Wrongful Acts, Property Damage, Boiler and Equipment Breakdown, and Earthquake, Flood and Vehicle Damage.

The agreement with the SDPAA provides that the above coverages will be provided to a \$4,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$250,000 for property coverage and \$500,000 for liability coverage to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The County would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

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

As of December 31, 2012, the County has vested balance in the cumulative reserve fund of \$197,447.37.

The County carries a \$2,500 deductible for the wrongful acts coverage, \$1,000 deductible for the property damage, electronic data processing equipment, off road machinery and boiler and equipment breakdown coverage, \$250,000 deductible for the earthquake and flood damage coverage, \$250 deductible for the vehicle comprehensive and miscellaneous sheriff's property coverage, and \$500 deductible for the vehicle collision and miscellaneous ambulance 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**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 8,801,636.00	\$ 8,801,636.00	\$ 8,604,244.79	\$ (197,391.21)
General Property Taxes--Delinquent	145,000.00	145,000.00	270,336.63	125,336.63
Penalties and Interest	28,300.00	28,300.00	50,049.46	21,749.46
Mobile Home Tax	13,560.00	13,560.00	13,999.91	439.91
Other Taxes	0.00	0.00	3,281.80	3,281.80
Licenses and Permits	260,652.00	260,652.00	248,383.94	(12,268.06)
<b>Intergovernmental Revenue:</b>				
Federal Grants	27,000.00	27,000.00	12,850.00	(14,150.00)
Federal Shared Revenue	17,000.00	17,000.00	17,151.72	151.72
Federal Payments in Lieu of Taxes	162,571.00	162,571.00	134,946.00	(27,625.00)
State Grants	47,000.00	47,000.00	14,125.00	(32,875.00)
<b>State Shared Revenue:</b>				
Bank Franchise	17,500.00	17,500.00	26,273.73	8,773.73
Liquor Tax Reversion	14,900.00	14,900.00	16,186.03	1,286.03
Court Appointed Attorney/Public Defender	17,500.00	17,500.00	17,318.92	(181.08)
Abused and Neglected Child Defense	1,250.00	1,250.00	880.22	(369.78)
Telecommunications Gross Receipts Tax	163,750.00	163,750.00	163,213.72	(536.28)
Motor Vehicle 1/4%	10,000.00	10,000.00	5,291.16	(4,708.84)
Other Intergovernmental Revenue	500.00	500.00	0.00	(500.00)
<b>Charges for Goods and Services:</b>				
<b>General Government:</b>				
Treasurer's Fees	35,500.00	35,500.00	38,188.41	2,688.41
Register of Deeds' Fees	226,000.00	226,000.00	274,914.15	48,914.15
Legal Services	112,000.00	112,000.00	124,171.25	12,171.25
Clerk of Courts Fees	29,000.00	29,000.00	24,854.20	(4,145.80)
Other Fees	22,000.00	22,000.00	18,545.36	(3,454.64)
<b>Public Safety:</b>				
Law Enforcement	82,300.00	82,300.00	69,744.81	(12,555.19)
Prisoner Care	297,820.00	297,820.00	321,134.96	23,314.96
Sobriety Testing	0.00	0.00	905.00	905.00
Other	43,200.00	43,200.00	45,910.02	2,710.02
<b>Public Works:</b>				
Other	0.00	0.00	576.83	576.83
<b>Health and Welfare:</b>				
<b>Economic Assistance:</b>				
Poor Lien Recoveries	4,100.00	4,100.00	6,896.08	2,796.08
Veterans Service Officer	4,500.00	4,500.00	0.00	(4,500.00)
Other	4,000.00	4,000.00	3,852.83	(147.17)
<b>Health Assistance:</b>				
Women, Infants and Children	14,200.00	14,200.00	13,794.90	(405.10)
Mental Health Services	2,100.00	2,100.00	4,325.09	2,225.09
Urban and Economic Development	0.00	0.00	2,781.70	2,781.70
Conservation of Natural Resources	39,500.00	39,500.00	49,377.10	9,877.10
Other Charges	15,000.00	15,000.00	13,302.28	(1,697.72)
<b>Fines and Forfeits:</b>				
Fines	0.00	0.00	172.90	172.90
Costs	39,000.00	39,000.00	37,973.86	(1,026.14)
Forfeits	35,000.00	35,000.00	19,105.00	(15,895.00)
<b>Miscellaneous Revenue:</b>				
Investment Earnings	72,000.00	72,000.00	8,483.32	(63,516.68)
Rent	6,000.00	6,000.00	5,570.00	(430.00)
Contributions and Donations	0.00	0.00	4,027.50	4,027.50
Other	1,000.00	1,000.00	2,154.53	1,154.53
<b>Total Revenues</b>	<b>10,812,339.00</b>	<b>10,812,339.00</b>	<b>10,689,295.11</b>	<b>(123,043.89)</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Legislative:</b>				
Board of County Commissioners	205,717.00	319,092.21	311,454.50	7,637.71
Contingency	175,000.00	175,000.00		
Amount Transferred		(167,350.55)		7,649.45
Elections	101,020.00	101,020.00	99,906.06	1,113.94
Judicial System	103,000.00	103,000.00	79,504.44	23,495.56
<b>Financial Administration:</b>				
Auditor	246,956.00	246,956.00	242,068.35	4,887.65
Treasurer	385,048.00	385,048.00	384,303.22	744.78
Data Processing	71,540.00	71,540.00	71,320.29	219.71
<b>Legal Services:</b>				
State's Attorney	547,382.00	547,382.00	513,004.73	34,377.27
Court Appointed Attorney	225,000.00	279,598.16	279,598.16	0.00

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Abused and Neglected Child Defense	38,500.00	38,500.00	12,471.46	26,028.54
Other Administration:				
General Government Building	777,706.00	795,206.00	795,799.24	(593.24)
Director of Equalization	949,534.00	949,534.00	784,799.04	164,734.96
Register of Deeds	291,385.00	291,385.00	259,879.49	31,505.51
Veterans Service Officer	42,012.00	42,012.00	29,346.31	12,665.69
Predatory Animal	10,350.00	10,350.00	10,349.76	0.24
Other	353,650.00	353,650.00	353,650.00	0.00
Human Resources	116,960.00	116,960.00	114,228.39	2,731.61
Public Safety:				
Law Enforcement:				
Sheriff	1,801,373.00	1,801,373.00	1,779,427.92	21,945.08
County Jail	1,329,490.00	1,329,490.00	1,319,062.07	10,427.93
Coroner	74,751.00	74,751.00	62,354.13	12,396.87
Juvenile Detention	211,500.00	211,500.00	172,173.50	39,326.50
Protective and Emergency Services:				
Fire Protection	49,000.00	49,000.00	38,602.79	10,397.21
Health and Welfare:				
Economic Assistance:				
Support of Poor	16,150.00	81,150.00	50,801.39	30,348.61
Health Assistance:				
County Nurse	82,632.00	82,632.00	77,172.29	5,459.71
Mental Health Services:				
Mentally Ill	25,000.00	30,000.00	28,167.26	1,832.74
Developmentally Disabled	8,720.00	8,720.00	6,360.00	2,360.00
Drug Abuse	12,980.00	12,980.00	10,980.00	2,000.00
Mental Illness Board	79,850.00	81,727.18	81,590.18	137.00
Culture and Recreation:				
Recreation:				
County Fair	18,000.00	18,000.00	18,000.00	0.00
Senior Center	12,000.00	12,000.00	12,000.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	26,750.00	26,750.00	26,692.52	57.48
Soil Conservation Districts	80,000.00	80,000.00	80,000.00	0.00
Weed and Pest Control	176,683.00	176,683.00	155,781.91	20,901.09
Other	2,000.00	2,000.00	692.58	1,307.42
Urban and Economic Development:				
Urban Development:				
Urban and Rural Development	9,690.00	9,690.00	8,075.00	1,615.00
Economic Development:				
Tourism, Industrial or Recreational Development	33,000.00	33,000.00	33,000.00	0.00
Total Expenditures	<u>8,690,329.00</u>	<u>8,780,329.00</u>	<u>8,302,616.98</u>	<u>477,712.02</u>
Excess of Revenues Over (Under) Expenditures	<u>2,122,010.00</u>	<u>2,032,010.00</u>	<u>2,386,678.13</u>	<u>354,668.13</u>
Other Financing Sources (Uses):				
Transfers Out	(2,477,560.00)	(2,477,560.00)	(2,417,850.00)	59,710.00
Insurance Proceeds	65,000.00	65,000.00	33,167.32	(31,832.68)
Sale of County Property	5,000.00	5,000.00	0.00	(5,000.00)
Total Other Financing Sources (Uses)	<u>(2,407,560.00)</u>	<u>(2,407,560.00)</u>	<u>(2,384,682.68)</u>	<u>22,877.32</u>
Net Change in Fund Balance	(285,550.00)	(375,550.00)	1,995.45	377,545.45
Fund Balance - Beginning	<u>449,715.13</u>	<u>449,715.13</u>	<u>449,715.13</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 164,165.13</u>	<u>\$ 74,165.13</u>	<u>\$ 451,710.58</u>	<u>\$ 377,545.45</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 215,337.00	\$ 215,337.00	\$ 210,159.06	\$ (5,177.94)
General Property Taxes--Delinquent	3,540.00	3,540.00	5,885.03	2,345.03
Penalties and Interest	623.00	623.00	1,242.68	619.68
Mobile Home Tax	456.00	456.00	351.18	(104.82)
Intergovernmental Revenue:				
Federal Shared Revenue	48,000.00	48,000.00	37,570.62	(10,429.38)
State Shared Revenue:				
Motor Vehicle Licenses	1,594,315.00	1,594,315.00	1,395,447.06	(198,867.94)
State Highway Fund (former 10% game)	0.00	0.00	13,390.12	13,390.12
Prorate/Port of Entry Fees	0.00	0.00	67,629.67	67,629.67
63 3/4% Mobile Home	0.00	0.00	17,412.60	17,412.60
Secondary Road Motor Vehicle Remittances	363,630.00	363,630.00	401,029.99	37,399.99
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	16,700.00	16,700.00	38,648.74	21,948.74
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	11,617.09	11,617.09
<b>Total Revenues</b>	<u>2,242,601.00</u>	<u>2,242,601.00</u>	<u>2,200,383.84</u>	<u>(42,217.16)</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	4,638,451.00	4,638,451.00	4,643,904.71	(5,453.71)
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,395,850.00)</u>	<u>(2,395,850.00)</u>	<u>(2,443,520.87)</u>	<u>(47,670.87)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,395,850.00	2,395,850.00	2,395,850.00	0.00
<b>Net Change in Fund Balance</b>	<u>0.00</u>	<u>0.00</u>	<u>(47,670.87)</u>	<u>(47,670.87)</u>
Fund Balance - Beginning	1,245,468.50	1,245,468.50	1,245,468.50	0.00
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,245,468.50</u>	<u>\$ 1,245,468.50</u>	<u>\$ 1,197,797.63</u>	<u>\$ (47,670.87)</u>

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
911 Telephone Surcharge	\$ 248,485.00	\$ 248,485.00	\$ 164,450.72	\$ (84,034.28)
Intergovernmental Revenue:				
State Shared Revenue:				
911 Remittances	0.00	0.00	84,924.34	84,924.34
Charges for Goods and Services:				
Public Safety:				
Law Enforcement	80,000.00	80,000.00	128,001.17	48,001.17
Other Charges	250.00	250.00	40.00	(210.00)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	3,829.43	3,829.43
<b>Total Revenues</b>	<u>328,735.00</u>	<u>328,735.00</u>	<u>381,245.66</u>	<u>52,510.66</u>
<b>Expenditures:</b>				
Public Safety:				
Protective and Emergency Services:				
Communication Center	644,529.00	644,529.00	606,179.67	38,349.33
<b>Net Change in Fund Balance</b>	(315,794.00)	(315,794.00)	(224,934.01)	90,859.99
<b>Fund Balance - Beginning</b>	<u>477,026.88</u>	<u>477,026.88</u>	<u>477,026.88</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 161,232.88</u>	<u>\$ 161,232.88</u>	<u>\$ 252,092.87</u>	<u>\$ 90,859.99</u>

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 8,919,852.00	\$ 8,919,852.00	\$ 8,711,501.89	\$ (208,350.11)
General Property Taxes--Delinquent	141,000.00	141,000.00	173,394.80	32,394.80
Penalties and Interest	18,320.00	18,320.00	36,661.03	18,341.03
Mobile Home Tax	21,000.00	21,000.00	15,383.78	(5,616.22)
Other Taxes	0.00	0.00	46,858.00	46,858.00
Licenses and Permits	217,150.00	217,150.00	199,498.50	(17,651.50)
<b>Intergovernmental Revenue:</b>				
Federal Grants	25,000.00	25,000.00	39,190.00	14,190.00
Federal Payments in Lieu of Taxes	125,000.00	125,000.00	123,634.00	(1,366.00)
State Grants	56,000.00	56,000.00	3,500.00	(52,500.00)
<b>State Shared Revenue:</b>				
Bank Franchise	40,000.00	40,000.00	6,491.35	(33,508.65)
Liquor Tax Reversion	13,500.00	13,500.00	15,210.77	1,710.77
Court Appointed Attorney/Public Defender	17,500.00	17,500.00	14,220.29	(3,279.71)
Abused and Neglected Child Defense	1,300.00	1,300.00	1,249.22	(50.78)
Telecommunications Gross Receipts Tax	150,000.00	150,000.00	199,494.02	49,494.02
Motor Vehicle 1/4%	0.00	0.00	4,390.28	4,390.28
Other Payments in Lieu of Taxes	0.00	0.00	5,162.24	5,162.24
Other Intergovernmental Revenue	500.00	500.00	0.00	(500.00)
<b>Charges for Goods and Services:</b>				
<b>General Government:</b>				
Treasurer's Fees	32,451.00	32,451.00	38,642.71	6,191.71
Register of Deeds' Fees	223,000.00	223,000.00	223,517.50	517.50
Legal Services	115,000.00	115,000.00	98,329.60	(16,670.40)
Clerk of Courts Fees	29,700.00	29,700.00	25,626.20	(4,073.80)
Other Fees	21,000.00	21,000.00	23,280.96	2,280.96
<b>Public Safety:</b>				
Law Enforcement	165,000.00	165,000.00	182,238.20	17,238.20
Prisoner Care	296,300.00	296,300.00	257,419.77	(38,880.23)
Sobriety Testing	0.00	0.00	180.00	180.00
Other	56,800.00	56,800.00	41,412.77	(15,387.23)
<b>Public Works:</b>				
Other	0.00	0.00	2,726.71	2,726.71
<b>Health and Welfare:</b>				
<b>Economic Assistance:</b>				
Poor Lien Recoveries	5,000.00	5,000.00	1,947.20	(3,052.80)
Veterans Service Officer	0.00	0.00	4,375.00	4,375.00
Other	9,500.00	9,500.00	3,318.81	(6,181.19)
<b>Health Assistance:</b>				
Women, Infants and Children	13,784.00	13,784.00	13,201.20	(582.80)
Mental Health Services	2,500.00	2,500.00	698.00	(1,802.00)
Urban and Economic Development	0.00	0.00	18,053.94	18,053.94
Conservation of Natural Resources	46,500.00	46,500.00	14,647.72	(31,852.28)
Other Charges	85,000.00	85,000.00	18,053.25	(66,946.75)
<b>Fines and Forfeits:</b>				
Fines	0.00	0.00	19.50	19.50
Costs	38,500.00	38,500.00	42,209.04	3,709.04
Forfeits	26,000.00	26,000.00	24,596.00	(1,404.00)
<b>Miscellaneous Revenue:</b>				
Investment Earnings	145,000.00	145,000.00	16,064.12	(128,935.88)
Rent	8,200.00	8,200.00	5,720.00	(2,480.00)
Contributions and Donations	0.00	0.00	500.00	500.00
Other	5,600.00	5,600.00	882.46	(4,717.54)
<b>Total Revenues</b>	<b>11,070,957.00</b>	<b>11,070,957.00</b>	<b>10,653,500.83</b>	<b>(417,456.17)</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Legislative:</b>				
Board of County Commissioners	226,947.00	226,947.00	207,396.31	19,550.69
Contingency	35,000.00	35,000.00		
Amount Transferred		(15,150.00)		19,850.00
Elections	10,050.00	25,550.00	25,877.62	(327.62)
Judicial System	102,500.00	102,500.00	88,527.13	13,972.87
<b>Financial Administration:</b>				
Auditor	237,300.00	237,300.00	233,313.46	3,986.54
Treasurer	369,518.00	369,518.00	368,011.88	1,506.12
Data Processing	83,750.00	83,750.00	82,714.54	1,035.46
<b>Legal Services:</b>				
State's Attorney	569,513.00	569,513.00	477,521.74	91,991.26
Court Appointed Attorney	225,000.00	225,000.00	224,987.60	12.40
Abused and Neglected Child Defense	38,500.00	38,500.00	12,720.07	25,779.93

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2011**  
**(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Other Administration:				
General Government Building	693,426.00	693,426.00	640,351.12	53,074.88
Director of Equalization	937,203.00	955,256.94	932,026.22	23,230.72
Register of Deeds	293,316.00	293,316.00	268,615.69	24,700.31
Veterans Service Officer	52,808.00	61,808.00	59,796.54	2,011.46
Predatory Animal	10,350.00	10,350.00	10,349.76	0.24
Other	335,000.00	335,000.00	334,999.10	0.90
Human Resources	97,506.00	97,506.00	96,212.02	1,293.98
Public Safety:				
Law Enforcement:				
Sheriff	1,772,143.00	1,794,805.49	1,729,695.23	65,110.26
County Jail	1,381,146.00	1,381,146.00	1,299,764.99	81,381.01
Coroner	78,605.00	78,605.00	57,340.85	21,264.15
Juvenile Detention	202,500.00	202,500.00	166,635.16	35,864.84
Protective and Emergency Services:				
Fire Protection	65,050.00	65,050.00	63,006.64	2,043.36
Communication Center	367,958.00	414,958.00	413,333.33	1,624.67
Health and Welfare:				
Economic Assistance:				
Support of Poor	22,450.00	29,950.00	27,897.88	2,052.12
Public Welfare	500.00	500.00	230.91	269.09
Health Assistance:				
County Nurse	92,054.00	92,054.00	93,091.77	(1,037.77)
Mental Health Services:				
Mentally Ill	25,000.00	25,000.00	23,717.25	1,282.75
Developmentally Disabled	8,000.00	8,000.00	8,000.00	0.00
Drug Abuse	10,000.00	10,000.00	10,000.00	0.00
Mental Health Centers	5,000.00	5,000.00	5,000.00	0.00
Mental Illness Board	79,000.00	79,000.00	78,480.54	519.46
Culture and Recreation:				
Recreation:				
County Fair	18,000.00	18,000.00	18,000.00	0.00
Senior Center	12,200.00	12,200.00	12,200.00	0.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	118,497.00	118,497.00	109,721.56	8,775.44
Soil Conservation Districts	76,100.00	76,100.00	76,100.00	0.00
Weed and Pest Control	186,525.00	186,525.00	155,187.93	31,337.07
Other	2,000.00	2,000.00	1,297.41	702.59
Urban and Economic Development:				
Urban Development:				
Urban and Rural Development	9,690.00	9,690.00	9,690.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	130,000.00	130,000.00	30,000.00	100,000.00
<b>Total Expenditures</b>	<b>8,980,105.00</b>	<b>9,084,671.43</b>	<b>8,451,812.25</b>	<b>632,859.18</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,090,852.00</b>	<b>1,986,285.57</b>	<b>2,201,688.58</b>	<b>215,403.01</b>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,837,930.00)	(2,837,930.00)	(3,429,801.24)	(591,871.24)
Insurance Proceeds	50,000.00	50,000.00	33,224.61	(16,775.39)
Sale of County Property	15,000.00	15,000.00	17,151.17	2,151.17
<b>Total Other Financing Sources (Uses)</b>	<b>(2,772,930.00)</b>	<b>(2,772,930.00)</b>	<b>(3,379,425.46)</b>	<b>(606,495.46)</b>
<b>Net Change in Fund Balance</b>	<b>(682,078.00)</b>	<b>(786,644.43)</b>	<b>(1,177,736.88)</b>	<b>(391,092.45)</b>
<b>Fund Balance - Beginning</b>	<b>1,627,452.01</b>	<b>1,627,452.01</b>	<b>1,627,452.01</b>	<b>0.00</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 945,374.01</b>	<b>\$ 840,807.58</b>	<b>\$ 449,715.13</b>	<b>\$ (391,092.45)</b>

**SUPPLEMENTARY INFORMATION**  
**MEADE COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 208,192.00	\$ 208,192.00	\$ 203,799.13	\$ (4,392.87)
General Property Taxes--Delinquent	4,800.00	4,800.00	4,254.64	(545.36)
Penalties and Interest	550.00	550.00	1,022.48	472.48
Mobile Home Tax	600.00	600.00	425.32	(174.68)
Intergovernmental Revenue:				
Federal Shared Revenue	0.00	0.00	48,857.38	48,857.38
State Shared Revenue:				
Motor Vehicle Licenses	1,037,850.00	1,037,850.00	1,087,825.30	49,975.30
State Highway Fund (former 10% game)	0.00	0.00	13,390.12	13,390.12
Prorate/Port of Entry Fees	0.00	0.00	57,514.41	57,514.41
63 3/4% Mobile Home	21,000.00	21,000.00	22,802.82	1,802.82
Secondary Road Motor Vehicle Remittances	337,200.00	337,200.00	332,324.35	(4,875.65)
State Payments in Lieu of Taxes	1,500.00	1,500.00	0.00	(1,500.00)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	42,000.00	42,000.00	9,255.48	(32,744.52)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	7,573.13	7,573.13
<b>Total Revenues</b>	<u>1,653,692.00</u>	<u>1,653,692.00</u>	<u>1,789,044.56</u>	<u>135,352.56</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	4,454,365.00	4,454,365.00	4,384,579.35	69,785.65
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,800,673.00)</b>	<b>(2,800,673.00)</b>	<b>(2,595,534.79)</b>	<b>205,138.21</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,800,673.00	2,800,673.00	2,710,000.00	(90,673.00)
<b>Net Change in Fund Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>114,465.21</b>	<b>114,465.21</b>
<b>Fund Balance - Beginning</b>	<u>1,131,003.29</u>	<u>1,131,003.29</u>	<u>1,131,003.29</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,131,003.29</u>	<u>\$ 1,131,003.29</u>	<u>\$ 1,245,468.50</u>	<u>\$ 114,465.21</u>

**SUPPLEMENTARY INFORMATION  
 MEADE COUNTY  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 911 SERVICE FUND  
 For the Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
Telephone Tax (Outside)	\$ 238,600.00	\$ 238,600.00	\$ 231,800.26	\$ (6,799.74)
Charges for Goods and Services:				
Other Charges	0.00	0.00	10.00	10.00
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	4,377.46	4,377.46
<b>Total Revenues</b>	<u>238,600.00</u>	<u>238,600.00</u>	<u>236,187.72</u>	<u>(2,412.28)</u>
<b>Expenditures:</b>				
Public Safety:				
Protective and Emergency Services:				
Communication Center	310,634.00	321,729.58	266,859.64	54,869.94
<b>Net Change in Fund Balance</b>	(72,034.00)	(83,129.58)	(30,671.92)	52,457.66
<b>Fund Balance - Beginning</b>	<u>507,698.80</u>	<u>507,698.80</u>	<u>507,698.80</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 435,664.80</u>	<u>\$ 424,569.22</u>	<u>\$ 477,026.88</u>	<u>\$ 52,457.66</u>

MEADE 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.

**MEADE COUNTY**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**For the Two Years Ended December 31, 2012**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2011</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2012</u>
<b>Governmental Long-Term Debt:</b>				
Other Long-Term Debt Payable	\$ 156,995.00	\$	\$ (101,585.00)	\$ 55,410.00