

ROBERTS COUNTY

AUDIT REPORT

For the Two Years Ended December 31, 2014

ROBERTS COUNTY
COUNTY OFFICIALS
December 31, 2014

Board of Commissioners:
Roger George, Chairman
Tim Zempel, Vice-Chairman
James Crawford
Floyd DeCoteau
Roger Navratil

Auditor:
Dawn Sattler

Treasurer:
Debra Wooley

State's Attorney:
Kerry Cameron

Register of Deeds:
Carol Jean Martenson

Sheriff:
Jay Tasa

ROBERTS COUNTY
TABLE OF CONTENTS

Page

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
Schedule of Prior Audit Findings.....	3
Schedule of Current Audit Findings.....	3
Independent Auditor's Report.....	9
<i>Basic Financial Statements</i>	
<u>Government-wide Financial Statements:</u>	
As of December 31, 2014:	
Statement of Net Position--Modified Cash Basis.....	11
For the Year Ended December 31, 2014:	
Statement of Activities--Modified Cash Basis.....	12
For the Year Ended December 31, 2013:	
Statement of Activities--Modified Cash Basis.....	13
<u>Fund Financial Statements:</u>	
<u>Governmental Funds</u>	
As of December 31, 2014:	
Balance Sheet--Modified Cash Basis.....	14
For the Year Ended December 31, 2014:	
Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis.....	16
For the Year Ended December 31, 2013:	
Statement of Revenues, Expenditures and Changes in Fund Balances--Modified Cash Basis.....	20
<u>Proprietary Funds</u>	
As of December 31, 2014:	
Statement of Net Position--Modified Cash Basis.....	24
For the Year Ended December 31, 2014:	
Statement of Revenues, Expenses and Changes in Net Position--Modified Cash Basis.....	25

For the Year Ended December 31, 2013:

Statement of Revenues, Expenses and Changes in Net Position--Modified Cash Basis	26
--	----

Fiduciary Funds

As of December 31, 2014:

Statement of Fiduciary Net Position--Modified Cash Basis	27
--	----

Notes to the Modified Cash Basis Financial Statements	28
---	----

Supplementary Information:

For the Year Ended December 31, 2014:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund	43
--	----

Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund	45
--	----

For the Year Ended December 31, 2013:

Budgetary Comparison Schedule--Modified Cash Basis--General Fund	46
--	----

Budgetary Comparison Schedule--Modified Cash Basis--Road and Bridge Fund	48
--	----

Notes to the Supplementary Information – Budgetary Comparison Schedules	49
---	----

Schedule of Changes in Long-Term Debt	52
---	----



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

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
Roberts County
Sisseton, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Roberts 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 April 8, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current Audit Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Current Audit Findings as items No. 2014-001 and No. 2014-002 to be material weaknesses.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Current Audit Findings as item No. 2014-004.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Current Audit Findings. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

April 8, 2016

ROBERTS COUNTY
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Audit Findings:

Finding No. 2012-01:

Internal accounting controls over financial reporting for the years 2011 and 2012 were inadequate resulting in inaccurate information being presented to users of these reports. This finding has not been corrected and is restated as current audit Finding No. 2014-001.

Finding No. 2012-02:

Deficiencies were noted in internal accounting control and record keeping in the Sheriff/Jail Department resulting in a diminished assurance that transactions were properly executed and recorded and that assets were properly safeguarded. This finding has not been corrected and is restated as current audit Finding No. 2014-002.

Finding No. 2012-03:

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 in violation of South Dakota Codified Law (SDCL) 7-10-4. This finding has not been corrected and is restated as current audit Finding No. 2014-003.

Finding No. 2012-04:

The County incurred expenditures in excess of appropriations in violation of SDCL 7-21-25. This finding has not been corrected and is restated as current audit Finding No. 2014-004.

Current Audit Findings:

Internal Control-Related Findings - Material Weaknesses:

Financial Reporting Errors

Finding No. 2014-001:

Internal accounting controls over financial reporting for the years 2013 and 2014 were inadequate resulting in inaccurate information being presented to the users of these reports. This is the fourth consecutive audit report in which this finding was noted.

Analysis:

We noted the following significant errors in the County's annual financial reports for the years ended December 31, 2013 and December 31, 2014:

- a. In March of 2013, the County issued General Obligation Refunding Bonds, Series 2013 an advance crossover refunding of the Series 2006A bonds. The advance crossover refunding transaction was not properly accounted for in the County's financial statements. The effect of not properly accounting for the advanced crossover refunding resulted in the following errors in the 2013 and 2014 annual financial reports:
 - The 2013 fund financial statements the Jail Bond Debt Service Fund – Restricted Fund Balance was understated \$4,254,173.16, Investment Earnings were understated

\$11,490.29, Debt Service Expenditures were understated \$119,682.51, Long-Term Debt Issued was understated \$4,375,000.00, and Discount on Bonds was understated \$9,200.00.

- In addition, these errors resulted in the Jail Bond Debt Service Fund qualifying as a major fund and needing to be reported within its own column on the fund financial statements.
 - The effect of these errors to the 2013 Statement of Activities – Governmental Activities resulted in Public Safety Expenses being understated \$55,343.77, Interest on Long-Term Debt being understated \$50,420.16, Investment Earnings being understated \$11,490.29, and Debt Issued being understated \$4,375,000.00.
 - The 2014 fund financial statements the Jail Bond Debt Service Fund – Cash and Investments with Fiscal Agent and Restricted Fund Balance were understated \$4,199,650.05, Investment Earnings were understated \$15,186.89, Debt Service Expenditures were understated \$69,710.00, and Beginning Fund Balance was understated \$4,254,173.16.
 - In addition, these errors resulted in the Jail Bond Debt Service Fund qualifying as a major fund and needing to be reported within its own column on the fund financial statements.
 - The effect these errors to the 2014 Statement of Net Position – Governmental Activities resulted in Cash and Investments with Fiscal Agent being understated \$4,199,650.05, Restricted Net Position-Other Purposes being overstated \$49,021.04, and Restricted Net Position-Debt Service Purposes being overstated \$4,248,671.09. The effect of these errors to the 2014 Statement of Activities – Governmental Activities resulted in Interest on Long-Term Debt being understated \$70,710.00, Investment Earnings being understated \$15,186.89, and Beginning Net Position being understated \$4,254,173.16.
- b. Significant fund balance classification errors were noted on the 2014 Governmental Funds-Balance Sheet. In the General Fund, Unassigned Fund Balance was overstated and Assigned Fund Balance was understated \$608,149.00. In the Other Governmental Funds, Unassigned Fund Balance was overstated \$21,477.37, Committed Fund Balance was overstated \$98,440.92, Restricted Fund Balance was understated \$55,318.89, and Assigned Fund Balance was understated \$15,578.36.
- c. The 2014 Statement of Net Position – Business-Type Activities – Restricted Cash and Cash Equivalents was understated \$60,058.85, Unrestricted Cash and Cash Equivalents was overstated \$60,058.85, Unrestricted Net Position was overstated \$60,058.85, Restricted Net Position-Other Purposes was overstated \$398,750.67, and Restricted Net Position-Landfill Closure/Postclosure was understated \$458,809.52.
- d. The 2014 Statement of Activities – Business-Type Activities – Solid Waste – Operating Grants and Contributions were overstated and Solid Waste Expenses were overstated by \$222,734.28.

Other less significant errors were also noted in the County's annual financial reports.

We were able to correct the reporting errors and therefore have issued an unmodified auditor's opinion on the financial statements contained in this audit report. However, users of the annual financial reports received information of diminished reliability.

RECOMMENDATION:

1. We recommend the County strengthen internal accounting controls over financial reporting.

Management's Response:

Roberts County will take into consideration the findings in the audit and endeavor to correct all errors in the future.

Sheriff/Jail Department Internal Accounting Controls and Record Keeping

Finding 2014-002:

Deficiencies were noted in internal accounting control and record keeping in the Sheriff/Jail Department resulting in a diminished assurance that transactions were properly executed and recorded and that assets were properly safeguarded. This is the third consecutive audit report in which this finding has appeared.

Analysis:

The following deficiencies in internal control over financial reporting and record keeping were noted:

- a. The Sheriff/Jail Department was not maintaining the following necessary accounting records:
 1. Control and Individual Account Receivable Record;
 2. Control and Individual Accounts Payable Record;
 3. Sheriff's Trust Account Bank Reconciliations; and,
- b. Within the Sheriff/Jail Department we found no evidence of bank reconciliations being performed or proof that the sheriff's records reconciled to the checking account balances for the Tiger/Kiosk System.
- c. The Sheriff/Jail Department did not make timely deposits to the sheriff's checking accounts or regular remittances to the County Treasurer. As of December 31, 2014, there existed \$35,491.43 of remittances that was not remitted to the County Treasurer (\$24,444.18 from the cash receipts/disbursements journal and \$11,047.25 from the Tiger Kiosk System). On April 8, 2014, the County Commission instituted a policy whereby the Sheriff/Jail was to deposit with the County Treasurer by the 15th of every month. Since the enacting of the policy there was only one month that the Sheriff/ Jail Department was in compliance with this policy (November 2014).
- d. The Sheriff/Jail Department did start maintaining a record or count of meals provided to inmates to enable the County to determine the accuracy of the billing received from an outside vendor providing meals to inmates. However, reconciliation between these jail meal count records and the vendor billing was not completed. In the two months we tested we noted variances between the jail meal count records and the vendor billings. For February of 2014, the County was billed for 1,419 more meals than the jail meal count tabulation sheets. For December of 2014, the County was billed for 549 more meals than the jail meal count tabulation sheets.
- e. The Sheriff/Jail Department did not reconcile the commissary reports within the Tiger/Kiosk System against the vendor billings for commissary services. We tested four months in current audit period and found that the commissary reports from the Tiger/Kiosk System did not equal the billings being received from the vendor supplying commissary services. We further noted that starting in February of 2014 it appeared the vendor supplying commissary started allowing inmates to accumulate receivable balances relating to the commissary services. As of December 31, 2014, it appears that \$10,261.13 is owed for commissary services.
- f. The Sheriff/Jail Department did not perform adequate back up procedures of critical accounting and jail files and software programs.
- g. Controls over the access to and the privileges assigned to each persons related to the Tiger Kiosk System were not properly documented and controlled.
- h. The Sheriff/Jail Department did not perform consistent periodic reconciliation and depositing of all cash collections. We were not able to adequately test depositing intact of all collections into the bank accounts.
- i. Work release activity was not being adequately or completely accounted for in the 24/7 daily jail log or Tiger Kiosk System resulting discrepancies related to the work release activity.
- j. At February 3, 2016, the County had a receivable balance of \$4,999.40 related to the 24/7 Sobriety Program participants which is contrary to the rules for participation in the 24/7 Sobriety Program.

- k. A reconciliation between the items listed on the evidence room log and a physical count was not being adequately performed.

Internal accounting control and record keeping deficiencies diminish reasonable assurances that transactions are properly executed and recorded and that assets are properly safeguarded.

RECOMMENDATIONS:

2. We recommend the Sheriff/Jail Department maintain the proper and necessary accounting records.
3. We recommend the Sheriff/Jail Department perform a monthly reconciliation of the accounting records to the bank statements.
4. We recommend that deposits be made at least weekly into the Sheriff's Trust Accounts and at least monthly by the 15th with the County Treasurer as set by the County policy and that the County consider remitting all deposits to the County Treasurer and close the Sheriff's Trust Accounts.
5. We recommend the Sheriff/Jail Department perform a reconciliation of the meals and commissary provided to inmates to verify the accuracy of the billings received from an outside vendor providing meals and commissary to inmates. The County should perform this verification starting with February of 2014 to the current date verify the amount billed by the outside vendor was appropriate.
6. We recommend the Sheriff/Jail Department seek advice from the County's States Attorney and collect all outstanding receivable balances related to the commissary services and not allow inmates to incur any further receivable balances.
7. We recommend the Sheriff/Jail Department perform adequate back-up procedures of all critical accounting and jail files and software programs.
8. We recommend the Sheriff/Jail Department determines who all has access to and what privileges each of these persons has to the Tiger Kiosk System.
9. We recommend the Sheriff/Jail Department perform consistent periodic reconciliation and depositing of all cash collections.
10. We recommend the Sheriff/Jail Department account for all work release activity in the jail 24/7 daily jail log or Tiger Kiosk system.
11. We recommend the Sheriff/Jail Department seek advice from the County's States Attorney and collect all outstanding 24/7 Sobriety Program receivable balance and not allow participants to incur any further receivable balances.
12. We recommend the Sheriff/Jail Department perform a proper reconciliation, including all items, between the items listed on the evidence room log and a physical count at least annually.

Management's Response:

Roberts County will take into consideration the findings in the audit and endeavor to correct all errors in the future.

Compliance and Other Matters:

Annual Financial Reports

Finding No. 2014-003:

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, 2013 and December 31, 2014 in violation of South Dakota Codified Law (SDCL) 7-10-4. This is the fifth consecutive audit report in which this finding has appeared.

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 for Roberts County for the year ended December 31, 2013 was filed with the Department of Legislative Audit on April 8, 2014 and was published on April 8, 2014. The annual financial report for Roberts County for the year ended December 31, 2014 was filed with the Department of Legislative Audit on June 16, 2015 and was published on June 23, 2015. In addition to being a violation of SDCL 7-10-4, the County Auditor's failure to prepare and publish the annual financial reports on a timely basis resulted in withholding financial information from the taxpayers of the County.

RECOMMENDATION:

13. 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:

Roberts County will take into consideration the findings in the audit and endeavor to correct all errors in the future.

Budgetary Noncompliance and Deficiencies

Finding No. 2014-004:

The County incurred expenditures in excess of appropriations in violation of SDCL 7-21-25. This is the fourth consecutive audit report in which this finding has appeared.

Analysis:

Appropriations included in the annual budget constitute maximum authorizations to spend during the fiscal year (SDCL 7-21-25), and cannot be exceeded except by subsequent amendment of the budget by the county commission pursuant to SDCL.

SDCL 7-21-25 states:

Unless specially and expressly authorized by law, it shall be unlawful for the board of county commissioners or any member thereof, or for any officer of any county or any employee thereof in charge of any institution or agency of a county, to contract any indebtedness or incur any liabilities for or in behalf of the county, in any manner whatsoever, either for a purpose, object, or item for which no appropriation is provided in the budget of such county for the fiscal year in which such indebtedness is attempted to be contracted or liability attempted to be created, or in excess of the amount of any specific appropriation for any purpose, object, or item set forth in the budgets of such county, for the fiscal year in which such indebtedness is attempted to be contracted or liability attempted to be created.

We noted the following instances of noncompliance with SDCL:

- a. In 2013 the County had line item appropriation overdrafts of \$5,231.90 and \$997.35 in the General Fund, and \$119,682.51 in the Jail Bond Debt Service Fund.

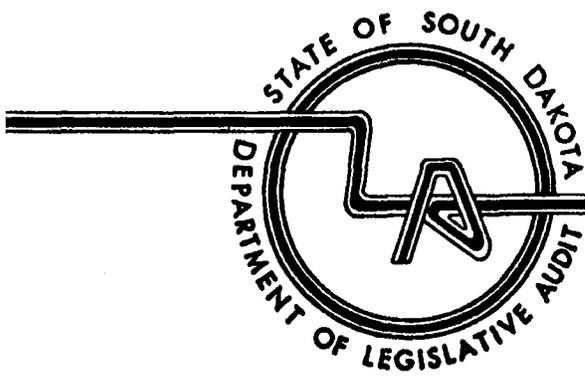
- b. In 2014 the County had line item appropriation overdrafts of \$493,313.64 and \$34,711.36 in the Road and Bridge Fund, and \$70,710.00 in the Jail Bond Debt Service Fund.

RECOMMENDATION:

14. We recommend that the County not incur any expenditure in excess of the amount appropriated in compliance with SDCL 7-21-25.

Management's Response:

Roberts County will take into consideration the findings in the audit and endeavor to correct all errors in the future.



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

MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

County Commission
Roberts County
Sisseton, South Dakota

Report on the Financial Statements

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Roberts 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, the business-type activities, each major fund, and the aggregate remaining fund information of Roberts 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.

The County changed its basis of accounting from a basis consistent with accounting principles generally accepted in the United States to a modified cash basis of accounting. Accordingly, a comparison of the accompanying financial statements to financial statements presented in prior years is not recommended.

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 April 8, 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

April 8, 2016

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 862,675.11	\$ 359,437.89	\$ 1,222,113.00
Cash and Investments with Fiscal Agent	4,199,650.05		4,199,650.05
Restricted Assets:			
Cash and Cash Equivalents		458,809.52	458,809.52
TOTAL ASSETS	\$ 5,062,325.16	\$ 818,247.41	\$ 5,880,572.57
NET POSITION:			
Restricted For: (See Note 7)			
Debt Service Purposes	\$ 4,248,671.09	\$	\$ 4,248,671.09
Landfill Closure/Postclosure Care Purposes		458,809.52	458,809.52
Other Purposes	55,318.89		55,318.89
Unrestricted	758,335.18	359,437.89	1,117,773.07
TOTAL NET POSITION	\$ 5,062,325.16	\$ 818,247.41	\$ 5,880,572.57

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
General Government	\$ 1,198,844.69	\$ 229,217.71	\$ 11,962.32	\$ (957,664.66)	\$	\$ (957,664.66)
Public Safety	2,458,929.26	345,570.95	154,151.00	(1,959,207.31)		(1,959,207.31)
Public Works	2,731,182.87	54,126.00	1,538,928.41	(1,138,128.46)		(1,138,128.46)
Health and Welfare	162,457.55	90,085.39		(72,372.16)		(72,372.16)
Culture and Recreation	6,346.38			(6,346.38)		(6,346.38)
Conservation of Natural Resources	111,999.74	25,283.28	939.60	(85,776.86)		(85,776.86)
Urban and Economic Development	61,603.90	8,368.00		(53,235.90)		(53,235.90)
*Interest on Long-Term Debt	319,791.56			(319,791.56)		(319,791.56)
Total Governmental Activities	7,051,155.95	752,651.33	1,705,981.33	(4,592,523.29)	0.00	(4,592,523.29)
Business-Type Activities:						
Solid Waste	388,850.21	574,750.01			185,899.80	185,899.80
Total Primary Government	\$ 7,440,006.16	\$ 1,327,401.34	\$ 1,705,981.33	(4,592,523.29)	185,899.80	(4,406,623.49)
General Revenues:						
Taxes:						
Property Taxes				3,703,720.17		3,703,720.17
Wheel Tax				229,827.24		229,827.24
State Shared Revenues				92,782.33		92,782.33
Grants and Contributions not Restricted to Specific Programs				6,391.61		6,391.61
Unrestricted Investment Earnings				20,472.32	1,450.67	21,922.99
Debt Issued				638,225.00		638,225.00
Miscellaneous Revenue				28,925.57		28,925.57
Total General Revenues				4,720,344.24	1,450.67	4,721,794.91
Change in Net Position				127,820.95	187,350.47	315,171.42
Net Position - Beginning				4,934,504.21	630,896.94	5,565,401.15
NET POSITION - ENDING				\$ 5,062,325.16	\$ 818,247.41	\$ 5,880,572.57

* 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.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 1,058,836.78	\$ 254,090.41	\$ 32,814.07	\$	\$ (771,932.30)	\$	\$ (771,932.30)
Public Safety	2,398,835.64	442,341.71	133,323.52		(1,823,170.41)		(1,823,170.41)
Public Works	2,288,893.50	69,535.63	1,367,636.06		(851,721.81)		(851,721.81)
Health and Welfare	162,029.72	62,598.95			(99,430.77)		(99,430.77)
Culture and Recreation	6,157.95				(6,157.95)		(6,157.95)
Conservation of Natural Resources	96,620.45	23,908.25	1,125.00		(71,587.20)		(71,587.20)
Urban and Economic Development	88,542.26	9,221.00	18,984.24		(60,337.02)		(60,337.02)
*Interest on Long-Term Debt	312,846.36				(312,846.36)		(312,846.36)
Total Governmental Activities	6,412,762.66	861,695.95	1,553,882.89	0.00	(3,997,183.82)	0.00	(3,997,183.82)
Business-Type Activities:							
Solid Waste	587,592.37	511,893.26		173,574.47		97,875.36	97,875.36
Total Primary Government	\$ 7,000,355.03	\$ 1,373,589.21	\$ 1,553,882.89	\$ 173,574.47	(3,997,183.82)	97,875.36	(3,899,308.46)
General Revenues:							
Taxes:							
					3,535,985.08		3,535,985.08
					231,296.53		231,296.53
					107,170.54		107,170.54
					5,667.56		5,667.56
					16,000.15	855.42	16,855.57
					4,513,233.00	141,283.80	4,654,516.80
					15,608.17		15,608.17
Total General Revenues					8,424,961.03	142,139.22	8,567,100.25
Change in Net Position					4,427,777.21	240,014.58	4,667,791.79
Net Position - Beginning					9,151,868.91	1,436,608.09	10,588,477.00
Adjustments:							
Change in Basis of Accounting (See Note 9)					(8,645,141.91)	(1,045,725.73)	(9,690,867.64)
Adjusted Net Position - Beginning					506,727.00	390,882.36	897,609.36
NET POSITION - ENDING					\$ 4,934,504.21	\$ 630,896.94	\$ 5,565,401.15

* 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.

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Jail Bond Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 742,756.82	\$	\$ 49,021.04	\$ 70,897.25	\$ 862,675.11
Cash and Investments with Fiscal Agent			4,199,650.05		4,199,650.05
TOTAL ASSETS	<u>\$ 742,756.82</u>	<u>\$ 0.00</u>	<u>\$ 4,248,671.09</u>	<u>\$ 70,897.25</u>	<u>\$ 5,062,325.16</u>
FUND BALANCES: (See Note 1.k.)					
Restricted	\$	\$	\$ 4,248,671.09	\$ 55,318.89	\$ 4,303,989.98
Assigned	608,149.00			15,578.36	623,727.36
Unassigned	134,607.82				134,607.82
TOTAL FUND BALANCES	<u>\$ 742,756.82</u>	<u>\$ 0.00</u>	<u>\$ 4,248,671.09</u>	<u>\$ 70,897.25</u>	<u>\$ 5,062,325.16</u>

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

(blank page)

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Jail Bond Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes:					
General Property Taxes--Current	\$ 3,043,546.93	\$	\$ 508,976.04	\$ 92,938.65	\$ 3,645,461.62
General Property Taxes--Delinquent	34,093.76		6,220.98	60.24	40,374.98
Penalties and Interest	16,180.75				16,180.75
Mobile Home Tax	1,458.98		243.84		1,702.82
Wheel Tax		229,827.24			229,827.24
Licenses and Permits	22,287.63	5,675.00		2,280.00	30,242.63
Intergovernmental Revenue:					
Federal Grants	3,655.60			46,395.41	50,051.01
Federal Shared Revenue	4,268.91		712.70		4,981.61
Federal Payments in Lieu of Taxes	1,410.00				1,410.00
State Grants		224,833.30		17,082.00	241,915.30
State Shared Revenue:					
Bank Franchise	30,463.90	7,299.24			37,763.14
Motor Vehicle Licenses		1,205,764.84			1,205,764.84
Court Appointed Attorney/Public Defender	9,246.32				9,246.32
Prorate License Fees		70,354.56			70,354.56
63 3/4% Mobile Home		12,975.71			12,975.71
Telecommunications Gross Receipts Tax	55,019.19				55,019.19
911 Remittances				90,673.59	90,673.59
Other Intergovernmental Revenue		25,000.00			25,000.00
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	18,634.51				18,634.51
Register of Deeds' Fees	88,382.20			9,652.86	98,035.06
Legal Services	42,881.28			691.00	43,572.28
Clerk of Courts Fees	11,778.71				11,778.71
Other Fees	2,524.15				2,524.15
Public Safety:					
Law Enforcement	70,255.43				70,255.43
Prisoner Care	245,840.50				245,840.50
Sobriety Testing				15,559.00	15,559.00

Public Works:					
Road Maintenance Contract Charges		48,451.00			48,451.00
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	60,394.23				60,394.23
Veterans Service Officer	3,750.00				3,750.00
Health Assistance:					
Women, Infants and Children	29,691.16				29,691.16
Conservation of Natural Resources	25,283.28				25,283.28
Fines and Forfeits:					
Costs	12,266.65				12,266.65
Other	566.37				566.37
Miscellaneous Revenue:					
Investment Earnings	2,454.07	146.32	17,689.39	182.54	20,472.32
Rent	35,806.37				35,806.37
Other	14,721.50	261.07			14,982.57
Total Revenues	<u>3,886,862.38</u>	<u>1,830,588.28</u>	<u>533,842.95</u>	<u>275,515.29</u>	<u>6,526,808.90</u>

Expenditures:

General Government:

 Legislative:

Board of County Commissioners	141,844.60				141,844.60
Elections	33,252.16				33,252.16
Judicial System	42,682.36				42,682.36

 Financial Administration:

Auditor	133,840.46				133,840.46
Treasurer	135,969.67				135,969.67

 Legal Services:

State's Attorney	119,534.40				119,534.40
Court Appointed Attorney	188,540.54				188,540.54

 Other Administration:

General Government Building	108,710.88				108,710.88
Director of Equalization	103,625.53				103,625.53
Register of Deeds	88,239.72			5,177.56	93,417.28
Veterans Service Officer	90,313.34				90,313.34
Predatory Animal	4,613.47				4,613.47
Other - Citizens of Big Stone Lake	2,500.00				2,500.00

Public Safety:

 Law Enforcement:

Sheriff	434,641.03				434,641.03
County Jail	1,142,888.95			23,909.52	1,166,798.47
Coroner	2,961.18				2,961.18
Juvenile Detention	100,297.79				100,297.79

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Jail Bond Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Protective and Emergency Services:					
Emergency and Disaster Services				40,424.60	40,424.60
Communication Center	209,449.00			142,698.66	352,147.66
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		2,446,077.50		69,356.37	2,515,433.87
Health and Welfare:					
Economic Assistance:					
Support of Poor	15,606.04				15,606.04
Low Income Energy Assistance Program	1,000.00				1,000.00
Health Assistance:					
County Nurse	54,294.89				54,294.89
Women, Infants and Children	38,067.35				38,067.35
Social Services:					
Care of Aged	6,000.00				6,000.00
Domestic Abuse				2,663.81	2,663.81
Mental Health Services:					
Mentally Ill	31,120.95				31,120.95
Developmentally Disabled	880.00				880.00
Mental Health Centers	12,824.51				12,824.51
Culture and Recreation:					
Culture:					
Public Library	500.00				500.00
Recreation:					
County Fair	5,846.38				5,846.38
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	58,566.58				58,566.58
Weed and Pest Control	53,433.16				53,433.16
Urban and Economic Development:					
Urban Development:					
Planning and Zoning	10.20				10.20
Urban and Rural Development	15,913.50				15,913.50

Debt Service	63,370.32	238,404.36	585,080.00	70,696.24	957,550.92
Total Expenditures	<u>3,441,338.96</u>	<u>2,684,481.86</u>	<u>585,080.00</u>	<u>354,926.76</u>	<u>7,065,827.58</u>
Excess of Revenues Over (Under) Expenditures	<u>445,523.42</u>	<u>(853,893.58)</u>	<u>(51,237.05)</u>	<u>(79,411.47)</u>	<u>(539,018.68)</u>
Other Financing Sources (Uses):					
Transfers In	405.26	316,600.00		46,460.00	363,465.26
Transfers Out	(363,060.00)	(31.34)		(373.92)	(363,465.26)
Long-Term Debt Issued	116,352.00	521,873.00			638,225.00
Insurance Proceeds	12,893.63	1,778.00			14,671.63
Sale of County Property	597.00	13,346.00			13,943.00
Total Other Financing Sources (Uses)	<u>(232,812.11)</u>	<u>853,565.66</u>	<u>0.00</u>	<u>46,086.08</u>	<u>666,839.63</u>
Net Change in Fund Balance	212,711.31	(327.92)	(51,237.05)	(33,325.39)	127,820.95
Fund Balance - Beginning	<u>530,045.51</u>	<u>327.92</u>	<u>4,299,908.14</u>	<u>104,222.64</u>	<u>4,934,504.21</u>
FUND BALANCE - ENDING	<u>\$ 742,756.82</u>	<u>\$ 0.00</u>	<u>\$ 4,248,671.09</u>	<u>\$ 70,897.25</u>	<u>\$ 5,062,325.16</u>

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

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Jail Bond Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes:					
General Property Taxes--Current	\$ 2,875,874.64	\$	\$ 509,111.11	\$ 103,663.08	\$ 3,488,648.83
General Property Taxes--Delinquent	25,582.61		4,874.00		30,456.61
Penalties and Interest	13,930.68	59.05		2.50	13,992.23
Mobile Home Tax	2,531.63	42.60	311.53	1.65	2,887.41
Wheel Tax		231,296.53			231,296.53
Licenses and Permits	23,981.45	22,279.35		2,520.00	48,780.80
Intergovernmental Revenue:					
Federal Grants	1,125.00			38,803.91	39,928.91
Federal Shared Revenue			653.08		653.08
Federal Payments in Lieu of Taxes	5,014.48				5,014.48
State Grants	26,880.00	224,153.98			251,033.98
State Shared Revenue:					
Bank Franchise	29,150.55	6,984.56			36,135.11
Motor Vehicle Licenses		1,063,215.23			1,063,215.23
Court Appointed Attorney/Public Defender	5,920.72				5,920.72
Prorate License Fees		65,771.42			65,771.42
Abused and Neglected Child Defense	13.35				13.35
63 3/4% Mobile Home		6,800.86			6,800.86
Telecommunications Gross Receipts Tax	63,294.08				63,294.08
Motor Fuel Tax		7,694.57			7,694.57
911 Remittances				94,519.61	94,519.61
Other Payments in Lieu of Taxes	7,741.35				7,741.35
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	18,994.37				18,994.37
Register of Deeds' Fees	109,207.20			10,593.42	119,800.62
Legal Services	48,721.44			480.00	49,201.44
Clerk of Courts Fees	10,948.60				10,948.60
Other Fees	2,816.56				2,816.56
Public Safety:					
Law Enforcement	51,217.97				51,217.97
Prisoner Care	361,730.27				361,730.27

Sobriety Testing				13,642.00	13,642.00
Public Works:					
Road Maintenance Contract Charges		45,566.28			45,566.28
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	42,524.49				42,524.49
Health Assistance:					
Women, Infants and Children	20,074.46				20,074.46
Conservation of Natural Resources	23,908.25				23,908.25
Fines and Forfeits:					
Costs	13,310.43				13,310.43
Forfeits	397.00				397.00
Other	1,986.04				1,986.04
Miscellaneous Revenue:					
Investment Earnings	2,078.84	283.92	13,569.22	68.17	16,000.15
Rent	35,106.37	1,690.00			36,796.37
Contributions and Donations				18,984.24	18,984.24
Other	3,121.56	11,784.69			14,906.25
Total Revenues	<u>3,827,184.39</u>	<u>1,687,623.04</u>	<u>528,518.94</u>	<u>283,278.58</u>	<u>6,326,604.95</u>

Expenditures:

General Government:					
Legislative:					
Board of County Commissioners	119,119.77				119,119.77
Elections	4,868.00				4,868.00
Judicial System	30,164.39				30,164.39
Financial Administration:					
Auditor	136,184.90				136,184.90
Treasurer	133,421.25				133,421.25
Legal Services:					
State's Attorney	116,617.26				116,617.26
Court Appointed Attorney	144,996.00				144,996.00
Other Administration:					
General Government Building	106,776.34				106,776.34
Director of Equalization	99,951.59				99,951.59
Register of Deeds	81,295.72			908.00	82,203.72
Veterans Service Officer	80,074.87				80,074.87
Predatory Animal	4,613.47				4,613.47
Public Safety:					
Law Enforcement:					
Sheriff	420,752.88				420,752.88
County Jail	1,034,904.26			16,564.88	1,051,469.14
Coroner	16,145.38				16,145.38
Juvenile Detention	101,442.57				101,442.57

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Jail Bond Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Protective and Emergency Services:					
Emergency and Disaster Services				56,215.49	56,215.49
Communication Center	178,023.24			143,382.79	321,406.03
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		2,105,923.42			2,105,923.42
Health and Welfare:					
Economic Assistance:					
Support of Poor	13,592.77				13,592.77
Health Assistance:					
County Nurse	51,114.47				51,114.47
Women, Infants and Children	37,050.17				37,050.17
Social Services:					
Care of Aged	6,000.00				6,000.00
Domestic Abuse				2,900.12	2,900.12
Mental Health Services:					
Mentally Ill	39,844.11				39,844.11
Developmentally Disabled	880.00				880.00
Mental Health Centers	10,648.08				10,648.08
Culture and Recreation:					
Culture:					
Public Library	250.00				250.00
Recreation:					
County Fair	5,907.95				5,907.95
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	49,101.89				49,101.89
Weed and Pest Control	47,606.61				47,606.61
Urban and Economic Development:					
Urban Development:					
Planning and Zoning	30.44				30.44
Urban and Rural Development	15,450.00				15,450.00
Debt Service	68,206.35				68,206.35
Total Expenditures	<u>3,155,034.73</u>	<u>2,304,538.58</u>	<u>635,522.51</u>	<u>103,258.64</u>	<u>6,418,325.74</u>

Excess of Revenues Over (Under) Expenditures	672,149.66	(616,915.54)	(107,003.57)	(39,951.34)	(91,720.79)
Other Financing Sources (Uses):					
Transfers In	638.13	465,829.45		86,800.00	553,267.58
Transfers Out	(552,629.45)	(283.92)		(354.21)	(553,267.58)
Long-Term Debt Issued	26,583.00	111,650.00	4,375,000.00		4,513,233.00
Insurance Proceeds	12,999.08	1,764.00			14,763.08
Sale of County Property		701.92			701.92
Discount on Bonds Issued			(9,200.00)		(9,200.00)
Total Other Financing Sources (Uses)	(512,409.24)	579,661.45	4,365,800.00	86,445.79	4,519,498.00
Net Change in Fund Balance	159,740.42	(37,254.09)	4,258,796.43	46,494.45	4,427,777.21
Fund Balance - Beginning	379,983.45	160,883.81	41,111.71	61,385.02	643,363.99
Adjustments:					
Change in Basis of Accounting (See Note 9)	(9,678.36)	(123,301.80)		(3,656.83)	(136,636.99)
Adjusted Fund Balance - Beginning	370,305.09	37,582.01	41,111.71	57,728.19	506,727.00
FUND BALANCE - ENDING	\$ 530,045.51	\$ 327.92	\$ 4,299,908.14	\$ 104,222.64	\$ 4,934,504.21

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

ROBERTS COUNTY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
December 31, 2014

	Enterprise Funds
	Solid Waste
	Fund
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 359,437.89
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	458,809.52
TOTAL ASSETS	\$ 818,247.41
NET POSITION:	
Restricted For:	
Landfill Closure and Postclosure Costs	\$ 458,809.52
Unrestricted	359,437.89
TOTAL NET POSITION	\$ 818,247.41

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

ROBERTS COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Enterprise Funds
	Solid Waste Fund
Operating Revenues:	
Charges for Goods and Services	\$ 568,839.90
Miscellaneous	5,910.11
	<u>574,750.01</u>
Operating Expenses:	
Personal Services	190,115.20
Other Current Expense	161,900.53
Capital Assets	6,800.00
	<u>358,815.73</u>
Total Operating Expenses	<u>358,815.73</u>
Operating Income (Loss)	<u>215,934.28</u>
Nonoperating Revenues (Expenses):	
Investment Earnings	1,450.67
Interest Expense and Fiscal Charges	(2,724.00)
Debt Service (Principal)	(27,310.48)
	<u>(28,583.81)</u>
Total Nonoperating Revenues (Expenses)	<u>(28,583.81)</u>
Change in Net Position	187,350.47
Net Position - Beginning	<u>630,896.94</u>
NET POSITION - ENDING	<u><u>\$ 818,247.41</u></u>

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

ROBERTS COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Enterprise Funds
	Solid Waste
	Fund
Operating Revenues:	
Charges for Goods and Services	\$ 507,170.82
Miscellaneous	4,722.44
	511,893.26
Total Operating Revenues	
Operating Expenses:	
Personal Services	167,207.34
Other Current Expense	300,231.46
	467,438.80
Total Operating Expenses	
Operating Income (Loss)	44,454.46
Nonoperating Revenues (Expenses):	
Investment Earnings	855.42
Interest Expense and Fiscal Charges	(5,225.38)
Debt Service (Principal)	(114,928.19)
Long-Term Debt Issued	141,283.80
	21,985.65
Total Nonoperating Revenues (Expenses)	
Income (Loss) Before Contributions	66,440.11
Capital Grants	173,574.47
	240,014.58
Change in Net Position	
Net Position - Beginning	1,436,608.09
Adjustments:	
Change in Basis of Accounting (See Note 9)	(1,045,725.73)
	390,882.36
Adjusted Net Position - Beginning	
NET POSITION - ENDING	\$ 630,896.94

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

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

	<u>Agency Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 393,940.43
TOTAL ASSETS	<u>\$ 393,940.43</u>
NET POSITION:	
Net Position Held in Agency Capacity	\$ 393,940.43
TOTAL NET POSITION	<u>\$ 393,940.43</u>

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

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

The County and the City of Sisseton jointly govern the Roberts County Regional Railroad Authority. See detailed note entitled "Jointly Governed Organization" for specific disclosures.

b. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and 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 three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. 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, Courthouse Building, 24/7 Sobriety, and

Modernization and Preservation Relief. These funds are reported on the fund financial statements as "Other Governmental Funds."

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Jail Bond Debt Service Fund – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs as well as the account activity related to the 2013 advance crossover general obligation refunding bonds to be used to refund the 2006 general obligation bonds on December 1, 2015. This is a major fund.

Series 2000 TIF Revenue Bond Debt Service Fund – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs. This is not a major fund.

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).

TIF #2 Capital Projects Fund – to account for financial resources to be used for the construction of public improvements within the District. This is not a major fund.

Proprietary Funds:

Enterprise Funds – Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity's principal revenue sources.

- a. *The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)*
- b. *Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.*
- c. *The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).*

Solid Waste Fund – financed primarily by user charges this fund accounts for the solid waste operation of the County as provided by SDCL 34A-6. This is 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, both governmental and business-type 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 and business-type 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, while the fund financial statements for proprietary fund types would use the 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 treasury notes 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, governmental and business-type activities are presented using a modified cash basis of accounting. The County has not elected to modify their cash basis presentation by recording capital assets arising from cash transactions and depreciating those assets where appropriate so any capital assets owned by the County and the related depreciation are not reported on the financial statements of the County.

f. Long-Term Liabilities:

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

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-type activities 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. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses and Changes in Fund Net Position, revenues and expenses are classified as operating or nonoperating revenues and expenses. Operating revenues and expenses directly relate to the purpose of the fund.

i. 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. Proprietary fund equity is classified the same as in the government-wide financial statements. Agency Funds have no fund equity. The Net Position is reported as Net Position Held in Agency Capacity.

j. 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.

k. 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

Road and Bridge Fund

Revenue Source

Wheel Tax, State Grants, Motor Vehicle Licenses, and Prorate License Fees

A schedule of fund balances is provided as follows:

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Jail Bond Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Restricted For:					
Debt Service Requirements	\$	\$	\$ 4,248,671.09	\$	\$ 4,248,671.09
Courthouse Building Purposes				2,859.50	2,859.50
Emergency Management Purposes				5,970.81	5,970.81
24/7 Sobriety Purposes				13,768.22	13,768.22
Modernization and Preservation					
Relief Purposes				17,986.84	17,986.84
Domestic Abuse Purposes				700.88	700.88
TIF #2 Capital Improvement					
Purposes				14,032.64	14,032.64
Assigned To:					
Applied to Next Year's Budget	608,149.00				608,149.00
24/7 Sobriety Purposes				1.50	1.50
Courthouse Building Purposes				1.05	1.05
Modernization and Preservation					
Relief Purposes				69.25	69.25
Emergency Management Purposes				15,503.52	15,503.52
911 Service Purposes				3.04	3.04
Unassigned	<u>134,607.82</u>				<u>134,607.82</u>
Total Fund Balances	<u><u>\$ 742,756.82</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 4,248,671.09</u></u>	<u><u>\$ 70,897.25</u></u>	<u><u>\$ 5,062,325.16</u></u>

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The County is prohibited by statute from spending in excess of appropriated amounts at the department level. The following represents the significant overdrafts of the expenditures compared to appropriations:

	<u>Year Ended</u> <u>12/31/2014</u>	<u>Year Ended</u> <u>12/31/2013</u>
General Fund:		
<u>Activity</u>		
Auditor		\$ 5,231.90
Debt Service		\$ 997.35

Road and Bridge Fund:

<u>Activity</u>		
Highways, Roads and Bridges	\$ 493,313.64	
Debt Service	\$ 34,711.36	

Jail Bond Debt Service Fund:

<u>Activity</u>		
Debt Service	\$ 70,710.00	\$ 119,682.51

The Board of County Commissioners plans to take the following actions to address these violations:

The over expenditure at the Auditor activity line within the General Fund resulted after a necessary formal adjusting journal entry. The over expenditures within the Road and Bridge Fund and the Jail Bond Debt Service Fund would not have occurred if the County would have used the budget supplement process. In the future, the budgets will be watched more closely.

3. 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's investment policy does not further limit its investment choices.

As of December 31, 2014, the County had the following investments.

Investment	Credit Rating	Maturities	Fair Value
U.S. Treasury Notes	N/A	06/01/2015	\$ 27,305.00
U.S. Treasury Notes	N/A	12/01/2015	<u>4,172,344.00</u>
TOTAL INVESTMENTS			<u>\$ 4,199,649.00</u>

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 deposits and investments to the General Fund, except for the 911 Service Special Revenue, Debt Service, Capital Projects, and Solid Waste (Landfill) funds, which retain their investment income. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the government-wide financial statements, they have been eliminated.

4. RESTRICTED CASH AND INVESTMENTS

Assets restricted to use for a specific purpose through segregation of balances in separate accounts are as follows:

Amount: \$ 458,809.52	Purpose: For required Closure and Postclosure Costs for the Landfill as required by ARSD 74:27:16:05 for financial assurance.
--------------------------	--

5. 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.

6. LANDFILLS

The Landfill operation is handled as an Enterprise Fund by the County. The plan for the operation of the disposal site is based on Administrative Rules of the State of South Dakota (ARSD) 74:27:13. Plans for the operation and various contingencies have been prepared for and are available at the office of the County Auditor.

The site is established on a total capacity of 531,767 cubic yards with an estimated life expectancy of 30 years.

The operating life of the plan is based on current use rate of 14,000 cubic yards per year considering the factor mandated recycling for the future.

Financial assurances for corrective action are only required at facilities with known releases of contaminants. Roberts County has not had any known releases of contaminants. The closure/postclosure requirements were established at \$948,868.00 upon review and revision in 2014.

The County is required to recognize the cost of closure and postclosure care as the landfill is used. The County is also required to take into account the possibilities of higher or lower costs due to inflation, changes in technology, or changes in regulations. The County is in compliance with the funding requirements set forth for closure and postclosure.

The County has \$458,809.52 reported as restricted cash to fund the closure and postclosure costs as required by ARSD 74:27:16:05 for financial assurance as of December 31, 2014.

Use of the landfill area began in 1995. Refuse deposited at the landfill through December 31, 2014, was 272,003.72 cubic yards. This amount represents usage of approximately 51 percent of the projected landfill capacity.

7. RESTRICTED NET POSITION

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

Major Purposes:

Jail Bond Debt Service Purposes	\$ 4,248,671.09
Landfill Closure/Postclosure Care Purposes	<u>458,809.52</u>

Other Purposes:

Courthouse Building Purposes	2,859.50
Domestic Abuse Purposes	700.88
Emergency Management Purposes	5,970.81
24/7 Sobriety Purposes	13,768.22
Modernization and Preservation	
Relief Purposes	17,986.84
TIF #2 Public Improvement Purposes	<u>14,032.64</u>

Total Other Purposes	<u>55,318.89</u>
----------------------	------------------

Total Restricted Net Position \$ 4,762,799.50

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

8. INTERFUND TRANSFERS

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

<u>Transfers From:</u>	<u>Transfers To:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	
Major Funds:				
General Fund	\$	\$ 316,600.00	\$ 46,460.00	\$ 363,060.00
Road and Bridge Fund	31.34			31.34
Other Governmental Funds	<u>373.92</u>			<u>373.92</u>
Total	<u>\$ 405.26</u>	<u>\$ 316,600.00</u>	<u>\$ 46,460.00</u>	<u>\$ 363,465.26</u>

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

<u>Transfers From:</u>	<u>Transfers To:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	
Major Funds:				
General Fund	\$	\$ 465,829.45	\$ 86,800.00	\$ 552,629.45
Road and Bridge Fund	283.92			283.92
Other Governmental Funds:	<u>354.21</u>			<u>354.21</u>
Total	<u>\$ 638.13</u>	<u>\$ 465,829.45</u>	<u>\$ 86,800.00</u>	<u>\$ 553,267.58</u>

The County typically budgets transfers from the Domestic Abuse (Other Governmental Fund) to the General Fund for the allowable administrative expenditures. The County typically transfers to the Road and Bridge Fund, Emergency Management Fund, and 911 Service Fund (Other Governmental Funds) to conduct the indispensable functions of the County.

9. PRIOR PERIOD ADJUSTMENTS

Beginning Fund Balance of the Governmental Funds has been adjusted to restate the cumulative effects of changing from the modified accrual basis of accounting to the modified cash basis of accounting (See Note 1.c.). The following items reconcile the beginning fund balances.

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Accounts Payable	\$ 43,075.70	\$ 35,024.36	\$ 668.92	\$ 78,768.98
Accounts Receivable, Net	(52,754.06)	(11,671.57)	(4,325.75)	(68,751.38)
Inventory of Supplies		<u>(146,654.59)</u>		<u>(146,654.59)</u>
Beginning Fund Balance Adjustments				
Due to Accounting Change – Modified				
Accrual to Modified Cash Basis	<u>\$ (9,678.36)</u>	<u>\$ (123,301.80)</u>	<u>\$ (3,656.83)</u>	<u>\$ (136,636.99)</u>

Beginning Net Position of the Business-Type Activities/Solid Waste Fund, and the Governmental Activities has been adjusted to restate the cumulative effects of changing from the full accrual basis of accounting to the modified cash basis of accounting (See Note 1.c.). The following items reconcile the beginning net position.

	Total Governmental Activities
Net Affect of Governmental Funds (above)	\$ (136,636.99)
Capital Assets and Related Accumulated Depreciation	(14,625,275.26)
Long-Term Liabilities	6,191,532.13
Assets Deferred in the Funds	<u>(74,761.79)</u>
Beginning Net Position Adjustments Due to Accounting Change – Full Accrual To Modified Cash Basis	<u>\$ (8,645,141.91)</u>
	Business-Type Activities/Solid Waste Fund
Accounts Payable	\$ 170,615.30
Due to Other Government	652.17
Accounts Receivable, Net	(59,548.64)
Due From Other Government	(235,473.00)
Inventory of Supplies	(3,152.32)
Capital Assets and Related Accumulated Depreciation	(1,523,493.69)
Compensated Absences	16,909.84
Long-Term Liabilities	242,784.19
Accrued Landfill Closure and Postclosure Care Costs	<u>344,980.42</u>
Beginning Net Position Adjustments Due to Accounting Change – Full Accrual To Modified Cash Basis	<u>\$ (1,045,725.73)</u>

10. 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 \$127,077.91, \$124,976.16, and \$111,656.67, respectively, equal to the required contributions each year.

11. JOINTLY GOVERNED ORGANIZATIONS

The County in conjunction with the City of Sisseton, (members) created the Roberts Regional Railroad Authority (Authority). The Authority was created to maintain and improve the railroad to and in their respective jurisdictions. The Authority was created as allowed by SDCL 49-17A and was incorporated on December 9, 1980. The Board of Commissioners of the Authority shall be comprised of seven (7) representatives of members, selected jointly by the members. The political subdivisions which are members of the Authority and its commissioners, officers, and agents shall not be liable for obligations of the Authority. The Authority shall not certify to any of the governing bodies of the members any tax except in order to service and pay an obligation of the Authority previously approved by at least a majority of the electors of the area subject to such assessment. The method of giving notice for, and the manner of holding, such elections shall be provided for in the bylaws of the Authority.

12. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2014, the County was involved in three 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 a commercial insurance carrier. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

13. SUBSEQUENT EVENTS

On December 31, 2015, the Series 2006 General Obligation Bonds were refunded by the Series 2013 General Obligation Advance Crossover Refunding Bonds.

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

Worker's Compensation:

The County joined the South Dakota Municipal League Worker's Compensation Fund (Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The County's responsibility is to initiate and maintain a safety program to give its employees safe and

sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The County pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first \$650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of \$2,000,000 per incident.

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

Unemployment Benefits:

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

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 3,072,219.00	\$ 3,072,219.00	\$ 3,043,546.93	\$ (28,672.07)
General Property Taxes--Delinquent	20,000.00	20,000.00	34,093.76	14,093.76
Penalties and Interest	4,000.00	4,000.00	16,180.75	12,180.75
Telephone Tax (Outside)	20.00	20.00	0.00	(20.00)
Mobile Home Tax	1,500.00	1,500.00	1,458.98	(41.02)
Licenses and Permits	24,175.00	24,175.00	22,287.63	(1,887.37)
Intergovernmental Revenue:				
Federal Grants	1,325.00	1,325.00	3,655.60	2,330.60
Federal Shared Revenue	0.00	0.00	4,268.91	4,268.91
Federal Payments in Lieu of Taxes	5,000.00	5,000.00	1,410.00	(3,590.00)
State Grants	4,000.00	4,000.00	0.00	(4,000.00)
State Shared Revenue:				
Bank Franchise	29,000.00	29,000.00	30,463.90	1,463.90
Court Appointed Attorney/Public Defender	5,000.00	5,000.00	9,246.32	4,246.32
Abused and Neglected Child Defense	200.00	200.00	0.00	(200.00)
Telecommunications Gross Receipts Tax	68,000.00	68,000.00	55,019.19	(12,980.81)
Other Payments in Lieu of Taxes	7,700.00	7,700.00	0.00	(7,700.00)
Other Intergovernmental Revenue	200.00	200.00	0.00	(200.00)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	18,850.00	18,850.00	18,634.51	(215.49)
Register of Deeds' Fees	60,700.00	60,700.00	88,382.20	27,682.20
Legal Services	24,000.00	24,000.00	42,881.28	18,881.28
Clerk of Court Fees	9,500.00	9,500.00	11,778.71	2,278.71
Other Fees	1,700.00	1,700.00	2,524.15	824.15
Public Safety:				
Law Enforcement	48,000.00	48,000.00	70,255.43	22,255.43
Prisoner Care	139,183.00	139,183.00	245,840.50	106,657.50
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	20,000.00	20,000.00	60,394.23	40,394.23
Veterans Service Officer	3,750.00	3,750.00	3,750.00	0.00
Health Assistance:				
Women, Infants and Children	21,136.00	21,136.00	29,691.16	8,555.16
Conservation of Natural Resources	23,000.00	23,000.00	25,283.28	2,283.28
Fines and Forfeits:				
Costs	10,000.00	10,000.00	12,266.65	2,266.65
Forfeits	8,000.00	8,000.00	0.00	(8,000.00)
Other	500.00	500.00	566.37	66.37
Miscellaneous Revenue:				
Investment Earnings	3,000.00	3,000.00	2,454.07	(545.93)
Rent	32,666.00	32,666.00	35,806.37	3,140.37
Refund of Prior Year's Expenditures	500.00	500.00	0.00	(500.00)
Other	3,331.00	3,331.00	14,721.50	11,390.50
Total Revenues	3,670,155.00	3,670,155.00	3,886,862.38	216,707.38
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	106,889.00	141,845.00	141,844.60	0.40
Contingency	140,000.00	140,000.00		
Amount Transferred		(89,605.00)		50,395.00
Elections	36,000.00	36,000.00	33,252.16	2,747.84
Judicial System	38,250.00	42,683.00	42,682.36	0.64
Financial Administration:				
Auditor	138,084.00	138,084.00	133,840.46	4,243.54
Treasurer	134,323.00	135,970.00	135,969.67	0.33
Legal Services:				
State's Attorney	139,164.00	139,164.00	119,534.40	19,629.60
Court Appointed Attorney	100,000.00	188,541.32	188,540.54	0.78
Abused and Neglected Child Defense	200.00	200.00	0.00	200.00
Other Administration:				
General Government Building	95,022.00	108,712.00	108,710.88	1.12
Director of Equalization	104,502.00	104,502.00	103,625.53	876.47
Register of Deeds	87,036.00	88,240.00	88,239.72	0.28
Veterans Service Officer	86,239.00	90,314.00	90,313.34	0.66
Predatory Animal	4,620.00	4,620.00	4,613.47	6.53

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other - Citizens of Big Stone Lake	2,500.00	2,500.00	2,500.00	0.00
Public Safety:				
Law Enforcement:				
Sheriff	418,888.00	465,888.00	434,641.03	31,246.97
County Jail	859,175.00	1,142,890.63	1,142,888.95	1.68
Coroner	15,000.00	15,000.00	2,961.18	12,038.82
Juvenile Detention	100,385.00	100,385.00	100,297.79	87.21
Protective and Emergency Services:				
Communication Center	188,449.00	209,449.00	209,449.00	0.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	25,000.00	25,000.00	15,606.04	9,393.96
Low Income Energy Assistance Program	1,000.00	1,000.00	1,000.00	0.00
Health Assistance:				
County Nurse	52,524.00	54,295.00	54,294.89	0.11
Women, Infants and Children	39,453.00	39,453.00	38,067.35	1,385.65
Social Services:				
Care of Aged	6,000.00	6,000.00	6,000.00	0.00
Mental Health Services:				
Mentally Ill	50,000.00	50,000.00	31,120.95	18,879.05
Developmentally Disabled	880.00	880.00	880.00	0.00
Mental Health Centers	13,775.00	13,775.00	12,824.51	950.49
Mental Illness Board	100.00	100.00	0.00	100.00
Culture and Recreation:				
Culture:				
Public Library	250.00	500.00	500.00	0.00
Recreation:				
County Fair	6,000.00	6,000.00	5,846.38	153.62
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	51,494.00	59,773.00	58,566.58	1,206.42
Weed and Pest Control	65,375.00	65,375.00	53,433.16	11,941.84
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	550.00	550.00	10.20	539.80
Urban and Rural Development	15,914.00	15,914.00	15,913.50	0.50
Debt Service	68,207.00	68,207.00	63,370.32	4,836.68
Total Expenditures	<u>3,191,248.00</u>	<u>3,612,204.95</u>	<u>3,441,338.96</u>	<u>170,865.99</u>
Excess of Revenues Over (Under) Expenditures	<u>478,907.00</u>	<u>57,950.05</u>	<u>445,523.42</u>	<u>387,573.37</u>
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	405.26	405.26
Transfers Out	(296,349.00)	(296,349.00)	(363,060.00)	(66,711.00)
Long-Term Debt Issued	0.00	0.00	116,352.00	116,352.00
Insurance Proceeds	1,000.00	1,000.00	12,893.63	11,893.63
Sale of County Property	0.00	0.00	597.00	597.00
Total Other Financing Sources (Uses)	<u>(295,349.00)</u>	<u>(295,349.00)</u>	<u>(232,812.11)</u>	<u>62,536.89</u>
Net Change in Fund Balance	183,558.00	(237,398.95)	212,711.31	450,110.26
Fund Balance - Beginning	530,045.51	530,045.51	530,045.51	0.00
FUND BALANCE - ENDING	<u>\$ 713,603.51</u>	<u>\$ 292,646.56</u>	<u>\$ 742,756.82</u>	<u>\$ 450,110.26</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Wheel Tax	\$ 230,000.00	\$ 230,000.00	\$ 229,827.24	\$ (172.76)
Licenses and Permits	12,000.00	12,000.00	5,675.00	(6,325.00)
Intergovernmental Revenue:				
State Grants	230,000.00	230,000.00	224,833.30	(5,166.70)
State Shared Revenue:				
Bank Franchise	6,500.00	6,500.00	7,299.24	799.24
Motor Vehicle Licenses	1,374,863.00	1,374,863.00	1,205,764.84	(169,098.16)
Prorate/License Fees	60,000.00	60,000.00	70,354.56	10,354.56
63 3/4% Mobile Home	3,000.00	3,000.00	12,975.71	9,975.71
Motor Fuel Tax	15,000.00	15,000.00	0.00	(15,000.00)
Other Intergovernmental Revenue	0.00	0.00	25,000.00	25,000.00
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	50,000.00	50,000.00	48,451.00	(1,549.00)
Miscellaneous Revenue:				
Investment Earnings	500.00	500.00	146.32	(353.68)
Rent	1,600.00	1,600.00	0.00	(1,600.00)
Other	1,000.00	1,000.00	261.07	(738.93)
Total Revenues	<u>1,984,463.00</u>	<u>1,984,463.00</u>	<u>1,830,588.28</u>	<u>(153,874.72)</u>
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	1,905,652.00	1,952,763.86	2,446,077.50	(493,313.64)
Debt Service	203,693.00	203,693.00	238,404.36	(34,711.36)
Total Expenditures	<u>2,109,345.00</u>	<u>2,156,456.86</u>	<u>2,684,481.86</u>	<u>(528,025.00)</u>
Excess of Revenues Over (Under) Expenditures	<u>(124,882.00)</u>	<u>(171,993.86)</u>	<u>(853,893.58)</u>	<u>(681,899.72)</u>
Other Financing Sources (Uses):				
Transfers In	234,700.00	234,700.00	316,600.00	81,900.00
Transfers Out	0.00	0.00	(31.34)	(31.34)
Long-Term Debt Issued	0.00	0.00	521,873.00	521,873.00
Insurance Proceeds	1,000.00	1,000.00	1,778.00	778.00
Sale of County Property	200.00	200.00	13,346.00	13,146.00
Total Other Financing Sources (Uses)	<u>235,900.00</u>	<u>235,900.00</u>	<u>853,565.66</u>	<u>617,665.66</u>
Net Change in Fund Balance	111,018.00	63,906.14	(327.92)	(64,234.06)
Fund Balance - Beginning	327.92	327.92	327.92	0.00
FUND BALANCE - ENDING	<u>\$ 111,345.92</u>	<u>\$ 64,234.06</u>	<u>\$ 0.00</u>	<u>\$ (64,234.06)</u>

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 2,911,282.00	\$ 2,911,282.00	\$ 2,875,874.64	\$ (35,407.36)
General Property Taxes--Delinquent	20,000.00	20,000.00	25,582.61	5,582.61
Penalties and Interest	8,000.00	8,000.00	13,930.68	5,930.68
Telephone Tax (Outside)	20.00	20.00	0.00	(20.00)
Mobile Home Tax	1,000.00	1,000.00	2,531.63	1,531.63
Licenses and Permits	24,175.00	24,175.00	23,981.45	(193.55)
Intergovernmental Revenue:				
Federal Grants	1,125.00	1,125.00	1,125.00	0.00
Federal Payments in Lieu of Taxes	5,000.00	5,000.00	5,014.48	14.48
State Grants	4,000.00	30,958.00	26,880.00	(4,078.00)
State Shared Revenue:				
Bank Franchise	23,000.00	23,000.00	29,150.55	6,150.55
Court Appointed Attorney/Public Defender	5,000.00	5,000.00	5,920.72	920.72
Abused and Neglected Child Defense	200.00	200.00	13.35	(186.65)
Telecommunications Gross Receipts Tax	62,000.00	62,000.00	63,294.08	1,294.08
Other Payments in Lieu of Taxes	7,700.00	7,700.00	7,741.35	41.35
Other Intergovernmental Revenue	200.00	200.00	0.00	(200.00)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	13,380.00	13,380.00	18,994.37	5,614.37
Register of Deeds' Fees	63,700.00	63,700.00	109,207.20	45,507.20
Legal Services	20,486.00	20,486.00	48,721.44	28,235.44
Clerk of Court Fees	7,500.00	7,500.00	10,948.60	3,448.60
Other Fees	400.00	400.00	2,816.56	2,416.56
Public Safety:				
Law Enforcement	48,000.00	48,000.00	51,217.97	3,217.97
Prisoner Care	78,600.00	219,600.00	361,730.27	142,130.27
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	5,000.00	5,000.00	42,524.49	37,524.49
Health Assistance:				
Women, Infants and Children	16,156.00	16,156.00	20,074.46	3,918.46
Conservation of Natural Resources	6,000.00	6,000.00	23,908.25	17,908.25
Fines and Forfeits:				
Costs	25,000.00	25,000.00	13,310.43	(11,689.57)
Forfeits	2,000.00	2,000.00	397.00	(1,603.00)
Other	1,600.00	1,600.00	1,986.04	386.04
Miscellaneous Revenue:				
Investment Earnings	3,500.00	3,500.00	2,078.84	(1,421.16)
Rent	37,073.00	37,073.00	35,106.37	(1,966.63)
Refund of Prior Year's Expenditures	500.00	500.00	0.00	(500.00)
Other	5,000.00	5,361.12	3,121.56	(2,239.56)
Total Revenues	3,406,597.00	3,574,916.12	3,827,184.39	252,268.27
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	105,745.00	132,703.00	119,119.77	13,583.23
Contingency	125,000.00	125,000.00		
Amount Transferred		(124,097.00)		903.00
Elections	5,500.00	5,500.00	4,868.00	632.00
Judicial System	38,250.00	38,250.00	30,164.39	8,085.61
Financial Administration:				
Auditor	130,953.00	130,953.00	136,184.90	(5,231.90)
Treasurer	131,835.00	133,421.25	133,421.25	0.00
Legal Services:				
State's Attorney	127,574.00	127,574.00	116,617.26	10,956.74
Court Appointed Attorney	75,000.00	155,920.00	144,996.00	10,924.00
Abused and Neglected Child Defense	200.00	200.00	0.00	200.00
Other Administration:				
General Government Building	93,327.00	106,776.34	106,776.34	0.00
Director of Equalization	102,415.00	102,415.00	99,951.59	2,463.41
Register of Deeds	85,029.00	85,029.00	81,295.72	3,733.28
Veterans Service Officer	82,961.00	82,961.00	80,074.87	2,886.13
Predatory Animal	4,620.00	4,620.00	4,613.47	6.53

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Law Enforcement:				
Sheriff	389,624.00	447,305.88	420,752.88	26,553.00
County Jail	716,847.00	1,034,904.26	1,034,904.26	0.00
Coroner	3,561.00	16,146.00	16,145.38	0.62
Juvenile Detention	105,977.00	105,977.00	101,442.57	4,534.43
Protective and Emergency Services:				
Communication Center	177,800.00	178,023.24	178,023.24	0.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	20,000.00	20,000.00	13,592.77	6,407.23
Health Assistance:				
County Nurse	51,709.00	51,709.00	51,114.47	594.53
Women, Infants and Children	38,059.00	38,059.00	37,050.17	1,008.83
Social Services:				
Care of Aged	6,000.00	6,000.00	6,000.00	0.00
Mental Health Services:				
Mentally Ill	35,940.00	39,844.11	39,844.11	0.00
Developmentally Disabled	880.00	880.00	880.00	0.00
Mental Health Centers	13,775.00	13,775.00	10,648.08	3,126.92
Other	100.00	100.00	0.00	100.00
Culture and Recreation:				
Culture:				
Public Library	250.00	250.00	250.00	0.00
Recreation:				
County Fair	6,000.00	6,000.00	5,907.95	92.05
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	50,439.00	50,800.12	49,101.89	1,698.23
Weed and Pest Control	63,929.00	63,929.00	47,606.61	16,322.39
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	650.00	650.00	30.44	619.56
Urban and Rural Development	15,450.00	15,450.00	15,450.00	0.00
Debt Service	57,209.00	67,209.00	68,206.35	(997.35)
Total Expenditures	<u>2,862,608.00</u>	<u>3,264,237.20</u>	<u>3,155,034.73</u>	<u>109,202.47</u>
Excess of Revenues Over (Under) Expenditures	<u>543,989.00</u>	<u>310,678.92</u>	<u>672,149.66</u>	<u>361,470.74</u>
Other Financing Sources (Uses):				
Transfers In			638.13	638.13
Transfers Out	(378,409.00)	(378,409.00)	(552,629.45)	(174,220.45)
Long-Term Debt Issued	0.00	26,583.00	26,583.00	0.00
Insurance Proceeds	2,000.00	9,163.99	12,999.08	3,835.09
Sale of County Property	3,000.00	3,000.00	0.00	(3,000.00)
Total Other Financing Sources (Uses)	<u>(373,409.00)</u>	<u>(339,662.01)</u>	<u>(512,409.24)</u>	<u>(172,747.23)</u>
Net Change in Fund Balance	<u>170,580.00</u>	<u>(28,983.09)</u>	<u>159,740.42</u>	<u>188,723.51</u>
Fund Balance - Beginning	379,983.45	379,983.45	379,983.45	0.00
Adjustments:				
Change in Basis of Accounting (See Note 9)	(9,678.36)	(9,678.36)	(9,678.36)	0.00
Adjusted Fund Balance - Beginning	<u>370,305.09</u>	<u>370,305.09</u>	<u>370,305.09</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 540,885.09</u>	<u>\$ 341,322.00</u>	<u>\$ 530,045.51</u>	<u>\$ 188,723.51</u>

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
Penalties and Interest	\$ 0.00	\$ 0.00	\$ 59.05	\$ 59.05
Mobile Home Tax	0.00	0.00	42.60	42.60
Wheel Tax	230,000.00	230,000.00	231,296.53	1,296.53
Licenses and Permits	12,000.00	12,000.00	22,279.35	10,279.35
Intergovernmental Revenue:				
State Grants	0.00	224,153.00	224,153.98	0.98
State Shared Revenue:				
Bank Franchise	6,000.00	6,000.00	6,984.56	984.56
Motor Vehicle Licenses	1,167,000.00	1,167,000.00	1,063,215.23	(103,784.77)
Prorate/License Fees	70,000.00	70,000.00	65,771.42	(4,228.58)
63 3/4% Mobile Home	6,000.00	6,000.00	6,800.86	800.86
Motor Fuel Tax	14,000.00	14,000.00	7,694.57	(6,305.43)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	50,000.00	50,000.00	45,566.28	(4,433.72)
Miscellaneous Revenue:				
Investment Earnings	500.00	500.00	283.92	(216.08)
Rent	1,200.00	1,200.00	1,690.00	490.00
Other	500.00	500.00	11,784.69	11,284.69
Total Revenues	1,557,200.00	1,781,353.00	1,687,623.04	(93,729.96)
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	1,662,660.00	2,105,923.42	2,105,923.42	0.00
Debt Service	140,630.00	198,615.16	198,615.16	0.00
Total Expenditures	1,803,290.00	2,304,538.58	2,304,538.58	0.00
Excess of Revenues Over (Under) Expenditures	(246,090.00)	(523,185.58)	(616,915.54)	(93,729.96)
Other Financing Sources (Uses):				
Transfers In	330,000.00	330,000.00	465,829.45	135,829.45
Transfers Out	0.00	0.00	(283.92)	(283.92)
Long-Term Debt Issued	0.00	111,650.00	111,650.00	0.00
Insurance Proceeds	1,000.00	2,764.00	1,764.00	(1,000.00)
Sale of County Property	0.00	0.00	701.92	701.92
Total Other Financing Sources (Uses)	331,000.00	444,414.00	579,661.45	135,247.45
Net Change in Fund Balance	84,910.00	(78,771.58)	(37,254.09)	41,517.49
Fund Balance - Beginning	160,883.81	160,883.81	160,883.81	0.00
Adjustments:				
Change in Basis of Accounting (See Note 9)	(123,301.80)	(123,301.80)	(123,301.80)	0.00
Adjusted Fund Balance - Beginning	37,582.01	37,582.01	37,582.01	0.00
FUND BALANCE - ENDING	\$ 122,492.01	\$ (41,189.57)	\$ 327.92	\$ 41,517.49

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

Note 1. Budgets and Budgetary Accounting:

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

1. Between the fifteenth and thirtieth days of July in each year the Board of County Commissioners prepares and files with the County Auditor a provisional budget for the following year, containing a detailed estimate of cash balances, revenues, and expenditures.
2. Prior to the first Tuesday in September in each year a notice of budget hearing is published once each week for two successive weeks, and the text of the provisional budget is published with the first publication.
3. The Board of County Commissioners holds a meeting for the purpose of considering the provisional budget on or prior to the first Tuesday in September in each year. Such hearings must be concluded by October first. Changes made to the provisional budget are entered at length in the minutes of the Board of County Commissioners.
4. Before October first of each year the Board of County Commissioners adopts an annual budget for the ensuing year. The adopted budget is filed in the office of the County Auditor.
5. After adoption by the Board of County Commissioners, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 7.
6. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total county budget.
7. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
8. Unexpended appropriations lapse at year end unless encumbered by resolution of the Board of County Commissioners.
9. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

Note 2. Expenditures in Excess of Appropriations:

The County is prohibited by statute from spending in excess of appropriated amounts at the department level. The following represents the overdrafts of the expenditures compared to appropriations at the legal level of budgetary control:

	<u>Year Ended</u> <u>12/31/2014</u>	<u>Year Ended</u> <u>12/31/2013</u>
General Fund:		
<u>Activity</u>		
Auditor		\$ 5,231.90
Debt Service		\$ 997.35
Road and Bridge Fund:		
<u>Activity</u>		
Highways, Roads and Bridges	\$ 493,313.64	
Debt Service	\$ 34,711.36	
Jail Bond Debt Service Fund:		
<u>Activity</u>		
Debt Service	\$ 70,710.00	\$ 119,682.51

The Board of County Commissioners plans to take the following actions to address these violations:

The over expenditure at the Auditor activity line within the General Fund resulted after a necessary formal adjusting journal entry. The over expenditures within the Road and Bridge Fund and the Jail Bond Debt Service Fund would not have occurred if the County would have used the budget supplement process. In the future, the budgets will be watched more closely.

(blank page)

**SUPPLEMENTARY INFORMATION
ROBERTS 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:				
Bonds Payable	\$ 5,105,000.00	\$ 4,375,000.00	\$ (630,000.00)	\$ 8,850,000.00
Tax Incremental Revenue Bonds	436,762.50		(118,742.02)	318,020.48
Other Long-Term Liabilities:				
Financing (Capital Acquisition) Leases	423,409.28	633,523.00	(415,011.41)	641,920.87
Notes Payable	26,111.33	142,965.00	(38,465.84)	130,610.49
Contracts Payable	63,169.93		(63,169.93)	0.00
Business-Type Long-Term Debt:				
Financing (Capital Acquisition) Leases	51,500.39		(51,500.39)	0.00
Contract for Deed	50,000.00		(50,000.00)	0.00
Contract Payable	141,283.80		(40,738.28)	100,545.52
Accrued Landfill Closure and Postclosure Care Costs	344,980.42	113,829.10		458,809.52
Total	\$ 6,642,217.65	\$ 5,265,317.10	\$ (1,407,627.87)	\$ 10,499,906.88

Note 1 - Long-Term Debt:

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

General Obligation Bonds:

General Obligation Bonds; annual payments of principal and interest ranging from 3.25% to 4.25% will be made from the Jail Bond Debt Service Fund. The payments started in June 2006 and will continue until December 1, 2015 when they are eligible to be called. \$ 4,475,000.00

Advance Crossover Refunding General Obligation Bonds; semi-annual payments of .700% interest for the first three years and thereafter annual payments of principal and interest ranging from .700% to 2.125% will be made from the Jail Bond Debt Service Fund. The payments started in December 2013 and will continue until December 2025. \$ 4,375,000.00

Revenue Bonds:

Tax Incremental Revenue Bonds; semi-annual payments of 7.1% interest for the first three years and thereafter semi-annual payments of principal and 7.1% interest will be made from the Tax Incremental Debt Service Fund. The payments started in November 2002 and will continue until May 2020. \$ 318,020.48

Financing (Capital Acquisition) Leases:

Lease Purchase of a motor grader for the highway department; semi-annual payments of principal and 4.05% interest will be made from the Road and Bridge Fund. The payments started in November 2012 and will continue until May 2016.	\$	99,041.36
Lease Purchase of kitchen/laundry equipment for the jail; annual payments of principal and 12.0% interest will be made from the General Fund. The payments started in April 2008 and will continue until March 2018.	\$	60,778.04
Lease Purchase of a generator for the jail; annual payments of principal and 4.813% interest will be made from the General Fund. The payments started in March 2008 and will continue until February 2015.	\$	3,638.58
Lease Purchase of a HD tandem roller for the highway department; annual payments of principal and 0.0% interest will be made from the Road and Bridge Fund. The payments started in March 2013 and will continue until March 2015.	\$	13,833.34
Lease Purchase of a tractor with mower for the highway department; annual payments of principal and 4.990% interest will be made from the Road and Bridge Fund. The payments started in May 2013 and will continue until May 2017.	\$	42,383.28
Lease Purchase of three dump trucks for the highway department; annual payments of principal and interest ranging from 2.32% to 2.33% will be made from the Road and Bridge Fund. The payments started in November 2014 and will continue until November 2018.	\$	422,246.27

Notes Payable:

Notes Payable-Sheriff's vehicle; annual payments of \$2,110.00 principal and 5.0% interest will be made from the General Fund. The payments started in November 2012 and will continue until November 2016.	\$	3,919.47
Notes Payable-Sheriff's vehicle; annual payments of principal and 5.0% interest will be made from the General Fund. The payments started in November 2014 and will continue until November 2016.	\$	10,309.02
Notes Payable-Sheriff's vehicle; annual payments of \$9,651.00 principal and 5.0% interest will be made from the General Fund. The payments started in June 2015 and will continue until June 2017.	\$	27,030.00
Notes Payable-Jail computer system; semi-annual payments of \$10,186.00 principal and 5.0% interest will be made from the General Fund. The payments started in June 2015 and will continue until December 2019.	\$	89,352.00

Contracts Payable:

Contract Payable--Landfill Equipment; semi-annual payments of \$15,017.24 principal and 2.25% interest will be made from the Solid Waste Enterprise Fund. The payments started in December of 2013 and will continue until June 2018.	\$	100,545.52
---	----	------------

Landfill Financial Assurance:

Landfill Financial Assurance--The County is required by ARSD 74:27 to accumulate cash within the Solid Waste Enterprise Fund for closure/postclosure care costs.	\$	458,809.52
--	----	------------