

**TURNER COUNTY**

**AUDIT REPORT**

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

TURNER COUNTY  
COUNTY OFFICIALS  
December 31, 2013

Board of Commissioners:

James Adamson  
Ron Globke  
Gary Hansen  
John Overby  
Lyle Van Hove

Auditor:

Sheila Hagemann

Treasurer:

Marlys Andersen

State's Attorney:

Matthew Olson

Register of Deeds:

Carol Viet

Sheriff:

Byron Nogelmeier



TURNER COUNTY  
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MARTIN L. GUINDON, CPA  
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

County Commission  
Turner County  
Parker, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis of accounting financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Turner County, South Dakota (County), as of December 31, 2013, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 3, 2015.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

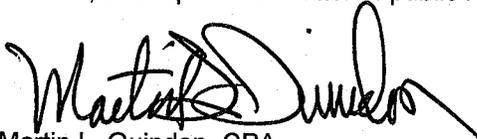
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Martin L. Guindon, CPA  
Auditor General

April 3, 2015

TURNER COUNTY  
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Audit Finding:**

Finding No. 2011-01:

The unassigned fund balance in the General Fund exceeded the maximum allowed by South Dakota Codified Law (SDCL) 7-21-18.1 by approximately \$567,000 as of December 31, 2011. This finding has been resolved.

**SCHEDULE OF CURRENT AUDIT FINDINGS**

**Current Audit Findings:**

There are no written current audit findings to report.



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MARTIN L. GUINDON, CPA  
AUDITOR GENERAL

## INDEPENDENT AUDITOR'S REPORT

County Commission  
Turner County  
Parker, South Dakota

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Turner County, South Dakota (County), as of December 31, 2013, and for each of the years in the biennial period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of accounting of the governmental activities, each major fund, and the aggregate remaining fund information of Turner County as of December 31, 2013, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

### **Basis of Accounting**

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

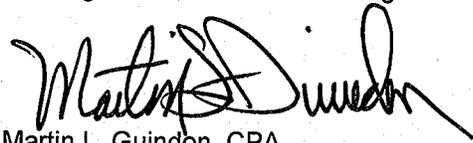
### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting financial statements that collectively comprise the County's basic financial statements. The Budgetary Comparison Schedules and the 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 3, 2015 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Martin L. Guindon, CPA  
Auditor General

April 3, 2015

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

	<b>Primary Government Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 3,967,937.58
<b>TOTAL ASSETS</b>	<b>\$ 3,967,937.58</b>
<b>NET POSITION:</b>	
Restricted For: (See Note 4)	
Road and Bridge Purposes	\$ 179,473.83
Debt Service Purposes	807,927.22
Other Purposes	444,595.57
Unrestricted	2,535,940.96
<b>TOTAL NET POSITION</b>	<b>\$ 3,967,937.58</b>

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

**TURNER 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	Primary Government Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 1,212,220.26	\$ 201,621.54	\$ 18,661.84	\$ (991,936.88)
Public Safety	1,012,849.65	238,441.49	153,055.75	(621,352.41)
Public Works	4,106,659.66	26,295.44	1,089,411.32	(2,990,952.90)
Health and Welfare	124,936.27	13,545.49	2,802.00	(108,588.78)
Culture and Recreation	99,101.48			(99,101.48)
Conservation of Natural Resources	96,847.59		75.00	(96,772.59)
Urban and Economic Development	226,110.27			(226,110.27)
Intergovernmental	33,747.94			(33,747.94)
*Interest on Long-Term Debt	155,546.39			(155,546.39)
<b>Total Primary Government</b>	<b>\$ 7,068,019.51</b>	<b>\$ 479,903.96</b>	<b>\$ 1,264,005.91</b>	<b>(5,324,109.64)</b>
<b>General Revenues:</b>				
Taxes:				
	Property Taxes			4,942,254.94
	Wheel Tax			213,973.17
	State Shared Revenues			76,994.75
	Unrestricted Investment Earnings			24,706.47
	Miscellaneous Revenue			436,742.36
	<b>Total General Revenues</b>			<b>5,694,671.69</b>
	Change in Net Position			370,562.05
	Net Position - Beginning			3,597,375.53
	<b>NET POSITION - ENDING</b>			<b>\$ 3,967,937.58</b>

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

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 1,090,908.78	\$ 199,622.88	\$ 14,350.47	\$ (876,935.43)
Public Safety	984,691.77	238,118.89	74,366.36	(672,206.52)
Public Works	5,516,472.27	29,321.44	1,044,403.61	(4,442,747.22)
Health and Welfare	158,317.80	6,292.07	2,000.00	(150,025.73)
Culture and Recreation	298,908.51	266,889.15		(32,019.36)
Conservation of Natural Resources	95,566.39	100.00		(95,466.39)
Urban and Economic Development	468,092.53			(468,092.53)
Intergovernmental	28,349.16			(28,349.16)
*Interest on Long-Term Debt	168,817.99			(168,817.99)
<b>Total Primary Government</b>	<b>\$ 8,810,125.20</b>	<b>\$ 740,344.43</b>	<b>\$ 1,135,120.44</b>	<b>(6,934,660.33)</b>
<b>General Revenues:</b>				
Taxes:				
				4,786,482.81
				208,563.85
				55,618.51
				70,391.46
				29,449.76
				335,057.49
<b>Total General Revenues</b>				<b>5,485,563.88</b>
Change in Net Position				(1,449,096.45)
Net Position - Beginning				5,046,471.98
<b>NET POSITION - ENDING</b>				<b>\$ 3,597,375.53</b>

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

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

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>TIF #2 Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,407,432.90	\$ 1,275,300.61	\$ 807,927.22	\$ 477,276.85	\$ 3,967,937.58
<b>TOTAL ASSETS</b>	<u>\$ 1,407,432.90</u>	<u>\$ 1,275,300.61</u>	<u>\$ 807,927.22</u>	<u>\$ 477,276.85</u>	<u>\$ 3,967,937.58</u>
<b>FUND BALANCES:</b> (See Note 1.j.)					
Restricted	\$	\$ 179,473.83	\$ 807,927.22	\$ 444,595.57	\$ 1,431,996.62
Assigned	820,354.70	1,095,826.78		32,681.28	1,948,862.76
Unassigned	<u>587,078.20</u>				<u>587,078.20</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,407,432.90</u>	<u>\$ 1,275,300.61</u>	<u>\$ 807,927.22</u>	<u>\$ 477,276.85</u>	<u>\$ 3,967,937.58</u>

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

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes:					
General Property Taxes--Current	\$ 4,223,192.10	\$	\$ 319,474.93	\$ 353,740.08	\$ 4,896,407.11
General Property Taxes--Delinquent	30,576.23			222.94	30,799.17
Penalties and Interest	12,545.44			101.29	12,646.73
Mobile Home Tax	2,077.17			10.56	2,087.73
Wheel Tax		213,973.17			213,973.17
Tax Deed Revenue	314.20				314.20
Licenses and Permits	10,789.00	3,115.00		1,290.00	15,194.00
Intergovernmental Revenue:					
Federal Grants	6,929.69			61,971.21	68,900.90
Federal Shared Revenue	3,850.00				3,850.00
State Grants	8,507.00				8,507.00
State Shared Revenue:					
Bank Franchise	24,938.81				24,938.81
Motor Vehicle Licenses		1,021,730.34			1,021,730.34
Court Appointed Attorney/Public Defender	4,138.41				4,138.41
Prorate/Port of Entry Fees		51,547.23			51,547.23
63 3/4% Mobile Home		8,633.75			8,633.75
Telecommunications Gross Receipts Tax	52,055.94				52,055.94
Motor Vehicle 1/4%	2,543.74				2,543.74
911 Remittances				86,579.54	86,579.54
Other Intergovernmental Revenue		7,500.00			7,500.00
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	6,215.00				6,215.00
Treasurer's Handling Fees	6,272.00				6,272.00
Register of Deeds' Fees	118,363.00			12,765.42	131,128.42
Court Appointed Attorney Fees	3,678.55				3,678.55
Alternative Care	8,587.01				8,587.01
Public Defender Recoveries	14,556.05				14,556.05
Clerk of Courts Fees	12,143.51				12,143.51
Rezoning Fees	1,875.00				1,875.00

Divorce Fees	525.00			525.00	1,050.00
Other Fees	5,252.00			75.00	5,327.00
Public Safety:					
Sheriff Fees	21,531.31				21,531.31
Law Enforcement Contracts	200,609.29				200,609.29
Prisoner Care	3,315.89				3,315.89
Sobriety Testing				12,985.00	12,985.00
Public Works:					
Other		23,180.44			23,180.44
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	12,255.49				12,255.49
Conservation of Natural Resources	75.00				75.00
Miscellaneous Revenue:					
Investment Earnings	15,614.13	8,045.42	523.67	523.25	24,706.47
Contributions and Donations	47.50				47.50
Dividends	21.36				21.36
Other	18,715.51	252.54			18,968.05
Total Revenues	<u>4,832,110.33</u>	<u>1,337,977.89</u>	<u>319,998.60</u>	<u>530,789.29</u>	<u>7,020,876.11</u>

**Expenditures:**

General Government:					
Legislative:					
Board of County Commissioners	85,653.36				85,653.36
Elections	5,247.87				5,247.87
Judicial System	97,787.13				97,787.13
Financial Administration:					
Auditor	126,350.41				126,350.41
Treasurer	167,094.25				167,094.25
Data Processing	2,462.45				2,462.45
Legal Services:					
State's Attorney	128,131.99				128,131.99
Other Administration:					
General Government Building	299,466.75				299,466.75
Director of Equalization	170,355.72				170,355.72
Register of Deeds	106,395.41				106,395.41
Veterans Service Officer	17,045.67				17,045.67
Predatory Animal	6,229.25				6,229.25
Public Safety:					
Law Enforcement:					
Sheriff	544,725.99				544,725.99
County Jail	53,853.00				53,853.00
24/7 Sobriety				4,926.24	4,926.24
Coroner	900.00				900.00

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
County-Wide Law Enforcement	196,056.17				196,056.17
Juvenile Detention	16,551.64				16,551.64
Protective and Emergency Services:					
Fire Protection				34,000.00	34,000.00
Emergency and Disaster Services				74,642.86	74,642.86
Communication Center				87,193.75	87,193.75
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		3,946,127.70			3,946,127.70
Health and Welfare:					
Economic Assistance:					
Support of Poor	11,746.71			2,802.00	14,548.71
Public Welfare	559.04				559.04
Health Assistance:					
County Nurse	42,754.98				42,754.98
Ambulance	20,000.00				20,000.00
Social Services:					
Domestic Abuse	2,300.00			1,900.00	4,200.00
Cart Bus	4,500.00				4,500.00
Inter-Lakes Community Action	2,873.76				2,873.76
Mental Health Services:					
Mentally Ill	4,024.05				4,024.05
Developmentally Disabled	15,840.00				15,840.00
Mental Health Centers	8,347.00				8,347.00
Mental Illness Board	7,288.73				7,288.73
Culture and Recreation:					
Recreation:					
County Fair	52,254.36			46,847.12	99,101.48
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	69,866.85				69,866.85
Soil Conservation Districts	8,000.00				8,000.00
Weed and Pest Control	18,980.74				18,980.74

Urban and Economic Development:

Urban Development:

Planning and Zoning	5,816.27				5,816.27
Urban and Rural Development (SECOG)	11,961.00				11,961.00

Economic Development:

Tourism, Industrial or Recreational Development	345.00				345.00
Southeast Enterprise Facility	10,000.00				10,000.00

Intergovernmental Expenditures		33,747.94			33,747.94
Debt Service		168,997.65	210,498.98	134,569.72	514,066.35
<b>Total Expenditures</b>	<u>2,321,765.55</u>	<u>4,148,873.29</u>	<u>210,498.98</u>	<u>386,881.69</u>	<u>7,068,019.51</u>

Excess of Revenues Over (Under) Expenditures	<u>2,510,344.78</u>	<u>(2,810,895.40)</u>	<u>109,499.62</u>	<u>143,907.60</u>	<u>(47,143.40)</u>
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**Other Financing Sources (Uses):**

Transfers In		2,788,818.99		24,462.00	2,813,280.99
Transfers Out	(2,813,280.99)				(2,813,280.99)
Insurance Proceeds	9,439.53				9,439.53
Sale of County Property	2,958.00	405,307.92			408,265.92
<b>Total Other Financing Sources (Uses)</b>	<u>(2,800,883.46)</u>	<u>3,194,126.91</u>	<u>0.00</u>	<u>24,462.00</u>	<u>417,705.45</u>

Net Change in Fund Balance	(290,538.68)	383,231.51	109,499.62	168,369.60	370,562.05
Fund Balance - Beginning	<u>1,697,971.58</u>	<u>892,069.10</u>	<u>698,427.60</u>	<u>308,907.25</u>	<u>3,597,375.53</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,407,432.90</u>	<u>\$ 1,275,300.61</u>	<u>\$ 807,927.22</u>	<u>\$ 477,276.85</u>	<u>\$ 3,967,937.58</u>

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

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes:					
General Property Taxes--Current	\$ 4,089,374.57	\$	\$ 321,196.54	\$ 307,810.40	\$ 4,718,381.51
General Property Taxes--Delinquent	50,272.83			390.70	50,663.53
Penalties and Interest	15,701.60			123.33	15,824.93
Mobile Home Tax	1,602.84			9.60	1,612.44
Wheel Tax		208,545.58			208,545.58
911 Telephone Surcharge				55,618.51	55,618.51
Tax Deed Revenue	18.67				18.67
Licenses and Permits	13,661.72	2,300.00		895.00	16,856.72
Intergovernmental Revenue:					
Federal Grants	29,541.86			22,833.79	52,375.65
Federal Shared Revenue	4,097.00				4,097.00
State Shared Revenue:					
Bank Franchise	16,827.54				16,827.54
Motor Vehicle Licenses		977,854.47			977,854.47
Court Appointed Attorney/Public Defender	5,130.41				5,130.41
Prorate/Port of Entry Fees		62,015.37			62,015.37
63 3/4% Mobile Home		2,241.45			2,241.45
Telecommunications Gross Receipts Tax	53,563.92				53,563.92
Motor Vehicle 1/4%	2,292.32				2,292.32
911 Remittances				29,113.77	29,113.77
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	5,670.00				5,670.00
Treasurer's Handling Fees	6,249.00				6,249.00
Register of Deeds' Fees	84,042.35			2,763.00	86,805.35
Court Appointed Attorney Fees	1,807.28				1,807.28
Alternative Care	8,954.20				8,954.20
Public Defender Recoveries	15,369.38				15,369.38
Clerk of Courts Fees	17,286.10				17,286.10
Rezoning Fees	3,160.00				3,160.00
Divorce Fees	825.00			1,005.00	1,830.00

Other Fees	823.14				823.14
Public Safety:					
Sheriff Fees	29,896.44				29,896.44
Law Enforcement Contracts	191,590.63				191,590.63
Prisoner Care	7,805.82				7,805.82
Sobriety Testing				8,826.00	8,826.00
Public Works:					
Road Maintenance Contract Charges		15,301.44			15,301.44
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	5,397.07				5,397.07
Culture and Recreation/Fair				266,889.15	266,889.15
Conservation of Natural Resources	100.00				100.00
Miscellaneous Revenue:					
Investment Earnings	23,056.69	4,929.00	848.83	615.24	29,449.76
Contributions and Donations	61.25				61.25
Dividends	11.42				11.42
Other	11,058.93	2,986.11			14,045.04
Total Revenues	<u>4,695,249.98</u>	<u>1,276,173.42</u>	<u>322,045.37</u>	<u>696,893.49</u>	<u>6,990,362.26</u>

**Expenditures:**

General Government:					
Legislative:					
Board of County Commissioners	90,364.83				90,364.83
Elections	25,238.22				25,238.22
Judicial System	90,705.15				90,705.15
Financial Administration:					
Auditor	117,305.24				117,305.24
Treasurer	151,240.19				151,240.19
Data Processing	2,986.20				2,986.20
Legal Services:					
State's Attorney	163,629.99				163,629.99
Other Administration:					
General Government Building	152,580.45				152,580.45
Director of Equalization	167,236.06				167,236.06
Register of Deeds	104,856.60				104,856.60
Veterans Service Officer	18,536.60				18,536.60
Predatory Animal	6,229.25				6,229.25
Public Safety:					
Law Enforcement:					
Sheriff	551,761.50				551,761.50
County Jail	60,939.18				60,939.18
24/7 Sobriety				2,741.00	2,741.00
Coroner	615.76				615.76

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

	General Fund	Road and Bridge Fund	TIF #2 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
County-Wide Law Enforcement	189,994.52				189,994.52
Juvenile Detention	29,871.64				29,871.64
Protective and Emergency Services:					
Fire Protection				34,000.00	34,000.00
Emergency and Disaster Services				32,818.57	32,818.57
Communication Center				81,949.60	81,949.60
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		5,440,385.69			5,440,385.69
Health and Welfare:					
Economic Assistance:					
Support of Poor	51,985.06			2,000.00	53,985.06
Public Welfare	487.40				487.40
Health Assistance:					
County Nurse	40,335.00				40,335.00
Ambulance	20,000.00				20,000.00
Social Services:					
Domestic Abuse	1,400.00			1,905.00	3,305.00
Cart Bus	4,500.00				4,500.00
Inter-Lakes Community Action	2,864.04				2,864.04
Mental Health Services:					
Mentally Ill	4,041.98				4,041.98
Developmentally Disabled	15,840.00				15,840.00
Mental Health Centers	8,347.00				8,347.00
Mental Illness Board	4,612.32				4,612.32
Culture and Recreation:					
Recreation:					
County Fair	54,408.84			244,499.67	298,908.51
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	68,366.99				68,366.99
Soil Conservation Districts	8,000.00				8,000.00
Weed and Pest Control	19,199.40				19,199.40

Urban and Economic Development:					
Urban Development:					
Planning and Zoning	5,524.53				5,524.53
Urban and Rural Development (SECOG)	16,600.00				16,600.00
Economic Development:					
Tourism, Industrial or Recreational Development	340.00				340.00
Southeast Enterprise Facility	10,000.00				10,000.00
Intergovernmental Expenditures		28,349.16			28,349.16
Debt Service		87,772.99	210,602.50	382,157.08	680,532.57
Total Expenditures	<u>2,260,943.94</u>	<u>5,556,507.84</u>	<u>210,602.50</u>	<u>782,070.92</u>	<u>8,810,125.20</u>
Excess of Revenues Over (Under) Expenditures	<u>2,434,306.04</u>	<u>(4,280,334.42)</u>	<u>111,442.87</u>	<u>(85,177.43)</u>	<u>(1,819,762.94)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In		4,225,558.99		10,000.00	4,235,558.99
Transfers Out	(4,235,558.99)				(4,235,558.99)
Insurance Proceeds	38,006.71	11,720.00			49,726.71
Sale of County Property	10,207.68	310,732.10			320,939.78
Total Other Financing Sources (Uses)	<u>(4,187,344.60)</u>	<u>4,548,011.09</u>	<u>0.00</u>	<u>10,000.00</u>	<u>370,666.49</u>
Net Change in Fund Balance	(1,753,038.56)	267,676.67	111,442.87	(75,177.43)	(1,449,096.45)
Fund Balance - Beginning	<u>3,451,010.14</u>	<u>624,392.43</u>	<u>586,984.73</u>	<u>384,084.68</u>	<u>5,046,471.98</u>
FUND BALANCE - ENDING	<u>\$ 1,697,971.58</u>	<u>\$ 892,069.10</u>	<u>\$ 698,427.60</u>	<u>\$ 308,907.25</u>	<u>\$ 3,597,375.53</u>

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

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

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 303,339.61
<b>TOTAL ASSETS</b>	<u>\$ 303,339.61</u>
<b>NET POSITION:</b>	
Net Position Held in Agency Capacity	\$ 303,339.61
<b>TOTAL NET POSITION</b>	<u>\$ 303,339.61</u>

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

TURNER 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 Turner 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.

b. Basis of Presentation:

*Government-wide Financial Statements:*

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

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

*Fund Financial Statements:*

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

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or

3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

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

**Governmental Funds:**

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

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

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

The remaining Special Revenue funds are not considered major funds: 911 Service, Rural Fire Protection, Emergency Management, Domestic Abuse, 24/7 Sobriety, United Way, County Fair, and Modernization and Preservation Relief. These funds are reported on the fund financial statements as "Other Governmental Funds".

In 2013 the County Fair was established as a nonprofit corporation and is no longer considered part of the County.

*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.

TIF #1 Debt Service Fund – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs associated with the retirement of the Tax Increment Revenue Bonds – Series 2002. This is not a major fund and is reported on the fund financial statements as "Other Governmental Funds."

TIF #2 Debt Service Fund – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs associated with the retirement of the Tax Increment Revenue Bonds – Series 2007. 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, governmental activities are presented using the economic resources measurement focus, applied within the limitations of the modified cash basis of accounting as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used, applied within the limitations of the modified cash basis of accounting.

*Basis of Accounting:*

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting.

The modified cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions. Under the modified cash basis of accounting, the statement of financial position reports only cash and cash equivalents (those investments with terms to maturity of 90 days (three months) or less at the date of acquisition). Under the modified cash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed and assets and liabilities are recognized to the extent that cash has been received or disbursed. The acceptable modification to the cash basis of accounting implemented by the County in these financial statements is:

Recording long-term investments in marketable securities (those with maturities more than 90-days (three months) from the date of acquisition) acquired with cash assets at cost.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the County applied USGAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

d. Deposits and Investments:

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents.

e. Capital Assets:

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. *Infrastructure assets* are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The County has not elected to modify their cash basis presentation by recording capital assets arising from cash transactions and depreciating those assets where appropriate so any capital assets owned by the County and the related depreciation are not reported on the financial statements of the County.

f. Long-Term Liabilities:

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

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The County has not elected to modify their cash basis presentation by recording long-term debt arising from cash transactions so any outstanding indebtedness is not reported on the financial statements of the County. The County does report the principal and interest payments on long-term debt as Debt Service expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances. On the Statement of Activities the principal portion of these Debt Service payments are reported within the appropriate expense function while the interest portion is reported as Interest on Long-Term Debt.

The County has presented as Supplementary Information a Schedule of Changes in Long-Term Debt along with related notes that include details of any outstanding Long-Term Debt.

g. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the County's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.
- h. Equity Classifications:

*Government-wide Financial Statements:*

Equity is classified as Net Position and is displayed in two components:

1. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
2. Unrestricted Net Position – All other net position that do not meet the definition of Restricted Net Position.

*Fund Financial Statements:*

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned", and "Unassigned" components. Agency Funds have no fund equity. The Net Position is reported as Net Position Held in Agency Capacity.

- i. Application of Net Position:

It is the County's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

- j. Fund Balance Classification Policies and Procedures:

In accordance with 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**

Motor Vehicle Licenses/Taxes

A schedule of fund balances is provided as follows:

**TURNER COUNTY  
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>TIF #2 Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances:</b>					
Restricted For:					
Snow Removal Purposes	\$	\$ 179,473.83	\$	\$	\$ 179,473.83
Debt Service Requirements			807,927.22	367,500.22	1,175,427.44
Rural Fire Protection Purposes				15,320.35	15,320.35
911 Service Purposes				20,841.22	20,841.22
Domestic Abuse Purposes				1,925.00	1,925.00
24/7 Sobriety Purposes				23,480.36	23,480.36
Modernization and Preservation Relief Purposes				15,528.42	15,528.42
Assigned To:					
Applied to Next Year's Budget	820,354.70				820,354.70
Road and Bridge Purposes		1,095,826.78			1,095,826.78
911 Service Purposes				18,000.00	18,000.00
Emergency Management Purposes				14,681.28	14,681.28
Unassigned	587,078.20				587,078.20
<b>Total Fund Balances</b>	<u>\$ 1,407,432.90</u>	<u>\$ 1,275,300.61</u>	<u>\$ 807,927.22</u>	<u>\$ 477,276.85</u>	<u>\$ 3,967,937.58</u>

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

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

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

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

**Credit Risk** – State law limits eligible investments for the County, as discussed above. The County has an investment policy that would further limit its investment choices.

**Custodial Credit Risk – Deposits** – The risk that, in the event of a depository failure, the County's deposits may not be returned to it. The County does have a deposit policy for custodial credit risk.

**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 have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

3. PROPERTY TAXES

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of the following January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal year.

The County is permitted by several state statutes to levy varying amounts of taxes per \$1,000 of taxable valuation on taxable real property in the County.

4. RESTRICTED NET POSITION

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

**Major Purposes:**

Road and Bridge Purposes	\$ 179,473.83
TIF #2 Debt Service Purposes	<u>807,927.22</u>

**Other Purposes:**

911 Service Purposes	20,841.22
Fire Protection Purposes	15,320.35
Domestic Abuse Purposes	1,925.00
24/7 Sobriety Purposes	23,480.36
TIF #1 Debt Service Purposes	367,500.22
Modernization and Preservation Relief Purposes	<u>15,528.42</u>

Total Other Purposes	<u>444,595.57</u>
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**Total Restricted Net Position** **\$ 1,431,996.62**

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

5. INTERFUND TRANSFERS

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

<b><u>Transfers From:</u></b>	<b><u>Transfers To:</u></b>		<b><u>Total</u></b>
	Road and Bridge Fund	Other Governmental Funds	
Major Funds:			
General Fund	\$ 2,788,818.99	\$ 24,462.00	\$ 2,813,280.99

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

<b><u>Transfers From:</u></b>	<b><u>Transfers To:</u></b>		<b><u>Total</u></b>
	Road and Bridge Fund	Other Governmental Funds	
Major Funds:			
General Fund	\$ 4,225,558.99	\$ 10,000.00	\$ 4,235,558.99

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

## 6. RETIREMENT PLAN

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

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The County's share of contributions to the SDRS for the fiscal years ended December 31, 2013, 2012, and 2011 were \$81,558.32, \$81,860.00, and \$81,426.82, respectively, equal to the required contributions each year.

## 7. SIGNIFICANT CONTINGENCIES – LITIGATION

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

## 8. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2013, the County managed its risks as follows:

### Employee Health Insurance:

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

### Liability Insurance:

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

- a. General Liability,
- b. Automobile Liability,
- c. Law Enforcement Liability, and
- d. Officials' Liability

The agreement with the SDPAA provides that the above coverages will be provided to a \$6,600,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$250,000 for property coverage and \$500,000 for liability coverage to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The County would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

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

As of December 31, 2013, the County has vested balance in the cumulative reserve fund of \$56,846.11.

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

Worker's Compensation:

The County purchases liability insurance for worker's compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

Unemployment Benefits:

The County has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits.

During the two years ended December 31, 2013, two claims were filed for unemployment benefits. These claims resulted in the payment of benefits in the amount of \$549.45. At December 31, 2013, no claims had been filed and were outstanding. It is not anticipated that any additional claims for unemployment benefits will be filed in the next year.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 4,250,449.59	\$ 4,250,449.59	\$ 4,223,192.10	\$ (27,257.49)
General Property Taxes--Delinquent	15,100.00	15,100.00	30,576.23	15,476.23
Penalties and Interest	8,500.00	8,500.00	12,545.44	4,045.44
Mobile Home Tax	1,000.00	1,000.00	2,077.17	1,077.17
Tax Deed Revenue	0.00	0.00	314.20	314.20
Licenses and Permits	5,420.00	5,420.00	10,789.00	5,369.00
Intergovernmental Revenue:				
Federal Grants	0.00	6,929.69	6,929.69	0.00
Federal Shared Revenue	0.00	0.00	3,850.00	3,850.00
State Grants	0.00	7,307.00	8,507.00	1,200.00
State Shared Revenue:				
Bank Franchise	12,000.00	12,000.00	24,938.81	12,938.81
Court Appointed Attorney/Public Defender	6,500.00	6,500.00	4,138.41	(2,361.59)
Telecommunications Gross Receipts Tax	45,000.00	45,000.00	52,055.94	7,055.94
Motor Vehicle 1/4%	1,000.00	1,000.00	2,543.74	1,543.74
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	5,100.00	5,100.00	6,215.00	1,115.00
Treasurer's Handling Fees	5,000.00	5,000.00	6,272.00	1,272.00
Register of Deeds' Fees	77,000.00	77,000.00	118,363.00	41,363.00
Court Appointed Attorney Fees	1,900.00	1,900.00	3,678.55	1,778.55
Alternative Care	3,000.00	3,000.00	8,587.01	5,587.01
Public Defender Recoveries	16,500.00	16,500.00	14,556.05	(1,943.95)
Clerk of Courts Fees	13,000.00	13,000.00	12,143.51	(856.49)
Rezoning Fees	1,000.00	1,000.00	1,875.00	875.00
Divorce Fees	500.00	500.00	525.00	25.00
Other Fees	800.00	800.00	5,252.00	4,452.00
Public Safety:				
Sheriff Fees	24,000.00	24,000.00	21,531.31	(2,468.69)
Law Enforcement Contracts	183,331.29	183,331.29	200,609.29	17,278.00
Prisoner Care	5,000.00	5,000.00	3,315.89	(1,684.11)
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	3,000.00	3,000.00	12,255.49	9,255.49
Conservation of Natural Resources	0.00	0.00	75.00	75.00
Miscellaneous Revenue:				
Investment Earnings	29,000.00	29,000.00	15,614.13	(13,385.87)
Contributions and Donations	0.00	0.00	47.50	47.50
Dividends	0.00	0.00	21.36	21.36
Other	11,000.00	11,000.00	18,715.51	7,715.51
<b>Total Revenues</b>	<b>4,724,100.88</b>	<b>4,738,337.57</b>	<b>4,832,110.33</b>	<b>93,772.76</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	103,265.00	103,265.00	85,653.36	17,611.64
Contingency	80,000.00	80,000.00		
Amount Transferred		(14,500.00)		65,500.00
Elections	4,500.00	6,500.00	5,247.87	1,252.13
Judicial System	124,150.00	124,150.00	97,787.13	26,362.87
Financial Administration:				
Auditor	130,598.00	130,598.00	126,350.41	4,247.59
Treasurer	174,585.00	174,585.00	167,094.25	7,490.75
Data Processing	3,200.00	3,200.00	2,462.45	737.55
Legal Services:				
State's Attorney	167,669.00	167,669.00	128,131.99	39,537.01
Other Administration:				
General Government Building	120,434.00	299,709.00	299,466.75	242.25
Director of Equalization	197,882.00	197,882.00	170,355.72	27,526.28
Register of Deeds	125,441.00	125,441.00	106,395.41	19,045.59
Veterans Service Officer	16,986.00	17,136.00	17,045.67	90.33
Predatory Animal	6,229.25	6,229.25	6,229.25	0.00

**SUPPLEMENTARY INFORMATION  
TURNER 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	583,189.87	583,189.87	544,725.99	38,463.88
County Jail	85,000.00	85,000.00	53,853.00	31,147.00
Coroner	5,000.00	5,000.00	900.00	4,100.00
County-Wide Law Enforcement	200,959.72	200,959.72	196,056.17	4,903.55
Juvenile Detention	43,000.00	43,000.00	16,551.64	26,448.36
Health and Welfare:				
Economic Assistance:				
Support of Poor	75,540.00	75,540.00	11,746.71	63,793.29
Public Welfare	550.00	600.00	559.04	40.96
Health Assistance:				
County Nurse	45,000.00	45,000.00	42,754.98	2,245.02
Ambulance	20,000.00	20,000.00	20,000.00	0.00
Social Services:				
Domestic Abuse	2,300.00	2,300.00	2,300.00	0.00
Cart Bus	4,500.00	4,500.00	4,500.00	0.00
Inter-Lakes Community Action	2,874.00	2,874.00	2,873.76	0.24
Mental Health Services:				
Mentally Ill	12,000.00	12,000.00	4,024.05	7,975.95
Developmentally Disabled	20,000.00	20,000.00	15,840.00	4,160.00
Mental Health Centers	8,347.00	8,347.00	8,347.00	0.00
Mental Illness Board	8,000.00	8,000.00	7,288.73	711.27
Culture and Recreation:				
Recreation:				
County Fair	62,207.00	62,207.00	52,254.36	9,952.64
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	73,718.28	73,718.28	69,866.85	3,851.43
Soil Conservation Districts	8,000.00	8,000.00	8,000.00	0.00
Weed and Pest Control	22,093.00	22,093.00	18,980.74	3,112.26
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	4,961.00	5,961.00	5,816.27	144.73
Urban and Rural Development (SECOG)	11,961.00	11,961.00	11,961.00	0.00
Economic Development:				
Tourism, Industrial or Recreational Development	400.00	400.00	345.00	55.00
Economic Development	1,000.00	1,000.00	0.00	1,000.00
Southeast Enterprise Facility	10,000.00	10,000.00	10,000.00	0.00
<b>Total Expenditures</b>	<b>2,565,540.12</b>	<b>2,733,515.12</b>	<b>2,321,765.55</b>	<b>411,749.57</b>
Excess of Revenues Over (Under) Expenditures	2,158,560.76	2,004,822.45	2,510,344.78	505,522.33
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,835,455.87)	(2,835,455.87)	(2,813,280.99)	22,174.88
Insurance Proceeds	0.00	0.00	9,439.53	9,439.53
Sale of County Property	0.00	0.00	2,958.00	2,958.00
<b>Total Other Financing Sources (Uses)</b>	<b>(2,835,455.87)</b>	<b>(2,835,455.87)</b>	<b>(2,800,883.46)</b>	<b>34,572.41</b>
Net Change in Fund Balance	(676,895.11)	(830,633.42)	(290,538.68)	540,094.74
Fund Balance - Beginning	1,697,971.58	1,697,971.58	1,697,971.58	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 1,021,076.47</b>	<b>\$ 867,338.16</b>	<b>\$ 1,407,432.90</b>	<b>\$ 540,094.74</b>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Wheel Tax	\$ 210,000.00	\$ 210,000.00	\$ 213,973.17	\$ 3,973.17
Licenses and Permits	800.00	800.00	3,115.00	2,315.00
Intergovernmental Revenue:				
State Shared Revenue:				
Motor Vehicle Licenses	1,026,000.00	1,026,000.00	1,021,730.34	(4,269.66)
Prorate/Port of Entry Fees	40,000.00	40,000.00	51,547.23	11,547.23
63 3/4% Mobile Home	0.00	0.00	8,633.75	8,633.75
Other Intergovernmental Revenue	0.00	0.00	7,500.00	7,500.00
Charges for Goods and Services:				
Public Works:				
Other	18,000.00	18,000.00	23,180.44	5,180.44
Miscellaneous Revenue:				
Investment Earnings	2,500.00	2,500.00	8,045.42	5,545.42
Other	0.00	0.00	252.54	252.54
<b>Total Revenues</b>	<b>1,297,300.00</b>	<b>1,297,300.00</b>	<b>1,337,977.89</b>	<b>40,677.89</b>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	4,582,346.00	4,582,346.00	3,946,127.70	636,218.30
Intergovernmental Expenditures	36,000.00	36,000.00	33,747.94	2,252.06
Debt Service	87,772.99	168,997.65	168,997.65	0.00
<b>Total Expenditures</b>	<b>4,706,118.99</b>	<b>4,787,343.65</b>	<b>4,148,873.29</b>	<b>638,470.36</b>
Excess of Revenues Over (Under) Expenditures	(3,408,818.99)	(3,490,043.65)	(2,810,895.40)	679,148.25
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,788,818.99	2,788,818.99	2,788,818.99	0.00
Sale of County Property	220,000.00	220,000.00	405,307.92	185,307.92
<b>Total Other Financing Sources (Uses)</b>	<b>3,008,818.99</b>	<b>3,008,818.99</b>	<b>3,194,126.91</b>	<b>185,307.92</b>
Net Change in Fund Balance	(400,000.00)	(481,224.66)	383,231.51	864,456.17
Fund Balance - Beginning	892,069.10	892,069.10	892,069.10	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 492,069.10</b>	<b>\$ 410,844.44</b>	<b>\$ 1,275,300.61</b>	<b>\$ 864,456.17</b>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 4,118,752.38	\$ 4,118,752.38	\$ 4,089,374.57	\$ (29,377.81)
General Property Taxes--Delinquent	14,600.00	14,800.00	50,272.83	35,872.83
Penalties and Interest	8,500.00	8,500.00	15,701.60	7,201.60
Telephone Tax (Outside)	500.00	500.00	0.00	(500.00)
Mobile Home Tax	1,700.00	1,700.00	1,602.84	(97.16)
Tax Deed Revenue	0.00	0.00	18.67	18.67
Licenses and Permits	5,420.00	5,420.00	13,661.72	8,241.72
<b>Intergovernmental Revenue:</b>				
Federal Grants	0.00	0.00	29,541.86	29,541.86
Federal Shared Revenue	500.00	500.00	4,097.00	3,597.00
<b>State Shared Revenue:</b>				
Bank Franchise	10,000.00	10,000.00	16,827.54	6,827.54
Court Appointed Attorney/Public Defender	6,500.00	6,500.00	5,130.41	(1,369.59)
Telecommunications Gross Receipts Tax	45,000.00	45,000.00	53,563.92	8,563.92
Motor Vehicle 1/4%	1,000.00	1,000.00	2,292.32	1,292.32
Other Payments in Lieu of Taxes	500.00	500.00	0.00	(500.00)
<b>Charges for Goods and Services:</b>				
<b>General Government:</b>				
Treasurer's Fees	4,900.00	4,900.00	5,670.00	770.00
Treasurer's Handling Fees	4,500.00	4,500.00	6,249.00	1,749.00
Register of Deeds' Fees	75,000.00	75,000.00	84,042.35	9,042.35
Court Appointed Attorney Fees	2,500.00	2,500.00	1,807.28	(692.72)
Alternative Care	3,000.00	3,000.00	8,954.20	5,954.20
Public Defender Recoveries	16,500.00	16,500.00	15,369.38	(1,130.62)
Clerk of Courts Fees	13,000.00	13,000.00	17,286.10	4,286.10
Rezoning Fees	1,000.00	1,000.00	3,160.00	2,160.00
Divorce Fees	500.00	500.00	825.00	325.00
Other Fees	1,000.00	1,000.00	823.14	(176.86)
<b>Public Safety:</b>				
Sheriff Fees	24,000.00	24,000.00	29,896.44	5,896.44
Law Enforcement Contracts	180,000.00	180,000.00	191,590.63	11,590.63
Prisoner Care	5,000.00	5,000.00	7,805.82	2,805.82
<b>Health and Welfare:</b>				
<b>Economic Assistance:</b>				
Poor Lien Recoveries	3,500.00	3,500.00	5,397.07	1,897.07
Conservation of Natural Resources	0.00	0.00	100.00	100.00
<b>Miscellaneous Revenue:</b>				
Investment Earnings	35,000.00	35,000.00	23,056.69	(11,943.31)
Contributions and Donations	0.00	0.00	61.25	61.25
Dividends	0.00	0.00	11.42	11.42
Other	13,000.00	13,000.00	11,058.93	(1,941.07)
<b>Total Revenues</b>	<b>4,595,372.38</b>	<b>4,595,372.38</b>	<b>4,695,249.98</b>	<b>99,877.60</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Legislative:</b>				
Board of County Commissioners	118,558.00	118,558.00	90,364.83	28,193.17
Contingency	80,000.00	80,000.00		
Amount Transferred		(47,500.00)		32,500.00
Elections	28,433.00	28,433.00	25,238.22	3,194.78
Judicial System	190,250.00	190,250.00	90,705.15	99,544.85
<b>Financial Administration:</b>				
Auditor	122,451.00	122,451.00	117,305.24	5,145.76
Treasurer	166,968.20	166,968.20	151,240.19	15,728.01
Data Processing	3,000.00	3,000.00	2,986.20	13.80
<b>Legal Services:</b>				
State's Attorney	199,569.00	199,569.00	163,629.99	35,939.01
<b>Other Administration:</b>				
General Government Building	111,800.00	156,800.00	152,580.45	4,219.55
Director of Equalization	206,375.00	206,375.00	167,236.06	39,138.94
Register of Deeds	123,606.68	123,606.68	104,856.60	18,750.08
Veterans Service Officer	16,107.00	18,607.00	18,536.60	70.40
Predatory Animal	6,229.25	6,229.25	6,229.25	0.00

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Law Enforcement:				
Sheriff	552,925.79	567,925.79	551,761.50	16,164.29
County Jail	85,000.00	85,000.00	60,939.18	24,060.82
Coroner	5,000.00	5,000.00	615.76	4,384.24
County-Wide Law Enforcement	191,099.28	194,199.28	189,994.52	4,204.76
Juvenile Detention	43,000.00	43,000.00	29,871.64	13,128.36
Health and Welfare:				
Economic Assistance:				
Support of Poor	75,540.00	75,540.00	51,985.06	23,554.94
Public Welfare	550.00	550.00	487.40	62.60
Health Assistance:				
County Nurse	42,000.00	42,000.00	40,335.00	1,665.00
Ambulance	20,000.00	20,000.00	20,000.00	0.00
Social Services:				
Domestic Abuse	1,400.00	1,400.00	1,400.00	0.00
Cart Bus	4,500.00	4,500.00	4,500.00	0.00
Inter-Lakes Community Action	2,864.00	2,864.00	2,864.04	(0.04)
Mental Health Services:				
Mentally Ill	12,000.00	12,000.00	4,041.98	7,958.02
Developmentally Disabled	20,000.00	20,000.00	15,840.00	4,160.00
Mental Health Centers	8,347.00	8,347.00	8,347.00	0.00
Mental Illness Board	8,000.00	8,000.00	4,612.32	3,387.68
Culture and Recreation:				
Recreation:				
County Fair	60,592.00	60,592.00	54,408.84	6,183.16
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	70,208.40	70,208.40	68,366.99	1,841.41
Soil Conservation Districts	8,000.00	8,000.00	8,000.00	0.00
Weed and Pest Control	21,772.64	21,772.64	19,199.40	2,573.24
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	9,824.00	9,824.00	5,524.53	4,299.47
Urban and Rural Development (SECOG)	22,279.00	22,279.00	16,600.00	5,679.00
Economic Development:				
Tourism, Industrial or Recreational Development	400.00	400.00	340.00	60.00
Economic Development	1,000.00	1,000.00	0.00	1,000.00
Southeast Enterprise Facility	10,000.00	10,000.00	10,000.00	0.00
<b>Total Expenditures</b>	<b>2,649,649.24</b>	<b>2,667,749.24</b>	<b>2,260,943.94</b>	<b>406,805.30</b>
Excess of Revenues Over (Under) Expenditures	1,945,723.14	1,927,623.14	2,434,306.04	508,682.90
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,478,328.40)	(4,278,328.40)	(4,235,558.99)	42,769.41
Insurance Proceeds	0.00	0.00	38,006.71	38,006.71
Sale of County Property	0.00	0.00	10,207.68	10,207.68
<b>Total Other Financing Sources (Uses)</b>	<b>(2,478,328.40)</b>	<b>(4,278,328.40)</b>	<b>(4,187,344.60)</b>	<b>90,983.80</b>
Net Change in Fund Balance	(532,605.26)	(2,350,705.26)	(1,753,038.56)	597,666.70
Fund Balance - Beginning	3,451,010.14	3,451,010.14	3,451,010.14	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 2,918,404.88</b>	<b>\$ 1,100,304.88</b>	<b>\$ 1,697,971.58</b>	<b>\$ 597,666.70</b>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Wheel Tax	\$ 210,000.00	\$ 210,000.00	\$ 208,545.58	\$ (1,454.42)
Licenses and Permits	650.00	650.00	2,300.00	1,650.00
Intergovernmental Revenue:				
State Shared Revenue:				
Motor Vehicle Licenses	865,000.00	865,000.00	977,854.47	112,854.47
Prorate/Port of Entry Fees	40,000.00	40,000.00	62,015.37	22,015.37
63 3/4% Mobile Home	0.00	0.00	2,241.45	2,241.45
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	15,000.00	15,000.00	15,301.44	301.44
Miscellaneous Revenue:				
Investment Earnings	10,000.00	10,000.00	4,929.00	(5,071.00)
Other	0.00	0.00	2,986.11	2,986.11
<b>Total Revenues</b>	<b>1,140,650.00</b>	<b>1,140,650.00</b>	<b>1,276,173.42</b>	<b>135,523.42</b>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	3,445,436.00	5,450,436.00	5,440,385.69	10,050.31
Intergovernmental Expenditures	35,000.00	35,000.00	28,349.16	6,650.84
Debt Service	87,772.99	87,772.99	87,772.99	0.00
<b>Total Expenditures</b>	<b>3,568,208.99</b>	<b>5,573,208.99</b>	<b>5,556,507.84</b>	<b>16,701.15</b>
Excess of Revenues Over (Under) Expenditures	(2,427,558.99)	(4,432,558.99)	(4,280,334.42)	152,224.57
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,425,558.99	2,425,558.99	4,225,558.99	1,800,000.00
Insurance Proceeds	0.00	0.00	11,720.00	11,720.00
Sale of County Property	5,000.00	5,000.00	310,732.10	305,732.10
<b>Total Other Financing Sources (Uses)</b>	<b>2,430,558.99</b>	<b>2,430,558.99</b>	<b>4,548,011.09</b>	<b>2,117,452.10</b>
Net Change in Fund Balance	3,000.00	(2,002,000.00)	267,676.67	2,269,676.67
Fund Balance - Beginning	624,392.43	624,392.43	624,392.43	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 627,392.43</b>	<b>\$ (1,377,607.57)</b>	<b>\$ 892,069.10</b>	<b>\$ 2,269,676.67</b>

TURNER 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.

**TURNER COUNTY**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**For the Two Years Ended December 31, 2013**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2012</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2013</u>
<b>Governmental Long-Term Debt:</b>				
Revenue Bonds Payable	\$ 3,063,984.00	\$	\$ 629,616.00	\$ 2,434,368.00
Financing (Capital Acquisition) Lease Payable	279,492.16		236,618.54	42,873.62
<b>Total</b>	<u>\$ 3,343,476.16</u>	<u>\$ 0.00</u>	<u>\$ 866,234.54</u>	<u>\$ 2,477,241.62</u>

Note 1 - Long-Term Debt:

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

Revenue Bonds:

Tax Increment Revenue Bonds - Series 2002, 5.75 Percent Interest, Final Maturity Date of December 2019,  
Retired by the TIF #1 Debt Service Fund. \$ 419,368.00

Tax Increment Revenue Bonds - Series 2007, 4.0 to 5.0 Percent Interest, Final Maturity Date of  
December 2026, Retired by the TIF #2 Debt Service Fund. \$ 2,015,000.00

Financing (Capital Acquisition) Leases:

Capital Lease - (2) 2010 International 7600 Trucks - 4.94 Percent Interest, Final Maturity Date of January  
2014, Retired by the Road and Bridge Fund. \$ 42,873.62