

**UNION COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2008**

**UNION COUNTY  
COUNTY OFFICIALS  
December 31, 2008**

**Board of Commissioners:**

**Doyle Karpen  
Marvin Schempp  
Ross Jordan  
Milton Ustad  
Dale Neely**

**Auditor:  
Carol Klumper**

**Treasurer:  
Myron Hertel**

**State's Attorney:  
Jerry Miller**

**Register of Deeds:  
Jana Foltz**

**Sheriff:  
Dan Limoges**

UNION COUNTY  
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MARTIN L. GUINDON, CPA  
AUDITOR GENERAL

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  
Union County  
Elk Point, South Dakota

We have audited the modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, South Dakota (County), as of December 31, 2008 and 2007, and for each of the years then ended which collectively comprise the County's basic financial statements and have issued our report thereon dated February 16, 2010.

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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

We noted certain matters that we reported to management of the County in a separate communication dated February 16, 2010.

This report is intended solely for the information and use of the South Dakota Legislature, state granting agencies, and the governing board and management of Union County, South Dakota and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11 this report is matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Martin L. Guindon". The signature is stylized and cursive.

Martin L. Guindon, CPA  
Auditor General

February 16, 2010

UNION COUNTY  
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

**Prior Federal Audit Findings:**

The prior audit report contained no written federal audit findings.

**Prior Other Audit Findings:**

The prior audit report contained no written other audit findings.

**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  
Union County  
Elk Point, South Dakota

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, South Dakota, (County) as of December 31, 2008 and 2007, and for each of the years then ended, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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 includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1.c. to the financial statements, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, South Dakota as of December 31, 2008 and 2007, and the respective changes in financial position, where applicable, thereof for each of the years then ended in conformity with the modified cash basis of accounting described in Note 1.c. to the financial statements.

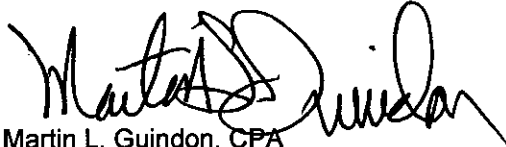
In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2010 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other 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* and should be considered in assessing the results of our audit.

The Budgetary Comparison Schedules on pages 28 through 35 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The County has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedules 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Martin L. Guindon", written in a cursive style.

Martin L. Guindon, CPA  
Auditor General

February 16, 2010

**UNION COUNTY**  
**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS**  
**December 31, 2008**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 456,974.93
Investments	3,004,128.47
<b>TOTAL ASSETS</b>	<b>\$ 3,461,103.40</b>
<b>NET ASSETS:</b>	
Restricted (See Note 5)	\$ 934,567.56
Unrestricted	2,526,535.84
<b>TOTAL NET ASSETS</b>	<b>\$ 3,461,103.40</b>

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

**UNION COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**For the Year Ended December 31, 2008**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 1,778,537.06	\$ 428,425.97	\$ 30,611.01	\$ (1,319,500.08)
Public Safety	1,547,465.83	310,064.24	26,611.33	(1,210,790.26)
Public Works	2,446,391.32	67,015.35	736,717.35	(1,642,658.62)
Health and Welfare	203,502.94	32,695.52		(170,807.42)
Culture and Recreation	26,559.56			(26,559.56)
Conservation of Natural Resources	166,483.85	24,825.99		(141,657.86)
Urban and Economic Development	59,736.65			(59,736.65)
*Interest on Long-Term Debt	51,083.85			(51,083.85)
<b>Total Primary Government</b>	<b>\$ 6,279,761.06</b>	<b>\$ 863,027.07</b>	<b>\$ 793,939.69</b>	<b>(4,622,794.30)</b>
<b>General Revenues:</b>				
Taxes:				
				3,939,421.74
				324,922.34
				134,148.96
				110,515.73
				389.00
				185,174.05
				169,029.77
<b>Total General Revenues</b>				<b>4,863,601.59</b>
Change in Net Assets				240,807.29
Net Assets - Beginning				3,220,296.11
<b>NET ASSETS - ENDING</b>				<b>\$ 3,461,103.40</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.

**UNION COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>and Changes in Net Assets</u>
					<u>Primary Government</u>
					<u>Governmental Activities</u>
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 1,770,809.65	\$ 380,348.15	\$ 20,567.29	\$	\$ (1,369,894.21)
Public Safety	1,539,947.23	269,203.75	65,838.73		(1,204,904.75)
Public Works	2,684,147.77	65,687.51	718,795.28	200,000.00	(1,699,664.98)
Health and Welfare	134,266.92	23,523.99	28,022.81		(82,720.12)
Culture and Recreation	23,649.04				(23,649.04)
Conservation of Natural Resources	163,409.68	37,954.38	4,000.00		(121,455.30)
Urban and Economic Development	60,862.44				(60,862.44)
*Interest on Long-Term Debt	39,463.05				(39,463.05)
<b>Total Primary Government</b>	<b>\$ 6,416,555.78</b>	<b>\$ 776,717.78</b>	<b>\$ 837,224.11</b>	<b>\$ 200,000.00</b>	<b>(4,602,613.89)</b>
<b>General Revenues:</b>					
Taxes:					
					3,695,748.44
					314,967.08
					118,762.50
					93,314.59
					402.00
					186,295.17
					198,097.97
					<u>4,607,587.75</u>
					4,973.86
					<u>3,215,322.25</u>
					<b>\$ 3,220,296.11</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.

**UNION COUNTY**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**December 31, 2008**

	General Fund	Road & Bridge Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 93,191.78	\$ 37,208.41	\$ 326,574.74	\$ 456,974.93
Investments	2,433,344.06	570,784.41		3,004,128.47
<b>TOTAL ASSETS</b>	<b>\$ 2,526,535.84</b>	<b>\$ 607,992.82</b>	<b>\$ 326,574.74</b>	<b>\$ 3,461,103.40</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Snow Removal	\$	\$ 119,897.45	\$	\$ 119,897.45
Unreserved Fund Balances:				
Designated for Next Year's Appropriation	537,866.00	78,587.00		616,453.00
Reported in Nonmajor:				
Special Revenue Funds			1,518.00	1,518.00
Designated for Capital Outlay Accumulations	385,000.00			385,000.00
Undesignated	1,603,669.84	409,508.37		2,013,178.21
Reported in Nonmajor:				
Special Revenue Funds			223,244.42	223,244.42
Debt Service Funds			101,812.32	101,812.32
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,526,535.84</b>	<b>\$ 607,992.82</b>	<b>\$ 326,574.74</b>	<b>\$ 3,461,103.40</b>

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

**UNION COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenue:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 3,656,549.27	\$ 35,128.35	\$ 162,960.76	\$ 3,854,638.38
General Property Taxes--Delinquent	33,498.90	354.36	1,421.41	35,274.67
Penalties and Interest	9,710.68		490.80	10,201.48
Telephone Tax (Outside)	19,127.54			19,127.54
Mobile Home Tax	16,141.75	100.13	600.01	16,841.89
Wheel Tax		324,922.34		324,922.34
911 Telephone Surcharge			134,148.96	134,148.96
Tax Deed Revenue	3,233.88		103.90	3,337.78
Licenses and Permits	109,391.30		5,880.00	115,271.30
<b>Intergovernmental Revenue:</b>				
Federal Grants	13,697.36		5,220.02	18,917.38
Federal Payments in Lieu of Taxes	389.00			389.00
State Grants	21,391.31			21,391.31
<b>State Shared Revenue:</b>				
Bank Franchise	28,845.35	203.85	310.72	29,359.92
Motor Vehicle Licenses		681,992.21		681,992.21
Inheritance Tax	1,677.40			1,677.40
Court Appointed Attorney/ Public Defender	16,913.65			16,913.65
Prorate/Port of Entry Fees		42,164.95		42,164.95
63 3/4% Mobile Home		5,464.95		5,464.95
Secondary Road Motor Vehicle Remittances		7,095.24		7,095.24
Telecommunications Gross Receipts Tax	75,454.37			75,454.37
Motor Vehicle State Supplies	1,024.04			1,024.04
Other State Shared Revenue	3,000.00			3,000.00
<b>Charges for Goods and Services:</b>				
<b>General Government:</b>				
Treasurer's Fees	13,511.06			13,511.06

Register of Deeds' Fees	194,598.90			194,598.90
Legal Services	35,051.68			35,051.68
Clerk of Courts Fees	20,935.80		1,750.00	22,685.80
Extension Fees	2,644.95			2,644.95
Other Fees	44,662.28			44,662.28
<b>Public Safety:</b>				
Law Enforcement	112,043.83			112,043.83
Prisoner Care	162,470.00			162,470.00
Sobriety Testing			3,604.00	3,604.00
<b>Public Works:</b>				
Highways		65,714.75		65,714.75
<b>Health and Welfare:</b>				
Economic Assistance:				
Poor Lien Recoveries	22,159.66			22,159.66
Health Assistance:				
County Nurse	563.00			563.00
Women, Infants and Children			3,175.85	3,175.85
Mental Health Services	6,797.01			6,797.01
Conservation of Natural Resources	24,825.99			24,825.99
<b>Fines and Forfeits:</b>				
Costs	26,446.41			26,446.41
Forfeits	5,500.00			5,500.00
<b>Miscellaneous Revenue:</b>				
Investment Earnings	146,938.02	24,480.82	13,755.21	185,174.05
Rent	1,300.60			1,300.60
Refund of Prior Year's Expenditures	1,549.36			1,549.36
<b>Total Revenue</b>	<u>4,832,044.35</u>	<u>1,187,621.95</u>	<u>333,421.64</u>	<u>6,353,087.94</u>

**Expenditures:**

**General Government:**

**Legislative:**

Board of County Commissioners	183,810.79			183,810.79
Elections	54,281.64			54,281.64
Judicial System	40,139.98			40,139.98

**Financial Administration:**

Auditor	137,649.11			137,649.11
Treasurer	202,847.75			202,847.75
Data Processing	36,707.36			36,707.36

**Legal Services:**

State's Attorney	268,854.65			268,854.65
Public Defender	143,445.78			143,445.78
Court Appointed Attorney	60,378.96			60,378.96

**UNION COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**  
**(Continued)**

	General Fund	Road & Bridge Fund	Other Governmental Funds	Total Governmental Funds
Abused and Neglected Child Defense	601.25			601.25
Other Administration:				
General Government Building	304,451.17			304,451.17
Director of Equalization	207,537.54			207,537.54
Register of Deeds	120,918.75			120,918.75
Veterans Service Officer	14,836.33			14,836.33
Predatory Animal	2,076.00			2,076.00
Public Safety:				
Law Enforcement:				
Sheriff	724,480.12			724,480.12
County Jail	530,796.36			530,796.36
Coroner	782.23			782.23
Protective and Emergency Services:				
Fire Protection			43,346.00	43,346.00
Emergency and Disaster Services			33,251.49	33,251.49
Flood Control	3,657.93			3,657.93
Communication Center			131,151.70	131,151.70
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		2,415,686.50		2,415,686.50
Health and Welfare:				
Economic Assistance:				
Support of Poor	81,449.92			81,449.92
Health Assistance:				
County Nurse	15,441.49			15,441.49
Ambulance	40,000.00			40,000.00
Women, Infants and Children	2,408.97		3,874.49	6,283.46
Other			20,517.00	20,517.00
Social Services:				
Care of Aged	2,500.00			2,500.00
Domestic Abuse	5,000.00		7,755.00	12,755.00



Mental Health Services:				
Mentally Ill	13,319.45			13,319.45
Mental Health Centers	9,085.00			9,085.00
Mental Illness Board	2,151.62			2,151.62
Culture and Recreation:				
Culture:				
Public Library	6,000.00			6,000.00
Historical Museum	1,000.00			1,000.00
Recreation:				
County Fair	19,559.56			19,559.56
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	55,209.72			55,209.72
Soil Conservation Districts	7,500.00			7,500.00
Weed and Pest Control	103,774.13			103,774.13
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	59,416.65			59,416.65
Economic Development:				
Tourism, Industrial or Recreational Development	320.00			320.00
Debt Service		47,183.67	114,605.00	161,788.67
Total Expenditures	<u>3,462,390.21</u>	<u>2,462,870.17</u>	<u>354,500.68</u>	<u>6,279,761.06</u>
Excess of Revenue Over (Under) Expenditures	<u>1,369,654.14</u>	<u>(1,275,248.22)</u>	<u>(21,079.04)</u>	<u>73,326.88</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		1,367,081.00	27,959.97	1,395,040.97
Transfers Out	(1,395,040.97)			(1,395,040.97)
Insurance Proceeds	162,980.41			162,980.41
Sale of County Property	4,500.00			4,500.00
Total Other Financing Sources (Uses)	<u>(1,227,560.56)</u>	<u>1,367,081.00</u>	<u>27,959.97</u>	<u>167,480.41</u>
Net Change in Fund Balances	142,093.58	91,832.78	6,880.93	240,807.29
Fund Balance - Beginning	<u>2,384,442.26</u>	<u>516,160.04</u>	<u>319,693.81</u>	<u>3,220,296.11</u>
FUND BALANCE - ENDING	<u>\$ 2,526,535.84</u>	<u>\$ 607,992.82</u>	<u>\$ 326,574.74</u>	<u>\$ 3,461,103.40</u>

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

**UNION COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2007**

	General Fund	Road & Bridge Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenue:</b>				
Taxes:				
General Property Taxes—Current	\$ 3,427,924.03	\$ 35,196.89	\$ 154,323.58	\$ 3,617,444.50
General Property Taxes—Delinquent	32,605.90	643.43	1,357.00	34,606.33
Penalties and Interest	10,637.87	1.20	488.87	11,127.94
Telephone Tax (Outside)	19,005.58			19,005.58
Mobile Home Tax	12,967.49	96.32	500.28	13,564.09
Wheel Tax		314,967.08		314,967.08
911 Telephone Surcharge			118,762.50	118,762.50
Licenses and Permits	95,814.62		5,760.00	101,574.62
Intergovernmental Revenue:				
Federal Grants	7,645.42		47,088.81	54,734.23
Federal Payments in Lieu of Taxes	402.00			402.00
State Grants	35,442.73			35,442.73
State Shared Revenue:				
Bank Franchise	20,467.40	149.10	215.86	20,832.36
Motor Vehicle Licenses		662,814.16		662,814.16
Inheritance Tax	794.98			794.98
State Highway Fund (former 10% game)		701.67		701.67
Court Appointed Attorney/ Public Defender	12,920.46			12,920.46
Prorate/Port of Entry Fees Abused and Neglected		41,554.46		41,554.46
Child Defense	1.41			1.41
63 3/4% Mobile Home		6,656.67		6,656.67
Secondary Road Motor Vehicle Remittances		7,068.32		7,068.32
Telecommunications Gross				
Receipts Tax	68,687.25			68,687.25
Other State Shared Revenue	3,000.00			3,000.00
Charges for Goods and Services:				
General Government:				

Treasurer's Fees	16,360.69			16,360.69
Register of Deeds' Fees	190,382.80			190,382.80
Legal Services	32,676.36			32,676.36
Clerk of Courts Fees	20,251.20		1,175.00	21,426.20
Extension Fees	3,018.80			3,018.80
Other Fees	17,656.79		270.69	17,927.48
<b>Public Safety:</b>				
Law Enforcement	87,200.20			87,200.20
Prisoner Care	153,450.00			153,450.00
Sobriety Testing			846.90	846.90
<b>Public Works:</b>				
Highways		64,386.91		64,386.91
<b>Health and Welfare:</b>				
<b>Economic Assistance:</b>				
Poor Lien Recoveries	12,289.46			12,289.46
<b>Health Assistance:</b>				
County Nurse	1,140.00			1,140.00
Women, Infants and Children			5,498.21	5,498.21
Mental Health Services	4,596.32			4,596.32
Conservation of Natural Resources	34,935.58			34,935.58
<b>Fines and Forfeits:</b>				
Costs	23,856.65			23,856.65
Forfeits	3,850.00			3,850.00
<b>Miscellaneous Revenue:</b>				
Investment Earnings	146,733.59	28,146.56	11,415.02	186,295.17
Rent	1,300.60			1,300.60
Contributions and Donations	15,330.00			15,330.00
Refund of Prior Year's Expenditures	4,671.88			4,671.88
Other	4,218.86			4,218.86
<b>Total Revenue</b>	<b>4,522,236.92</b>	<b>1,162,382.77</b>	<b>347,702.72</b>	<b>6,032,322.41</b>

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

Board of County Commissioners	162,524.02			162,524.02
Elections	15,442.38			15,442.38
Judicial System	73,089.63			73,089.63

**Financial Administration:**

Auditor	133,762.58			133,762.58
Treasurer	205,182.56			205,182.56
Data Processing	147,601.38			147,601.38

**Legal Services:**

**UNION COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2007**  
**(Continued)**

	General Fund	Road & Bridge Fund	Other Governmental Funds	Total Governmental Funds
State's Attorney	263,489.31			263,489.31
Public Defender	139,714.86			139,714.86
Court Appointed Attorney	90,474.08			90,474.08
Other Administration:				
General Government Building	215,195.14			215,195.14
Director of Equalization	194,641.79			194,641.79
Register of Deeds	113,725.42			113,725.42
Veterans Service Officer	13,890.50			13,890.50
Predatory Animal	2,076.00			2,076.00
Public Safety:				
Law Enforcement:				
Sheriff	773,864.24			773,864.24
County Jail	498,491.62			498,491.62
Coroner	1,258.78			1,258.78
Protective and Emergency Services:				
Fire Protection			42,321.02	42,321.02
Emergency and Disaster Services			33,882.25	33,882.25
Flood Control	8,646.73			8,646.73
Communication Center			106,482.59	106,482.59
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		2,629,777.96		2,629,777.96
Health and Welfare:				
Economic Assistance:				
Support of Poor	20,488.67			20,488.67
Health Assistance:				
County Nurse	16,720.02			16,720.02
Ambulance	40,000.00			40,000.00
Board of Health			5,205.19	
Women, Infants and Children	1,332.12			1,332.12
Other			3,414.56	3,414.56
Social Services:				
Care of Aged	2,500.00			2,500.00

Domestic Abuse	5,000.00		6,810.00	11,810.00
Mental Health Services:				
Mentally Ill	21,795.54			21,795.54
Mental Health Centers	8,820.00			8,820.00
Mental Illness Board	2,180.82			2,180.82
Culture and Recreation:				
Culture:				
Public Library	4,000.00			4,000.00
Historical Museum	1,000.00			1,000.00
Recreation:				
County Fair	18,649.04			18,649.04
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	54,516.97			54,516.97
Soil Conservation Districts	7,500.00			7,500.00
Weed and Pest Control	101,392.71			101,392.71
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	55,567.44			55,567.44
Economic Development:				
Tourism, Industrial or Recreational Development	5,295.00			5,295.00
Debt Service		57,165.36	111,667.50	168,832.86
<b>Total Expenditures</b>	<u>3,419,829.35</u>	<u>2,686,943.32</u>	<u>309,783.11</u>	<u>6,416,555.78</u>
<b>Excess of Revenue Over (Under) Expenditures</b>	<u>1,102,407.57</u>	<u>(1,524,560.55)</u>	<u>37,919.61</u>	<u>(384,233.37)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		1,167,094.00		1,167,094.00
Transfers Out	(1,167,094.00)			(1,167,094.00)
Long-Term Debt Issued		200,000.00		200,000.00
Sale of County Property	5,778.80	183,428.43		189,207.23
<b>Total Other Financing Sources (Uses)</b>	<u>(1,161,315.20)</u>	<u>1,550,522.43</u>	<u>0.00</u>	<u>389,207.23</u>
<b>Net Change in Fund Balances</b>	<u>(58,907.63)</u>	<u>25,961.88</u>	<u>37,919.61</u>	<u>4,973.86</u>
<b>Fund Balance - Beginning</b>	<u>2,443,349.89</u>	<u>490,198.16</u>	<u>281,774.20</u>	<u>3,215,322.25</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,384,442.26</u>	<u>\$ 516,160.04</u>	<u>\$ 319,693.81</u>	<u>\$ 3,220,296.11</u>

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

**UNION COUNTY  
STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS  
FIDUCIARY FUNDS  
December 31, 2008**

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 604,434.77
<b>TOTAL ASSETS</b>	<u>\$ 604,434.77</u>
<b>NET ASSETS:</b>	
Net Assets Held in Agency Capacity	\$ 604,434.77
<b>TOTAL NET ASSETS</b>	<u>\$ 604,434.77</u>

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

UNION 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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued after November 30, 1989, have not been applied, to the extent they are applicable to the modified cash basis of accounting. If those pronouncements conflict with or contradict GASB pronouncements, GASB pronouncements prevail.

a. Financial Reporting Entity:

The reporting entity of Union County, (County) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

b. Basis of Presentation:

*Government-wide Financial Statements:*

The Statement of Net Assets 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 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, Fire Protection, Emergency and Disaster, Domestic Abuse, Women, Infants and Children (WIC), and 24/7 Sobriety. 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.*

Series 2003 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.

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

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

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

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

d. Deposits and Investments:

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

Investments classified in the financial statements consist entirely of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investment authorized by South Dakota Codified Laws (SDCL) 4-5-6. Under the modified cash basis of accounting, investments are carried at cost.

e. Revenue Received in Advance:

Under the modified cash basis of accounting cash may have been received in advance of the County's providing a good or service to a customer. These amounts are reported in the financial statements, as applicable.

f. Program Revenues:

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

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

g. Equity Classifications:

*Government-wide Financial Statements:*

Equity is classified as net assets and is displayed in two components:

1. Restricted net assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of "restricted net assets".

*Fund Financial Statements:*

Governmental fund equity is classified as fund balance, and may distinguish between "Reserved" and "Unreserved" components. Agency Funds have no fund equity. The net assets are reported as net assets held in agency capacity.

h. Application of Net Assets:

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

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:

	Year Ended <u>12/31/2007</u>
Road and Bridge Fund:	
<u>Activity</u>	
Highways, Roads and Bridges	\$ 197,587.96

The above overdraft of expenditures compared to appropriations was the result of the County obtaining financing for the purchase of two motor graders without supplementing the existing budget.

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 has no investment policy that would further limit its investment choices.

As of December 31, 2008, the County had the following investments.

<u>Investment</u>	<u>Credit Rating</u>	<u>Fair Value</u>
External Investment Pools:		
SDFIT	Unrated	\$ 1,281,775.99

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing. It is regulated by a nine member board with representation from municipalities, school districts, and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis.

**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 not have a deposit policy for custodial credit risk. As of December 31, 2008 the County's deposits in financial institutions were exposed to custodial credit risk as follows:

<u>Depository Name</u>	<u>% Under-Collateralized</u>	<u>At- Risk Amount</u>
State Bank of Alcester	10.04%	\$ 48,416.20

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

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

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

#### 4. 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 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.

5. RESTRICTED NET ASSETS

Restricted net assets for the year ended December 31, 2008 were as follows:

**Major Funds:**

Road and Bridge Purposes \$ 607,992.82

**Other Purposes:**

911 Service Purposes	193,402.14
Fire Protection Purposes	8,386.58
Emergency and Disaster Purposes	18,203.63
Women, Infants and Children Purposes	319.17
24/7 Sobriety Purposes	4,450.90
Debt Service Purposes	<u>101,812.32</u>

**Total Restricted Net Assets** \$ 934,567.56

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

6. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2008 were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>		<u>Total</u>
	<u>Road and Bridge Fund</u>	<u>Aggregate Other Governmental Funds</u>	
Major Funds:			
General Fund	\$ 1,367,081.00	\$ 27,959.97	\$ 1,395,040.97

Interfund transfers for the year ended December 31, 2007 were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>
	<u>Road and Bridge Fund</u>
Major Funds:	
General Fund	\$ 1,167,094.00

The county typically budgets transfers to the Road and Bridge Fund, Emergency and Disaster Fund (Other Governmental Fund), and the Women, Infants and Children (WIC) Fund (Other Governmental Fund) to conduct the indispensable functions of the county.

7. RETIREMENT PLAN

All employees, except for part-time employees, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to

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

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The County's share of contributions to the SDRS for the fiscal years ended December 31, 2008, 2007, and 2006 were \$122,455.95, \$118,844.30, and \$114,456.04, respectively, equal to the required contributions each year.

## 8. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2008, the County was involved in several lawsuits. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the County has liability coverage for itself and its employees with a commercial insurance carrier and through the catastrophic pool. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

## 9. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2008, 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 \$600,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits or a combined employer liability 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 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, 2008, four claims were filed for unemployment benefits. These claims resulted in the payment of benefits in the amount of \$5,970.96. At December 31, 2008, two claims had been filed and were outstanding. It is estimated, based upon historical trends, that these claims will result in the future payment of unemployment benefits in the amount of approximately \$1,952.62.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**UNION COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Revenue:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 3,699,989.00	\$ 3,699,989.00	\$ 3,656,549.27	\$ (43,439.73)
General Property Taxes--Delinquent	25,000.00	25,000.00	33,498.90	8,498.90
Penalties and Interest	8,000.00	8,000.00	9,710.68	1,710.68
Telephone Tax (Outside)	17,000.00	17,000.00	19,127.54	2,127.54
Mobile Home Tax	16,000.00	16,000.00	16,141.75	141.75
Tax Deed Revenue	0.00	0.00	3,233.88	3,233.88
Licenses and Permits	94,800.00	94,800.00	109,391.30	14,591.30
<b>Intergovernmental Revenue:</b>				
Federal Grants	0.00	0.00	13,697.36	13,697.36
Federal Payments in Lieu of Taxes	0.00	0.00	389.00	389.00
State Grants	0.00	0.00	21,391.31	21,391.31
<b>State Shared Revenue:</b>				
Bank Franchise	25,000.00	25,000.00	28,845.35	3,845.35
Inheritance Tax	0.00	0.00	1,677.40	1,677.40
Court Appointed Attorney/ Public Defender	13,500.00	13,500.00	16,913.65	3,413.65
Telecommunications Gross Receipts Tax	68,000.00	68,000.00	75,454.37	7,454.37
Motor Vehicle State Supplies	0.00	0.00	1,024.04	1,024.04
Other State Shared Revenue	3,000.00	3,000.00	3,000.00	0.00
<b>Charges for Goods and Services:</b>				
<b>General Government:</b>				
Treasurer's Fees	19,150.00	19,150.00	13,511.06	(5,638.94)
Register of Deeds' Fees	187,000.00	187,000.00	194,598.90	7,598.90
Legal Services	50,000.00	50,000.00	35,051.68	(14,948.32)
Clerk of Courts Fees	18,000.00	18,000.00	20,935.80	2,935.80
Extension Fees	3,250.00	3,250.00	2,644.95	(605.05)
Other Fees	23,500.00	23,500.00	44,662.28	21,162.28
<b>Public Safety:</b>				
Law Enforcement	76,800.00	76,800.00	112,043.83	35,243.83
Prisoner Care	175,000.00	175,000.00	162,470.00	(12,530.00)
<b>Health and Welfare:</b>				
<b>Economic Assistance:</b>				
Poor Lien Recoveries	7,000.00	7,000.00	22,159.66	15,159.66
<b>Health Assistance:</b>				
County Nurse	500.00	500.00	563.00	63.00
Mental Health Services	2,000.00	2,000.00	6,797.01	4,797.01
Conservation of Natural Resources	32,500.00	32,500.00	24,825.99	(7,674.01)
<b>Fines and Forfeits:</b>				
Costs	24,700.00	24,700.00	26,446.41	1,746.41
Forfeits	11,000.00	11,000.00	5,500.00	(5,500.00)
<b>Miscellaneous Revenue:</b>				
Investment Earnings	100,000.00	100,000.00	146,938.02	46,938.02
Rent	1,301.00	1,301.00	1,300.60	(0.40)
<b>Refund of Prior Year's Expenditures</b>				
	4,121.00	4,121.00	1,549.36	(2,571.64)
<b>Total Revenue</b>	<b>4,706,111.00</b>	<b>4,706,111.00</b>	<b>4,832,044.35</b>	<b>125,933.35</b>



**REQUIRED SUPPLEMENTARY INFORMATION**  
**UNION COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2008**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	179,390.00	183,890.00	183,810.79	79.21
Contingency	250,000.00	250,000.00		
Amount Transferred		(130,865.00)		119,135.00
Elections	39,500.00	54,347.36	54,281.64	65.72
Judicial System	24,500.00	40,200.00	40,139.98	60.02
Financial Administration:				
Auditor	139,836.00	139,836.00	137,649.11	2,186.89
Treasurer	213,635.00	213,635.00	202,847.75	10,787.25
Data Processing	44,807.00	44,807.00	36,707.36	8,099.64
Legal Services:				
State's Attorney	277,152.00	277,152.00	268,854.65	8,297.35
Public Defender	139,355.00	143,555.00	143,445.78	109.22
Court Appointed Attorney	10,000.00	60,400.00	60,378.96	21.04
Abused and Neglected				
Child Defense	500.00	625.00	601.25	23.75
Other Administration:				
General Government Building	212,316.00	321,098.00	304,451.17	16,646.83
Director of Equalization	230,000.00	230,000.00	207,537.54	22,462.46
Register of Deeds	126,730.00	126,730.00	120,918.75	5,811.25
Veterans Service Officer	14,900.00	14,900.00	14,836.33	63.67
Predatory Animal	2,076.00	2,076.00	2,076.00	0.00
Public Safety:				
Law Enforcement:				
Sheriff	712,925.00	729,357.75	724,480.12	4,877.63
County Jail	499,283.00	540,708.27	530,796.36	9,911.91
Coroner	7,860.00	7,860.00	782.23	7,077.77
Protective and Emergency Services:				
Flood Control	4,500.00	4,500.00	3,657.93	842.07
Public Works:				
Sanitation:				
Solid Waste	1,500.00	1,500.00	0.00	1,500.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	50,050.00	81,475.30	81,449.92	25.38
Health Assistance:				
County Nurse	16,825.00	16,825.00	15,441.49	1,383.51
Ambulance	40,000.00	40,000.00	40,000.00	0.00
Women, Infants and Children	2,761.00	2,761.00	2,408.97	352.03
Social Services:				
Care of Aged	2,500.00	2,500.00	2,500.00	0.00
Domestic Abuse	5,000.00	5,000.00	5,000.00	0.00
Mental Health Services:				
Mentally Ill	25,000.00	25,000.00	13,319.45	11,680.55
Mental Health Centers	9,085.00	9,085.00	9,085.00	0.00
Mental Illness Board	2,100.00	2,175.00	2,151.62	23.38
Culture and Recreation:				
Culture:				

**REQUIRED SUPPLEMENTARY INFORMATION**  
**UNION COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2008**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Public Library	6,000.00	6,000.00	6,000.00	0.00
Historical Museum	1,000.00	1,000.00	1,000.00	0.00
Recreation:				
County Fair	19,577.00	19,577.00	19,559.56	17.44
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	59,969.00	61,719.00	55,209.72	6,509.28
Soil Conservation Districts	7,500.00	7,500.00	7,500.00	0.00
Weed and Pest Control	104,000.00	106,500.00	103,774.13	2,725.87
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	61,133.00	61,133.00	59,416.65	1,716.35
Economic Development:				
Tourism, Industrial or Recreational Development	305.00	320.00	320.00	0.00
<b>Total Expenditures</b>	<b>3,543,570.00</b>	<b>3,704,882.68</b>	<b>3,462,390.21</b>	<b>242,492.47</b>
Excess of Revenue Over (Under)				
Expenditures	1,162,541.00	1,001,228.32	1,369,654.14	368,425.82
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,389,278.00)	(1,389,278.00)	(1,395,040.97)	(5,762.97)
Insurance Proceeds	0.00	0.00	162,980.41	162,980.41
Sale of County Property	2,500.00	2,500.00	4,500.00	2,000.00
<b>Total Other Financing Sources (Uses)</b>	<b>(1,386,778.00)</b>	<b>(1,386,778.00)</b>	<b>(1,227,560.56)</b>	<b>159,217.44</b>
Net Change in Fund Balances	(224,237.00)	(385,549.68)	142,093.58	527,643.26
Fund Balance - Beginning	2,384,442.26	2,384,442.26	2,384,442.26	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 2,160,205.26</b>	<b>\$ 1,998,892.58</b>	<b>\$ 2,526,535.84</b>	<b>\$ 527,643.26</b>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**UNION COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Revenue:</b>				
Taxes:				
General Property Taxes--Current	\$ 36,704.00	\$ 36,704.00	\$ 35,128.35	\$ (1,575.65)
General Property Taxes--Delinquent	150.00	150.00	354.36	204.36
Penalties and Interest	100.00	100.00	0.00	(100.00)
Mobile Home Tax	105.00	105.00	100.13	(4.87)
Wheel Tax	325,000.00	325,000.00	324,922.34	(77.66)
Intergovernmental Revenue:				
State Shared Revenue:				
Bank Franchise	170.00	170.00	203.85	33.85
Motor Vehicle Licenses	700,000.00	700,000.00	681,992.21	(18,007.79)
State Highway Fund (former 10% game)	700.00	700.00	0.00	(700.00)
Prorate/Port of Entry Fees	36,000.00	36,000.00	42,164.95	6,164.95
63 3/4% Mobile Home	9,000.00	9,000.00	5,464.95	(3,535.05)
Secondary Road Motor Vehicle Remittances	9,000.00	9,000.00	7,095.24	(1,904.76)
Charges for Goods and Services:				
Public Works:				
Highways	44,850.00	44,850.00	65,714.75	20,864.75
Miscellaneous Revenue:				
Investment Earnings	24,000.00	24,000.00	24,480.82	480.82
<b>Total Revenue</b>	<b>1,185,779.00</b>	<b>1,185,779.00</b>	<b>1,187,621.95</b>	<b>1,842.95</b>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,501,650.00	2,501,650.00	2,415,686.50	85,963.50
Debt Service	47,210.00	47,210.00	47,183.67	26.33
<b>Total Expenditures</b>	<b>2,548,860.00</b>	<b>2,548,860.00</b>	<b>2,462,870.17</b>	<b>85,989.83</b>
Excess of Revenue Over (Under) Expenditures	(1,363,081.00)	(1,363,081.00)	(1,275,248.22)	87,832.78
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,363,081.00	1,363,081.00	1,367,081.00	4,000.00
Sale of County Property	10,000.00	10,000.00	0.00	(10,000.00)
<b>Total Other Financing Sources (Uses)</b>	<b>1,373,081.00</b>	<b>1,373,081.00</b>	<b>1,367,081.00</b>	<b>(6,000.00)</b>
Net Change in Fund Balances	10,000.00	10,000.00	91,832.78	81,832.78
Fund Balance - Beginning	516,160.04	516,160.04	516,160.04	0.00
<b>FUND BALANCE - ENDING</b>	<b>\$ 526,160.04</b>	<b>\$ 526,160.04</b>	<b>\$ 607,992.82</b>	<b>\$ 81,832.78</b>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**UNION COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenue:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 3,466,231.00	\$ 3,466,231.00	\$ 3,427,924.03	\$ (38,306.97)
General Property Taxes--Delinquent	25,000.00	25,000.00	32,605.90	7,605.90
Penalties and Interest	8,000.00	8,000.00	10,637.87	2,637.87
Telephone Tax (Outside)	33,000.00	33,000.00	19,005.58	(13,994.42)
Mobile Home Tax	19,000.00	19,000.00	12,967.49	(6,032.51)
Licenses and Permits	78,725.00	78,725.00	95,814.62	17,089.62
<b>Intergovernmental Revenue:</b>				
Federal Grants	0.00	0.00	7,645.42	7,645.42
Federal Payments in Lieu of Taxes	0.00	0.00	402.00	402.00
State Grants	0.00	0.00	35,442.73	35,442.73
<b>State Shared Revenue:</b>				
Bank Franchise	15,000.00	15,000.00	20,467.40	5,467.40
Inheritance Tax	0.00	0.00	794.98	794.98
Court Appointed Attorney/ Public Defender	13,000.00	13,000.00	12,920.46	(79.54)
Abused and Neglected Child Defense	1,000.00	1,000.00	1.41	(998.59)
Telecommunications Gross Receipts Tax	60,000.00	60,000.00	68,687.25	8,687.25
Other State Shared Revenue	0.00	0.00	3,000.00	3,000.00
<b>Charges for Goods and Services:</b>				
<b>General Government:</b>				
Treasurer's Fees	16,300.00	16,300.00	16,360.69	60.69
Register of Deeds' Fees	173,000.00	173,000.00	190,382.80	17,382.80
Legal Services	50,000.00	50,000.00	32,676.36	(17,323.64)
Clerk of Courts Fees	17,000.00	17,000.00	20,251.20	3,251.20
Extension Fees	1,500.00	1,500.00	3,018.80	1,518.80
Other Fees	26,200.00	26,200.00	17,656.79	(8,543.21)
<b>Public Safety:</b>				
Law Enforcement	72,800.00	72,800.00	87,200.20	14,400.20
Prisoner Care	160,000.00	160,000.00	153,450.00	(6,550.00)
<b>Health and Welfare:</b>				
<b>Economic Assistance:</b>				
Poor Lien Recoveries	6,500.00	6,500.00	12,289.46	5,789.46
<b>Health Assistance:</b>				
County Nurse	500.00	500.00	1,140.00	640.00
Mental Health Services	1,000.00	1,000.00	4,596.32	3,596.32
Conservation of Natural Resources	25,000.00	25,000.00	34,935.58	9,935.58
<b>Fines and Forfeits:</b>				
Costs	27,000.00	27,000.00	23,856.65	(3,143.35)
Forfeits	11,000.00	11,000.00	3,850.00	(7,150.00)
<b>Miscellaneous Revenue:</b>				
Investment Earnings	65,000.00	65,000.00	146,733.59	81,733.59
Rent	1,301.00	1,301.00	1,300.60	(0.40)
Contributions and Donations	0.00	0.00	15,330.00	15,330.00
Refund of Prior Year's Expenditures	2,500.00	2,500.00	4,671.88	2,171.88
Other	0.00	0.00	4,218.88	4,218.88
<b>Total Revenue</b>	<b>4,375,557.00</b>	<b>4,375,557.00</b>	<b>4,522,236.92</b>	<b>146,679.92</b>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**UNION COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2007**  
**(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Legislative:</b>				
Board of County Commissioners	168,649.00	168,649.00	162,524.02	6,124.98
Contingency	180,000.00	180,000.00		
Amount Transferred		(55,500.00)		124,500.00
Elections	8,500.00	15,825.00	15,442.38	382.62
Judicial System	19,600.00	73,100.00	73,089.63	10.37
<b>Financial Administration:</b>				
Auditor	134,539.00	134,539.00	133,762.58	776.42
Treasurer	206,455.00	206,455.00	205,182.56	1,272.44
Data Processing	152,985.00	152,985.00	147,601.38	5,383.62
<b>Legal Services:</b>				
State's Attorney	264,023.00	267,253.00	263,489.31	3,763.69
Public Defender	137,204.00	139,804.00	139,714.86	89.14
Court Appointed Attorney	10,000.00	93,000.00	90,474.08	2,525.92
<b>Abused and Neglected</b>				
Child Defense	1,000.00	1,000.00	0.00	1,000.00
<b>Other Administration:</b>				
General Government Building	200,991.00	216,713.00	215,195.14	1,517.86
Director of Equalization	194,485.00	195,785.00	194,641.79	1,143.21
Register of Deeds	121,739.00	121,739.00	113,725.42	8,013.58
Veterans Service Officer	14,493.00	14,493.00	13,890.50	602.50
Predatory Animal	2,076.00	2,076.00	2,076.00	0.00
<b>Public Safety:</b>				
<b>Law Enforcement:</b>				
Sheriff	766,570.00	795,626.38	773,884.24	21,762.14
County Jail	492,853.00	498,493.60	498,491.62	1.98
Coroner	5,000.00	5,000.00	1,258.78	3,741.22
<b>Protective and Emergency Services:</b>				
Flood Control	4,500.00	19,500.00	8,646.73	10,853.27
<b>Public Works:</b>				
<b>Sanitation:</b>				
Solid Waste	1,500.00	1,500.00	0.00	1,500.00
<b>Health and Welfare:</b>				
<b>Economic Assistance:</b>				
Support of Poor	57,850.00	57,850.00	20,488.67	37,361.33
<b>Health Assistance:</b>				
County Nurse	18,686.00	18,686.00	16,720.02	1,965.98
Ambulance	40,000.00	40,000.00	40,000.00	0.00
Women, Infants and Children	0.00	1,500.00	1,332.12	167.88
<b>Social Services:</b>				
Care of Aged	2,500.00	2,500.00	2,500.00	0.00
Domestic Abuse	5,000.00	5,000.00	5,000.00	0.00
<b>Mental Health Services:</b>				
Mentally Ill	20,000.00	22,000.00	21,795.54	204.46
Mental Health Centers	8,820.00	8,820.00	8,820.00	0.00
Mental Illness Board	2,100.00	2,200.00	2,180.82	19.18
<b>Culture and Recreation:</b>				
<b>Culture:</b>				
Public Library	4,000.00	4,000.00	4,000.00	0.00
Historical Museum	1,000.00	1,000.00	1,000.00	0.00

**REQUIRED SUPPLEMENTARY INFORMATION**  
**UNION COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2007**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Recreation:</b>				
County Fair	18,678.00	18,678.00	18,649.04	28.96
<b>Conservation of Natural Resources:</b>				
<b>Soil Conservation:</b>				
County Extension	57,637.00	58,727.00	54,516.97	4,210.03
Soil Conservation Districts	7,500.00	7,500.00	7,500.00	0.00
Weed and Pest Control	108,223.00	112,223.00	101,392.71	10,830.29
<b>Urban and Economic Development:</b>				
<b>Urban Development:</b>				
Planning and Zoning	56,998.00	56,998.00	55,567.44	1,430.56
<b>Economic Development:</b>				
Tourism, Industrial or Recreational Development	5,295.00	5,295.00	5,295.00	0.00
<b>Total Expenditures</b>	<u>3,501,449.00</u>	<u>3,671,012.98</u>	<u>3,419,829.35</u>	<u>251,183.63</u>
<b>Excess of Revenue Over (Under)</b>				
Expenditures	<u>874,108.00</u>	<u>704,544.02</u>	<u>1,102,407.57</u>	<u>397,863.55</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,191,190.00)	(1,191,190.00)	(1,167,094.00)	24,096.00
Sale of County Property	0.00	0.00	5,778.80	5,778.80
<b>Total Other Financing Sources (Uses)</b>	<u>(1,191,190.00)</u>	<u>(1,191,190.00)</u>	<u>(1,161,315.20)</u>	<u>29,874.80</u>
<b>Net Change in Fund Balances</b>	(317,082.00)	(486,645.98)	(58,907.63)	427,738.35
<b>Fund Balance - Beginning</b>	<u>2,443,349.89</u>	<u>2,443,349.89</u>	<u>2,443,349.89</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,126,267.89</u>	<u>\$ 1,956,703.91</u>	<u>\$ 2,384,442.26</u>	<u>\$ 427,738.35</u>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**UNION COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Revenue:</b>				
<b>Taxes:</b>				
General Property Taxes--Current	\$ 35,307.00	\$ 35,307.00	\$ 35,196.89	\$ (110.11)
General Property Taxes--Delinquent	1,000.00	1,000.00	643.43	(356.57)
Penalties and Interest	500.00	500.00	1.20	(498.80)
Mobile Home Tax	150.00	150.00	96.32	(53.68)
Wheel Tax	298,000.00	298,000.00	314,967.08	16,967.08
<b>Intergovernmental Revenue:</b>				
<b>State Shared Revenue:</b>				
Bank Franchise	108.00	108.00	149.10	41.10
Motor Vehicle Licenses	625,000.00	625,000.00	662,814.16	37,814.16
State Highway Fund (former 10% game)	700.00	700.00	701.67	1.67
Prorate/Port of Entry Fees	39,000.00	39,000.00	41,554.46	2,554.46
63 3/4% Mobile Home	7,650.00	7,650.00	6,656.67	(993.33)
Secondary Road Motor Vehicle Remittances	9,000.00	9,000.00	7,068.32	(1,931.68)
<b>Charges for Goods and Services:</b>				
<b>Public Works:</b>				
Highways	37,350.00	37,350.00	64,386.91	27,036.91
<b>Miscellaneous Revenue:</b>				
Investment Earnings	18,000.00	18,000.00	28,146.56	10,146.56
<b>Total Revenue</b>	<u>1,071,765.00</u>	<u>1,071,765.00</u>	<u>1,162,382.77</u>	<u>90,617.77</u>
<b>Expenditures:</b>				
<b>Public Works:</b>				
<b>Highways and Bridges:</b>				
Highways, Roads and Bridges	2,249,640.00	2,432,190.00	2,629,777.96	(197,587.96)
Debt Service	57,600.00	57,600.00	57,165.36	434.64
<b>Total Expenditures</b>	<u>2,307,240.00</u>	<u>2,489,790.00</u>	<u>2,686,943.32</u>	<u>(197,153.32)</u>
<b>Excess of Revenue Over (Under)</b>				
Expenditures	<u>(1,235,475.00)</u>	<u>(1,418,025.00)</u>	<u>(1,524,560.55)</u>	<u>(106,535.55)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,167,094.00	1,167,094.00	1,167,094.00	0.00
Long-Term Debt Issued	0.00	0.00	200,000.00	200,000.00
Sale of County Property	0.00	0.00	183,428.43	183,428.43
<b>Total Other Financing Sources (Uses)</b>	<u>1,167,094.00</u>	<u>1,167,094.00</u>	<u>1,550,522.43</u>	<u>383,428.43</u>
<b>Net Change in Fund Balances</b>	(68,381.00)	(250,931.00)	25,961.88	276,892.88
<b>Fund Balance - Beginning</b>	<u>490,198.16</u>	<u>490,198.16</u>	<u>490,198.16</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 421,817.16</u>	<u>\$ 239,267.16</u>	<u>\$ 516,160.04</u>	<u>\$ 276,892.88</u>

UNION COUNTY  
NOTES TO THE REQUIRED 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.
10. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with USGAAP.



**UNION COUNTY**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**For the Year Ended December 31, 2008**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2008</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2008</u>
<b>Governmental Long-Term Debt:</b>				
Bonds Payable	\$ 940,000.00	\$	\$ 80,000.00	\$ 860,000.00
Other Long-Term Debt Payable	<u>512,043.39</u>	<u></u>	<u>57,701.27</u>	<u>454,342.12</u>
Total	<u>\$ 1,452,043.39</u>	<u>\$ 0.00</u>	<u>\$ 137,701.27</u>	<u>\$ 1,314,342.12</u>

**UNION COUNTY**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**For the Year Ended December 31, 2007**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2007</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2007</u>
<b>Governmental Long-Term Debt:</b>				
Bonds Payable	\$ 1,015,000.00	\$	\$ 75,000.00	\$ 940,000.00
Other Long-Term Debt Payable	371,218.77	200,000.00	59,175.38	512,043.39
<b>Total</b>	<u>\$ 1,386,218.77</u>	<u>\$ 200,000.00</u>	<u>\$ 134,175.38</u>	<u>\$ 1,452,043.39</u>