

LaMoure County  
LaMoure, North Dakota

**Audit Report**

For the Years Ended  
December 31, 2014 and 2013



ROBERT R. PETERSON  
STATE AUDITOR

Office of the State Auditor

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LAMOURE COUNTY  
LaMoure, North Dakota

TABLE OF CONTENTS  
For the Years Ended December 31, 2014 and 2013

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	<u>Page(s)</u>
County Officials	1
Independent Auditor's Report	2 - 3
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>2014</b>	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet - Governmental Funds	6
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	9
<b>2013</b>	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet - Governmental Funds	12
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Statement of Fiduciary Assets and Liabilities - 2014 and 2013	16
Notes to the Financial Statements	17 - 28

**LAMOURE COUNTY**  
Table of Contents - Continued

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	<u>Page(s)</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedules	29 - 40
Notes to the Required Supplementary Information	41 - 42
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Fund Activity	43 - 46
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	47 - 48
Schedule of Findings and Questioned Costs	49
Management's Letter	50 - 52

LAMOURE COUNTY  
LaMoure, North Dakota

**COUNTY OFFICIALS**

At December 31, 2014

Robert Flath

Commissioner - Chairman

Keith Heidinger  
Lee Miller  
Bruce Klein  
Victor Weigal

Commissioner - Vice Chairman  
Commissioner  
Commissioner  
Commissioner

Marlene White  
Kathy Exner  
Robert Fernandes  
Laurie Good  
Kimberly Radermacher-Lagodinski  
Karin Boom  
Marlene White

Auditor  
Treasurer  
Sheriff  
Recorder  
State's Attorney  
Clerk of Court  
Superintendent of Schools

At December 31, 2013

Bruce Klein

Commissioner - Chairman

Robert Flath  
Keith Heidinger  
Lee Miller  
Victor Weigel

Commissioner - Vice Chairman  
Commissioner  
Commissioner  
Commissioner

Harmony Rode  
Kathy Exner  
Robert Fernandes  
Laurie Good  
Kimberly Radermacher-Lagodinski  
Karin Boom  
Harmony Rode

Auditor  
Treasurer  
Sheriff  
Recorder  
State's Attorney  
Clerk of Court  
Superintendent of Schools

**STATE AUDITOR**

ROBERT R. PETERSON  
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FARGO OFFICE  
MANAGER – DAVID MIX  
Phone: (701) 239-7252 Fax: (701) 239-7251

STATE OF NORTH DAKOTA  
**OFFICE OF THE STATE AUDITOR**  
STATE CAPITOL  
600 E. BOULEVARD AVENUE - DEPT. 117  
BISMARCK, NORTH DAKOTA 58505

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INDEPENDENT AUDITOR'S REPORT

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Board of County Commissioners  
LaMoure County  
LaMoure, North Dakota

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of LaMoure County, LaMoure, North Dakota, as of and for the years ended December 31, 2014 and 2013, 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***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 from 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 entity'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 entity'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 of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of LaMoure County, LaMoure, North Dakota, as of December 31, 2014 and 2013, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**LAMOURE COUNTY**

Independent Auditor's Report - Continued

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**Other Matters**

*Required Supplementary Information*

Management has omitted the *management's discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the *budgetary comparison information* on pages 29-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise LaMoure County's basic financial statements. The schedule of fund activity arising from cash transactions is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of fund activity arising from cash transactions 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of fund activity arising from cash transactions 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 July 10, 2015 on our consideration of LaMoure County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 LaMoure County's internal control over financial reporting and compliance.



Robert R. Peterson  
State Auditor

Fargo, North Dakota  
July 10, 2015

LAMOURE COUNTY  
LaMoure, North Dakota

STATEMENT OF NET POSITION  
December 31, 2014

	Primary Government	Component Unit
	Governmental Activities	Water Resource District
<b>ASSETS:</b>		
Cash and Investments	\$ 4,895,099	\$ 28,019
Intergovernmental Receivable	374,533	-
Accounts Receivable	158	-
Interest Receivable	3,255	-
Road Receivables	48,660	-
Taxes Receivable	44,272	298
Capital Assets (not being depreciated):		
Land	33,600	-
Construction in Progress	6,191,030	-
Capital Assets (being depreciated):		
Vehicles	67,161	-
Equipment	1,184,632	-
Buildings	265,438	-
Infrastructure	5,300,761	-
Total Capital Assets	<u>\$ 13,042,622</u>	<u>\$ -</u>
Total Assets	<u>\$ 18,408,599</u>	<u>\$ 28,317</u>
<b>LIABILITIES:</b>		
Accounts Payable	\$ 54,141	\$ 2,000
Salaries Payable	4,271	-
Grant Received in Advance	349,576	-
Retainage Payable	17,858	-
Interest Payable	750	-
Long-Term Liabilities:		
Due Within One Year:		
Bonds Payable	60,000	-
Compensated Absences Payable	33,518	-
Due After One Year:		
Bonds Payable	120,000	-
Compensated Absences Payable	50,277	-
Total Liabilities	<u>\$ 690,391</u>	<u>\$ 2,000</u>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	\$ 13,042,622	\$ -
Restricted for:		
Debt Service	14,496	-
Public Safety	222,780	-
Highways	1,897,344	-
Health and Welfare	277,961	-
Culture and Recreation	16,930	-
Conservation of Natural Resources	130,121	-
Emergencies	232,831	-
Special Purposes	1,251,454	-
Unrestricted	<u>631,669</u>	<u>26,317</u>
Total Net Position	<u>\$ 17,718,208</u>	<u>\$ 26,317</u>

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

LAMOURE COUNTY  
LaMoure, North Dakota

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Water Resource District
<u>Primary Government:</u>						
<u>Governmental Activities:</u>						
General Government	\$ 1,708,183	\$ 66,615	\$ 196,030	\$ -	\$ (1,445,538)	
Public Safety	460,455	94,051	45,348	-	(321,056)	
Highways	4,020,462	523,665	3,138,847	4,487,235	4,129,285	
Flood Repair	153,544	-	153,544	-	-	
Health and Welfare	532,690	14,225	53,919	-	(464,546)	
Culture and Recreation	57,451	13,547	-	-	(43,904)	
Conservation of Natural Resources	158,968	9,218	-	-	(149,750)	
Interest Expense on Long-Term Debt	5,962	-	-	-	(5,962)	
<b>Total Primary Government</b>	<b>\$ 7,097,715</b>	<b>\$ 721,321</b>	<b>\$ 3,587,688</b>	<b>\$ 4,487,235</b>	<b>\$ 1,698,529</b>	
<u>Component Unit:</u>						
Water Resource Board	\$ 27,889	\$ -	\$ -	\$ -		\$ (27,889)
<u>General Revenues:</u>						
Taxes:						
Property taxes; levied for general purposes					\$ 601,840	\$ -
Property taxes; levied for special purposes					2,187,651	14,073
Property taxes; levied for debt service					63,766	-
State aid & grants not restricted to specific programs					709,868	-
Sale of Assets					17,013	-
Interest Revenue					38,610	31
Miscellaneous Revenue					80,022	794
<b>Total General Revenues</b>					<b>\$ 3,698,770</b>	<b>\$ 14,898</b>
<b>Change in Net Position</b>					<b>\$ 5,397,299</b>	<b>\$ (12,991)</b>
<b>Net Position - January 1</b>					<b>\$ 12,320,909</b>	<b>\$ 39,308</b>
<b>Net Position - December 31</b>					<b>\$ 17,718,208</b>	<b>\$ 26,317</b>

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

LAMOURE COUNTY  
LaMoure, North Dakota

BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2014

	General	County Road and Bridge	Farm to Market Road	Social Welfare	FEMA	State Aid Distribution	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Investments	\$ 615,881	\$ 489,286	\$ 1,282,534	\$ -	\$ 349,576	\$ 643,427	\$ 1,514,395	\$ 4,895,099
Intergovernmental Receivable	10,034	106,088	-	6,326	-	200,674	51,411	374,533
Accounts Receivable	-	-	-	158	-	-	-	158
Interest Receivable	3,255	-	-	-	-	-	-	3,255
Road Receivables	-	48,660	-	-	-	-	-	48,660
Taxes Receivable	10,129	1,809	7,785	-	-	-	24,549	44,272
<b>Total Assets</b>	<b>\$ 639,299</b>	<b>\$ 645,843</b>	<b>\$ 1,290,319</b>	<b>\$ 6,484</b>	<b>\$ 349,576</b>	<b>\$ 844,101</b>	<b>\$ 1,590,355</b>	<b>\$ 5,365,977</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts Payable	\$ 7,630	\$ 16,980	\$ 13,135	\$ -	\$ -	\$ -	\$ 16,396	\$ 54,141
Salaries Payable	-	4,271	-	-	-	-	-	4,271
Grants Received in Advance	-	-	-	-	349,576	-	-	349,576
<b>Total Liabilities</b>	<b>\$ 7,630</b>	<b>\$ 21,251</b>	<b>\$ 13,135</b>	<b>\$ -</b>	<b>\$ 349,576</b>	<b>\$ -</b>	<b>\$ 16,396</b>	<b>\$ 407,988</b>
<b>Deferred Inflows of Resources:</b>								
Taxes Receivable	\$ 10,129	\$ 1,809	\$ 7,785	\$ -	\$ -	\$ -	\$ 24,549	\$ 44,272
Road Receivables	-	48,660	-	-	-	-	-	48,660
<b>Total Deferred Inflows of Resources</b>	<b>\$ 10,129</b>	<b>\$ 50,469</b>	<b>\$ 7,785</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,549</b>	<b>\$ 92,932</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 17,759</b>	<b>\$ 71,720</b>	<b>\$ 20,920</b>	<b>\$ -</b>	<b>\$ 349,576</b>	<b>\$ -</b>	<b>\$ 40,945</b>	<b>\$ 500,920</b>
<b>Fund Balances:</b>								
<b>Restricted for:</b>								
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,153	\$ 194,153
Public Safety	-	-	-	-	-	-	232,510	232,510
Highways & Public Improvement	-	574,123	1,269,399	-	-	-	55,633	1,899,155
Health and Welfare	-	-	-	6,484	-	-	276,221	282,705
Culture and Recreation	-	-	-	-	-	-	16,358	16,358
Conservation of Natural Resources	-	-	-	-	-	-	127,894	127,894
Emergency	-	-	-	-	-	-	232,821	232,821
Other	-	-	-	-	-	844,101	413,820	1,257,921
<b>Unassigned</b>	<b>\$ 621,540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>621,540</b>
<b>Total Fund Balances</b>	<b>\$ 621,540</b>	<b>\$ 574,123</b>	<b>\$ 1,269,399</b>	<b>\$ 6,484</b>	<b>\$ -</b>	<b>\$ 844,101</b>	<b>\$ 1,549,410</b>	<b>\$ 4,865,057</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 639,299</b>	<b>\$ 645,843</b>	<b>\$ 1,290,319</b>	<b>\$ 6,484</b>	<b>\$ 349,576</b>	<b>\$ 844,101</b>	<b>\$ 1,590,355</b>	<b>\$ 5,365,977</b>

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

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LAMOURE COUNTY  
LaMoure, North Dakota

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2014

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Total *Fund Balances* for Governmental Funds \$ 4,865,057

Total *net position* reported for government activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.

Cost of Capital Assets	\$ 15,986,365	
Less Accumulated Depreciation	<u>(2,943,743)</u>	13,042,622

Property taxes receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds. 44,272

Road receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds. 48,660

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term- are reported in the statement of net position. Balances at December 31, 2014 are:

Bonds Payable	\$ (180,000)	
Interest Payable	(750)	
Retainage Payable	(17,858)	
Compensated Absences	<u>(83,795)</u>	<u>(282,403)</u>

Total Net Position of Governmental Activities \$ 17,718,208

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

LAMOURE COUNTY  
LaMoure, North Dakota

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2014

	General	County Road and Bridge	Farm to Market Road	Social Welfare	FEMA	State Aid Distribution	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>								
Taxes	\$ 601,085	\$ 122,379	\$ 460,629	\$ -	\$ -	\$ -	\$ 1,664,198	\$ 2,848,291
Intergovernmental	154,339	768,726	2,370,477	47,694	153,544	683,934	118,842	4,297,556
Charges for Services	98,992	578,249	-	5,575	-	-	90,028	772,844
Licenses, Permits and Fees	3,060	-	-	-	-	-	-	3,060
Interest Income	38,610	-	-	-	-	-	-	38,610
Miscellaneous	8,301	9,735	-	-	-	-	61,986	80,022
<b>Total Revenues</b>	<b>\$ 904,387</b>	<b>\$ 1,479,089</b>	<b>\$ 2,831,106</b>	<b>\$ 53,269</b>	<b>\$ 153,544</b>	<b>\$ 683,934</b>	<b>\$ 1,935,054</b>	<b>\$ 8,040,383</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General Government	\$ 979,041	\$ -	\$ -	\$ -	\$ -	\$ 877	\$ 713,740	\$ 1,693,658
Public Safety	278,341	-	-	-	-	-	169,445	447,786
Highways	-	1,592,423	3,036,414	-	-	-	123,117	4,751,954
Flood Repair	-	-	-	-	153,544	-	-	153,544
Health and Welfare	-	-	-	297,805	-	-	230,314	528,119
Culture and Recreation	-	-	-	-	-	-	52,369	52,369
Conser. of Natural Resources	-	-	-	-	-	-	163,690	163,690
<b>Debt Service:</b>								
Principal	-	-	-	-	-	-	55,000	55,000
Interest & Service Charges	-	-	-	-	-	-	6,113	6,113
<b>Total Expenditures</b>	<b>\$ 1,257,382</b>	<b>\$ 1,592,423</b>	<b>\$ 3,036,414</b>	<b>\$ 297,805</b>	<b>\$ 153,544</b>	<b>\$ 877</b>	<b>\$ 1,513,788</b>	<b>\$ 7,852,233</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (352,995)	\$ (113,334)	\$ (205,308)	\$ (244,536)	\$ -	\$ 683,057	\$ 421,266	\$ 188,150
<b>Other Financing Sources (Uses):</b>								
Sale of Asset	\$ -	\$ 17,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,013
Transfers In	564,858	-	-	359,756	-	-	305,066	1,229,680
Transfers Out	(54,000)	(48,769)	-	-	-	(604,900)	(522,011)	(1,229,680)
<b>Total Other Financing Sources and Uses</b>	<b>\$ 510,858</b>	<b>\$ (31,756)</b>	<b>\$ -</b>	<b>\$ 359,756</b>	<b>\$ -</b>	<b>\$ (604,900)</b>	<b>\$ (216,945)</b>	<b>\$ 17,013</b>
<b>Net Change in Fund Balances</b>	<b>\$ 157,863</b>	<b>\$ (145,090)</b>	<b>\$ (205,308)</b>	<b>\$ 115,220</b>	<b>\$ -</b>	<b>\$ 78,157</b>	<b>\$ 204,321</b>	<b>\$ 205,163</b>
Fund Balance - January 1	\$ 463,677	\$ 719,213	\$ 1,474,707	\$ (108,736)	\$ -	\$ 765,944	\$ 1,345,089	\$ 4,659,894
Fund Balance - December 31	\$ 621,540	\$ 574,123	\$ 1,269,399	\$ 6,484	\$ -	\$ 844,101	\$ 1,549,410	\$ 4,865,057

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

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LAMOURE COUNTY  
LaMoure, North Dakota

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2014

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Net Change in *Fund Balances* - Total Governmental Funds \$ 205,163

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation & losses on disposals in the current year.

Current Year Capital Outlay	\$ 1,091,154	
Current Year Capital Contribution	4,487,235	
Current Year Depreciation	<u>(361,562)</u>	5,216,827

The net result of miscellaneous transactions involving capital assets was a net decrease to capital assets. (5,480)

The proceeds of debt issuances are reporting as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayment of debt.

Bond Repayment		55,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Net Change in Compensated Absences	\$ (11,312)	
Net Change in Interest Payable	151	
Net Change in Retainage Payable	<u>(13,433)</u>	(24,594)

Some revenues reported on the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures.

Net Change in Taxes Receivable	\$ 4,966	
Net Change in Road Receivables	<u>(54,583)</u>	<u>(49,617)</u>

Change in Net Position of Governmental Activities \$ 5,397,299

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

LAMOURE COUNTY  
LaMoure, North Dakota

STATEMENT OF NET POSITION  
December 31, 2013

	Primary Government	Component Unit
	Governmental Activities	Water Resource District
<b>ASSETS:</b>		
Cash and Investments	\$ 4,894,472	\$ 38,891
Intergovernmental Receivable	279,872	-
Accounts Receivable	279	-
Road Receivables	103,243	-
Taxes Receivable	39,306	417
Capital Assets (not being depreciated):		
Land	33,600	-
Construction in Progress	1,614,024	-
Capital Assets (being depreciated):		
Vehicles	75,433	-
Equipment	1,014,591	-
Buildings	274,740	-
Infrastructure	4,818,887	-
Total Capital Assets	<u>\$ 7,831,275</u>	<u>\$ -</u>
Total Assets	<u>\$ 13,148,447</u>	<u>\$ 39,308</u>
<b>LIABILITIES:</b>		
Accounts Payable	\$ 47,843	\$ -
Grant Received in Advance	466,886	-
Retainage Payable	4,425	-
Interest Payable	901	-
Long-Term Liabilities:		
Due Within One Year:		
Bonds Payable	55,000	-
Compensated Absences Payable	28,993	-
Due After One Year:		
Bonds Payable	180,000	-
Compensated Absences Payable	43,490	-
Total Liabilities	<u>\$ 827,538</u>	<u>\$ -</u>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	\$ 7,831,275	\$ -
Restricted for:		
Public Safety	168,651	-
Highways	2,391,695	-
Health and Welfare	285,793	-
Culture and Recreation	20,593	-
Conservation of Natural Resources	88,149	-
Emergencies	232,831	-
Special Purposes	1,115,253	-
Unrestricted	<u>186,669</u>	<u>39,308</u>
Total Net Position	<u>\$ 12,320,909</u>	<u>\$ 39,308</u>

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

LAMOURE COUNTY  
LaMoure, North Dakota

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Water Resource District
<u>Primary Government:</u>						
<u>Governmental Activities:</u>						
General Government	\$ 1,379,763	\$ 65,087	\$ 72,948	\$ -	\$ (1,241,728)	
Public Safety	446,880	104,515	65,045	-	(277,320)	
Highways	1,354,760	517,786	743,663	2,016,782	1,923,471	
Flood Repair	263,263	-	258,426	-	(4,837)	
Health and Welfare	561,266	17,363	38,562	-	(505,341)	
Culture and Recreation	60,748	13,265	-	-	(47,483)	
Conservation of Natural Resources	173,525	8,977	-	-	(164,548)	
Interest Expense on Long-Term Debt	14,035	-	-	-	(14,035)	
Total Primary Government	<u>\$ 4,254,240</u>	<u>\$ 726,993</u>	<u>\$ 1,178,644</u>	<u>\$ 2,016,782</u>	<u>\$ (331,821)</u>	
<u>Component Unit:</u>						
Water Resource Board	<u>\$ 9,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (9,914)</u>
<u>General Revenues:</u>						
Taxes:						
Property taxes; levied for general purposes					\$ 565,912	\$ -
Property taxes; levied for special purposes					1,777,354	22,623
Property taxes; levied for debt service					63,626	-
State aid & grants not restricted to specific programs					664,665	-
Interest Revenue					35,619	28
Miscellaneous Revenue					187,900	53
Total General Revenues					<u>\$ 3,295,076</u>	<u>\$ 22,704</u>
Change in Net Position					<u>\$ 2,963,255</u>	<u>\$ 12,790</u>
Net Position - January 1					\$ 9,351,471	\$ 26,518
Prior Period Adjustment					6,183	-
Net Position - January 1 as restated					<u>\$ 9,357,654</u>	<u>\$ 26,518</u>
Net Position - December 31					<u>\$ 12,320,909</u>	<u>\$ 39,308</u>

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

LAMOURE COUNTY  
LaMoure, North Dakota

BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2013

	General	County Road and Bridge	Farm to Market Road	Social Welfare	FEMA	State Aid Distribution	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Investments	\$ 177,570	\$ 653,537	\$ 1,487,321	\$ -	\$ 466,886	\$ 605,777	\$ 1,503,381	\$ 4,894,472
Intergovernmental Receivable	36,357	78,994	-	4,354	-	160,167	-	279,872
Accounts Receivable	-	-	-	279	-	-	-	279
Road Receivables	-	103,243	-	-	-	-	-	103,243
Taxes Receivable	9,374	1,097	6,828	-	-	-	22,007	39,306
Due From Other Funds	249,750	-	-	-	-	-	-	249,750
<b>Total Assets</b>	<b>\$ 473,051</b>	<b>\$ 836,871</b>	<b>\$ 1,494,149</b>	<b>\$ 4,633</b>	<b>\$ 466,886</b>	<b>\$ 765,944</b>	<b>\$ 1,525,388</b>	<b>\$ 5,566,922</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts Payable	\$ -	\$ 13,318	\$ 12,614	\$ -	\$ -	\$ -	\$ 21,911	\$ 47,843
Grants Received in Advance	-	-	-	-	466,886	-	-	466,886
Due to Other Funds	-	-	-	113,369	-	-	136,381	249,750
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 13,318</b>	<b>\$ 12,614</b>	<b>\$ 113,369</b>	<b>\$ 466,886</b>	<b>\$ -</b>	<b>\$ 158,292</b>	<b>\$ 764,479</b>
<b>Deferred Inflows of Resources:</b>								
Taxes Receivable	\$ 9,374	\$ 1,097	\$ 6,828	\$ -	\$ -	\$ -	\$ 22,007	\$ 39,306
Road Receivables	-	103,243	-	-	-	-	-	103,243
<b>Total Deferred Inflows of Resources</b>	<b>\$ 9,374</b>	<b>\$ 104,340</b>	<b>\$ 6,828</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,007</b>	<b>\$ 142,549</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 9,374</b>	<b>\$ 117,658</b>	<b>\$ 19,442</b>	<b>\$ 113,369</b>	<b>\$ 466,886</b>	<b>\$ -</b>	<b>\$ 180,299</b>	<b>\$ 907,028</b>
<b>Fund Balances:</b>								
<b>Restricted for:</b>								
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,511	\$ 193,511
Public Safety	-	-	-	-	-	-	176,000	176,000
Highways & Public Improvement	-	719,213	1,474,707	-	-	-	130,226	2,324,146
Health and Welfare	-	-	-	-	-	-	287,646	287,646
Culture and Recreation	-	-	-	-	-	-	20,095	20,095
Conservation of Natural Resources	-	-	-	-	-	-	86,405	86,405
Emergency	-	-	-	-	-	-	232,212	232,212
Other	-	-	-	-	-	765,944	355,375	1,121,319
<b>Unassigned</b>	<b>\$ 463,677</b>	<b>-</b>	<b>-</b>	<b>(108,736)</b>	<b>-</b>	<b>-</b>	<b>(136,381)</b>	<b>218,560</b>
<b>Total Fund Balances</b>	<b>\$ 463,677</b>	<b>\$ 719,213</b>	<b>\$ 1,474,707</b>	<b>\$ (108,736)</b>	<b>\$ -</b>	<b>\$ 765,944</b>	<b>\$ 1,345,089</b>	<b>\$ 4,659,894</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 473,051</b>	<b>\$ 836,871</b>	<b>\$ 1,494,149</b>	<b>\$ 4,633</b>	<b>\$ 466,886</b>	<b>\$ 765,944</b>	<b>\$ 1,525,388</b>	<b>\$ 5,566,922</b>

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

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LAMOURE COUNTY  
LaMoure, North Dakota

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2013

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Total *Fund Balances* for Governmental Funds \$ 4,659,894

Total *net position* reported for government activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.

Cost of Capital Assets	\$ 10,421,677	
Less Accumulated Depreciation	<u>(2,590,402)</u>	7,831,275

Property taxes receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds. 39,306

Road receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds. 103,243

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term- are reported in the statement of net position. Balances at December 31, 2013 are:

Bonds Payable	\$ (235,000)	
Interest Payable	(901)	
Retainage Payable	(4,425)	
Compensated Absences	<u>(72,483)</u>	<u>(312,809)</u>

Total Net Position of Governmental Activities \$ 12,320,909

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

LAMOURE COUNTY  
LaMoure, North Dakota

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2013

	General	County Road and Bridge	Farm to Market Road	Social Welfare	FEMA	State Aid Distribution	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>								
Taxes	\$ 565,584	\$ 64,055	\$ 398,783	\$ -	\$ -	\$ -	\$ 1,381,006	\$ 2,409,428
Intergovernmental	151,196	742,701	962	49,194	258,426	604,519	36,309	1,843,307
Charges for Services	96,485	475,769	8,516	3,221	-	-	106,423	690,414
Licenses, Permits and Fees	3,080	-	-	-	-	-	-	3,080
Interest Income	35,619	-	-	-	-	-	-	35,619
Miscellaneous	7,833	120,220	-	-	-	-	59,847	187,900
<b>Total Revenues</b>	<b>\$ 859,797</b>	<b>\$ 1,402,745</b>	<b>\$ 408,261</b>	<b>\$ 52,415</b>	<b>\$ 258,426</b>	<b>\$ 604,519</b>	<b>\$ 1,583,585</b>	<b>\$ 5,169,748</b>
<u>Expenditures:</u>								
Current:								
General Government	\$ 675,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 682,915	\$ 1,358,451
Public Safety	301,837	-	-	-	-	-	164,063	465,900
Highways	-	1,358,253	444,515	-	-	-	53,548	1,856,316
Flood Repair	-	-	-	-	263,263	-	-	263,263
Health and Welfare	-	-	-	315,216	-	-	240,815	556,031
Culture and Recreation	-	-	-	-	-	-	54,920	54,920
Conser. of Natural Resources	-	-	-	-	-	-	178,140	178,140
Debt Service:								
Principal	-	-	-	-	-	-	202,978	202,978
Interest & Service Charges	-	-	-	-	-	-	17,562	17,562
<b>Total Expenditures</b>	<b>\$ 977,373</b>	<b>\$ 1,358,253</b>	<b>\$ 444,515</b>	<b>\$ 315,216</b>	<b>\$ 263,263</b>	<b>\$ -</b>	<b>\$ 1,594,941</b>	<b>\$ 4,953,561</b>
<b>Net Change in Fund Balances</b>	<b>\$ (117,576)</b>	<b>\$ 44,492</b>	<b>\$ (36,254)</b>	<b>\$ (262,801)</b>	<b>\$ (4,837)</b>	<b>\$ 604,519</b>	<b>\$ (11,356)</b>	<b>\$ 216,187</b>
Fund Balance - January 1	\$ 581,253	\$ 674,721	\$ 1,510,961	\$ 154,065	\$ 4,837	\$ 161,425	\$ 1,356,445	\$ 4,443,707
Fund Balance - December 31	\$ 463,677	\$ 719,213	\$ 1,474,707	\$ (108,736)	\$ -	\$ 765,944	\$ 1,345,089	\$ 4,659,894

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

LAMOURE COUNTY  
LaMoure, North Dakota

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2013

Net Change in <i>Fund Balances</i> - Total Governmental Funds	\$	216,187
<p>The change in net position reported for governmental activities in the statement of activities is different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation &amp; losses on disposals in the current year.</p>		
Current Year Capital Outlay	\$ 853,389	
Capital Contributions	2,016,782	
Current Year Depreciation Expense	<u>(320,109)</u>	2,550,062
<p>The net result of miscellaneous transactions involving capital assets was a net decrease to capital assets.</p>		
		(14,300)
<p>The proceeds of debt issuances are reporting as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayment of debt.</p>		
Bond Repayment	\$ 55,000	
Lease Repayment	<u>147,978</u>	202,978
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.</p>		
Net Change in Compensated Absences	\$ (21,739)	
Net Change in Interest Payable	3,527	
Net Change in Retainage Payable	<u>(4,425)</u>	(22,637)
<p>Some revenues reported on the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures.</p>		
Net Change in Taxes Receivable	\$ (2,536)	
Net Change in Road Receivables	<u>33,501</u>	<u>30,965</u>
Change in Net Position of Governmental Activities		<u><u>\$ 2,963,255</u></u>

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

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LAMOURE COUNTY  
LaMoure, North Dakota

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
December 31, 2014 and 2013

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	<u>Agency Funds</u>	
	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$ 1,553,021</u>	<u>\$ 2,070,727</u>
<u>LIABILITIES</u>		
Due to Other Governments	<u>\$ 1,553,021</u>	<u>\$ 2,070,727</u>

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

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LAMOURE COUNTY  
LaMoure, North Dakota

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014 and 2013

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of LaMoure County, North Dakota, have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units except that capital asset balances and activity are not reported in the government wide financial statements due to a lack of capital asset records. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements present the activities of LaMoure County. The county has considered all potential component units for which the county is financially accountable and other organizations for which the nature and significance of their relationships with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of LaMoure County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on LaMoure County.

Based on these criteria, the component unit discussed below is included within the county's reporting entity because of the significance of their operational or financial relationships with the county.

**COMPONENT UNIT**

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the component unit have been included in the financial reporting entity either as blended component unit or as discretely presented component unit.

Discretely Presented Component Unit: The component unit columns in the government-wide financial statements include the financial data of the county's component unit. The component unit is reported in separate columns to emphasize that they are legally separate from the county.

LaMoure County Water Resource District: The LaMoure County Water Resource District governing board is appointed by the county's governing body. The county's governing body has the authority to disapprove, amend, or approve the water resource district budget.

B. Basis of Presentation

*Government-wide statements:* The statement of Net Position and the statement of activities display information about the primary government, LaMoure County and its component unit, LaMoure County Water Resource District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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) fees and charges paid by the recipients of goods or 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:* The fund financial statements provide information about the County's funds including its fiduciary funds. Separate statements for each fund category—*governmental* and *fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

*General Fund.* This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*County Road and Bridge Fund.* This is the County's primary road maintenance fund. It accounts for all financial resources related to highway maintenance, except those required to be accounted for in another fund. The major source of revenue is restricted State/Federal grants/reimbursements and a restricted tax levy.

*Farm-to-Market Road Fund.* This fund accounts for repair and improvement of highways and bridges that are legally restricted from taxes levied. The major source of revenue is a restricted tax levy and State/Federal grants/reimbursements.

*Social Welfare Fund.* This fund accounts for the costs of providing social service benefits and programs to needy residents of the county. The major primary source of revenue is restricted Federal and State grants/reimbursements.

*FEMA Fund.* This fund accounts for all revenue and expenditures relating to federally declared disaster areas. The major source of revenue is restricted Federal grants/reimbursements.

*State Aid Distribution Fund.* This fund accounts for state aid revenue sharing accumulated and normally distributed (transferred) each year to other funds.

Additionally, the county reports the following fund type:

*Agency Funds.* These fund accounts for assets held by the County in a custodial capacity as an agent on behalf of others. The County's agency fund is used to account for various deposits of other governments.

### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

*Government-wide and Fiduciary Fund Financial Statements.* The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**LAMOURE COUNTY**

## Notes to the Financial Statements – Continued

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. All revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, and then by general revenues.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits, money market accounts and highly liquid short-term investments with original maturities of 3 months or less.

E. Capital Assets

Capital assets per policy for the government are defined as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Per policy, general infrastructure assets acquired prior to January 1, 2004 consisting of various road and bridge network assets won't be reported in the financial statements, as the County is required to prospectively report infrastructure assets beginning January 1, 2004 as a Phase III GASB 34 implementation entity. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets is not capitalized.

Per policy, major outlays for capital assets and improvements will be capitalized as projects are constructed. Capital assets per policy will be depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Land	Indefinite
Buildings	50
Equipment	5 - 10
Vehicles	5
Infrastructure	50

**LAMOURE COUNTY**

Notes to the Financial Statements – Continued

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F. Compensated Absences

Full time employees, except for social service employees, earn vacation benefits depending on tenure with the County as follows:

<b>Length of Service</b>	<b>Days Per Year</b>
0 through 5 years	8 days
6 through 10 years	10 days
11 through 15 years	12 days
16 years and over	14 days

Employees, except social service employees, can carry over a maximum of 20 days of vacation at December 31, of each year.

Social service employees earn vacation benefits from one to two days per month depending on tenure with the county. Social service employees can carry over a maximum of 30 days at April 30, of each year.

Upon termination of employment, employees will be paid for vacation benefits that have accrued to a maximum of 30 days for social service employees and 20 days for other employees, based on their current rate of pay. Vested or accumulated vacation leave is reported in the general long-term debt account group. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

G. Long-Term Obligations

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, discounts and issuance costs are recognized in the current period since the amounts are not material.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

H. Fund Balances / Net Position

GASB Statement No. 54 established new fund balance classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints (restrictions or limitations) imposed upon the use of the resources reported in governmental funds.

***Fund Balance Spending Policy:***

It is the policy of LaMoure County to spend restricted resources first, followed by unrestricted resources. It is also the policy of the Board to spend unrestricted resources of funds in the following order: committed, assigned and then unassigned.

***Major Special Revenue Fund Purposes & Revenue Sources:***

Purposes and major revenue sources of the major special revenue funds (county road and bridge, farm to market road, social welfare, FEMA, and state aid distribution) are disclosed in more detail in Note 1C.

**LAMOURE COUNTY**

Notes to the Financial Statements – Continued

**GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions**

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

<b>CLASSIFICATION</b>	<b>DEFINITION</b>	<b>EXAMPLES</b>
Nonspendable	Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.	Inventories, prepaid amounts (expenses), long-term receivables, endowment funds.
Restricted	Fund balance is reported as restricted when constraints are placed on the use of resources that are either (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments. (b) Imposed by law through constitutional provisions or enabling legislation.	Funds restricted by State Statute, unspent bond proceeds, grants earned but not spent, debt covenants, taxes raised for a specific purpose.
Committed	A committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the governing board. Formal action is required to be taken to establish, modify or rescind a fund balance commitment.	By board action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Assigned	Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes, but are under the direction of the board and the county auditor.	By board action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Unassigned	Unassigned fund balance is the lowest classification for the General Fund. This is fund balance that has not been reported in any other classification. (a) The General Fund is the only fund that can report a positive unassigned fund balance; (b) A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes;	Available for any remaining general fund expenditure.

LaMoure County has restricted and unassigned fund balances at December 31, 2014 and 2013.

Restricted Fund Balances – consist of the following items at December 31, 2014 and 2013:

Restricted fund balances are shown by primary function on the balance sheet for debt service, public safety, highways & public improvement, flood repair, health & welfare, culture & recreation, conservation of natural resources, emergencies, and other purposes (reported in the other governmental funds). Restricted fund balances are restricted by enabling legislation (primarily state law for tax levies) and by outside 3<sup>rd</sup> parties (State & Federal governments for various grants & reimbursements).

Special Revenue Funds – Restricted & Committed Fund Balances:

- (a) Restricted by specified tax levies and/or restricted Federal & State grants/reimbursements:
  - Restricted tax levies – includes fund balances for various tax levies other than the general fund.
  - Restricted grants/reimbursements – primarily includes FEMA funds, other grant funds, and highway tax distribution.

**Net Position:**

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Net investment in capital assets is reported for capital assets less accumulated depreciation, and less any related debt to purchase/finance the construction of those capital assets. These assets are not available for future spending.

Restrictions of net position shown in the statement of net position are due to restricted tax levies and restricted Federal & State grants/reimbursements. Restrictions of net position in the statement of net position is shown by primary function, and are restricted for debt service, public safety, highways, health & welfare, culture & recreation, conservation of natural resources, emergencies, and other special purposes (health insurance, insurance reserve, veteran's service officer, and social security).

Unrestricted net position is primarily unrestricted amounts related to the general fund, as well as amounts shown for negative funds (sheriff's grants and state reimbursements). The unrestricted net position is available to meet the district's ongoing obligations.

**NOTE 2: DEPOSITS AND INVESTMENTS**

In accordance with North Dakota Statutes, the county maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in other financial institution situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities equal to 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal land bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies or instrumentalities or by any county, city, township, school district, park district, or other political subdivision of the state of North Dakota. whether payable from special revenues or supported by the full faith and credit of the issuing body and bonds issued by another state of the United States or such other securities approved by the banking board.

At year ended December 31, 2014, the county's carrying amount of deposits was \$6,446,540, and the bank balances totaled \$6,360,058. Of the bank balances, \$1,845,720 was covered by Federal Depository Insurance. The remaining bank balances totaling \$4,514,338, were collateralized with securities held by the pledging financial institution's agent in the government's name. At year ended December 31, 2014, the Water Resource District's carrying amount of deposits was \$28,019, and the bank balances totaled \$28,019, all of which were covered by Federal Depository Insurance.

At year ended December 31, 2013, the county's carrying amount of deposits was \$6,960,343, and the bank balances totaled \$6,966,355. Of the bank balances, \$2,050,733 was covered by Federal Depository Insurance. The remaining bank balances totaling \$4,915,622 were collateralized with securities held by the pledging financial institution's agent in the government's name. At year ended December 31, 2013, the Water Resource District's carrying amount of deposits was \$38,891, and the bank balances totaled \$39,722, all of which were covered by Federal Depository Insurance.

**LAMOURE COUNTY**

Notes to the Financial Statements – Continued

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Credit Risk:

The county and its component unit may invest idle funds as authorized in North Dakota Statutes, as follows:

- (a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of congress.
- (b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.
- (c) Certificates of Deposit fully insured by the federal deposit insurance corporation.
- (d) Obligations of the state.

As of December 31, 2014 and 2013, the county had certificates of deposit totaling \$4,186,075 and \$4,607,484, respectively, and the water resource district had certificates of deposit totaling \$5,105 and \$5,074, respectively.

Concentration of Credit Risk:

The county does not have a limit on the amount the county may invest in any one issuer.

**NOTE 3: TAXES RECEIVABLE**

The taxes receivable represents the past three years of delinquent uncollected taxes. No allowance has been established for uncollectible taxes receivable.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Any material collections are distributed after the end of the month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1. The tax levy may be paid in two installments: the first installment includes one-half of the real estate taxes and all the special assessments; the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5% discount is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed.

Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the 5% discount on the property taxes.

**NOTE 4: ROAD RECEIVABLE**

Road receivable consists of amounts due to the road department for work done for townships, cities, schools and individuals.

**NOTE 5: INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables consist of reimbursements due for expenses in the operation of various welfare, sheriff, and emergency management programs. These amounts consist of a mix of State and Federal dollars.

**LAMOURE COUNTY**

Notes to the Financial Statements – Continued

**NOTE 6: CAPITAL ASSETS**

The following is a summary of changes in capital assets for the years ended December 31, 2014 and 2013 for the primary government:

<b>Governmental Activities 2014:</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
<i>Capital assets not being depreciated:</i>					
Land	\$ 33,600	\$ -	\$ -	\$ -	\$ 33,600
Construction in Progress	1,614,024	5,170,661	-	(593,655)	6,191,030
<b>Total Capital Assets not being depreciated</b>	<b>\$1,647,624</b>	<b>\$5,170,661</b>	<b>\$ -</b>	<b>\$(593,655)</b>	<b>\$ 6,224,630</b>
<i>Capital assets, being depreciated:</i>					
Vehicles	\$ 274,812	\$ 27,850	\$13,700	\$ -	\$ 288,962
Equipment	2,772,081	379,878	-	-	3,151,959
Buildings	731,794	-	-	-	731,794
Infrastructure	4,995,366	-	-	593,655	5,589,021
<b>Total Capital Assets, Being Depreciated</b>	<b>\$8,774,053</b>	<b>\$ 407,728</b>	<b>\$13,700</b>	<b>\$ 593,655</b>	<b>\$ 9,761,736</b>
<i>Less accumulated depreciation for:</i>					
Vehicles	\$ 199,379	\$ 30,642	\$ 8,220	\$ -	\$ 221,801
Equipment	1,757,490	209,837	-	-	1,967,327
Buildings	457,054	9,302	-	-	466,356
Infrastructure	176,479	111,781	-	-	288,260
<b>Total Accumulated Depreciation</b>	<b>\$2,590,402</b>	<b>\$ 361,562</b>	<b>\$ 8,220</b>	<b>\$ -</b>	<b>\$ 2,943,744</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$6,183,651</b>	<b>\$ 46,166</b>	<b>\$ 5,480</b>	<b>\$ 593,655</b>	<b>\$ 6,817,992</b>
<b>Governmental Activities - Capital Assets, Net</b>	<b>\$7,831,275</b>	<b>\$5,216,827</b>	<b>\$ 5,480</b>	<b>\$ -</b>	<b>\$13,042,622</b>

<b>Governmental Activities 2013:</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
<i>Capital assets not being depreciated:</i>					
Land	\$ 33,600	\$ -	\$ -	\$ -	\$ 33,600
Construction in Progress	265,562	2,515,213	-	(1,166,751)	1,614,024
<b>Total Capital Assets not being depreciated</b>	<b>\$ 299,162</b>	<b>\$2,515,213</b>	<b>\$ -</b>	<b>\$(1,166,751)</b>	<b>\$1,647,624</b>
<i>Capital assets, being depreciated:</i>					
Vehicles	\$ 246,982	\$ 41,530	\$13,700	\$ -	\$ 274,812
Equipment	2,480,703	313,428	22,050	-	2,772,081
Buildings	731,794	-	-	-	731,794
Infrastructure	3,828,615	-	-	1,166,751	4,995,366
<b>Total Capital Assets, Being Depreciated</b>	<b>\$7,288,094</b>	<b>\$ 354,958</b>	<b>\$35,750</b>	<b>\$ 1,166,751</b>	<b>\$8,774,053</b>
<i>Less accumulated depreciation for:</i>					
Vehicles	\$ 174,528	\$ 33,071	\$ 8,220	\$ -	\$ 199,379
Equipment	1,592,892	177,828	13,230	-	1,757,490
Buildings	447,752	9,302	-	-	457,054
Infrastructure	76,572	99,907	-	-	176,479
<b>Total Accumulated Depreciation</b>	<b>\$2,291,744</b>	<b>\$ 320,108</b>	<b>\$21,450</b>	<b>\$ -</b>	<b>\$2,590,402</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$4,996,350</b>	<b>\$ 34,850</b>	<b>\$14,300</b>	<b>\$ 1,166,751</b>	<b>\$6,183,651</b>
<b>Governmental Activities - Capital Assets, Net</b>	<b>\$5,295,512</b>	<b>\$2,550,063</b>	<b>\$14,300</b>	<b>\$ -</b>	<b>\$7,831,275</b>

Depreciation expense was charged to functions/programs of the county as follows:

<b>Governmental Activities:</b>	<b>2014</b>	<b>2013</b>
General Government	\$ 18,645	\$ 17,995
Public Safety	15,195	19,437
Highways & Bridges	316,531	271,019
Health & Welfare	1,048	1,048
Culture & Recreation	5,082	5,828
Conservation of Natural Resources	5,061	4,781
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$361,562</b>	<b>\$320,108</b>

**LAMOURE COUNTY**

## Notes to the Financial Statements – Continued

**NOTE 7: ACCOUNTS PAYABLE**

Accounts payable consists of a liability account reflecting amounts on open accounts owing to private persons or organizations for goods and services received prior to December 31.

**NOTE 8: SALARIES PAYABLE**

Salaries payable consists of a liability account reflecting amounts owing to employees for work provided on behalf of the county prior to December 31 of each year-end.

**NOTE 9: DUE TO/ FROM OTHER FUNDS**

The due to/due from other funds totaling \$349,750 represents the amounts of negative cash in several funds borrowed from the general fund in 2013.

	<b>Due To</b>	<b>Due From</b>
<u>Major Funds</u>		
General Fund	\$ -	\$249,750
Social Welfare	113,369	-
<u>Nonmajor Funds</u>		
County Agent	20,856	-
Oasis and Social Security	77	-
Comp. Health Insurance	51,464	-
Special Project/Vehicle	15,215	-
Equipment Purchase	48,769	-
<b>Total</b>	<b>\$249,750</b>	<b>\$249,750</b>

**NOTE 10: GRANTS RECEIVED IN ADVANCE**

Grants received in advance consist of funds received in the FEMA fund where the eligibility requirements have not been met at December 31, 2014 and 2013.

**NOTE 11: RETAINAGES PAYABLE**

Retainages payable consists of a liability account reflecting amounts owing to contractors on open contracts at December 31, 2014 and 2013 by the County.

**NOTE 12: DEFERRED INFLOWS OF RESOURCES**

The offset to taxes receivable and road receivables are reported as deferred inflows of resources under the provisions of GASB 65.

**NOTE 13: INTEREST PAYABLE**

Interest payable consists of the portion of interest accrued on long-term debt (bonds payable and leases payable) outstanding at December 31, 2014 and 2013.

**NOTE 14: LONG-TERM DEBT**

**Changes in Long-Term Liabilities** - During the year ended December 31, 2014 and 2013, the following changes occurred in liabilities reported in long-term liabilities:

Governmental Activities:

<b>Governmental Activities:</b>	<b>Balance 1-1-14</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 12-31-14</b>	<b>Due Within One Year</b>
Bond Payable	\$235,000	\$ -	\$55,000	\$180,000	\$60,000
Compensated Absences *	72,483	11,312	-	83,795	33,518
<b>Total Governmental Activities</b>	<b>\$307,483</b>	<b>\$11,312</b>	<b>\$55,000</b>	<b>\$263,795</b>	<b>\$93,518</b>

**LAMOURE COUNTY**

Notes to the Financial Statements – Continued

<b>Governmental Activities:</b>	<b>Balance 1-1-13</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 12-31-13</b>	<b>Due Within One Year</b>
Bond Payable	\$290,000	\$ -	\$ 55,000	\$235,000	\$55,000
Lease Payable	147,978	-	147,978	-	-
Compensated Absences *	50,744	21,739	-	72,483	28,993
<b>Total Governmental Activities</b>	<b>\$488,722</b>	<b>\$21,739</b>	<b>\$202,978</b>	<b>\$307,483</b>	<b>\$83,993</b>

\* The change in compensated absences is shown as a net change because changes in salary prohibit exact calculations of additions and reductions at a reasonable cost.

Outstanding debt (excluding compensated absences payable) at December 31, 2014 for the primary government governmental activities consists of the following issues:

**General Obligation Bonds:**

\$400,000 Limited Tax Bonds of 2012 with annual payments of \$55,000 to \$60,000 through 2017; with interest at 1.65% to 2.50%. \$180,000

The annual requirements to amortize the outstanding debt, excluding compensated absences, are as follows for the year ended December 31, 2014:

Year Ending December 31	Bonds Payable	
	Principal	Interest
2015	\$ 60,000	\$3,750
2016	60,000	2,250
2017	60,000	750
<b>Total</b>	<b>\$180,000</b>	<b>\$6,750</b>

**NOTE 15: RISK MANAGEMENT**

LaMoure County is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986, state agencies and political subdivisions of the state of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDRIF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. LaMoure County pays an annual premium to NDRIF for its general liability, automobile, and inland marine insurance coverage. The coverage by NDRIF is limited to losses of \$1,000,000 per occurrence for general liability and for automobile, and \$3,384,792 for public assets (mobile equipment and portable property).

LaMoure County also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The County pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of \$1,000,000 per occurrence during a 12 month period. The State Bonding Fund currently provides the County with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

LaMoure County has workers compensation with the North Dakota Workforce Safety and Insurance. The county provides health insurance benefits for the county employees through Blue Cross/Blue Shield of North Dakota, and pays 100% of the health insurance premium for single persons; 82.5% for singles with dependents, and 70% for family plans.

**LAMOURE COUNTY**

## Notes to the Financial Statements – Continued

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

**NOTE 16: TRANSFERS**

The following is reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2014; there were no transfers in 2013:

	<b>Transfers In</b>	<b>Transfers Out</b>
<b>Major Funds:</b>		
General Fund	\$ 564,858	\$ 54,000
County Road and Bridge	-	48,769
Social Service Fund	359,756	-
State Aid Distribution	-	604,900
<b>Nonmajor Special Revenue Funds:</b>		
County Agent	24,829	-
County Memorial Park	13,399	-
OASIS Health Insurance	-	76,009
Comprehensive Health Insurance	76,009	-
Camp Fund	-	13,399
Human Services	-	359,756
LaMoure County Health Dept.	126,847	72,847
Special Project/Vehicle	15,213	-
Culvert Purchase and Resale	48,769	-
<b>Total Transfers</b>	<b>\$1,229,680</b>	<b>\$1,229,680</b>

Transfers are used to move unrestricted general revenue to finance programs that the county accounts for in other funds in accordance with budget authority and to subsidize other programs.

**NOTE 17: PENSION PLAN**

The County participates in the North Dakota Public Employees' Retirement System (NDPERS) administered by the State of North Dakota. Following is a brief description of the plan.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan covering substantially all classified employees of the county and the county's component units. The plan provides retirement, disability and death benefits. If an active employee dies with less than three years of credited service, a death benefit equal to the value of the employee's accumulated contributions, plus interest, is paid to the employee's beneficiary. If the employee has earned more than three years of credited service, the surviving spouse will be entitled to a single payment refund, lifetime monthly payments in an amount equal to 50% of the employee's accrued normal retirement benefit, 60 monthly payments equal to the employee's accrued normal retirement benefit calculated as if the employee were age 65 the day before death occurred or monthly payments in an amount equal to the employees' accrued 100% joint and survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the employee's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible employees who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits that are equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the employee must meet the criteria established by the Retirement Board for being considered totally disabled.

Employees are entitled to unreduced monthly pension benefits equal to 2.0% of their final average salary for each year of service beginning when the sum of age and years of credited service equal or exceed 85, or at normal retirement age (65). The plan permits early retirement at ages 55-64, with three or more years of service.

**LAMOURE COUNTY**

Notes to the Financial Statements – Continued

Funding Policy:

Benefit and contribution provisions are administered in accordance with chapter 54-52 of the North Dakota Century Code.

During January 1, 2014 through December 31, 2014, plan members were required to contribute 7% of their annual covered salary. The county was required to contribute 8.26% of the employee's salary, which consists of 7.12% for employee retirement and 1.14% for the retiree health benefits fund. During January 1, 2013 through December 31, 2013, plan members were required to contribute 6% of their annual covered salary. The county was required to contribute 7.26% of the employee's salary, which consists of 6.12% for employee retirement and 1.14% for the retiree health benefits fund. The contribution requirements of plan members and the county are established and may be amended by the State legislature. The required contributions are determined using an entry age normal actuarial funding method and are included in state statute. The North Dakota Retirement Board was created by the State Legislature and is the governing authority of NDPERS. The county's required and actual contributions to NDPERS for the fiscal years ended December 31, 2014, 2013 and 2012 were \$117,212, \$101,161, and \$61,549, respectively.

NDPERS issues a publicly available financial report that includes financial statements and the required supplementary information for NDPERS. That report may be obtained by writing to NDPERS; 400 East Broadway, Suite 505; PO Box 1657; Bismarck, ND 58502-1657.

**NOTE 18: COMMITMENTS/RETAINAGE**

LaMoure County had the following open construction commitments as of December 31, 2014 and 2013 as follows:

Project	Contract Amount	Total Completed	Retainage	Remaining Balance
CER-2335(055) - Highway 61 Grade Raise	\$ 497,067	\$ 514,620	\$ -	\$ (17,553)
CNOA-2303(066) - Highway 66 Overlay	682,904	607,005	34,145	110,045
CNOA-2335(057) - Highway 61 Reconstruction (North of LaMoure)	1,989,528	1,708,431	99,862	380,959
SC-2335(056) - Highway 61 North of LaMoure	2,430,647	2,184,271	44,577	290,953
<b>Total Construction in Progress</b>	<b>\$5,600,146</b>	<b>\$5,014,327</b>	<b>\$178,585</b>	<b>\$764,404</b>

Project	Contract Amount	Total Completed	Retainage	Remaining Balance
CER-2303(064) - Diamond Lake Realignment	\$1,176,021	\$1,151,194	\$ -	\$ 24,827
CER-2335(055) - Highway 61 Grade Raise	497,067	477,519	9,755	29,303
CER-2308(056) - Highway 35 Grade Raise	793,336	659,084	13,451	147,703
<b>Total Construction in Progress</b>	<b>\$2,466,424</b>	<b>\$2,287,797</b>	<b>\$23,206</b>	<b>\$201,833</b>

These are cost-share projects with the state. The local share for 2013 projects was 19.07%, whereas the local share for 2014 projects was 10% making the local share of retainage \$17,858 at 12-31-14 and \$4,425 at 12-31-13.

**NOTE 19: PRIOR PERIOD ADJUSTMENTS**

The prior period adjustments for the 2013 Statement of Activities consist of beginning balance adjustments to capital assets totaling \$6,183. The effect of the prior period adjustments to beginning Net Position is as follows:

	Governmental Activities
Net Position, as previously reported	\$9,351,471
<b>Adjustments to restate the January 1, 2013 net position for the following:</b>	
Capital Assets - Depreciation	6,183
<b>Net Position January 1, 2013 as restated</b>	<b>\$9,357,654</b>

LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 614,888	\$ 614,888	\$ 601,085	\$ (13,803)
Intergovernmental	110,800	110,800	154,339	43,539
Charges for Services	90,300	90,300	98,992	8,692
Licenses, Permits and Fees	1,700	1,700	3,060	1,360
Interest Income	32,000	32,000	38,610	6,610
Miscellaneous	8,100	8,100	8,301	201
Total Revenues	<u>\$ 857,788</u>	<u>\$ 857,788</u>	<u>\$ 904,387</u>	<u>\$ 46,599</u>
<u>Expenditures:</u>				
Current:				
General Government	\$ 1,060,696	\$ 1,060,696	\$ 979,041	\$ 81,655
Public Safety	305,338	305,338	278,341	26,997
Total Expenditures	<u>\$ 1,366,034</u>	<u>\$ 1,366,034</u>	<u>\$ 1,257,382</u>	<u>\$ 108,652</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (508,246)</u>	<u>\$ (508,246)</u>	<u>\$ (352,995)</u>	<u>\$ 155,251</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	\$ -	\$ -	\$ 564,858	\$ 564,858
Transfers Out	-	-	(54,000)	(54,000)
Total Other Financing Sources and Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,858</u>	<u>\$ 510,858</u>
Net Change in Fund Balance	<u>\$ (508,246)</u>	<u>\$ (508,246)</u>	<u>\$ 157,863</u>	<u>\$ 666,109</u>
Fund Balance - January 1	<u>\$ 463,677</u>	<u>\$ 463,677</u>	<u>\$ 463,677</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ (44,569)</u>	<u>\$ (44,569)</u>	<u>\$ 621,540</u>	<u>\$ 666,109</u>

The accompanying required supplementary information notes are an integral part of this schedule.

LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
COUNTY ROAD AND BRIDGE FUND  
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 126,704	\$ 126,704	\$ 122,379	\$ (4,325)
Intergovernmental	760,180	760,180	768,726	8,546
Charges for Services	423,000	423,000	578,249	155,249
Miscellaneous	7,000	7,000	9,735	2,735
Total Revenues	<u>\$ 1,316,884</u>	<u>\$ 1,316,884</u>	<u>\$ 1,479,089</u>	<u>\$ 162,205</u>
<u>Expenditures:</u>				
Current:				
Highways	<u>\$ 1,563,298</u>	<u>\$ 1,563,298</u>	<u>\$ 1,592,423</u>	<u>\$ (29,125)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (246,414)</u>	<u>\$ (246,414)</u>	<u>\$ (113,334)</u>	<u>\$ 133,080</u>
<u>Other Financing Sources (Uses):</u>				
Sale of Assets	\$ 100,000	\$ 100,000	\$ 17,013	\$ (82,987)
Transfers Out	-	-	(48,769)	(48,769)
Total Other Financing Sources and Uses	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (31,756)</u>	<u>\$ (131,756)</u>
Net Change in Fund Balances	<u>\$ (146,414)</u>	<u>\$ (146,414)</u>	<u>\$ (145,090)</u>	<u>\$ 1,324</u>
Fund Balance - January 1	<u>\$ 719,213</u>	<u>\$ 719,213</u>	<u>\$ 719,213</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 572,799</u>	<u>\$ 572,799</u>	<u>\$ 574,123</u>	<u>\$ 1,324</u>

The accompanying required supplementary information notes are an integral part of this schedule.

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LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
FARM TO MARKET ROAD FUND  
For the Year Ended December 31, 2014

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	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 476,214	\$ 476,214	\$ 460,629	\$ (15,585)
Intergovernmental	6,261,500	6,261,500	2,370,477	(3,891,023)
Total Revenues	<u>\$ 6,737,714</u>	<u>\$ 6,737,714</u>	<u>\$ 2,831,106</u>	<u>\$ (3,906,608)</u>
<u>Expenditures:</u>				
Current:				
Highways	<u>\$ 965,000</u>	<u>\$ 965,000</u>	<u>\$ 3,036,414</u>	<u>\$ (2,071,414)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,772,714</u>	<u>\$ 5,772,714</u>	<u>\$ (205,308)</u>	<u>\$ (5,978,022)</u>
Fund Balance - January 1	<u>\$ 1,474,707</u>	<u>\$ 1,474,707</u>	<u>\$ 1,474,707</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 7,247,421</u>	<u>\$ 7,247,421</u>	<u>\$ 1,269,399</u>	<u>\$ (5,978,022)</u>

The accompanying required supplementary information notes are an integral part of this schedule.

LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
SOCIAL WELFARE FUND  
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Intergovernmental	\$ 52,300	\$ 52,300	\$ 47,694	\$ (4,606)
Charges for Services	2,800	2,800	5,575	2,775
<b>Total Revenues</b>	<b>\$ 55,100</b>	<b>\$ 55,100</b>	<b>\$ 53,269</b>	<b>\$ (1,831)</b>
<u>Expenditures:</u>				
Current:				
Health and Welfare	\$ 396,950	\$ 396,950	\$ 297,805	\$ 99,145
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (341,850)</b>	<b>\$ (341,850)</b>	<b>\$ (244,536)</b>	<b>\$ 97,314</b>
<u>Other Financing Sources (Uses):</u>				
Transfers In	\$ -	\$ -	\$ 359,756	\$ 359,756
<b>Net Change in Fund Balances</b>	<b>\$ (341,850)</b>	<b>\$ (341,850)</b>	<b>\$ 115,220</b>	<b>\$ 457,070</b>
Fund Balance - January 1	\$ (108,736)	\$ (108,736)	\$ (108,736)	\$ -
<b>Fund Balance - December 31</b>	<b>\$ (450,586)</b>	<b>\$ (450,586)</b>	<b>\$ 6,484</b>	<b>\$ 457,070</b>

The accompanying required supplementary information notes are an integral part of this schedule.

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LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
FEMA FUND  
For the Year Ended December 31, 2014

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	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ 153,544	\$ 153,544
<u>Expenditures:</u>				
Current:				
Flood Repair	\$ 105,000	\$ 105,000	\$ 153,544	\$ (48,544)
Excess (Deficiency) of Revenues Over Expenditures	\$ (105,000)	\$ (105,000)	\$ -	\$ 105,000
Fund Balance - January 1	\$ -	\$ -	\$ -	\$ -
Fund Balance - December 31	\$ (105,000)	\$ (105,000)	\$ -	\$ 105,000

The accompanying required supplementary information notes are an integral part of this schedule.

LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
STATE AID DISTRIBUTION  
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 500,000	\$ 683,934	\$ 183,934
<u>Expenditures:</u>				
<u>Current:</u>				
General Government	\$ -	\$ -	\$ 877	\$ (877)
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ 500,000	\$ 683,057	\$ 183,057
<u>Other Financing Sources (Uses):</u>				
Transfers Out	\$ -	\$ (500,000)	\$ (604,900)	\$ (104,900)
Net Change in Fund Balances	\$ -	\$ -	\$ 78,157	\$ 78,157
Fund Balance - January 1	\$ 765,944	\$ 765,944	\$ 765,944	\$ -
Fund Balance - December 31	\$ 765,944	\$ 765,944	\$ 844,101	\$ 78,157

The accompanying required supplementary information notes are an integral part of this schedule.

LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 573,339	\$ 573,339	\$ 565,584	\$ (7,755)
Intergovernmental	98,522	98,522	151,196	52,674
Charges for Services	70,450	70,450	96,485	26,035
Licenses, Permits and Fees	1,400	1,400	3,080	1,680
Interest Income	22,000	22,000	35,619	13,619
Miscellaneous	5,800	5,800	7,833	2,033
Total Revenues	<u>\$ 771,511</u>	<u>\$ 771,511</u>	<u>\$ 859,797</u>	<u>\$ 88,286</u>
<u>Expenditures:</u>				
Current:				
General Government	\$ 784,551	\$ 784,551	\$ 675,536	\$ 109,015
Public Safety	336,903	336,903	301,837	35,066
Total Expenditures	<u>\$ 1,121,454</u>	<u>\$ 1,121,454</u>	<u>\$ 977,373</u>	<u>\$ 144,081</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (349,943)</u>	<u>\$ (349,943)</u>	<u>\$ (117,576)</u>	<u>\$ 232,367</u>
Fund Balance - January 1	<u>\$ 581,253</u>	<u>\$ 581,253</u>	<u>\$ 581,253</u>	<u>\$ -</u>
Fund Balance - December 31	<u><u>\$ 231,310</u></u>	<u><u>\$ 231,310</u></u>	<u><u>\$ 463,677</u></u>	<u><u>\$ 232,367</u></u>

The accompanying required supplementary information notes are an integral part of this schedule.

LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
COUNTY ROAD AND BRIDGE FUND  
For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 66,709	\$ 66,709	\$ 64,055	\$ (2,654)
Intergovernmental	760,180	760,180	742,701	(17,479)
Charges for Services	425,000	425,000	475,769	50,769
Miscellaneous	7,200	7,200	120,220	113,020
Total Revenues	<u>\$ 1,259,089</u>	<u>\$ 1,259,089</u>	<u>\$ 1,402,745</u>	<u>\$ 143,656</u>
<u>Expenditures:</u>				
<u>Current:</u>				
Highways	<u>\$ 1,598,819</u>	<u>\$ 1,598,819</u>	<u>\$ 1,358,253</u>	<u>\$ 240,566</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (339,730)</u>	<u>\$ (339,730)</u>	<u>\$ 44,492</u>	<u>\$ 384,222</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	<u>\$ 280,000</u>	<u>\$ 280,000</u>	<u>\$ -</u>	<u>\$ (280,000)</u>
Net Change in Fund Balances	<u>\$ (59,730)</u>	<u>\$ (59,730)</u>	<u>\$ 44,492</u>	<u>\$ 104,222</u>
Fund Balance - January 1	<u>\$ 674,721</u>	<u>\$ 674,721</u>	<u>\$ 674,721</u>	<u>\$ -</u>
Fund Balance - December 31	<u><u>\$ 614,991</u></u>	<u><u>\$ 614,991</u></u>	<u><u>\$ 719,213</u></u>	<u><u>\$ 104,222</u></u>

The accompanying required supplementary information notes are an integral part of this schedule.

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LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
FARM TO MARKET ROAD FUND  
For the Year Ended December 31, 2013

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	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 413,557	\$ 413,557	\$ 398,783	\$ (14,774)
Intergovernmental	401,500	401,500	962	(400,538)
Charges for Services	-	-	8,516	8,516
Total Revenues	<u>\$ 815,057</u>	<u>\$ 815,057</u>	<u>\$ 408,261</u>	<u>\$ (406,796)</u>
<u>Expenditures:</u>				
Current:				
Highways	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 444,515</u>	<u>\$ 505,485</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (134,943)</u>	<u>\$ (134,943)</u>	<u>\$ (36,254)</u>	<u>\$ 98,689</u>
Fund Balance - January 1	<u>\$ 1,510,961</u>	<u>\$ 1,510,961</u>	<u>\$ 1,510,961</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 1,376,018</u>	<u>\$ 1,376,018</u>	<u>\$ 1,474,707</u>	<u>\$ 98,689</u>

The accompanying required supplementary information notes are an integral part of this schedule.

LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
SOCIAL WELFARE FUND  
For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Intergovernmental	\$ 61,300	\$ 61,300	\$ 49,194	\$ (12,106)
Charges for Services	2,200	2,200	3,221	1,021
<b>Total Revenues</b>	<b>\$ 63,500</b>	<b>\$ 63,500</b>	<b>\$ 52,415</b>	<b>\$ (11,085)</b>
<u>Expenditures:</u>				
Current:				
Health and Welfare	\$ 384,050	\$ 384,050	\$ 315,216	\$ 68,834
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (320,550)</b>	<b>\$ (320,550)</b>	<b>\$ (262,801)</b>	<b>\$ 57,749</b>
Fund Balance - January 1	\$ 154,065	\$ 154,065	\$ 154,065	\$ -
Fund Balance - December 31	<b>\$ (166,485)</b>	<b>\$ (166,485)</b>	<b>\$ (108,736)</b>	<b>\$ 57,749</b>

The accompanying required supplementary information notes are an integral part of this schedule.

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LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
FEMA FUND  
For the Year Ended December 31, 2013

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	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ 258,426	\$ 258,426
<u>Expenditures:</u>				
Current:				
Flood Repair	\$ 260,000	\$ 260,000	\$ 263,263	\$ (3,263)
Excess (Deficiency) of Revenues Over Expenditures	\$ (260,000)	\$ (260,000)	\$ (4,837)	\$ 255,163
Fund Balance - January 1	\$ 4,837	\$ 4,837	\$ 4,837	\$ -
Fund Balance - December 31	\$ (255,163)	\$ (255,163)	\$ -	\$ 255,163

The accompanying required supplementary information notes are an integral part of this schedule.

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LAMOURE COUNTY  
LaMoure, North Dakota

BUDGETARY COMPARISON SCHEDULE  
STATE AID DISTRIBUTION  
For the Year Ended December 31, 2013

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	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 604,519	\$ 204,519
<u>Expenditures:</u>				
Current:				
General Government	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues Over Expenditures	\$ 400,000	\$ 400,000	\$ 604,519	\$ 204,519
<u>Other Financing Sources (Uses):</u>				
Transfers Out	\$ (400,000)	\$ (400,000)	\$ -	\$ 400,000
Net Change in Fund Balances	\$ -	\$ -	\$ 604,519	\$ 604,519
Fund Balance - January 1	\$ 161,425	\$ 161,425	\$ 161,425	\$ -
Fund Balance - December 31	\$ 161,425	\$ 161,425	\$ 765,944	\$ 604,519

The accompanying required supplementary information notes are an integral part of this schedule.

LAMOURE COUNTY  
LaMoure, North Dakota

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2014 and 2013

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information:

- The county commission adopts an “appropriated budget” on the modified accrual basis of accounting.
- The county auditor prepares an annual budget for the general fund and each special revenue fund of the county. NDCC section 11-23-02. The budget includes proposed expenditures and means of financing them.
- The county commission holds a public hearing where any taxpayer may appear and shall be heard in favor of or against any proposed disbursements or tax levies. When the hearing shall have been concluded, the board shall adopt such estimate as finally is determined upon. All taxes shall be levied in specific amounts and shall not exceed the amount specified in the published estimates. NDCC section 11-23-04
- The board of county commissioners, on or before the October meeting shall determine the amount of taxes that shall be levied for county purposes and shall levy all such taxes in specific amounts. NDCC section 11-23-05
- Each budget is controlled by the county auditor at the revenue and expenditure function/object level.
- The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared. NDCC section 57-15-31.1
- All appropriations lapse at year-end.

NOTE 2: EXPENDITURES IN EXCESS OF BUDGET

During fiscal year 2014 and 2013, LaMoure County had the following fund expenditures in excess of budgeted amounts:

2014	Budget	Actual	Overspent
<u>Special Revenue Funds</u>			
County Road and Bridge	\$1,563,298	\$1,588,152	\$ (24,854)
Farm to Market Road	965,000	3,036,414	(2,071,414)
FEMA	105,000	153,544	(48,544)
State Aid Distribution	-	877	(877)
Correctional Center	16,020	32,309	(16,289)
Comprehensive Health	251,302	275,225	(23,923)
Camp	2,000	2,840	(840)
24/7 Sobriety	-	2,148	(2,148)
LaMoure County Health District	214,857	232,283	(17,426)
Special Project	-	1,808	(1,808)
Bridge Replacement	20,000	81,429	(61,429)

**LAMOURE COUNTY**Notes to the Required Supplementary Information – Continued

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<b>2013</b>	<b>Budget</b>	<b>Actual</b>	<b>Overspent</b>
<u>Special Revenue Funds</u>			
FEMA	\$260,000	\$263,263	\$ (3,263)
Social Security	250,000	256,454	(6,454)
Insurance Reserve	66,500	71,412	(4,912)
Comprehensive Health	216,632	246,185	(29,553)
Camp	-	2,880	(2,880)
Document Preservation	5,000	13,007	(8,007)
24/7 Sobriety	-	2,152	(2,152)
LaMoure County Health District	206,977	238,592	(31,615)
Special Project	20,000	21,904	(1,904)
Hazardous Chemicals	500	1,002	(502)
Culvert Purchases	50,000	53,548	(3,548)

No remedial action is anticipated or required regarding these excess expenditures.

LAMOURE COUNTY  
LaMoure, North Dakota

SCHEDULE OF FUND ACTIVITY  
For the Year Ended December 31, 2014

	Balance 1-1-14	Receipts	Transfers In	Other Financing Sources	Transfers Out	Disbursements	Balance 12-31-14
<b>Primary Government:</b>							
<b>Major Funds:</b>							
General Fund	\$ 427,319.29	\$ 927,456.76	\$ 564,857.57	\$ -	\$ 54,000.00	\$ 1,249,752.16	\$ 615,881.46
County Road and Bridge	653,537.20	1,451,994.56	-	17,013.00	48,768.79	1,584,490.10	489,285.87
Farm to Market Road	1,487,320.32	2,831,107.02	-	-	-	3,035,893.25	1,282,534.09
Social Welfare	(113,369.23)	51,418.10	359,755.73	-	-	297,804.60	-
FEMA	466,885.95	36,233.60	-	-	-	153,543.97	349,575.58
State Aid Distribution	605,776.94	643,427.43	-	-	604,900.39	876.55	643,427.43
<b>Total Major Funds</b>	<b>\$ 3,527,470.47</b>	<b>\$ 5,941,637.47</b>	<b>\$ 924,613.30</b>	<b>\$ 17,013.00</b>	<b>\$ 707,669.18</b>	<b>\$ 6,322,360.63</b>	<b>\$ 3,380,704.43</b>
<b>Nonmajor Funds:</b>							
Veterans Service Officer	\$ 4,684.87	\$ 8,956.45	\$ -	\$ -	\$ -	\$ 8,115.23	\$ 5,526.09
County Agent	(20,856.00)	61,594.81	24,829.41	-	-	65,568.22	-
Weed Control	65,310.63	124,057.07	-	-	-	93,941.18	95,426.52
County Memorial Park	5,050.20	35,964.38	13,399.19	-	-	49,529.85	4,883.92
Correctional Center	71,033.62	17,001.76	-	-	-	32,308.77	55,726.61
Oasis Health Insurance	154,237.14	63,535.00	-	-	76,009.00	-	141,763.14
Oasis and Social Security	(76.73)	310,499.42	-	-	-	282,162.78	28,259.91
Technology Fund	21,886.35	76,923.17	-	-	-	74,220.20	24,589.32
Advertising Fund	1.43	-	-	-	-	-	1.43
Special Assessments on Co. Property	194.22	-	-	-	-	-	194.22
County Loan Fund	193,316.34	61,755.41	-	-	-	61,112.75	193,959.00
Insurance Reserve	102,641.49	82,570.60	-	-	-	65,051.00	120,161.09
Comp. Health Insurance	(51,463.99)	250,679.71	76,009.00	-	-	275,224.72	-
Ambulance	2,478.27	99,235.62	-	-	-	66,778.06	34,935.83
Emergency Fund	232,212.43	608.49	-	-	-	-	232,820.92
Camp Fund	10,360.21	11,827.00	-	-	13,399.19	2,839.59	5,948.43
JR Backway Fund	38,676.35	-	-	-	-	-	38,676.35
Document Preservation Fund	14,053.28	8,029.50	-	-	-	-	22,082.78
Human Services	285,687.23	335,449.79	-	-	359,755.73	-	261,381.29
Wireless E911	94,229.08	58,215.25	-	-	-	64,140.70	88,303.63
24/7 Sobriety Program	1,120.40	2,300.00	-	-	-	2,147.60	1,272.80
LaMoure County Health Dept	15,174.19	189,042.52	126,846.02	-	72,846.02	232,283.42	25,933.29
District Court	5.00	-	-	-	-	-	5.00
Grants (State & Federal)	45,502.04	26,275.44	-	-	-	14,732.54	57,044.94
County Extension	4,491.85	6,224.71	-	-	-	4,011.33	6,705.23
4-H Building	2,549.26	1,300.00	-	-	-	169.39	3,679.87
Special Project/Vehicle	(15,215.11)	1,809.70	15,213.41	-	-	1,808.00	-
Hazardous Chemical	8,259.18	1,262.50	-	-	-	40.22	9,481.46
Equipment Purchase	(48,768.79)	-	48,768.79	-	-	-	-
Culvert Purchase & Resale	5,489.17	48,524.91	-	-	-	41,688.66	12,325.42
Bridge Replacement	124,736.50	-	-	-	-	81,428.60	43,307.90
<b>Total Nonmajor Funds</b>	<b>\$ 1,367,000.11</b>	<b>\$ 1,883,643.21</b>	<b>\$ 305,065.82</b>	<b>\$ -</b>	<b>\$ 522,009.94</b>	<b>\$ 1,519,302.81</b>	<b>\$ 1,514,396.39</b>
<b>Total Governmental Funds</b>	<b>\$ 4,894,470.58</b>	<b>\$ 7,825,280.68</b>	<b>\$ 1,229,679.12</b>	<b>\$ 17,013.00</b>	<b>\$ 1,229,679.12</b>	<b>\$ 7,841,663.44</b>	<b>\$ 4,895,100.82</b>
<b>Agency Funds:</b>							
Historical Society (Museum)	\$ 91.47	\$ 8,427.82	\$ -	\$ -	\$ -	\$ 18,287.13	\$ (9,767.84)
Senior Citizens	259.99	84,242.08	-	-	-	84,248.76	253.31
Airport Authority	0.02	-	-	-	-	-	0.02
County Airport-2 mill	199.68	62,021.40	-	-	-	43,398.92	18,822.16

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LAMOURE COUNTY  
LaMoure, North Dakota

SCHEDULE OF FUND ACTIVITY  
For the Year Ended December 31, 2014

	Balance 1-1-14	Receipts	Transfers In	Other Financing Sources	Transfers Out	Disbursements	Balance 12-31-14
CONTINUED....							
<u>Agency Funds (Continued):</u>							
Criminal Court Administrative Fund	\$ 355.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355.00
Civil Filing Fees	-	595.00	-	-	-	595.00	-
State Fines & Forfeits	726.72	7,980.00	-	-	-	-	8,706.72
State Revenue	117.50	34,124.57	-	-	-	34,115.75	126.32
Garrison Diversion	105.86	39,166.19	-	-	-	39,157.55	114.50
Court Trust	540.50	-	-	-	-	-	540.50
Restitutions	356.15	-	-	-	-	-	356.15
Estimate Tax	(742.18)	3,915.24	-	-	-	3,173.06	-
Game and Fish Licenses	9,839.60	36,500.00	-	-	-	28,775.00	17,564.60
Soil Conservation District	117.50	34,152.32	-	-	-	34,143.47	126.35
Jud Rural Fire	11.47	14,665.06	-	-	-	14,676.53	-
Gackle Fire District	2.07	1,131.05	-	-	-	1,132.82	0.30
Water Resource Fund	113.80	15,417.62	-	-	-	15,464.16	67.26
Library	225.10	58,552.69	-	-	-	58,567.43	210.36
CDLF Loan Fund	8,521.38	-	-	-	-	-	8,521.38
Medical Reimbursement	(117.89)	117.89	-	-	-	-	-
Payroll Deduction	6,135.58	483.42	-	-	-	552.77	6,066.23
Undistributed Taxes	1,952,338.36	1,418,967.41	-	-	-	1,952,338.36	1,418,967.41
Total Cities	9,816.58	694,313.10	-	-	-	697,614.48	6,515.20
Total Parks	-	7,807.98	-	-	-	7,807.98	-
Total Schools	79,589.92	2,817,254.60	-	-	-	2,823,490.82	73,353.70
Total Townships	2,122.36	741,872.99	-	-	-	741,873.61	2,121.74
<b>Total Agency Funds</b>	<b>\$ 2,070,726.54</b>	<b>\$ 6,081,708.43</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,599,413.60</b>	<b>\$ 1,553,021.37</b>
<b>Total Primary Government</b>	<b>\$ 6,965,197.12</b>	<b>\$ 13,906,989.11</b>	<b>\$ 1,229,679.12</b>	<b>\$ 17,013.00</b>	<b>\$ 1,229,679.12</b>	<b>\$ 14,441,077.04</b>	<b>\$ 6,448,122.19</b>
<u>Discretely Presented Component Unit:</u>							
Water Resource District	\$ 38,890.83	\$ 15,016.84	\$ -	\$ -	\$ -	\$ 25,888.86	\$ 28,018.81
<b>Total Reporting Entity</b>	<b>\$ 7,004,087.95</b>	<b>\$ 13,922,005.95</b>	<b>\$ 1,229,679.12</b>	<b>\$ 17,013.00</b>	<b>\$ 1,229,679.12</b>	<b>\$ 14,466,965.90</b>	<b>\$ 6,476,141.00</b>

LAMOURE COUNTY  
LaMoure, North Dakota

SCHEDULE OF FUND ACTIVITY  
For the Year Ended December 31, 2013

	Balance 1-1-13	Receipts	Transfers In	Other Financing Sources	Transfers Out	Disbursements	Balance 12-31-13
<b>Primary Government:</b>							
<b>Major Funds:</b>							
General Fund	\$ 553,198.83	\$ 851,493.87	\$ -	\$ -	\$ -	\$ 977,373.41	\$ 427,319.29
County Road and Bridge	608,930.05	1,401,550.82	-	-	-	1,356,943.67	653,537.20
Farm to Market Road	949,734.30	969,487.53	-	-	-	431,901.51	1,487,320.32
Social Welfare	154,064.54	47,782.07	-	-	-	315,215.84	(113,369.23)
FEMA	593,217.45	136,931.44	-	-	-	263,262.94	466,885.95
State Aid Distribution	-	605,776.94	-	-	-	-	605,776.94
<b>Total Major Funds</b>	<b>\$2,859,145.17</b>	<b>\$ 4,013,022.67</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,344,697.37</b>	<b>\$3,527,470.47</b>
<b>Nonmajor Funds:</b>							
Veterans Service Officer	\$ 2,372.88	\$ 11,158.34	\$ -	\$ -	\$ -	\$ 8,846.35	\$ 4,684.87
County Agent	1,448.85	53,044.64	-	-	-	75,349.49	(20,856.00)
Weed Control	47,525.06	104,897.67	-	-	-	87,112.10	65,310.63
County Memorial Park	29,488.64	27,602.23	-	-	-	52,040.67	5,050.20
Correctional Center	74,907.82	15,136.77	-	-	-	19,010.97	71,033.62
Oasis Health Insurance	70,019.86	84,217.28	-	-	-	-	154,237.14
Oasis and Social Security	12,026.28	244,351.36	-	-	-	256,454.37	(76.73)
Technology Fund	63,054.14	29,166.45	-	-	-	70,334.24	21,886.35
Advertising Fund	1.40	0.03	-	-	-	-	1.43
Special Assessments on Co. Property	194.21	0.01	-	-	-	-	194.22
County Loan Fund	193,220.68	62,044.91	-	-	-	61,949.25	193,316.34
Insurance Reserve	64,063.87	109,989.85	-	-	-	71,412.23	102,641.49
Comp. Health Insurance	631.32	194,089.38	-	-	-	246,184.69	(51,463.99)
Ambulance	261.96	89,769.96	-	-	-	87,553.65	2,478.27
Emergency Fund	230,867.56	1,344.87	-	-	-	-	232,212.43
Camp Fund	-	13,240.00	-	-	-	2,879.79	10,360.21
JR Backway Fund	38,676.35	-	-	-	-	-	38,676.35
Document Preservation Fund	16,721.28	10,339.12	-	-	-	13,007.12	14,053.28
Human Services	1,005.18	284,682.05	-	-	-	-	285,687.23
Wireless E911	90,439.61	58,134.42	-	-	-	54,344.95	94,229.08
24/7 Sobriety Program	1,160.00	2,112.00	-	-	-	2,151.60	1,120.40
LaMoure County Health Dept.	48,887.99	204,878.40	-	-	-	238,592.20	15,174.19
District Court	5.00	-	-	-	-	-	5.00
Grants (State & Federal)	34,508.13	11,197.83	-	-	-	203.92	45,502.04
County Extension	4,634.57	2,350.00	-	-	-	2,492.72	4,491.85
4-H Building	1,828.14	900.00	-	-	-	178.88	2,549.26
Special Project/Vehicle	4,613.73	2,075.16	-	-	-	21,904.00	(15,215.11)
Hazardous Chemical	8,110.72	1,150.00	-	-	-	1,001.54	8,259.18
Equipment Purchase	109,821.72	-	-	-	-	158,590.51	(48,768.79)
Culvert Purchase & Resale	13,280.52	45,756.27	-	-	-	53,547.62	5,489.17
Bridge Replacement	124,736.50	-	-	-	-	-	124,736.50
<b>Total Nonmajor Funds</b>	<b>\$1,288,513.97</b>	<b>\$ 1,663,629.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,585,142.86</b>	<b>\$1,367,000.11</b>
<b>Total Governmental Funds</b>	<b>\$4,147,659.14</b>	<b>\$ 5,676,651.67</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,929,840.23</b>	<b>\$4,894,470.58</b>
<b>Agency Funds:</b>							
Historical Society (Museum)	\$ 88.17	\$ 6,685.51	\$ -	\$ -	\$ -	\$ 6,682.21	\$ 91.47
Senior Citizens	172.79	70,522.81	-	-	-	70,435.61	259.99
Airport Authority	0.02	-	-	-	-	-	0.02
County Airport-2 mill	135.06	48,644.69	-	-	-	48,580.07	199.68

Continued on next page....

LAMOURE COUNTY  
LaMoure, North Dakota

SCHEDULE OF FUND ACTIVITY  
For the Year Ended December 31, 2013

	Balance 1-1-13	Receipts	Transfers In	Other Financing Sources	Transfers Out	Disbursements	Balance 12-31-13
CONTINUED....							
<u>Agency Funds (Continued):</u>							
Criminal Court Administrative Fund	\$ 355.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355.00
Civil Filing Fees	-	490.00	-	-	-	490.00	-
State Fines & Forfeits	(13.28)	4,060.00	-	-	-	3,320.00	726.72
State Revenue	79.63	27,058.91	-	-	-	27,021.04	117.50
Garrison Diversion	64.59	31,794.64	-	-	-	31,753.37	105.86
Court Trust	538.53	1.97	-	-	-	-	540.50
Restitutions	356.15	-	-	-	-	-	356.15
Estimate Tax	(649.07)	5,352.70	-	-	-	5,445.81	(742.18)
Game and Fish Licenses	14,871.60	29,879.00	-	-	-	34,911.00	9,839.60
Soil Conservation District	79.64	27,070.84	-	-	-	27,032.98	117.50
Jud Rural Fire	71.35	10,845.55	-	-	-	10,905.43	11.47
Gackle Fire District	3.92	960.78	-	-	-	962.63	2.07
Water Resource Fund	80.22	22,239.27	-	-	-	22,205.69	113.80
Library	173.91	50,621.17	-	-	-	50,569.98	225.10
CDLF Loan Fund	8,521.38	-	-	-	-	-	8,521.38
Medical Reimbursement	(1,440.37)	3,065.03	-	-	-	1,742.55	(117.89)
Payroll Deduction	6,135.58	-	-	-	-	-	6,135.58
Undistributed Taxes	2,145,304.76	1,952,338.36	-	-	-	2,145,304.76	1,952,338.36
Total Cities	14,223.21	638,081.59	-	-	-	642,488.22	9,816.58
Total Parks	-	2,404.52	-	-	-	2,404.52	-
Total Schools	72,799.09	3,131,999.57	-	-	-	3,125,208.74	79,589.92
Total Townships	1,249.69	1,610,446.35	-	-	-	1,609,573.68	2,122.36
<b>Total Agency Funds</b>	<b>\$2,263,201.57</b>	<b>\$ 7,674,563.26</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,867,038.29</b>	<b>\$2,070,726.54</b>
<b>Total Primary Government</b>	<b>\$6,410,860.71</b>	<b>\$ 13,351,214.93</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,796,878.52</b>	<b>\$ 6,965,197.12</b>
<u>Discretely Presented Component Unit:</u>							
Water Resource District	\$ 26,518.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,518.08
<b>Total Reporting Entity</b>	<b>\$6,437,378.79</b>	<b>\$ 13,351,214.93</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,796,878.52</b>	<b>\$ 6,991,715.20</b>

**STATE AUDITOR**

ROBERT R. PETERSON  
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MANAGER – DAVID MIX  
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STATE OF NORTH DAKOTA  
**OFFICE OF THE STATE AUDITOR**  
STATE CAPITOL  
600 E. BOULEVARD AVENUE - DEPT. 117  
BISMARCK, NORTH DAKOTA 58505

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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*

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Board of County Commissioners  
LaMoure County  
LaMoure, North Dakota

We have audited, in accordance with the 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 financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of LaMoure County, LaMoure, North Dakota, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise LaMoure County's basic financial statements, and have issued our report thereon dated July 10, 2015. As described in our report, we issued an adverse opinion on the aggregate discretely presented component unit based on a different financial reporting framework being followed by one of the component unit.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered LaMoure 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 LaMoure County's internal control. Accordingly, we do not express an opinion on the effectiveness of LaMoure 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

## LAMOURE COUNTY

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* - Continued

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether LaMoure County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 entity'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.



Robert R. Peterson  
State Auditor

Fargo, North Dakota  
July 10, 2015

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LAMOURE COUNTY  
LaMoure, North Dakota

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Years Ended December 31, 2014 and 2013

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**Section I - Summary of Auditor's Results**

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Financial Statements

Type of Auditor's Reports Issued?	
Governmental Activities	Unmodified
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified
Discretely Presented Component Unit	Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<u>      </u> Yes	<u>  X  </u> None reported
Significant deficiencies identified not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> None reported

**Section II - Financial Statement Findings**

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No matters were reported

**STATE AUDITOR**

ROBERT R. PETERSON  
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BISMARCK, NORTH DAKOTA 58505

Board of County Commissioners  
LaMoure County  
LaMoure, North Dakota

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of LaMoure County, LaMoure, North Dakota, for the years ended December 31, 2014 and 2013 which collectively comprise the County’s basic financial statements, and have issued our report thereon dated July 10, 2015. Professional standards require that we provide you with the following information related to our audit.

**OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, GOVERNMENT AUDITING STANDARDS**

As stated in our engagement letter dated May 21, 2015, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

In planning and performing our audit, we considered LaMoure County’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LaMoure County’s internal control over financial reporting.

As part of obtaining reasonable assurance about whether LaMoure County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants noncompliance with which could have a direct and material effect on the determination of financial statement amounts. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on LaMoure County’s compliance with those requirements.

**SIGNIFICANT ACCOUNTING POLICIES/QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by LaMoure County are described in Note 1 to the financial statements. Application of existing policies was not changed during the years ended December 31, 2014 or 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements presented by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is useful lives of capital assets.

**CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and report them to the appropriate level of management. None of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

**DISAGREEMENTS WITH MANAGEMENT**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, or reporting matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated July 10, 2015.

**MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the county's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**OTHER AUDIT FINDINGS OR ISSUES**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The following presents our informal recommendations:

\* \* \* \* \*

**OVERSPENT FUNDS**

A review of client documentation indicated that LaMoure County had overspent several funds for 2014 and for 2013. 2014 funds overspent consist of the following: county road & bridge, farm to market road, FEMA, state aid, correctional center, comprehensive health, camp, 24/7 sobriety, health district, special project, and bridge replacement by \$29,125, \$2,071,414, \$48,544, \$877, \$16,289, \$23,923, \$840, \$2,148, \$17,426, \$1,808, and \$61,429, respectively. 2013 funds overspent consist of the following funds: FEMA, social security, insurance reserve, comprehensive health, camp, document preservation, 24/7 sobriety, health district, special project, hazardous chemicals, and culvert purchases by \$3,263, \$6,454, \$4,912, \$29,553, \$2,880, \$8,007, \$2,152, \$31,615, \$1,904, \$502, and \$3,548, respectively.

NDCC section 11-23-06 states "...No county expenditure may be made or liability incurred, nor may a bill be paid for any purpose, in excess of the appropriation, except as provided in section 11-23-07."

We recommend LaMoure County carefully budget and amend the budget for any unforeseen expenditures in excess of budgeted amounts to comply with NDCC section 11-23-06.

**REVIEW OF MONTHLY BUDGET TO ACTUAL STATEMENTS**

The LaMoure County board of commissioners does not approve monthly budget to actual statements. Proper approval of budget to actual statements will enable LaMoure County's to maintain and safeguard their assets while understanding the financial condition of the county at any given time. Approval of monthly budget to actual statements will enable LaMoure County to maintain and safeguard their assets while understanding financially where they are at any given time.

We recommend LaMoure County prepare budget to actual statements and approve said statements on at least a monthly basis.

**APPROVAL OF ANNUAL BUDGET / TAX LEVY**

Per review of the board meeting minutes on October 7, 2014, it was noted that the 2015 budget (including tax levies) was not actually 'approved' by the governing board by formal motion noted in the official proceedings. The budget hearing was held on that date and no protests were noted. This represents non-compliance with NDCC Section 11-23-05 that states "The board, on or before the October meeting required by section 11-11-05, shall determine the amount of taxes that shall be levied for county purposes and shall levy all such taxes in specific amounts".

We recommend that annual budgets/tax levies are formally approved on or before the first meeting held in October of each year.

**UNDERPLEDGED SECURITIES**

A review of client documentation of securities pledged showed an underpledged amount of \$34,866 at February 29, 2014. NDCC 21-04-09 states in part "when securities are so pledged to the board of any public corporation, the board shall require security in the amount of one hundred ten dollars for every one hundred dollars of public deposits." Pledges are to be maintained in the amount of 110% above FDIC coverage.

We recommend that LaMoure County ensures that it maintains adequate pledges of securities at any bank where the bank balances could exceed FDIC Insurance. We recommend that the client pay special attention to periods when high dollar deposits are made, ensuring that the bank increases pledges on hand as needed to meet the increasing bank account balances during these periods.

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This information is intended solely for the use of the Board of County Commissioners and management of LaMoure County, is not intended to be, and should not be used for any other purpose. We would be happy to meet with you and any member of your staff to discuss any of the items in this letter in more detail if you so desire.

Thank you and the employees of LaMoure County for the courteous and friendly assistance we received during the course of our audit. It is a pleasure for us to be able to serve LaMoure County.



Robert R. Peterson  
State Auditor

Fargo, North Dakota  
July 10, 2015

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