

OFFICE OF STATE AUDITOR

AUDIT REPORT

**DICKEY COUNTY
ELLENDALE, NORTH DAKOTA**

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011



DICKEY COUNTY
Ellendale, North Dakota

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DICKEY COUNTY
Ellendale, North Dakota

COUNTY OFFICIALS

At December 31, 2012

| | |
|---------------|------------------------------|
| Gary White | Commissioner - Chairman |
| Dean Simek | Commissioner - Vice Chairman |
| John Hokana | Commissioner |
| Joel Hamar | Commissioner |
| Joel Durheim | Commissioner |
| Beverly Kuska | Auditor |
| Gail Veland | Treasurer |
| Jim Bohannon | Sheriff |
| Deb Anderson | Recorder |
| Gary Neuharth | State's Attorney |

At December 31, 2011

| | |
|---------------|------------------------------|
| Gary White | Commissioner - Chairman |
| Dean Simek | Commissioner - Vice Chairman |
| John Hokana | Commissioner |
| Joel Hamar | Commissioner |
| Joel Durheim | Commissioner |
| Beverly Kuska | Auditor |
| Gail Veland | Treasurer |
| Jim Bohannon | Sheriff |
| Deb Anderson | Recorder |
| Gary Neuharth | State's Attorney |

STATE AUDITOR

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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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Dickey County
Ellendale, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dickey County, Ellendale, North Dakota, as of and for the years ended December 31, 2012 and 2011, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dickey County, Ellendale, North Dakota, as of December 31, 2012 and 2011, 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.

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.

Accounting principles generally accepted in the United States of America require that the *budgetary comparison information* on pages 42-55 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 Dickey County's basic financial statements. The *schedule of fund activity arising from cash transactions* and *schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the financial statements.

The *schedule of fund activity arising from cash transactions* and *schedule of expenditures of federal awards* 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 not fairly stated in all material respects in relation to the financial statements taken as a whole. In our opinion, the *schedule of expenditures of federal awards* 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 8, 2013 on our consideration of Dickey 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 Dickey County's internal control over financial reporting and compliance.



Robert R. Peterson
State Auditor

July 8, 2013

DICKEY COUNTY
Ellendale, North Dakota
STATEMENT OF NET POSITION
December 31, 2012

| | Primary Governmental Activities | Component Units |
|---|---------------------------------------|--------------------|
| ASSETS: | | |
| Cash and Investments | \$ 4,797,274 | \$ 774,367 |
| Taxes Receivable | 54,644 | 6,465 |
| Intergovernmental Receivable | 612,450 | - |
| Road Receivables | 20,624 | - |
| Loans Receivable | - | 24,751 |
| Capital Assets not being depreciated: | | |
| Land | 40,398 | - |
| Capital Assets net of accumulated depreciation: | | |
| Buildings | 878,758 | - |
| Equipment | 1,006,018 | - |
| Vehicles | 235,516 | - |
| Infrastructure | 1,760,211 | - |
| Total Capital Assets | <u>\$ 3,920,901</u> | <u>\$ -</u> |
| Total Assets | <u>\$ 9,405,893</u> | <u>\$ 805,583</u> |
| LIABILITIES: | | |
| Accounts Payable | \$ 97,470 | \$ - |
| Salary and Benefits Payable | 39,380 | 2,744 |
| Interest Payable | 26,841 | 1,557 |
| Long-Term Liabilities: | | |
| Due Within One Year: | | |
| Capital Leases Payable | 95,842 | - |
| Disaster Drawdown | 1,017,374 | - |
| Loan Payable | 63,861 | 4,780 |
| Compensated Absences Payable | 9,226 | 478 |
| Due After One Year: | | |
| Capital Leases Payable | 508,205 | - |
| Disaster Drawdown | 1,188,096 | - |
| Loan Payable | 140,227 | 18,215 |
| Compensated Absences Payable | 83,039 | 4,302 |
| Total Liabilities | <u>\$ 3,269,561</u> | <u>\$ 32,076</u> |
| DEFERRED INFLOWS OF RESOURCES: | | |
| Taxes Received in Advance | <u>\$ 946,822</u> | <u>\$ 96,487</u> |
| NET POSITION: | | |
| Net Investment in Capital Assets | \$ 3,112,766 | \$ - |
| Restricted for: | | |
| Debt Service | 341,310 | - |
| Public Safety | 51,669 | - |
| Highway | 1,018,131 | - |
| Flood Repair | - | - |
| Health & Welfare | 364,946 | 92,521 |
| Culture & Recreation | - | 46,029 |
| Conservation of Natural Resources | 184,572 | 319,329 |
| Emergencies | 251,286 | - |
| Economic Development | - | 228,841 |
| General | 222,559 | - |
| Unrestricted | <u>(357,729)</u> | <u>(9,700)</u> |
| Total Net Position | <u>\$ 5,189,510</u> | <u>\$ 677,020</u> |

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | |
|---|---------------------|-------------------------|--|--|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Primary Governmental Activities | Component Units |
| <u>Primary Government:</u> | | | | | |
| <u>Governmental Activities:</u> | | | | | |
| General Government | \$ 1,598,336 | \$ 149,036 | \$ 31,230 | \$ (1,418,070) | \$ - |
| Public Safety | 554,775 | 73,268 | 6,823 | (474,684) | - |
| Highways | 1,731,336 | 370,777 | 2,662,185 | 1,301,626 | - |
| Flood Repair | 2,638,777 | - | 1,666,204 | (972,573) | - |
| Health and Welfare | 723,551 | 922 | 319,827 | (402,802) | - |
| Culture and Recreation | 22,928 | - | - | (22,928) | - |
| Conserv. of Natural Resources | 207,614 | 23,989 | 167 | (183,458) | - |
| Interest & Service Charges | 40,959 | - | - | (40,959) | - |
| Total Primary Government | <u>\$ 7,518,276</u> | <u>\$ 617,992</u> | <u>\$ 4,686,436</u> | <u>\$ (2,213,848)</u> | <u>\$ -</u> |
| Component Units | <u>\$ 560,119</u> | <u>\$ 159,288</u> | <u>\$ 74,496</u> | | <u>\$ (326,335)</u> |
| <u>General Revenues:</u> | | | | | |
| Taxes: | | | | | |
| Property taxes; levied for general purposes | | | | \$ 567,527 | \$ 400,276 |
| Property taxes; levied for special purposes | | | | 1,743,771 | - |
| Property taxes; levied for debt service | | | | 416,751 | - |
| Non restricted grants and contributions | | | | 712,881 | 7,484 |
| Earnings on investments | | | | 25,146 | 756 |
| Miscellaneous revenue | | | | 136,279 | 26,781 |
| Total General Revenues | | | | <u>\$ 3,602,355</u> | <u>\$ 435,297</u> |
| Change in Net Position | | | | <u>\$ 1,388,507</u> | <u>\$ 108,962</u> |
| Net Position - January 1 | | | | \$ 3,794,725 | \$ 568,058 |
| Prior Period Adjustment | | | | 6,278 | - |
| Net Position - January 1 - As Restated | | | | <u>\$ 3,801,003</u> | <u>\$ 568,058</u> |
| Net Position - December 31 | | | | <u>\$ 5,189,510</u> | <u>\$ 677,020</u> |

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

DICKEY COUNTY
Ellendale, North Dakota

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2012

| | Major Funds | | | | | | FEMA Funds |
|--|-------------------|----------------------|-------------------|------------------------|-------------------|---------------------------|-------------------|
| | General | Farm to Market Roads | DC ER Projects | County Road and Bridge | Social Services | Oasis and Social Security | |
| ASSETS | | | | | | | |
| Cash and Investments | \$ 649,398 | \$ 443,105 | \$ - | \$ 958,609 | \$ 390,916 | \$ 297,968 | \$ 706,964 |
| Taxes Receivable | 11,652 | 5,661 | - | 1,480 | 8,446 | 10,317 | - |
| Intergovernmental Receivable | 109,714 | 16,969 | 215,241 | 100,300 | 29,387 | - | 100,346 |
| Road Receivables | - | - | - | 20,624 | - | - | - |
| Due From Other Funds | 2,032 | - | - | 35,366 | - | - | - |
| Total Assets | \$ 772,796 | \$ 465,735 | \$ 215,241 | \$ 1,116,379 | \$ 428,749 | \$ 308,285 | \$ 807,310 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| <u>Liabilities:</u> | | | | | | | |
| Accounts Payable | \$ - | \$ 97,470 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Salaries and Benefits Payable | 4,197 | - | - | 1,565 | 8,194 | - | - |
| Due to Other Funds | - | - | 35,366 | - | - | - | - |
| Total Liabilities | \$ 4,197 | \$ 97,470 | \$ 35,366 | \$ 1,565 | \$ 8,194 | \$ - | \$ - |
| <u>Deferred Inflows of Resources:</u> | | | | | | | |
| Taxes Receivable | \$ 11,652 | \$ 5,661 | \$ - | \$ 1,480 | \$ 8,446 | \$ 10,317 | \$ - |
| Road Receivables | - | - | - | 20,624 | - | - | - |
| Taxes Received in Advance | 140,005 | 91,349 | - | 71,780 | 134,815 | 176,463 | - |
| Total Deferred Inflows of Resources | \$ 151,657 | \$ 97,010 | \$ - | \$ 93,884 | \$ 143,261 | \$ 186,780 | \$ - |
| <u>Fund Balances:</u> | | | | | | | |
| Restricted For: | | | | | | | |
| General Government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 121,505 | \$ - |
| Public safety | - | - | - | - | - | - | - |
| Highways and bridges | - | 271,255 | 179,875 | 1,020,930 | - | - | - |
| Flood Repair | - | - | - | - | - | - | 807,310 |
| Health and welfare | - | - | - | - | 277,294 | - | - |
| Conservation of natural resources | - | - | - | - | - | - | - |
| Emergency | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - |
| Unassigned | 616,942 | - | - | - | - | - | - |
| Total Fund Balances | \$ 616,942 | \$ 271,255 | \$ 179,875 | \$ 1,020,930 | \$ 277,294 | \$ 121,505 | \$ 807,310 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 772,796 | \$ 465,735 | \$ 215,241 | \$ 1,116,379 | \$ 428,749 | \$ 308,285 | \$ 807,310 |

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

| County Bond | Other Governmental Funds | Total Governmental Funds |
|-------------------|--------------------------------|--------------------------------|
| \$ 472,980 | \$ 877,334 | \$ 4,797,274 |
| 5,428 | 11,660 | 54,644 |
| - | 40,493 | 612,450 |
| - | - | 20,624 |
| - | - | 37,398 |
| <u>\$ 478,408</u> | <u>\$ 929,487</u> | <u>\$ 5,522,390</u> |

| | | |
|------|--------|-----------|
| \$ - | \$ - | \$ 97,470 |
| - | 25,424 | 39,380 |
| - | 2,032 | 37,398 |

| | | |
|-------------|------------------|-------------------|
| <u>\$ -</u> | <u>\$ 27,456</u> | <u>\$ 174,248</u> |
|-------------|------------------|-------------------|

| | | |
|-------------------|-------------------|---------------------|
| \$ 5,428 | \$ 11,660 | \$ 54,644 |
| - | - | 20,624 |
| 129,880 | 202,530 | 946,822 |
| <u>\$ 135,308</u> | <u>\$ 214,190</u> | <u>\$ 1,022,090</u> |

| | | |
|---------|-----------|------------|
| \$ - | \$ 86,103 | \$ 207,608 |
| - | 46,333 | 46,333 |
| - | - | 1,472,060 |
| - | - | 807,310 |
| - | 104,560 | 381,854 |
| - | 183,938 | 183,938 |
| - | 249,607 | 249,607 |
| 343,100 | 18,136 | 361,236 |
| - | (836) | 616,106 |

| | | |
|-------------------|-------------------|---------------------|
| <u>\$ 343,100</u> | <u>\$ 687,841</u> | <u>\$ 4,326,052</u> |
|-------------------|-------------------|---------------------|

| | | |
|-------------------|-------------------|---------------------|
| <u>\$ 478,408</u> | <u>\$ 929,487</u> | <u>\$ 5,522,390</u> |
|-------------------|-------------------|---------------------|

DICKEY COUNTY
Ellendale, North Dakota

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2012

Total *Fund Balances* for Governmental Funds \$ 4,326,052

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 | \$ 6,281,458 | |
| Less Accumulated Depreciation | <u>(2,360,557)</u> | |
| Net Capital Assets | | 3,920,901 |

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.

54,644

Road receivables 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.

20,624

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, 2012 are:

| | | |
|-----------------------------|-----------------|--------------------|
| Capital Leases Payable | \$ (604,047) | |
| Bonds Payable | (2,205,470) | |
| Loans Payable | (204,088) | |
| Interest Payable | (26,841) | |
| Compensated Absences | <u>(92,265)</u> | |
| Total Long-Term Liabilities | | <u>(3,132,711)</u> |

Total Net Position of Governmental Activities

\$ 5,189,510

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

| | Major Funds | | | | | | |
|--|---------------------|----------------------------|---------------------|------------------------------|--------------------|---------------------------------|---------------------|
| | General | Farm to Market Roads | DC ER Projects | County Road and Bridge | Social Services | Oasis and Social Security | FEMA Funds |
| Revenues: | | | | | | | |
| Taxes | \$ 571,038 | \$ 273,104 | \$ - | \$ 83,185 | \$ 401,648 | \$ 487,760 | \$ - |
| Licenses, Permits and Fees | 53,184 | - | - | - | 445 | - | - |
| Intergovernmental | 394,784 | 110,042 | 215,241 | 1,008,845 | 320,293 | 30,538 | 1,666,204 |
| Charges for Services | 95,780 | - | - | 462,687 | - | - | - |
| Interest Income | 24,926 | - | - | - | - | - | - |
| Miscellaneous | - | - | - | 25,193 | 3,548 | 1,086 | - |
| Total Revenues | \$ 1,139,712 | \$ 383,146 | \$ 215,241 | \$ 1,579,910 | \$ 725,934 | \$ 519,384 | \$ 1,666,204 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General Government | \$ 677,422 | \$ - | \$ - | \$ - | \$ - | \$ 503,851 | \$ - |
| Public Safety | 408,993 | - | - | - | - | - | - |
| Highways | - | 631,611 | - | 1,577,554 | - | - | - |
| Flood Repair | - | - | 772,285 | - | - | - | 1,864,611 |
| Health and Welfare | 375 | - | - | - | 655,586 | - | - |
| Culture and Recreation | 19,691 | - | - | - | - | - | - |
| Conserv. of Natural Resources | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | |
| Principal | - | - | - | 124,557 | - | - | - |
| Interest and Fees | - | - | - | 18,643 | - | - | - |
| Total Expenditures | \$ 1,106,481 | \$ 631,611 | \$ 772,285 | \$ 1,720,754 | \$ 655,586 | \$ 503,851 | \$ 1,864,611 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 33,231 | \$ (248,465) | \$ (557,044) | \$ (140,844) | \$ 70,348 | \$ 15,533 | \$ (198,407) |
| Other Financing Sources (Uses): | | | | | | | |
| Bond Proceeds | \$ - | \$ - | \$ 770,553 | \$ - | \$ - | \$ - | \$ 53,790 |
| Lease Proceeds | - | - | - | 319,197 | - | - | - |
| Transfers In | 26,155 | 142,500 | 56,185 | 10,766 | 80,000 | - | 102,572 |
| Transfers Out | - | - | (64,556) | (143,802) | (35,000) | (2,091) | (138,927) |
| Total Other Financing Sources and Uses | \$ 26,155 | \$ 142,500 | \$ 762,182 | \$ 186,161 | \$ 45,000 | \$ (2,091) | \$ 17,435 |
| Net Change in Fund Balances | \$ 59,386 | \$ (105,965) | \$ 205,138 | \$ 45,317 | \$ 115,348 | \$ 13,442 | \$ (180,972) |
| Fund Balance - January 1 | \$ 557,556 | \$ 377,220 | \$ (25,263) | \$ 975,613 | \$ 161,946 | \$ 108,063 | \$ 988,282 |
| Fund Balance - December 31 | \$ 616,942 | \$ 271,255 | \$ 179,875 | \$ 1,020,930 | \$ 277,294 | \$ 121,505 | \$ 807,310 |

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

| County Bond | Other Governmental Funds | Total Governmental Funds |
|---------------------|--------------------------|--------------------------|
| \$ 339,882 | \$ 578,012 | \$ 2,734,629 |
| - | - | 53,629 |
| 1,422,904 | 230,466 | 5,399,317 |
| - | 97,806 | 656,273 |
| - | 220 | 25,146 |
| - | 106,452 | 136,279 |
| <u>\$ 1,762,786</u> | <u>\$ 1,012,956</u> | <u>\$ 9,005,273</u> |
| | | |
| \$ - | \$ 388,190 | 1,569,463 |
| - | 142,410 | 551,403 |
| - | - | 2,209,165 |
| - | - | 2,636,896 |
| - | 79,533 | 735,494 |
| - | - | 19,691 |
| - | 203,868 | 203,868 |
| 1,410,873 | 63,103 | 1,598,533 |
| 8,813 | 9,800 | 37,256 |
| <u>\$ 1,419,686</u> | <u>\$ 886,904</u> | <u>\$ 9,561,769</u> |
| | | |
| <u>\$ 343,100</u> | <u>\$ 126,052</u> | <u>\$ (556,496)</u> |
| | | |
| \$ - | \$ - | \$ 824,343 |
| - | - | 319,197 |
| - | 14,278 | 432,456 |
| - | (48,080) | (432,456) |
| <u>\$ -</u> | <u>\$ (33,802)</u> | <u>\$ 1,143,540</u> |
| <u>\$ 343,100</u> | <u>\$ 92,250</u> | <u>\$ 587,044</u> |
| | | |
| <u>\$ -</u> | <u>\$ 595,591</u> | <u>\$ 3,739,008</u> |
| <u>\$ 343,100</u> | <u>\$ 687,841</u> | <u>\$ 4,326,052</u> |

DICKEY COUNTY
Elendale, 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, 2012

Net Change in *Fund Balances* - Total Governmental Funds \$ 587,044

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 outlay exceeded depreciation in the current year.

| | | |
|-----------------------------------|------------------|---------|
| Current Year Capital Outlay | \$ 908,842 | |
| Current Year Depreciation Expense | <u>(336,868)</u> | 571,974 |

In the Statement of Activities, the loss or gain on sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales.

| | | |
|-------------------------------------|--|-----------|
| Loss on Disposals of Capital Assets | | (137,614) |
|-------------------------------------|--|-----------|

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 by which debt repayment exceeded debt proceeds.

| | | |
|------------------------|------------------|---------|
| Bond Proceeds | \$ (824,343) | |
| Capital Lease Proceeds | (319,197) | |
| Repayment of Debt | <u>1,598,534</u> | 454,994 |

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 | \$ 14,302 | |
| Net Change in Interest Payable | <u>(3,703)</u> | 10,599 |

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. This consists of the increase in taxes receivable.

| | | |
|--------------------------------|-----------------|-----------------|
| Net Change in Taxes Receivable | \$ (6,580) | |
| Net Change in Road Receivables | <u>(91,910)</u> | <u>(98,490)</u> |

| | | |
|---|--|----------------------------|
| Change in Net Position of Governmental Activities | | <u><u>\$ 1,388,507</u></u> |
|---|--|----------------------------|

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

DICKEY COUNTY
Elendale, North Dakota

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2012 and 2011

| | <u>Agency Funds</u> | |
|--------------------------|---------------------|---------------------|
| | <u>2012</u> | <u>2011</u> |
| <u>Assets:</u> | | |
| Cash and Investments | <u>\$ 2,064,869</u> | <u>1,909,824</u> |
| <u>Liabilities:</u> | | |
| Due to Other Governments | <u>\$ 2,064,869</u> | <u>\$ 1,909,824</u> |

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2012

| | Water Resource | Health District | County Park | County Fair | JDA | Totals |
|-----------------------------------|-------------------|--------------------|------------------|-------------------|-------------------|-------------------|
| ASSETS: | | | | | | |
| Cash and Investments | \$ 352,054 | \$ 126,571 | \$ 53,449 | \$ 14,136 | \$ 228,157 | \$ 774,367 |
| Taxes Receivable | 1,910 | 1,874 | 55 | 716 | 1,910 | 6,465 |
| Loans Receivable | - | - | - | - | 24,751 | 24,751 |
| Total Assets | \$ 353,964 | \$ 128,445 | \$ 53,504 | \$ 14,852 | \$ 254,818 | \$ 805,583 |
| LIABILITIES: | | | | | | |
| Salary and Benefits Payable | \$ - | \$ 2,744 | \$ - | \$ - | \$ - | \$ 2,744 |
| Interest Payable | - | - | - | 1,557 | - | 1,557 |
| Long-Term Liabilities: | | | | | | |
| Due Within One Year: | | | | | | |
| Loan Payable | - | - | - | 4,780 | - | 4,780 |
| Compensated Absences | - | 478 | - | - | - | 478 |
| Due After One Year: | | | | | | |
| Loan Payable | - | - | - | 18,215 | - | 18,215 |
| Compensated Absences | - | 4,302 | - | - | - | 4,302 |
| Total Liabilities | \$ - | \$ 7,524 | \$ - | \$ 24,552 | \$ - | \$ 32,076 |
| DEFERRED INFLOWS: | | | | | | |
| Taxes Received in Advance | \$ 34,635 | \$ 28,400 | \$ 7,475 | \$ - | \$ 25,977 | \$ 96,487 |
| NET POSITION: | | | | | | |
| Restricted For: | | | | | | |
| Health and Welfare | \$ - | \$ 92,521 | - | \$ - | \$ - | \$ 92,521 |
| Culture and Recreation | - | - | 46,029 | - | - | 46,029 |
| Economic Development | - | - | - | - | 228,841 | 228,841 |
| Conservation of Natural Resources | 319,329 | - | - | - | - | 319,329 |
| Unrestricted | - | - | - | (9,700) | - | (9,700) |
| Total Net Position | \$ 319,329 | \$ 92,521 | \$ 46,029 | \$ (9,700) | \$ 228,841 | \$ 677,020 |

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended December 31, 2012

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | | Totals |
|---|-------------------|-------------------------|--|--|--------------------|-------------------|-------------------|--------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Water Resource | Health District | County Park | County Fair | JDA | |
| <u>Component Units:</u> | | | | | | | | | |
| Dickey County Water Resource Dist. | \$ 147,332 | \$ - | \$ 524 | \$(146,808) | \$ - | \$ - | \$ - | \$ - | \$ (146,808) |
| Dickey County Health District | 310,367 | 140,504 | 72,645 | - | (97,218) | - | - | - | (97,218) |
| Dickey County Park | 13,565 | - | 1,315 | - | - | (12,250) | - | - | (12,250) |
| Dickey County Fair | 51,386 | 12,789 | - | - | - | - | (38,597) | - | (38,597) |
| Dickey Job Development Authority | 37,469 | 5,995 | 12 | - | - | - | - | (31,462) | (31,462) |
| Total Component Units | \$ 560,119 | \$ 159,288 | \$ 74,496 | \$(146,808) | \$(97,218) | \$(12,250) | \$(38,597) | \$ (31,462) | \$ (326,335) |
| <u>General Revenues:</u> | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property taxes | | | | \$ 167,368 | \$ 92,272 | \$ 18,709 | \$ 29,883 | \$ 92,044 | \$ 400,276 |
| Non restricted grants and contributions | | | | 2,508 | 1,228 | 2,443 | - | 1,305 | 7,484 |
| Earnings on investments | | | | 752 | - | - | 4 | - | 756 |
| Miscellaneous revenue | | | | 9,474 | - | - | 17,307 | - | 26,781 |
| Total General Revenues | | | | \$ 180,102 | \$ 93,500 | \$ 21,152 | \$ 47,194 | \$ 93,349 | \$ 435,297 |
| Change in Net Position | | | | \$ 33,294 | \$ (3,718) | \$ 8,902 | \$ 8,597 | \$ 61,887 | \$ 108,962 |
| Net Position - January 1 | | | | \$ 286,035 | \$ 96,239 | \$ 37,127 | \$(18,297) | \$ 166,954 | \$ 568,058 |
| Net Position - December 31 | | | | \$ 319,329 | \$ 92,521 | \$ 46,029 | \$ (9,700) | \$ 228,841 | \$ 677,020 |

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF NET POSITION
December 31, 2011

| | Primary Government Governmental Activities | Component Units |
|---|---|--------------------|
| ASSETS: | | |
| Cash and Investments | \$ 4,446,774 | \$ 662,614 |
| Taxes Receivable | 61,224 | 7,436 |
| Intergovernmental Receivable | 249,080 | - |
| Road Receivables | 112,534 | - |
| Loans Receivable | - | 30,127 |
| Capital Assets not being depreciated: | | |
| Land | 40,398 | - |
| Construction in Progress | 42,282 | - |
| Capital Assets net of accumulated depreciation: | | |
| Buildings | 839,762 | - |
| Equipment | 552,224 | - |
| Vehicles | 226,361 | - |
| Infrastructure | 1,785,513 | - |
| Total Capital Assets | <u>\$ 3,486,540</u> | <u>\$ -</u> |
| Total Assets | <u>\$ 8,356,152</u> | <u>\$ 700,177</u> |
| LIABILITIES: | | |
| Accounts Payable | \$ 81,371 | \$ - |
| Salary and Benefits Payable | 42,408 | 2,707 |
| Interest Payable | 23,138 | 1,745 |
| Long-Term Liabilities: | | |
| Due Within One Year: | | |
| Capital Leases Payable | 60,785 | - |
| Disaster Drawdown | 1,410,874 | - |
| Loan Payable | 63,103 | 5,279 |
| Compensated Absences Payable | 10,657 | 449 |
| Due After One Year: | | |
| Capital Leases Payable | 348,622 | - |
| Disaster Drawdown | 1,381,126 | - |
| Loan Payable | 204,088 | 26,954 |
| Compensated Absences Payable | 95,910 | 4,042 |
| Total Liabilities | <u>\$ 3,722,082</u> | <u>\$ 41,176</u> |
| DEFERRED INFLOWS OF RESOURCES: | | |
| Taxes Received in Advance | <u>\$ 833,067</u> | <u>\$ 90,943</u> |
| NET POSITION: | | |
| Net Investment in Capital Assets | \$ 2,809,942 | \$ - |
| Restricted for: | | |
| Public Safety | 157,933 | - |
| Highway | 1,373,639 | - |
| Health & Welfare | 233,223 | 96,239 |
| Culture & Recreation | - | 37,127 |
| Conservation of Nat Res | 224,636 | 286,035 |
| Emergencies | 144,673 | - |
| Economic Development | - | 166,954 |
| General | 186,302 | - |
| Unrestricted | <u>(1,329,345)</u> | <u>(18,297)</u> |
| Total Net Position | <u>\$ 3,801,003</u> | <u>\$ 568,058</u> |

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | |
|---|---------------------|-------------------------|--|--|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Primary Governmental Activities | Component Units |
| <u>Primary Government:</u> | | | | | |
| <u>Governmental Activities:</u> | | | | | |
| General Government | \$ 1,470,613 | \$ 138,147 | \$ 36,462 | \$ (1,296,004) | \$ - |
| Public Safety | 477,580 | 71,797 | 1,050 | (404,733) | - |
| Highways | 2,120,590 | 504,398 | 936,768 | (679,424) | - |
| Flood Repair | 3,040,087 | - | 536,536 | (2,503,551) | - |
| Health and Welfare | 689,005 | 495 | 263,210 | (425,300) | - |
| Culture and Recreation | 17,725 | - | - | (17,725) | - |
| Conserv. of Natural Resources | 182,520 | 21,455 | 20,108 | (140,957) | - |
| Interest & Service Charges | 29,382 | - | - | (29,382) | - |
| Total Primary Government | <u>\$ 8,027,502</u> | <u>\$ 736,292</u> | <u>\$ 1,794,134</u> | <u>\$ (5,497,076)</u> | <u>\$ -</u> |
| Component Units | <u>\$ 546,051</u> | <u>\$ 129,409</u> | <u>\$ 75,767</u> | | <u>\$ (340,875)</u> |
| <u>General Revenues:</u> | | | | | |
| Taxes: | | | | | |
| Property taxes; levied for general purposes | | | | \$ 604,152 | \$ 401,255 |
| Property taxes; levied for special purposes | | | | 1,715,649 | - |
| Property taxes; levied for debt service | | | | 67,914 | - |
| Non restricted grants and contributions | | | | 556,447 | 7,484 |
| Earnings on investments | | | | 35,021 | 868 |
| Miscellaneous revenue | | | | 136,494 | 20,137 |
| Total General Revenues | | | | <u>\$ 3,115,677</u> | <u>\$ 429,744</u> |
| Change in Net Position | | | | <u>\$ (2,381,399)</u> | <u>\$ 88,869</u> |
| Net Position - January 1 | | | | \$ 6,183,245 | \$ 486,854 |
| Prior Period Adjustment | | | | (843) | (7,665) |
| Net Position - January 1 - As Restated | | | | <u>\$ 6,182,402</u> | <u>\$ 479,189</u> |
| Net Position - December 31 | | | | <u>\$ 3,801,003</u> | <u>\$ 568,058</u> |

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

DICKEY COUNTY
Ellendale, North Dakota

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2011

| | Major Funds | | | | | | |
|--|-------------------|----------------------------|--------------------|------------------------------|--------------------|---------------------------------|-------------------|
| | General | Farm to Market Roads | DC ER Projects | County Road and Bridge | Social Services | Oasis and Social Security | FEMA Funds |
| ASSETS | | | | | | | |
| Cash and Investments | \$ 661,497 | \$ 494,952 | \$ 626 | \$ 925,116 | \$ 266,862 | \$ 256,957 | \$ 988,282 |
| Taxes Receivable | 15,163 | 7,020 | - | 1,121 | 10,892 | 13,274 | - |
| Intergovernmental Receivable | 87,220 | 21,207 | - | 85,813 | 26,278 | - | - |
| Road Receivables | - | - | - | 112,534 | - | - | - |
| Due From Other Funds | - | - | - | - | - | - | - |
| Total Assets | \$ 763,880 | \$ 523,179 | \$ 626 | \$ 1,124,584 | \$ 304,032 | \$ 270,231 | \$ 988,282 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable | \$ - | \$ 55,482 | \$ 25,889 | \$ - | \$ - | \$ - | \$ - |
| Salaries and Benefits Payable | 21,576 | - | - | 9,664 | 8,591 | - | - |
| Due to Other Funds | - | - | - | - | - | - | - |
| Total Liabilities | \$ 21,576 | \$ 55,482 | \$ 25,889 | \$ 9,664 | \$ 8,591 | \$ - | \$ - |
| Deferred Inflows of Resources: | | | | | | | |
| Taxes Receivable | \$ 15,163 | \$ 7,020 | \$ - | \$ 1,121 | \$ 10,892 | \$ 13,274 | \$ - |
| Road Receivables | - | - | - | 112,534 | - | - | - |
| Taxes Received in advance | 169,585 | 83,457 | - | 25,652 | 122,604 | 148,894 | - |
| Total Deferred Inflows of Resources | \$ 184,748 | \$ 90,477 | \$ - | \$ 139,307 | \$ 133,496 | \$ 162,168 | \$ - |
| Fund Balances: | | | | | | | |
| Restricted For: | | | | | | | |
| General Government | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 108,063 | \$ - |
| Public safety | - | - | - | - | - | - | - |
| Highways and bridges | - | 377,220 | - | 975,613 | - | - | - |
| Flood Repair | - | - | - | - | - | - | 988,282 |
| Health and welfare | - | - | - | - | 161,945 | - | - |
| Conservation of natural resources | - | - | - | - | - | - | - |
| Emergency | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - |
| Unassigned | 557,556 | - | (25,263) | - | - | - | - |
| Total Fund Balances | \$ 557,556 | \$ 377,220 | \$ (25,263) | \$ 975,613 | \$ 161,945 | \$ 108,063 | \$ 988,282 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 763,880 | \$ 523,179 | \$ 626 | \$ 1,124,584 | \$ 304,032 | \$ 270,231 | \$ 988,282 |

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

| County Bond | Other Governmental Funds | Total Governmental Funds |
|-------------------|--------------------------------|--------------------------------|
| \$ 105,996 | \$ 746,486 | \$ 4,446,774 |
| - | 13,754 | 61,224 |
| - | 28,562 | 249,080 |
| - | - | 112,534 |
| - | 2,169 | 2,169 |
| <u>\$ 105,996</u> | <u>\$ 790,971</u> | <u>\$ 4,871,781</u> |

| | | |
|------|-------|-----------|
| \$ - | \$ - | \$ 81,371 |
| - | 2,577 | 42,408 |
| - | 2,169 | 2,169 |

| | | |
|-------------|-----------------|-------------------|
| <u>\$ -</u> | <u>\$ 4,746</u> | <u>\$ 125,948</u> |
|-------------|-----------------|-------------------|

| | | |
|---------|-----------|-----------|
| \$ - | \$ 13,754 | \$ 61,224 |
| - | - | 112,534 |
| 105,996 | 176,879 | 833,067 |

| | | |
|-------------------|-------------------|---------------------|
| <u>\$ 105,996</u> | <u>\$ 190,633</u> | <u>\$ 1,006,825</u> |
|-------------------|-------------------|---------------------|

| | | |
|------|-----------|------------|
| \$ - | \$ 60,724 | \$ 168,787 |
| - | 58,522 | 58,522 |
| - | - | 1,352,833 |
| - | - | 988,282 |
| - | 97,508 | 259,453 |
| - | 222,617 | 222,617 |
| - | 143,511 | 143,511 |
| - | 17,016 | 17,016 |
| - | (4,306) | 527,987 |

| | | |
|-------------|-------------------|---------------------|
| <u>\$ -</u> | <u>\$ 595,592</u> | <u>\$ 3,739,008</u> |
|-------------|-------------------|---------------------|

| | | |
|-------------------|-------------------|---------------------|
| <u>\$ 105,996</u> | <u>\$ 790,971</u> | <u>\$ 4,871,781</u> |
|-------------------|-------------------|---------------------|

DICKEY COUNTY
Ellendale, North Dakota

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2011

Total *Fund Balances* for Governmental Funds \$ 3,739,008

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 | \$ 5,867,949 | |
| Less Accumulated Depreciation | <u>(2,381,409)</u> | |
| Net Capital Assets | | 3,486,540 |

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.

61,224

Road receivables 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.

112,534

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, 2011 are:

| | | |
|-----------------------------|------------------|--------------------|
| Capital Leases Payable | \$ (409,407) | |
| Bonds Payable | (2,792,000) | |
| Loans Payable | (267,191) | |
| Interest Payable | (23,138) | |
| Compensated Absences | <u>(106,567)</u> | |
| Total Long-Term Liabilities | | <u>(3,598,303)</u> |

Total Net Position of Governmental Activities

\$ 3,801,003

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011

| | Major Funds | | | | | | FEMA Funds |
|--|--------------------|----------------------|-----------------------|------------------------|-------------------|---------------------------|--------------------|
| | General | Farm to Market Roads | DC ER Projects | County Road and Bridge | Social Services | Oasis and Social Security | |
| Revenues: | | | | | | | |
| Taxes | \$ 603,929 | \$ 268,125 | \$ - | \$ 34,622 | \$ 417,856 | \$ 518,559 | \$ - |
| Licenses, Permits and Fees | 50,123 | - | - | - | 495 | - | - |
| Intergovernmental | 302,006 | 100,408 | - | 919,467 | 255,465 | 27,398 | 536,535 |
| Charges for Services | 88,026 | - | - | 466,751 | - | - | - |
| Interest Income | 34,712 | - | - | - | - | - | - |
| Miscellaneous | - | - | - | 6,202 | 1,846 | 3,309 | - |
| Total Revenues | \$1,078,796 | \$ 368,533 | \$ - | \$ 1,427,042 | \$ 675,662 | \$ 549,266 | \$ 536,535 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General Government | \$ 635,217 | \$ - | \$ - | \$ - | \$ - | \$ 465,098 | \$ - |
| Public Safety | 337,283 | - | - | - | - | - | - |
| Highways | - | 438,259 | - | 1,414,616 | - | - | - |
| Flood Repair | - | - | 2,606,829 | - | - | - | 432,814 |
| Health and Welfare | 350 | - | - | - | 594,875 | - | - |
| Culture and Recreation | 14,488 | - | - | - | - | - | - |
| Conserv. of Natural Resources | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | |
| Principal | - | - | - | 58,127 | - | - | - |
| Interest and Fees | - | - | - | 20,806 | - | - | - |
| Total Expenditures | \$ 987,338 | \$ 438,259 | \$ 2,606,829 | \$ 1,493,549 | \$ 594,875 | \$ 465,098 | \$ 432,814 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 91,458 | \$ (69,726) | \$ (2,606,829) | \$ (66,507) | \$ 80,787 | \$ 84,168 | \$ 103,721 |
| Other Financing Sources (Uses): | | | | | | | |
| Loan Proceeds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Bond Proceeds | - | - | 2,792,000 | - | - | - | - |
| Transfers In | 12,677 | 112,177 | - | 98,257 | 71,000 | - | 11,479 |
| Transfers Out | - | - | (210,434) | - | (74,000) | (2,091) | (52,362) |
| Total Other Financing Sources and Uses | \$ 12,677 | \$ 112,177 | \$ 2,581,566 | \$ 98,257 | \$ (3,000) | \$ (2,091) | \$ (40,883) |
| Net Change in Fund Balances | \$ 104,135 | \$ 42,451 | \$ (25,263) | \$ 31,750 | \$ 77,787 | \$ 82,077 | \$ 62,838 |
| Fund Balance - January 1 | \$ 453,421 | \$ 334,769 | \$ - | \$ 943,863 | \$ 84,158 | \$ 25,986 | \$ 925,444 |
| Prior Period Adjustment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund Balance - January 1 Restated | \$ 453,421 | \$ 334,769 | \$ - | \$ 943,863 | \$ 84,158 | \$ 25,986 | \$ 925,444 |
| Fund Balance - December 31 | \$ 557,556 | \$ 377,220 | \$ (25,263) | \$ 975,613 | \$ 161,945 | \$ 108,063 | \$ 988,282 |

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

| County Bond | Other Governmental Funds | Total Governmental Funds |
|-------------|--------------------------|--------------------------|
| \$ - | \$ 548,614 | \$ 2,391,705 |
| - | - | 50,618 |
| - | 209,302 | 2,350,581 |
| - | 93,251 | 648,028 |
| - | 309 | 35,021 |
| - | 125,137 | 136,494 |
| <u>\$ -</u> | <u>\$ 976,613</u> | <u>\$ 5,612,447</u> |
| | | |
| \$ - | \$ 351,876 | \$ 1,452,191 |
| - | 141,252 | 478,535 |
| - | 197,504 | 2,050,379 |
| - | - | 3,039,643 |
| - | 83,920 | 679,145 |
| - | - | 14,488 |
| - | 186,506 | 186,506 |
| - | 67,527 | 125,654 |
| - | 1,957 | 22,763 |
| <u>\$ -</u> | <u>\$ 1,030,542</u> | <u>\$ 8,049,304</u> |
| | | |
| <u>\$ -</u> | <u>\$ (53,929)</u> | <u>\$ (2,436,857)</u> |
| | | |
| \$ - | \$ 168,000 | \$ 168,000 |
| - | - | 2,792,000 |
| - | 33,297 | 338,887 |
| - | - | (338,887) |
| <u>\$ -</u> | <u>\$ 201,297</u> | <u>\$ 2,960,000</u> |
| | | |
| <u>\$ -</u> | <u>\$ 147,368</u> | <u>\$ 523,143</u> |
| | | |
| <u>\$ -</u> | <u>\$ 453,932</u> | <u>\$ 3,221,573</u> |
| | | |
| <u>\$ -</u> | <u>\$ (5,708)</u> | <u>\$ (5,708)</u> |
| | | |
| <u>\$ -</u> | <u>\$ 448,224</u> | <u>\$ 3,215,865</u> |
| | | |
| <u>\$ -</u> | <u>\$ 595,592</u> | <u>\$ 3,739,008</u> |

DICKEY COUNTY
Elendale, 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, 2011

Net Change in *Fund Balances* - Total Governmental Funds \$ 523,143

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 outlay exceeded depreciation in the current year.

| | | |
|-----------------------------------|------------------|----------|
| Current Year Capital Outlay | \$ 256,620 | |
| Current Year Depreciation Expense | <u>(324,603)</u> | (67,983) |

In the Statement of Activities, the loss or gain on sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales.

| | | |
|-------------------------------------|--|----------|
| Loss on Disposals of Capital Assets | | (12,302) |
|-------------------------------------|--|----------|

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 by which debt repayment exceeded debt proceeds.

| | | |
|-------------------|----------------|-------------|
| Bond Proceeds | \$ (2,792,000) | |
| Loan Proceeds | (168,000) | |
| Repayment of Debt | <u>125,654</u> | (2,834,346) |

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 | \$ (16,948) | |
| Net Change in Interest Payable | <u>(6,619)</u> | (23,567) |

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. This consists of the increase in taxes receivable.

| | | |
|--------------------------------|---------------|---------------|
| Net Change in Taxes Receivable | \$ (3,989) | |
| Net Change in Road Receivables | <u>37,645</u> | <u>33,656</u> |

| | | |
|---|--|------------------------------|
| Change in Net Position of Governmental Activities | | <u><u>\$ (2,381,399)</u></u> |
|---|--|------------------------------|

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2011

| | Water Resource | Health District | County Park | County Fair | JDA | Totals |
|-----------------------------------|-------------------|--------------------|------------------|--------------------|-------------------|-------------------|
| ASSETS: | | | | | | |
| Cash and Investments | \$ 312,126 | \$ 129,633 | \$ 43,128 | \$ 14,809 | \$ 162,918 | \$ 662,614 |
| Taxes Receivable | 2,176 | 2,141 | 71 | 872 | 2,176 | 7,436 |
| Loans Receivable | - | - | - | - | 30,127 | 30,127 |
| Total Assets | \$ 314,302 | \$ 131,774 | \$ 43,199 | \$ 15,681 | \$ 195,221 | \$ 700,177 |
| LIABILITIES: | | | | | | |
| Salary and Benefits Payable | \$ - | \$ 2,707 | \$ - | \$ - | \$ - | \$ 2,707 |
| Interest Payable | - | - | - | 1,745 | - | 1,745 |
| Long-Term Liabilities: | | | | | | |
| Due Within One Year: | | | | | | |
| Loan Payable | - | - | - | 5,279 | - | 5,279 |
| Compensated Absences | - | 449 | - | - | - | 449 |
| Due After One Year: | | | | | | |
| Loan Payable | - | - | - | 26,954 | - | 26,954 |
| Compensated Absences | - | 4,042 | - | - | - | 4,042 |
| Total Liabilities | \$ - | \$ 7,198 | \$ - | \$ 33,978 | \$ - | \$ 41,176 |
| DEFERRED INFLOWS: | | | | | | |
| Taxes Received in Advance | 28,267 | 28,337 | 6,072 | - | 28,267 | 90,943 |
| NET POSITION: | | | | | | |
| Restricted For: | | | | | | |
| Health and Welfare | \$ - | 96,239 | - | \$ - | \$ - | \$ 96,239 |
| Culture and Recreation | - | - | 37,127 | - | - | 37,127 |
| Economic Development | - | - | - | - | 166,954 | 166,954 |
| Conservation of Natural Resources | 286,035 | - | - | - | - | 286,035 |
| Unrestricted | - | - | - | (18,297) | - | (18,297) |
| Total Net Position | \$ 286,035 | \$ 96,239 | \$ 37,127 | \$ (18,297) | \$ 166,954 | \$ 568,058 |

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended December 31, 2011

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | | Totals |
|--|-------------------|-------------------------|--|--|--------------------|--------------------|--------------------|--------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Water Resource | Health District | County Park | County Fair | JDA | |
| Component Units: | | | | | | | | | |
| Dickey County Water Resource Dist. | \$ 127,156 | \$ - | \$ 66 | \$ (127,090) | \$ - | \$ - | \$ - | \$ - | \$ (127,090) |
| Dickey County Health District | 286,365 | 117,711 | 69,618 | - | (99,036) | - | - | - | (99,036) |
| Dickey County Park | 21,041 | - | 6,017 | - | - | (15,024) | - | - | (15,024) |
| Dickey County Fair | 41,922 | 11,619 | - | - | - | - | (30,303) | - | (30,303) |
| Dickey Job Development Authority | 69,567 | 79 | 66 | - | - | - | - | (69,422) | (69,422) |
| Total Component Units | \$ 546,051 | \$ 129,409 | \$ 75,767 | \$ (127,090) | \$ (99,036) | \$ (15,024) | \$ (30,303) | \$ (69,422) | \$ (340,875) |
| General Revenues: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property taxes | | | | \$ 182,781 | \$ 81,527 | \$ 18,243 | \$ 29,543 | \$ 89,161 | \$ 401,255 |
| Non restricted grants and contributions | | | | 2,508 | 1,228 | 2,443 | - | 1,305 | 7,484 |
| Earnings on investments | | | | 860 | - | - | 8 | - | 868 |
| Miscellaneous revenue | | | | 1,274 | - | - | 18,863 | - | 20,137 |
| Total General Revenues | | | | \$ 187,423 | \$ 82,755 | \$ 20,686 | \$ 48,414 | \$ 90,466 | \$ 429,744 |
| Change in Net Position | | | | \$ 60,333 | \$ (16,281) | \$ 5,662 | \$ 18,111 | \$ 21,044 | \$ 88,869 |
| Net Position - January 1 | | | | \$ 225,702 | \$ 112,520 | \$ 31,465 | \$ (40,359) | \$ 157,526 | \$ 486,854 |
| Prior Period Adjustment | | | | - | - | - | 3,951 | (11,616) | (7,665) |
| Net Position - January 1, As Restated | | | | \$ 225,702 | \$ 112,520 | \$ 31,465 | \$ (36,408) | \$ 145,910 | \$ 479,189 |
| Net Position - December 31 | | | | \$ 286,035 | \$ 96,239 | \$ 37,127 | \$ (18,297) | \$ 166,954 | \$ 568,058 |

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

DICKEY COUNTY
Ellendale, North Dakota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Dickey County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. 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 county's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements present the activities of Dickey 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 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 Dickey 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 Dickey County.

Based on these criteria, there are five component units to be included within Dickey County as a reporting entity.

COMPONENT UNITS

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

Discretely Presented Component Units: The component unit columns in the basic financial statements include the financial data of the county's five component units. These units are reported in separate columns to emphasize that they are legally separate from the county.

Dickey County Job Development Authority - The County's governing board appoints a voting majority of the members of the Dickey County Job Development Authority. The county has the authority to approve or modify the Job Development Authority's operational and capital budgets. The county's governing board must approve the tax levy established by the Job Development Authority. The Job Development Authority has the authority to issue bonded debt.

Dickey County Water Resource District - The County's governing board appoints a voting majority of the members of the Dickey County Water Resource District Board. The county has the authority to approve or modify the Water Resource District operational and capital budgets. The county also must approve the tax levy established by the Water Resource District.

Dickey County Fair Association - The County's governing board appoints a voting majority of the members of the Dickey County Fair Association. The county has the authority to approve or modify the Fair Association's operational and capital budgets. The county's governing board must approve the tax levy established by the Fair Association.

DICKEY COUNTY

Notes to the Financial Statements – Continued

Dickey County Park Board - The County's governing board appoints a voting majority of the members of the Dickey County Park Board. The county has the authority to approve or modify the Park Board's operational and capital budgets. The county's governing board must approve the tax levy established by the Park Board.

Dickey County Health District - The County's governing board appoints a voting majority of the members of the Dickey County Health District. The county has the authority to approve or modify the Health District's operational and capital budgets. The county's governing board must approve the tax levy established by Health District.

Component Unit Financial Statements: The financial statements of the discretely presented component units are presented in the County's basic financial statements. Complete financial statements of the component units can be obtained from the Dickey County Auditor/Treasurer Dickey County, PO Box 215, Ellendale, ND 58436-0215.

Related Organizations - The County is accountable for the following legally separate entities because it appoints a voting majority to their governing boards. Although the County is not financially accountable for these entities, as defined by GASB statement 14, the County did provide operating grants to them as follows:

| | 2012 | 2011 |
|--------------------|----------|----------|
| Historical Society | \$11,593 | \$ 5,724 |
| Senior Citizens | 43,935 | 41,571 |

B. Basis of Presentation

Government-wide statements: The statement of net position and the statement of activities display information about the primary government, Dickey County and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made, when applicable, 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 and the component units 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 taxes, interest and non-restricted grants and contributions, 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.

DICKEY COUNTY

Notes to the Financial Statements – Continued

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 primary sources of revenues are a restricted tax levy and State/Federal grants/reimbursements.

DC ER Projects Fund. This fund accounts for financial resources related to specific highway repairs/projects. The major primary source of revenue is State/Federal grants/reimbursements.

County Road & Bridge Fund. This fund accounts for all financial resources related to highway maintenance, except those required to be accounted for in another fund. The major primary sources of revenues are a restricted tax levy and restricted highway tax distribution from the state.

Social Services Fund. This fund accounts for the costs of providing social service benefits and programs to needy residents of the county. The major primary sources of revenues are a restricted tax levy and State/Federal grants/reimbursements.

Oasis and Social Security Fund. This fund accounts for amounts levied and legally restricted to meet the County's share of social security payments on wages and salaries paid to employees. The major primary sources of revenues are a restricted tax levy and State/Federal grants/reimbursements.

FEMA Funds. This fund accounts for state and federal grants for flood disaster repairs and the related disbursements. The major primary source of revenue is restricted Federal and State grants/reimbursements for flood related repairs.

County Bond Fund. This fund accounts for tax revenue, and state and federal grants received, as well as the related debt proceeds for flood disaster repairs, and the related disbursements for applicable debt principal and interest.

The County reports the following fund type:

Agency Funds. These funds account for assets by the County in a custodial capacity as an agent on behalf of others. The County's agency funds are used to account for property taxes collected on behalf 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.

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 long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

DICKEY COUNTY

Notes to the Financial Statements – Continued

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.

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

PRIMARY GOVERNMENT:

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$3,000. 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.

General infrastructure assets acquired prior to January 1, 2004 consisting of various road and bridge network assets are not reported in the financial statements, as the County was 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|----------------------------|--------------|
| Buildings & Infrastructure | 30 - 75 |
| Vehicles & Equipment | 3 - 7 |

F. Compensated Absences

Vacation leave is earned at the rate of 10 to 15 days per year depending on years of service. Vacation leave may be carried over from one year to the next, but it must be used within that next year or forfeited. Upon termination vacation benefits that have accrued through the last day of work will be paid. Employees accrue sick leave benefits at the rate of 10 days per year. Unused sick leave benefits will be allowed to accumulate to a limit of 30 days. Vacation and sick leave may not be used until a six month probationary period is completed. Once an employee has reached their maximum accrued sick leave level, they are eligible to trade any additional sick leave awarded that year, at a rate of one day of vacation for three days of sick leave. This trade must occur within the calendar year in which the sick leave is earned.

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.

H. Fund Balances / Net Position

Prior to GASB Statement No. 54, in the fund financial statements, the governmental funds reported reservations of fund balances for amounts that were not available for appropriation or were legally restricted by outside parties for use for a specific purpose. Designations of fund balances represented tentative management plans that were subject to change. 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 Dickey 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.

Minimum Fund Balance Policy:

Dickey County established a \$300,000 general fund carryover balance target to help with financial stability. The fund balance range is a part of the county's fiscal policies. This level provides sufficient unassigned resources to avoid short-term cash flow borrowing for the county. Unassigned general fund balance of \$616,942 at December 31, 2012 represented 56% of actual 2012 general fund expenditures.

Replenishing Deficiencies

When fund balances fall below the minimum 15% range, the County will replenish shortages/deficiencies using the budget strategies and time frames described as follows:

- County will reduce recurring expenditures to eliminate any structural deficit;
- County will increase revenues or pursue other funding sources;
- Some combination of the two options above;

Minimum fund balance deficiencies will be replenished within the following timeframes:

- Deficiency resulting in a minimum fund balance between 12.5% and 15% shall be replenished over a period not to exceed one year;
- Deficiency resulting in a minimum fund balance between 10% and 12.5% shall be replenished over a period not to exceed three years;
- Deficiency resulting in a minimum fund balance of less than 10% shall be replenished over a period not to exceed five years;

Major Special Revenue Fund Purposes & Revenue Sources:

Purposes and major revenue sources of the major special revenue funds (farm to market road, DC ER project, county road and bridge, social services, FEMA, and OASIS/social security) are disclosed in more detail in Note 1B.

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

On March 11, 2009 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal periods that begin after June 15, 2010. This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

DICKEY COUNTY

Notes to the Financial Statements – Continued

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

| CLASSIFICATION | DEFINITION | EXAMPLES |
|-----------------------|---|---|
| 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 business manager. | 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 | Available for any remaining general fund expenditure. |

Dickey County only has restricted fund balances at December 31, 2012.

Restricted Fund Balances – consist of the following items at December 31, 2012:

Restricted fund balances are shown by primary function on the balance sheet for public safety, highways & bridges, flood repair, health & welfare, culture & recreation, conservation of 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 3rd 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.

DICKEY COUNTY

Notes to the Financial Statements – Continued

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

Restrictions of net position shown in the net position statement are due to restricted tax levies and restricted Federal & State grants/reimbursements. Net position in the statement of net position is also shown by primary function (as fund balance are shown) as fund balances are shown and is restricted for highways and bridges, public safety, flood repair, health & welfare, culture & recreation, conservation of resources, emergencies, and other 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 (highway fund). The unrestricted net position is available to meet the district's ongoing obligations.

I. Interfund Transactions

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers.

In the government-wide financial statements, interfund transactions have been eliminated.

NOTE 2: LEGAL COMPLIANCE - BUDGETSBUDGET AMENDMENTS

The Board of County Commissioners amended the county budget for the year ended December 31, 2012 as follows:

| Fund | EXPENDITURES | | |
|-------------------------------|-----------------|-----------|----------------|
| | Original Budget | Amendment | Amended Budget |
| <u>Special Revenue Funds:</u> | | | |
| Social Services | \$596,756 | \$ 621 | \$ 597,377 |
| Emergency Poor | 40,000 | 8,000 | 48,000 |
| Poor Relief | 71,695 | 10,328 | 82,023 |
| Health District | 299,109 | 10,969 | 310,078 |
| 24/7 | - | 97 | 97 |
| Horizons | 2,000 | 1,554 | 3,554 |
| FEMA Admin 2009 | - | 2,289 | 2,289 |
| FEMA TWP 2011 | 500,000 | 1,226,529 | 1,726,529 |
| FEMA County 2011 | 110,000 | 29,817 | 139,817 |
| Homeland Security | 5,000 | 712 | 5,712 |
| County Bond 2011 | 365,000 | 1,054,686 | 1,419,686 |

DICKEY COUNTY

Notes to the Financial Statements – Continued

The Board of County Commissioners amended the county budget for the year ended December 31, 2011 as follows:

| Fund | EXPENDITURES | | |
|-------------------------------|-----------------|-------------|----------------|
| | Original Budget | Amendment | Amended Budget |
| <u>Special Revenue Funds:</u> | | | |
| DC ER Project | \$ - | \$2,791,373 | \$2,791,373 |
| Road and Bridge | 1,315,065 | 178,484 | 1,493,549 |
| Family Focus | 74,836 | 7,193 | 82,029 |
| Special Assessments | - | 3,808 | 3,808 |
| FEMA TWP 2009 | - | 87,114 | 87,114 |
| FEMA Admin 2009 | 26,860 | 1,389 | 28,249 |
| FEMA TWP 2011 | - | 464,499 | 464,499 |
| FEMA County 2011 | - | 50,289 | 50,289 |
| FEMA Admin 2011 | - | 1,566 | 1,566 |
| FEMA TWP 2010 | - | 211,843 | 211,843 |
| FEMA Admin 2010 | - | 692 | 692 |
| County Hazard | - | 21,234 | 21,234 |

NOTE 3: DEPOSITS

In accordance with North Dakota Statutes, Dickey 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 any other state of the United States or such other securities approved by the banking board.

At year ended December 31, 2012, the county's carrying amount of deposits was \$7,617,233 and the bank balances totaled \$7,411,704. Of the bank balances, \$1,890,320 was covered by Federal Depository Insurance. Of the remaining bank balances totaling \$5,521,383, all were collateralized with securities held by the pledging financial institution's agent in the government's name, except for First State Bank, which was under pledged by \$126,552. At year ended December 31, 2012, the fair board's carrying amount of deposits was \$14,136 and the bank balances totaled \$14,226, all of which was covered by Federal Depository Insurance.

DICKEY COUNTY

Notes to the Financial Statements – Continued

At year ended December 31, 2011, the county's carrying amount of deposits was \$7,000,433 and the bank balances totaled \$6,894,951. Of the bank balances, \$1,912,720 was covered by Federal Depository Insurance. Of the remaining bank balances totaling \$4,982,231, all were collateralized with securities held by the pledging financial institution's agent in the government's name. At year ended December 31, 2011, the fair board's carrying amount of deposits was \$14,809 and the bank balances totaled \$18,578, all of which was covered by Federal Depository Insurance.

Credit Risk:

The county 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, 2012 and 2011, the County had certificates of deposit totaling \$702,437 and \$701,749, respectively, all of which were considered deposits.

As of December 31, 2012 and 2011, the Dickey County Job Development Authority had certificates of deposit totaling \$11,617, all of which were considered deposits.

Concentration of Credit Risk:

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

NOTE 4: TAXES RECEIVABLE

The taxes receivable represents the past two years of delinquent uncollected taxes. No allowance has been established for uncollectible taxes receivable because any defaults will be covered by enforcement of the liens.

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 on or before February 15 and receive the 5% discount on the property taxes.

NOTE 5: ROAD ACCOUNTS RECEIVABLE

Road accounts receivable consist of amounts due for road work for townships, cities and private citizens.

NOTE 6: INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivables consist of amounts due from the state for the state and federal share of various social service programs, highway tax distribution, state aid and other state and federal grants.

DICKEY COUNTY

Notes to the Financial Statements – Continued

NOTE 7: JOB DEVELOPMENT LOANS RECEIVABLE

The Job Development Authority, a discretely presented component unit of Dickey County, provides loans to businesses for either startup costs or expansion costs. The Authority receives applications from various businesses within the community and either approves or denies the applications based on majority board decision.

The Authority had the following activity in loans outstanding for the year ended December 31, 2012:

| Name/Business | Balance January 1 | New Loans/ Additions | Principal Payments | Balance December 31 |
|-----------------------|------------------------------|---------------------------------|-------------------------------|--------------------------------|
| Oakes Truck/Trailer | \$ 1,000 | \$ - | \$1,000 | \$ - |
| Serentia | 8,835 | - | 120 | 8,715 |
| Pheasant Lanes | 4,042 | - | 506 | 3,536 |
| Ellendale Vet Service | 8,250 | - | 2,750 | 5,500 |
| Donna's Café | 8,000 | - | 1,000 | 7,000 |
| Total | \$30,127 | \$ - | \$5,376 | \$24,751 |

The Authority had the following activity in loans outstanding for the year ended December 31, 2011:

| Name/Business | Balance January 1 | New Loans/ Additions | Principal Payments | Balance December 31 |
|-----------------------|------------------------------|---------------------------------|-------------------------------|--------------------------------|
| Oakes Truck/Trailer | \$ 2,000 | \$ - | \$ 1,000 | \$ 1,000 |
| Serentia | 8,955 | - | 120 | 8,835 |
| Pheasant Lanes | 4,547 | - | 505 | 4,042 |
| Ellendale Vet Service | 11,000 | - | 2,750 | 8,250 |
| Little Salty | 5,000 | - | 5,000 | - |
| Donna's Café | 9,000 | - | 1,000 | 8,000 |
| Total | \$40,502 | \$ - | \$10,375 | \$30,127 |

NOTE 8: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2012:

| | Balance January 1 | Transfers/ Increases | Transfers/ Decreases | Balance December 31 |
|--|------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Governmental Activities: | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 40,398 | \$ - | \$ - | \$ 40,398 |
| Construction in Progress | 42,281 | 26,014 | 68,295 | - |
| Total Capital Assets, Not Being Depreciated | \$ 82,679 | \$ 26,014 | \$ 68,295 | \$ 40,398 |
| <i>Capital assets, being depreciated:</i> | | | | |
| Buildings | \$1,367,256 | \$ 68,295 | \$ - | \$1,435,551 |
| Equipment | 1,874,997 | 789,748 | 443,266 | 2,221,479 |
| Vehicles | 645,416 | 93,080 | 52,068 | 686,428 |
| Infrastructure | 1,897,601 | - | - | 1,897,601 |
| Total Capital Assets, Being Depreciated | \$5,785,270 | \$951,123 | \$495,334 | \$6,241,059 |
| <i>Less accumulated depreciation for:</i> | | | | |
| Buildings | \$ 527,493 | \$ 29,300 | \$ - | \$ 556,793 |
| Equipment | 1,322,774 | 228,998 | 336,309 | 1,215,463 |
| Vehicles | 419,054 | 53,268 | 21,411 | 450,911 |
| Infrastructure | 112,088 | 25,301 | - | 137,389 |
| Total Accumulated Depreciation | \$2,381,409 | \$336,867 | \$357,720 | \$2,360,556 |
| Total Capital Assets Being Depreciated, Net | \$3,403,861 | \$614,256 | \$137,614 | \$3,880,503 |
| Governmental Activities-Capital Assets, Net | \$3,486,540 | \$640,270 | \$205,909 | \$3,920,901 |

DICKEY COUNTY

Notes to the Financial Statements – Continued

The following is a summary of changes in capital assets for the year ended December 31, 2011:

| Governmental Activities: | Balance January 1 | Increases | Decreases | Balance December 31 |
|--|------------------------------|--------------------|------------------|--------------------------------|
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 40,398 | \$ - | \$ - | \$ 40,398 |
| Construction in Progress | 42,220 | 61 | - | 42,281 |
| Total Capital Assets, Not Being Depreciated | \$ 82,618 | \$ 61 | \$ - | \$ 82,679 |
| <i>Capital assets, being depreciated:</i> | | | | |
| Buildings | \$1,367,256 | \$ - | \$ - | \$1,367,256 |
| Equipment | 1,829,167 | 57,430 | 11,600 | 1,874,997 |
| Vehicles | 467,259 | 199,130 | 20,973 | 645,416 |
| Infrastructure | 1,897,601 | - | - | 1,897,601 |
| Total Capital Assets, Being Depreciated | \$5,561,283 | \$256,560 | \$32,573 | \$5,785,270 |
| <i>Less accumulated depreciation for:</i> | | | | |
| Buildings | \$ 500,469 | \$ 27,024 | \$ - | \$ 527,493 |
| Equipment | 1,115,447 | 215,613 | 8,286 | 1,322,774 |
| Vehicles | 374,373 | 56,666 | 11,985 | 419,054 |
| Infrastructure | 86,787 | 25,301 | - | 112,088 |
| Total Accumulated Depreciation | \$2,077,076 | \$324,604 | \$20,271 | \$2,381,409 |
| Total Capital Assets Being Depreciated, Net | \$3,484,207 | \$ (68,044) | \$12,302 | \$3,403,861 |
| Governmental Activities-Capital Assets, Net | \$3,566,825 | \$ (67,983) | \$12,302 | \$3,486,540 |

Depreciation expense was charged to functions/programs of the county as follows for the year ended December 31, 2012 and 2011:

| Governmental Activities: | 2012 | 2011 |
|---|------------------|------------------|
| General Government | \$ 40,216 | \$ 41,296 |
| Public Safety | 25,184 | 24,821 |
| Highways | 264,484 | 251,504 |
| Culture and Recreation | 3,237 | 3,237 |
| Conservation of Natural Resources | 3,746 | 3,746 |
| Total Depreciation Expense - Governmental Activities | \$336,867 | \$324,604 |

NOTE 9: 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 10: DUE TO/FROM OTHER FUNDS

Due to and due from other funds on the governmental funds modified accrual balance sheet at December 31, 2012 represents the amount of cash borrowed by the DC ER Fund totaling \$35,366 covered by the County Road and Bridge Fund, and \$2,032 cash borrowed by the Grants Fund (\$836) and Homeland Security Fund (\$1,196) covered by the General Fund.

NOTE 11: SALARIES/BENEFITS PAYABLE

Salaries and benefits payable consists of a liability account related to payroll withholdings related to various payroll deductions withheld but not yet paid at year end.

DICKEY COUNTY

Notes to the Financial Statements – Continued

NOTE 12: LONG-TERM DEBT**PRIMARY GOVERNMENT:**

Changes in Long-Term Liabilities - During the year ended December 31, 2012 and 2011, the following changes occurred in governmental activities long-term liabilities for the primary government:

| Governmental Activities: | Balance 1-1-12 | Increases | Decreases | Balance 12-31-12 | Due Within One Year |
|--------------------------------------|---------------------------|--------------------|--------------------|-----------------------------|--------------------------------|
| Leases Payable | \$ 409,407 | \$ 319,197 | \$ 124,557 | \$ 604,047 | \$ 95,842 |
| Disaster Drawdown | 2,792,000 | 824,343 | 1,410,873 | 2,205,470 | 1,017,374 |
| Loans Payable | 267,191 | - | 63,103 | 204,088 | 63,861 |
| Compensated Absences * | 106,567 | - | 14,302 | 92,265 | 9,226 |
| Total Governmental Activities | \$3,575,165 | \$1,300,705 | \$1,556,038 | \$3,319,832 | \$1,223,789 |

| Governmental Activities: | Balance 1-1-11 | Increases | Decreases | Balance 12-31-11 | Due Within One Year |
|--------------------------------------|---------------------------|--------------------|------------------|-----------------------------|--------------------------------|
| Leases Payable | \$467,534 | \$ - | \$ 58,127 | \$ 409,407 | \$ 60,785 |
| Disaster Drawdown | - | 2,792,000 | - | 2,792,000 | 1,410,874 |
| Loans Payable | 166,718 | 168,000 | 67,527 | 267,191 | 63,103 |
| Compensated Absences * | 89,619 | 16,948 | - | 106,567 | 10,657 |
| Total Governmental Activities | \$723,871 | \$2,976,948 | \$125,654 | \$3,575,165 | \$1,545,419 |

* 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) at December 31, 2012 consists of the following issues:

Capital Leases:

\$78,491 – Capital Lease for a John Deere Dozer D5G due in annual installments of \$17,609 through January 2014 with interest at 5.2%. \$ 32,626

\$257,541 – Capital Lease for a Caterpillar 140M Motor Grader due in annual installments of \$31,578 with a final lump payment of \$140,000 through February 2014 with interest at 3%. 158,831

\$126,345 – Capital Lease for a John Deere 772G Motor Grader due in annual installments of \$27,060 through April 2017 with interest at 2.3%. 126,345

\$260,719 – Capital Lease for a John Deere 772G Motor Grader due in annual installments of \$31,174 through April 2017 with interest at 2.3%. 260,720

\$32,500 – Capital Lease for a Columbia Truck Motor Grader due in annual installments of \$6,975 through April 2016 with interest at 3.6%. 25,525

Total Primary Government Capital Leases Payable \$ 604,047

Capital Financing Program – Disaster Loan Drawdown

\$3,616,343 – Disaster Loan drawdown for road projects that required payment before reimbursement was obtained. Interest is calculated at intervals throughout the year at 2.25%. Payments vary throughout the year based on reimbursements received. \$2,205,470

DICKEY COUNTY

Notes to the Financial Statements – Continued

Loans/Certificate of Indebtedness:

| | |
|---|--------------------|
| \$30,718 – Certificate of Indebtedness for a County Boiler due in annual installments of \$4,587 to \$5,392 through March 2017 with interest at 3.75%. | \$ 21,942 |
| \$136,000 – Certificate of Indebtedness for a Road Grader due in annual installments of \$27,200 to \$30,260 through October 2015 with interest at 3.75%. | 81,600 |
| \$168,000 – Certificate of Indebtedness for an International Truck due in annual installments of \$31,515 to \$35,939 through April 2015 with interest at 3.8%. | <u>100,546</u> |
| Total Primary Government Loans/Certificate of Indebtedness | <u>\$ 204,088</u> |
| Total Primary Government Long-Term Debt (Excluding Compensated Absences) | <u>\$3,227,567</u> |

The annual requirements to amortize the outstanding debt, excluding compensated absences are as follows:

| GOVERNMENTAL ACTIVITIES | | | | |
|------------------------------------|-----------------------|-----------------|-------------------|-----------------|
| Year Ending December 31 | Capital Leases | | Loans/CI's | |
| | Principal | Interest | Principal | Interest |
| 2013 | \$95,842 | \$18,553 | \$ 63,861 | \$ 7,760 |
| 2014 | 207,538 | 15,280 | 65,088 | 5,332 |
| 2015 | 58,044 | 7,165 | 66,361 | 2,857 |
| 2016 | 59,479 | 5,729 | 4,389 | 335 |
| 2017 | 183,144 | 4,267 | 4,389 | 167 |
| 2018 - 2022 | - | - | - | - |
| Total | \$604,047 | \$50,994 | \$204,088 | \$16,451 |

Note: The ND Finance Authority does not currently have a schedule of future payments for the Disaster Loan Drawdown.

DISCRETELY PRESENTED COMPONENT UNITS:

Health District:

Changes in Long-Term Liabilities - During the years ended December 31, 2012 and 2011, the following changes occurred in governmental long-term liabilities of the District:

| | Balance 1-1-12 | Increases | Decreases | Balance 12-31-12 | Due Within One Year |
|------------------------|---------------------------|------------------|------------------|-----------------------------|--------------------------------|
| Compensated Absences * | \$4,491 | \$289 | \$ - | \$4,780 | \$478 |

DICKEY COUNTY

Notes to the Financial Statements – Continued

DISCRETELY PRESENTED COMPONENT UNITS:

Health District:

| | Balance 1-1-11 | Increases | Decreases | Balance 12-31-11 | Due Within One Year |
|------------------------|---------------------------|------------------|------------------|-----------------------------|--------------------------------|
| Compensated Absences * | \$6,544 | \$ - | \$2,053 | \$4,491 | \$449 |

* 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.

County Fair:

Changes in Long-Term Liabilities - During the years ended December 31, 2012 and 2011, the following changes occurred in governmental long-term liabilities of the District:

| | Balance 1-1-12 | Increases | Decreases | Balance 12-31-09 | Due Within One Year |
|--------------|---------------------------|------------------|------------------|-----------------------------|--------------------------------|
| Loan Payable | \$32,233 | \$ - | \$9,238 | \$22,995 | \$4,480 |

| | Balance 1-1-11 | Increases | Decreases | Balance 12-31-09 | Due Within One Year |
|--------------|---------------------------|------------------|------------------|-----------------------------|--------------------------------|
| Loan Payable | \$38,419 | \$ - | \$6,186 | \$32,233 | \$5,279 |

Loans Payable:

\$32,000 Loans Payable to Starion Financial, due in annual installments of \$2,901 through 2016, interest at 4.25% \$ 6,762

\$30,000 Loans Payable to Starion Financial, due in annual installments of \$3,954 through 2019, interest at 5.9% 16,233

Total Loans Payable \$22,995

Debt service requirements on long-term debt at December 31, 2012 are as follows:

| Year Ending December 31 | Loans Payable | |
|------------------------------------|----------------------|-----------------|
| | Principal | Interest |
| 2013 | \$ 4,780 | \$2,076 |
| 2014 | 5,412 | 1,443 |
| 2015 | 4,328 | 1,970 |
| 2016 | 3,192 | 763 |
| 2017 | 3,479 | 475 |
| 2018 - 2022 | 1,804 | 160 |
| Total | \$22,995 | \$6,887 |

NOTE 13: DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the balance sheet represent the amount of uncollected taxes and the road accounts receivable in the fund financial statements for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, uncollected taxes and road accounts receivable are measurable but not available.

DICKEY COUNTY

Notes to the Financial Statements – Continued

NOTE 14: TRANSFERS

The following is reconciliation between transfers in and transfers out as reported in the basic financial statements of the governmental activities for the year ended December 31, 2012 and 2011:

| | FY2012 | |
|-------------------------------|------------------|------------------|
| | Transfers In | Transfers Out |
| Major Funds: | | |
| General Fund | \$ 26,155 | \$ - |
| Farm to Market Road | 142,500 | - |
| DC ER Projects | 56,185 | 64,556 |
| County Road and Bridge | 10,766 | 143,802 |
| Social Services | - | 35,000 |
| Oasis and Social Security | - | 2,091 |
| FEMA | 102,572 | 138,927 |
| Special Revenue Funds: | | |
| Emergency Poor | - | 48,000 |
| County Poor Relief | 75,000 | - |
| Economic Assistance | 5,000 | - |
| Family Focus | 3,000 | - |
| Parent Aid | - | 80 |
| Emergency Fund | 6,545 | - |
| Health Insurance | 4,653 | - |
| Weed Control | 80 | - |
| Total Transfers | \$432,456 | \$432,456 |

| | FY2011 | |
|-------------------------------|------------------|------------------|
| | Transfers In | Transfers Out |
| Major Funds: | | |
| General Fund | \$ 12,677 | \$ - |
| Farm to Market Road | 112,177 | - |
| DC ER Projects | - | 210,434 |
| County Road and Bridge | 98,257 | - |
| Social Services | - | 74,000 |
| Oasis and Social Security | - | 2,091 |
| FEMA Funds | 11,479 | 52,362 |
| Special Revenue Funds: | | |
| County Poor Relief | 65,000 | - |
| Economic Assistance | 6,000 | - |
| Family Focus | 3,000 | - |
| Emergency Fund | 30,297 | - |
| Total Transfers | \$338,887 | \$338,887 |

NOTE 15: PENSION PLAN

Dickey County contributes to the North Dakota Public Employee's Retirement System (NDPERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Dakota. NDPERS provides for retirement, disability and survivor benefits to plan members and beneficiaries. Benefit and contribution provisions are administered in accordance with chapter 54-52 of the North Dakota Century Code. NDPERS issues a publicly available financial report that includes financial statements and required supplementary information for NDPERS. That report may be obtained by writing to NDPERS, 400 E Broadway, Suite 505, P.O. Box 1214, Bismarck, North Dakota, 58502-1214.

DICKEY COUNTY

Notes to the Financial Statements – Continued

Plan members are required to contribute 5% of their annual covered salary. The county is required to contribute 6.26% of the employee's salary, which consists of 5.12% 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 County's contributions to NDPERS for the years ending December 31, 2012, 2011, and 2010 were \$113,163, \$91,200, and \$88,256, respectively, equal to the required contributions for the year.

NOTE 16: RISK MANAGEMENT

Dickey 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. Dickey 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 one million dollars per occurrence for general liability and automobile and \$3,041,067 for public assets (mobile equipment and portable property).

Dickey County also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. Dickey 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 one million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides Dickey 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.

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

NOTE 17: DEFICIT CASH FUND BALANCES

At December 31, 2012 and 2011, the following funds had deficit fund balances.

| | 2012 | 2011 |
|-------------------------------|------------|---------|
| <u>Special Revenue Funds:</u> | | |
| DC ER Projects | \$(35,366) | \$ - |
| Homeland Security | (1,195) | - |
| Grants | (836) | - |
| County Corrections Center | - | (1,304) |
| <u>Debt Service Funds:</u> | | |
| Special Assessments | - | (3,233) |

DICKEY COUNTY

Notes to the Financial Statements – Continued

NOTE 18: PRIOR PERIOD ADJUSTMENT

There were prior period adjustments for the period ending December 31, 2011 for Governmental Activities involving adjustments to taxes receivable to remove agency funds, and to the beginning fund balance to remove agency funds from the reported government funds.

| Governmental Activities: | Amounts |
|--|----------------|
| Beginning Net Position, as previously reported | \$ 6,183,245 |
| Adjustments to restate the January 1, 2011 Net Position: | |
| Capital Asset net adjustment to include construction in progress | 7,865 |
| Taxes Receivable net adjustment to remove agency funds | (3,000) |
| Fund Balance net adjustment to remove agency funds | (5,708) |
| Net Position January 1, as restated | \$ 6,182,402 |

| Governmental Fund Balance: | Amounts |
|---|----------------|
| Beginning Total Nonmajor Funds balance | \$3,221,573 |
| Adjustments to restate the January 1, 2011 Fund Balance: | |
| Adjustment to remove agency funds | (5,708) |
| Fund Balance January 1, as restated | \$3,215,865 |

There was a prior period adjustment for the period ending December 31, 2011 for the Dickey County Fair involving adjustments to loans payable.

| Governmental Activities (Fair): | Amounts |
|---|----------------|
| Beginning Net Position, as previously reported | \$ (40,359) |
| Adjustments to restate the January 1, 2011 Net Position: | |
| Loan Payable adjustment | 3,951 |
| Net Position January 1, as restated | \$ (36,408) |

There was a prior period adjustment for the period ending December 31, 2011 for the Dickey Job Development Authority involving adjustments to loans receivable.

| Governmental Activities (Job Development Authority): | Amounts |
|---|----------------|
| Beginning Net Position, as previously reported | \$157,526 |
| Adjustments to restate the January 1, 2011 Net Position: | |
| Loan Receivable adjustment | (11,616) |
| Net Position January 1, as restated | \$145,910 |

NOTE 19: BUDGET TO ACTUAL RECONCILIATION

The county entered into a lease for the purchase of two motor graders, a Columbia truck, and a loader during 2012. The lease proceeds and corresponding highway expenditures were reported on the statement of revenues, expenditures and changes in fund balance – governmental funds for the miscellaneous road fund, but were not reported on the budgetary comparison schedule for the County Road and Bridge fund. The county did not budget for these funds and these transactions were not recorded on the county's general ledger. The differences are as follows:

| County Road & Bridge | Combined Statement | Adjustment | Budget to Actual |
|---------------------------------|---------------------------|-------------------|-------------------------|
| Expenditures | \$1,720,754 | \$(319,197) | \$1,401,557 |
| Lease Proceeds | 319,197 | (319,197) | - |

NOTE 20: SUBSEQUENT EVENT

Dickey County issued an additional \$397,500 from the North Dakota Finance Authority on June 21, 2013. The money received was used to pay contractors for road repairs.

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 563,349 | \$ 563,349 | \$ 571,038 | \$ 7,689 |
| Licenses, Permits and Fees | 35,500 | 35,500 | 53,184 | 17,684 |
| Intergovernmental | 227,150 | 227,150 | 394,784 | 167,634 |
| Charges for Services | 65,296 | 65,296 | 95,780 | 30,484 |
| Interest Income | 21,500 | 21,500 | 24,926 | 3,426 |
| Total Revenues | \$ 912,795 | \$ 912,795 | \$ 1,139,712 | \$ 226,917 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | \$ 717,530 | \$ 717,530 | \$ 677,422 | \$ 40,108 |
| Public Safety | 390,704 | 390,704 | 408,993 | (18,289) |
| Health and Welfare | 375 | 375 | 375 | - |
| Culture and Recreation | 25,155 | 25,155 | 19,691 | 5,464 |
| Total Expenditures | \$ 1,133,764 | \$ 1,133,764 | \$ 1,106,481 | \$ 27,283 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (220,969) | \$ (220,969) | \$ 33,231 | \$ 254,200 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | \$ 2,100 | \$ 2,100 | \$ 26,155 | \$ 24,055 |
| Net Change in Fund Balances | \$ (218,869) | \$ (218,869) | \$ 59,386 | \$ 278,255 |
| Fund Balance - January 1 | \$ 557,556 | \$ 557,556 | \$ 557,556 | \$ - |
| Fund Balance - December 31 | \$ 338,687 | \$ 338,687 | 616,942 | \$ 278,255 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2011

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 606,775 | \$ 606,775 | \$ 603,929 | \$ (2,846) |
| Licenses, Permits and Fees | 35,500 | 35,500 | 50,123 | 14,623 |
| Intergovernmental | 158,100 | 158,100 | 302,006 | 143,906 |
| Charges for Services | 82,014 | 82,014 | 88,026 | 6,012 |
| Interest Income | 28,000 | 28,000 | 34,712 | 6,712 |
| Total Revenues | \$ 910,389 | \$ 910,389 | \$ 1,078,796 | \$ 168,407 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | \$ 677,705 | \$ 677,705 | \$ 635,217 | \$ 42,488 |
| Public Safety | 378,300 | 378,300 | 337,283 | 41,017 |
| Health and Welfare | 350 | 350 | 350 | - |
| Culture and Recreation | 2,000 | 2,000 | 14,488 | (12,488) |
| Total Expenditures | \$ 1,058,355 | \$ 1,058,355 | \$ 987,338 | \$ 71,017 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (147,966) | \$ (147,966) | \$ 91,458 | \$ 239,424 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | \$ 2,100 | \$ 2,100 | \$ 12,677 | \$ 10,577 |
| Net Change in Fund Balances | \$ (145,866) | \$ (145,866) | \$ 104,135 | \$ 250,001 |
| Fund Balance - January 1 | \$ 453,421 | \$ 453,421 | \$ 453,421 | \$ - |
| Fund Balance - December 31 | \$ 307,555 | \$ 307,555 | 557,556 | \$ 250,001 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
FARM TO MARKET ROADS FUND
For the Year Ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 279,259 | \$ 279,259 | \$ 273,104 | \$ (6,155) |
| Intergovernmental | 31,800 | 31,800 | 110,042 | 78,242 |
| Total Revenues | \$ 311,059 | \$ 311,059 | \$ 383,146 | \$ 72,087 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways | \$ 821,500 | \$ 821,500 | \$ 631,611 | \$ 189,889 |
| Excess of Revenues Over Expenditures | \$ (510,441) | \$ (510,441) | \$ (248,465) | \$ 261,976 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | \$ - | \$ - | \$ 142,500 | \$ 142,500 |
| Net Change in Fund Balances | \$ (510,441) | \$ (510,441) | \$ (105,965) | \$ 404,476 |
| Fund Balance - January 1 | \$ 377,220 | \$ 377,220 | \$ 377,220 | \$ - |
| Fund Balance - December 31 | \$ (133,221) | \$ (133,221) | \$ 271,255 | \$ 404,476 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
FARM TO MARKET ROADS FUND
For the Year Ended December 31, 2011

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|---|---------------------------|---------------------------|--------------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 275,840 | \$ 275,840 | \$ 268,125 | \$ (7,715) |
| Intergovernmental | 682,400 | 682,400 | 100,408 | (581,992) |
| Total Revenues | <u>\$ 958,240</u> | <u>\$ 958,240</u> | <u>\$ 368,533</u> | <u>\$ (589,707)</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways | <u>\$ 1,257,864</u> | <u>\$ 1,257,864</u> | <u>\$ 438,259</u> | <u>\$ 819,605</u> |
| Excess of Revenues Over Expenditures | <u>\$ (299,624)</u> | <u>\$ (299,624)</u> | <u>\$ (69,726)</u> | <u>\$ 229,898</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | \$ - | \$ - | \$ 112,177 | \$ 112,177 |
| Transfers Out | (80,000) | (80,000) | - | 80,000 |
| Total Other Financing Sources and Uses | <u>\$ (80,000)</u> | <u>\$ (80,000)</u> | <u>\$ 112,177</u> | <u>\$ 192,177</u> |
| Net Change in Fund Balances | <u>\$ (379,624)</u> | <u>\$ (379,624)</u> | <u>\$ 42,451</u> | <u>\$ 422,075</u> |
| Fund Balance - January 1 | <u>\$ 334,769</u> | <u>\$ 334,769</u> | <u>\$ 334,769</u> | <u>\$ -</u> |
| Fund Balance - December 31 | <u><u>\$ (44,855)</u></u> | <u><u>\$ (44,855)</u></u> | <u><u>\$ 377,220</u></u> | <u><u>\$ 422,075</u></u> |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
DC ER PROJECTS FUND
For the Year Ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|--------------------|-------------------|--------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Intergovernmental | \$ - | \$ - | \$ 215,241 | \$ 215,241 |
| <u>Expenditures:</u> | | | | |
| <u>Current:</u> | | | | |
| Highways | \$ 1,231,600 | \$ 1,231,600 | \$ 772,285 | \$ 459,315 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (1,231,600) | \$ (1,231,600) | \$ (557,044) | \$ 674,556 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfer In | \$ - | \$ - | \$ 56,185 | \$ 56,185 |
| Transfers Out | - | - | (64,556) | (64,556) |
| Total Other Financing Sources and Uses | \$ - | \$ - | \$ 762,182 | \$ 762,182 |
| Net Change in Fund Balances | \$ (1,231,600) | \$ (1,231,600) | \$ 205,138 | \$ 1,436,738 |
| Fund Balance - January 1 | \$ (25,263) | \$ (25,263) | \$ (25,263) | \$ - |
| Fund Balance - December 31 | \$ (1,256,863) | \$ (1,256,863) | \$ 179,875 | \$ 1,436,738 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
DC ER PROJECTS FUND
For the Year Ended December 31, 2011

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|--------------------|-------------------|----------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| <u>Expenditures:</u> | | | | |
| <u>Current:</u> | | | | |
| Highways | \$ - | \$ 2,580,939 | \$ 2,606,829 | \$ (25,890) |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ (2,580,939) | \$ (2,606,829) | \$ (25,890) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Bond Proceeds | \$ - | \$ - | \$ 2,792,000 | \$ 2,792,000 |
| Transfers Out | - | (210,434) | (210,434) | - |
| Total Other Financing Sources and Uses | \$ - | \$ (210,434) | \$ 2,581,566 | \$ 2,792,000 |
| Net Change in Fund Balances | \$ - | \$ (2,791,373) | \$ (25,263) | \$ 2,766,110 |
| Fund Balance - January 1 | \$ - | \$ - | \$ - | \$ - |
| Fund Balance - December 31 | \$ - | \$ (2,791,373) | \$ (25,263) | \$ 2,766,110 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
COUNTY ROAD AND BRIDGE FUND
For the Year Ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 85,770 | \$ 85,770 | \$ 83,185 | \$ (2,585) |
| Intergovernmental | 786,320 | 786,320 | 1,008,845 | 222,525 |
| Charges for Services | 250,000 | 250,000 | 462,687 | 212,687 |
| Miscellaneous | - | - | 25,193 | 25,193 |
| Total Revenues | \$ 1,122,090 | \$ 1,122,090 | \$ 1,579,910 | \$ 457,820 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways | \$ 1,549,372 | \$ 1,549,372 | \$ 1,258,357 | \$ 291,015 |
| Debt Service: | | | | |
| Principal | - | - | 124,557 | (124,557) |
| Interest | - | - | 18,643 | (18,643) |
| Total Expenditures | \$ 1,549,372 | \$ 1,549,372 | \$ 1,401,557 | \$ 147,815 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (427,282) | \$ (427,282) | \$ 178,353 | \$ 605,635 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfer In | \$ - | \$ - | \$ 10,766 | \$ 10,766 |
| Transfers Out | - | - | (143,802) | (143,802) |
| Total Other Financing Sources and Uses | \$ - | \$ - | \$ (133,036) | \$ (133,036) |
| Net Change in Fund Balances | \$ (427,282) | \$ (427,282) | \$ 45,317 | \$ 472,599 |
| Fund Balance - January 1 | \$ 975,613 | \$ 975,613 | \$ 975,613 | \$ - |
| Fund Balance - December 31 | \$ 548,331 | \$ 548,331 | \$ 1,020,930 | \$ 472,599 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
COUNTY ROAD AND BRIDGE FUND
For the Year Ended December 31, 2011

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 33,134 | \$ 33,134 | \$ 34,622 | \$ 1,488 |
| Intergovernmental | 470,750 | 470,750 | 919,467 | 448,717 |
| Charges for Services | 250,000 | 250,000 | 466,751 | 216,751 |
| Miscellaneous | - | - | 6,202 | 6,202 |
| Total Revenues | \$ 753,884 | \$ 753,884 | \$ 1,427,042 | \$ 673,158 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways | \$ 1,315,066 | \$ 1,493,549 | \$ 1,414,616 | \$ 78,933 |
| Debt Service: | | | | |
| Principal | - | - | 58,127 | (58,127) |
| Interest | - | - | 20,806 | (20,806) |
| Total Expenditures | \$ 1,315,066 | \$ 1,493,549 | \$ 1,493,549 | \$ - |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (561,182) | \$ (739,665) | \$ (66,507) | \$ 673,158 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfer In | \$ - | \$ - | \$ 98,257 | \$ 98,257 |
| Net Change in Fund Balances | \$ (561,182) | \$ (739,665) | \$ 31,750 | \$ 771,415 |
| Fund Balance - January 1 | \$ 943,863 | \$ 943,863 | \$ 943,863 | \$ - |
| Fund Balance - December 31 | \$ 382,681 | \$ 204,198 | \$ 975,613 | \$ 771,415 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES FUND
For the Year Ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|--------------------|--------------------|-------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 410,258 | \$ 410,258 | \$ 401,648 | \$ (8,610) |
| Intergovernmental | 232,688 | 232,688 | 320,293 | 87,605 |
| License, permits and fees | 430 | 430 | 445 | 15 |
| Miscellaneous | - | - | 3,548 | 3,548 |
| Total Revenues | \$ 643,376 | \$ 643,376 | \$ 725,934 | \$ 82,558 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Health and Welfare | \$ 682,851 | \$ 693,800 | \$ 655,586 | \$ 38,214 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (39,475) | \$ (50,424) | \$ 70,348 | \$ 120,772 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | \$ 72,000 | \$ 72,000 | \$ 80,000 | \$ 8,000 |
| Transfers Out | - | - | (35,000) | (35,000) |
| Net Change in Fund Balances | \$ 32,525 | \$ 21,576 | \$ 115,348 | \$ 93,772 |
| Fund Balance - January 1 | \$ 161,946 | \$ 161,946 | \$ 161,946 | - |
| Fund Balance - December 31 | \$ 194,471 | \$ 183,522 | \$ 277,294 | \$ 93,772 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES FUND
For the Year Ended December 31, 2011

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|--------------------|-------------------|-------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 431,128 | \$ 431,128 | \$ 417,856 | \$ (13,272) |
| Intergovernmental | 203,319 | 203,319 | 255,465 | 52,146 |
| License, permits and fees | 350 | 350 | 495 | 145 |
| Miscellaneous | - | - | 1,846 | 1,846 |
| Total Revenues | \$ 634,797 | \$ 634,797 | \$ 675,662 | \$ 40,865 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Health and Welfare | \$ 612,120 | \$ 612,120 | \$ 594,875 | \$ 17,245 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 22,677 | \$ 22,677 | \$ 80,787 | \$ 58,110 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | \$ 71,000 | \$ 71,000 | \$ 71,000 | \$ - |
| Transfers Out | (77,000) | (77,000) | (74,000) | 3,000 |
| Net Change in Fund Balances | \$ 16,677 | \$ 16,677 | \$ 77,787 | \$ 61,110 |
| Fund Balance - January 1 | \$ 84,158 | \$ 84,158 | \$ 84,158 | \$ - |
| Fund Balance - December 31 | \$ 100,835 | \$ 100,835 | \$ 161,945 | \$ 61,110 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
OASIS AND SOCIAL SECURITY FUND
For the Year Ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|-------------------------|-------------------------|--------------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 498,249 | \$ 498,249 | \$ 487,760 | \$ (10,489) |
| Intergovernmental | 31,051 | 31,051 | 30,538 | (513) |
| Miscellaneous | - | - | 1,086 | 1,086 |
| Total Revenues | <u>\$ 529,300</u> | <u>\$ 529,300</u> | <u>\$ 519,384</u> | <u>\$ (9,916)</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | \$ 546,127 | \$ 546,127 | \$ 503,851 | \$ 42,276 |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (16,827)</u> | <u>\$ (16,827)</u> | <u>\$ 15,533</u> | <u>\$ 32,360</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers Out | \$ (2,100) | \$ (2,100) | \$ (2,091) | \$ 9 |
| Net Change in Fund Balances | <u>\$ (18,927)</u> | <u>\$ (18,927)</u> | <u>\$ 13,442</u> | <u>\$ 32,369</u> |
| Fund Balance - January 1 | <u>\$ 108,063</u> | <u>\$ 108,063</u> | <u>\$ 108,063</u> | <u>\$ -</u> |
| Fund Balance - December 31 | <u><u>\$ 89,136</u></u> | <u><u>\$ 89,136</u></u> | <u><u>\$ 121,505</u></u> | <u><u>\$ 32,369</u></u> |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
OASIS AND SOCIAL SECURITY FUND
For the Year Ended December 31, 2011

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|-------------------------|-------------------------|--------------------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 535,613 | \$ 535,613 | \$ 518,559 | \$ (17,054) |
| Intergovernmental | 25,113 | 25,113 | 27,398 | 2,285 |
| Miscellaneous | 200 | 200 | 3,309 | 3,109 |
| Total Revenues | <u>\$ 560,926</u> | <u>\$ 560,926</u> | <u>\$ 549,266</u> | <u>\$ (11,660)</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | \$ 506,598 | \$ 506,598 | \$ 465,098 | \$ 41,500 |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 54,328</u> | <u>\$ 54,328</u> | <u>\$ 84,168</u> | <u>\$ 29,840</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers Out | \$ (2,100) | \$ (2,100) | \$ (2,091) | \$ 9 |
| Net Change in Fund Balances | <u>\$ 52,228</u> | <u>\$ 52,228</u> | <u>\$ 82,077</u> | <u>\$ 29,849</u> |
| Fund Balance - January 1 | <u>\$ 25,986</u> | <u>\$ 25,986</u> | <u>\$ 25,986</u> | <u>\$ -</u> |
| Fund Balance - December 31 | <u><u>\$ 78,214</u></u> | <u><u>\$ 78,214</u></u> | <u><u>\$ 108,063</u></u> | <u><u>\$ 29,849</u></u> |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
FEMA FUNDS
For the Year Ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|--------------------|-------------------|--------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Intergovernmental | \$ 544,007 | \$ 544,007 | \$ 1,666,204 | \$ 1,122,197 |
| <u>Expenditures:</u> | | | | |
| <u>Current:</u> | | | | |
| Flood Repair | \$ 980,032 | \$ 2,223,788 | \$ 1,864,611 | \$ 359,177 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (436,025) | \$ (1,679,781) | \$ (198,407) | \$ 1,481,374 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | \$ - | \$ - | \$ 102,572 | \$ 102,572 |
| Bond Proceeds | - | - | 53,790 | 53,790 |
| Transfers Out | - | (14,878) | (138,927) | (124,049) |
| Total Other Financing Sources and Uses | \$ - | \$ (14,878) | \$ 17,435 | \$ 32,313 |
| Net Change in Fund Balances | \$ (436,025) | \$ (1,694,659) | \$ (180,972) | \$ 1,513,687 |
| Fund Balance - January 1 | \$ 988,282 | \$ 988,282 | \$ 988,282 | \$ - |
| Fund Balance - December 31 | \$ 552,257 | \$ (706,377) | \$ 807,310 | \$ 1,513,687 |

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

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
FEMA FUNDS
For the Year Ended December 31, 2011

| | Original Budget | Amended Budget | Actual | Variance with Final Budget |
|--|--------------------|-------------------|-------------|-------------------------------|
| <u>Revenues:</u> | | | | |
| Intergovernmental | \$ - | \$ - | \$ 536,535 | \$ 536,535 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Flood Repair | \$ 26,860 | \$ 844,250 | \$ 432,814 | \$ 411,436 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (26,860) | \$ (844,250) | \$ 103,721 | \$ 947,971 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | \$ - | \$ - | \$ 11,479 | \$ 11,479 |
| Transfers Out | - | - | (52,362) | (52,362) |
| Total Other Financing Sources and Uses | \$ - | \$ - | \$ (40,883) | \$ (40,883) |
| Net Change in Fund Balances | \$ (26,860) | \$ (844,250) | \$ 62,838 | \$ 907,088 |
| Fund Balance - January 1 | \$ 925,444 | \$ 925,444 | \$ 925,444 | \$ - |
| Fund Balance - December 31 | \$ 898,584 | \$ 81,194 | \$ 988,282 | \$ 907,088 |

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

DICKEY COUNTY
Ellendale, North Dakota

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012 and 2011

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information:

- The county commission adopts an “appropriated budget” on a basis consistent with accounting principles generally accepted in the United States (GAAP).
- The county auditor prepares an annual budget for the general fund and each special revenue fund of the county. NDCC 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 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 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 57-15-31.1
- All appropriations lapse at year-end.

NOTE 2: EXPENDITURES IN EXCESS OF BUDGET

During fiscal year 2011, Dickey County had the following fund expenditure in excess of budgeted amount:

| | Budget | Actual | Excess |
|-------------------------------|---------------|---------------|---------------|
| <u>Special Revenue Funds:</u> | | | |
| DC ER Projects | \$2,580,939 | \$2,606,829 | \$(25,890) |

DICKEY COUNTY
Ellendale, North Dakota

SCHEDULE OF FUND ACTIVITY - CLIENT BASIS
For the Year Ended December 31, 2012

| | Balance 1-1-12 | Receipts | Transfers In | Debt Issuances | Transfers Out | Disbursements | Balance 12-31-12 |
|--|------------------------|------------------------|----------------------|------------------------|----------------------|------------------------|------------------------|
| Primary Government: | | | | | | | |
| General Fund | \$ 470,336.62 | \$ 1,117,218.08 | \$ 26,155.15 | \$ - | \$ - | \$ 1,106,481.10 | \$ 507,228.75 |
| Major Funds (other than General): | | | | | | | |
| Farm to Market Road | \$ 411,495.55 | \$ 387,383.55 | \$ 142,500.00 | \$ - | \$ - | \$ 589,623.00 | \$ 351,756.10 |
| DC ER Projects | 626.53 | 770,552.98 | 56,184.51 | - | 64,555.79 | 798,174.54 | (35,366.31) |
| County Road and Bridge | 889,799.82 | 1,565,421.81 | 10,765.61 | - | 143,801.71 | 1,401,555.91 | 920,629.62 |
| Social Services | 108,874.43 | 722,826.25 | - | - | 35,000.00 | 562,377.11 | 234,323.57 |
| Oasis and Social Security | 108,062.97 | 519,383.85 | - | - | 2,091.00 | 503,851.23 | 121,504.59 |
| FEMA | 988,282.27 | 1,619,647.53 | 102,571.89 | - | 138,926.63 | 1,864,611.49 | 706,963.57 |
| County Bond 2011 | - | 344,680.07 | - | 1,418,105.71 | - | 1,419,686.35 | 343,099.43 |
| Total Major Funds | \$ 2,977,478.19 | \$ 7,047,114.12 | \$ 338,177.16 | \$ 1,418,105.71 | \$ 384,375.13 | \$ 8,246,360.73 | \$ 3,150,139.32 |
| Special Revenue Funds: | | | | | | | |
| Emergency Poor | \$ 60,430.00 | \$ 58,162.66 | \$ - | \$ - | \$ 48,000.00 | \$ - | \$ 70,592.66 |
| County Poor Relief | 8,634.86 | - | 75,000.00 | - | - | 82,022.90 | 1,611.96 |
| Economic Assistance | 18,157.71 | - | 5,000.00 | - | - | 11,185.52 | 11,972.19 |
| Family Focus | 5,493.14 | 67,979.65 | 3,000.00 | - | - | 75,108.16 | 1,364.63 |
| Parent Aid | 4,546.13 | 836.08 | - | - | 79.94 | 870.97 | 4,431.30 |
| 24-7 | 83.00 | 477.00 | - | - | - | 97.00 | 463.00 |
| Horizons | 5,762.61 | 1,950.12 | - | - | - | 3,553.97 | 4,158.76 |
| Emergency Fund | 141,650.67 | 99,092.28 | 6,545.14 | - | - | - | 247,288.09 |
| County Corrections Center | (1,303.66) | 51,371.34 | - | - | - | 29,195.98 | 20,871.70 |
| Veterans Service Officer | 6,699.95 | 22,709.52 | - | - | - | 23,410.68 | 5,998.79 |
| Insurance Levy | 28,349.90 | 67,048.09 | - | - | - | 69,573.40 | 25,824.59 |
| Health Insurance | 26,389.35 | 295,092.08 | 4,652.83 | - | - | 272,600.24 | 53,534.02 |
| County Agent | 27,810.06 | 48,840.95 | - | - | - | 62,638.14 | 14,012.87 |
| Weed Control | 173,828.78 | 117,352.05 | 79.94 | - | - | 141,230.12 | 150,030.65 |
| 911 | 53,169.93 | 73,268.49 | - | - | - | 105,671.96 | 20,766.46 |
| Hazard | 836.29 | 937.50 | - | - | - | 1,732.94 | 40.85 |
| Homeland Security | 4,516.01 | - | - | - | - | 5,711.50 | (1,195.49) |
| Grants | 540.06 | 9,500.00 | - | - | - | 10,876.10 | (836.04) |
| Document Preservation | 13,947.33 | 9,201.71 | - | - | - | 11,729.78 | 11,419.26 |
| Extension | 1,523.79 | 180.50 | - | - | - | - | 1,704.29 |
| Total Special Revenue Funds | \$ 581,065.91 | \$ 924,000.02 | \$ 94,277.91 | \$ - | \$ 48,079.94 | \$ 907,209.36 | \$ 644,054.54 |
| Debt Service Fund: | | | | | | | |
| Special Assessment | \$ (3,232.77) | \$ 3,715.31 | \$ - | \$ - | \$ - | \$ - | \$ 482.54 |
| County Loan | 15,988.29 | 73,310.14 | - | - | - | 72,903.14 | 16,395.29 |
| Total Debt Service Funds | \$ 12,755.52 | \$ 77,025.45 | \$ - | \$ - | \$ - | \$ 72,903.14 | \$ 16,877.83 |
| Total Non-Major Funds | \$ 593,821.43 | \$ 1,001,025.47 | \$ 94,277.91 | \$ - | \$ 48,079.94 | \$ 980,112.50 | \$ 660,932.37 |
| Total Governmental Funds | \$ 3,571,299.62 | \$ 8,048,139.59 | \$ 432,455.07 | \$ 1,418,105.71 | \$ 432,455.07 | \$ 9,226,473.23 | \$ 3,811,071.69 |
| Agency Funds: | | | | | | | |
| State Tax | \$ 7,203.74 | \$ 25,136.95 | \$ - | \$ - | \$ - | \$ 23,651.02 | \$ 8,689.67 |
| County Ambulance | 480.23 | 93,023.20 | - | - | - | 93,407.61 | 95.82 |
| County Airport | 55.56 | 22,246.74 | - | - | - | 22,281.24 | 21.06 |
| Senior Citizens | 137.24 | 43,825.27 | - | - | - | 43,934.75 | 27.76 |
| County Historical Society | 976.86 | 11,712.44 | - | - | - | 11,592.58 | 1,096.72 |
| Fines | 708.01 | - | - | - | - | - | 708.01 |
| Water Conservancy - Garrison | 7,203.74 | 29,584.70 | - | - | - | 28,098.77 | 8,689.67 |
| Soil Conservation Service | 11,626.43 | 41,905.88 | - | - | - | 40,839.36 | 12,692.95 |

Continued on next page....

DICKEY COUNTY
Ellendale, North Dakota

SCHEDULE OF FUND ACTIVITY - CLIENT BASIS
For the Year Ended December 31, 2012

| CONTINUED... | Balance 1-1-12 | Receipts | Transfers In | Debt Issuances | Transfers Out | Disbursements | Balance 12-31-12 |
|---|------------------------|-------------------------|----------------------|------------------------|----------------------|-------------------------|------------------------|
| <u>Agency Funds (Cont.):</u> | | | | | | | |
| Kedish House | \$ - | \$ 6,073.40 | \$ - | \$ - | \$ - | \$ 6,073.40 | \$ - |
| Overloads | - | 3,685.00 | - | - | - | 3,685.00 | - |
| Escrow Money | - | 140.00 | - | - | - | 140.00 | - |
| Taxes Paid Under Protest | - | 11,544.73 | - | - | - | - | 11,544.73 |
| Cancer Insurance | (128.42) | 27,535.62 | - | - | - | 27,407.20 | - |
| Blue Cross Blue Shield | 38,314.24 | 458,523.68 | - | - | - | 457,231.84 | 39,606.08 |
| Income Tax Withholding | - | 153,709.64 | - | - | - | 153,709.64 | - |
| Life Insurance | 547.23 | 7,388.57 | - | - | - | 7,241.54 | 694.26 |
| Retirement | - | 18,077.06 | - | - | - | 18,077.06 | - |
| State Withholding | - | 18,622.00 | - | - | - | 18,622.00 | - |
| Dues/Garnishments | - | 16,308.97 | - | - | - | 16,308.97 | - |
| Deferred Comp. | - | 36,265.08 | - | - | - | 36,265.08 | - |
| Mobile Home | 19,429.13 | 20,127.09 | - | - | - | 19,201.01 | 20,355.21 |
| Flex | 6,373.36 | 30,149.76 | - | - | - | 34,698.56 | 1,824.56 |
| Dental/Vision | 8.96 | 12,839.27 | - | - | - | 12,848.23 | - |
| State Game and Fish | 31,593.88 | 58,469.00 | - | - | - | 62,665.00 | 27,397.88 |
| Land Rental and Sale | 170,282.89 | 8,312.17 | - | - | - | 9,017.60 | 169,577.46 |
| Township Debt | (34,780.82) | 4,269.34 | - | - | - | 10,371.74 | (40,883.22) |
| County Fair | 205.82 | 36,729.63 | - | - | - | 36,893.83 | 41.62 |
| District Court Special | 290,875.07 | 167,230.31 | - | - | - | 166,505.68 | 291,599.70 |
| Total Cities, Parks and Townships | 368,519.94 | 2,588,915.49 | - | - | - | 2,542,910.99 | 414,524.44 |
| Total Rural Fire Protection District | 9,834.84 | 30,296.93 | - | - | - | 28,506.97 | 11,624.80 |
| Total School Districts | 975,220.30 | 3,373,294.02 | - | - | - | 3,283,052.41 | 1,065,461.91 |
| Total Agency Funds | \$ 1,904,688.23 | \$ 7,355,941.94 | \$ - | \$ - | \$ - | \$ 7,215,239.08 | \$ 2,045,391.09 |
| Total Primary Government | \$ 5,475,987.85 | \$ 15,404,081.53 | \$ 432,455.07 | \$ 1,418,105.71 | \$ 432,455.07 | \$ 16,441,712.31 | \$ 5,856,462.78 |
| <u>Component Units:</u> | | | | | | | |
| County Water Resource District: | | | | | | | |
| General | \$ 253,917.07 | \$ 104,905.91 | \$ - | \$ - | \$ 15,930.90 | \$ 60,251.81 | \$ 282,640.27 |
| Yorktown Maple Improvement Dist. | - | 40,080.00 | - | - | - | 40,080.00 | - |
| Jackson Improvement District | 2,596.49 | 16,000.00 | - | - | - | 17,732.89 | 863.60 |
| Riverdale Improvement District | 41.07 | - | - | - | - | - | 41.07 |
| Drain #1 | 7,394.89 | 10,844.82 | 15,930.90 | - | - | 28,883.99 | 5,286.62 |
| Oakes Pilot Drain | 19,909.43 | 9,062.15 | - | - | - | 384.61 | 28,586.97 |
| Total County Water Resources Dist. | \$ 283,858.95 | \$ 180,892.88 | \$ 15,930.90 | \$ - | \$ 15,930.90 | \$ 147,333.30 | \$ 317,418.53 |
| Job Development Authority | \$ 134,650.65 | \$ 104,998.31 | \$ - | \$ - | \$ - | \$ 37,469.33 | \$ 202,179.63 |
| County Park | 37,055.56 | 22,483.03 | - | - | - | 13,564.18 | 45,974.41 |
| Health District | 98,589.38 | 306,915.81 | - | - | - | 310,078.20 | 95,426.99 |
| County Fair | 18,578.19 | 65,308.82 | - | - | - | 69,751.35 | 14,135.66 |
| Total Component Units | \$ 572,732.73 | \$ 680,598.85 | \$ 15,930.90 | \$ - | \$ 15,930.90 | \$ 578,196.36 | \$ 675,135.22 |
| Total Reporting Entity | \$ 6,048,720.58 | \$ 16,084,680.38 | \$ 448,385.97 | \$ 1,418,105.71 | \$ 448,385.97 | \$ 17,019,908.67 | \$ 6,531,598.00 |

DICKEY COUNTY
Ellendale, North Dakota

SCHEDULE OF FUND ACTIVITY - CLIENT BASIS
For the Year Ended December 31, 2011

| | Balance 1-1-11 | Receipts | Transfers In | Transfers Out | Disbursements | Balance 12-31-11 |
|--|-----------------------|------------------------|----------------------|----------------------|------------------------|-----------------------|
| Primary Government: | | | | | | |
| General Fund | \$ 395,978.84 | \$ 1,049,018.53 | \$ 12,677.49 | \$ - | \$ 987,338.24 | \$ 470,336.62 |
| Major Funds (other than General): | | | | | | |
| Farm to Market Road | \$ 327,133.12 | \$ 387,980.62 | \$ 112,177.00 | \$ - | \$ 415,795.19 | \$ 411,495.55 |
| DC ER Projects | - | 2,792,000.00 | - | 210,434.10 | 2,580,939.37 | 626.53 |
| County Road and Bridge | 869,884.94 | 1,415,207.10 | 98,257.10 | - | 1,493,549.32 | 889,799.82 |
| Social Services | 30,098.39 | 670,327.51 | - | 74,000.00 | 517,551.47 | 108,874.43 |
| Oasis and Social Security | 24,092.74 | 551,159.19 | - | 2,091.00 | 465,097.96 | 108,062.97 |
| FEMA Funds | 925,443.64 | 536,535.94 | 11,478.69 | 52,362.06 | 432,813.94 | 988,282.27 |
| Total Major Funds | \$2,572,631.67 | \$ 7,402,228.89 | \$ 234,590.28 | \$ 338,887.16 | \$ 6,893,085.49 | \$2,977,478.19 |
| Special Revenue Funds: | | | | | | |
| Emergency Poor | \$ 18,956.15 | \$ 41,473.85 | \$ - | \$ - | \$ - | \$ 60,430.00 |
| County Poor Relief | 14,323.41 | - | 65,000.00 | - | 70,688.55 | 8,634.86 |
| Economic Assistance | 18,793.17 | - | 6,000.00 | - | 6,635.46 | 18,157.71 |
| Family Focus | 7,651.35 | 76,870.45 | 3,000.00 | - | 82,028.66 | 5,493.14 |
| Parent Aid | 2,892.64 | 1,855.61 | - | - | 202.12 | 4,546.13 |
| 24-7 | 83.00 | - | - | - | - | 83.00 |
| Horizons | 3,701.43 | 3,750.00 | - | - | 1,688.82 | 5,762.61 |
| Emergency Fund | 84,398.34 | 56,459.11 | 30,296.88 | - | 29,503.66 | 141,650.67 |
| County Corrections Center | (16,387.16) | 42,871.46 | - | - | 27,787.96 | (1,303.66) |
| Veterans Service Officer | 2,229.35 | 26,482.05 | - | - | 22,011.45 | 6,699.95 |
| Insurance Levy | 30,779.16 | 62,607.14 | - | - | 65,036.40 | 28,349.90 |
| Health Insurance | 5,462.83 | 281,647.63 | - | - | 260,721.11 | 26,389.35 |
| County Agent | (2,058.72) | 85,396.48 | - | - | 55,527.70 | 27,810.06 |
| Weed Control | 185,349.88 | 117,584.20 | - | - | 129,105.30 | 173,828.78 |
| 911 | 72,903.94 | 71,796.54 | - | - | 91,530.55 | 53,169.93 |
| Hazard | 933.62 | 21,836.58 | - | - | 21,933.91 | 836.29 |
| Homeland Security | 4,516.01 | - | - | - | - | 4,516.01 |
| Grants | (48,803.94) | 49,344.00 | - | - | - | 540.06 |
| Document Preservation | 10,622.53 | 3,624.00 | - | - | 299.20 | 13,947.33 |
| Extension | 2,589.24 | 807.75 | - | - | 1,873.20 | 1,523.79 |
| Total Special Revenue Funds | \$ 398,936.23 | \$ 944,406.85 | \$ 104,296.88 | \$ - | \$ 866,574.05 | \$ 581,065.91 |
| Debt Service Fund: | | | | | | |
| Special Assessment | \$ - | \$ 575.44 | \$ - | \$ - | \$ 3,808.21 | (3,232.77) |
| County Loan | 15,517.98 | 69,953.82 | - | - | 69,483.51 | 15,988.29 |
| Total Debt Service Funds | \$ 15,517.98 | \$ 70,529.26 | \$ - | \$ - | \$ 73,291.72 | \$ 12,755.52 |
| Total Non-Major Funds | \$ 414,454.21 | \$ 1,014,936.11 | \$ 104,296.88 | \$ - | \$ 939,865.77 | \$ 593,821.43 |
| Total Governmental Funds | \$2,987,085.88 | \$ 8,417,165.00 | \$ 338,887.16 | \$ 338,887.16 | \$ 7,832,951.26 | \$3,571,299.62 |
| Agency Funds: | | | | | | |
| State Tax | \$ 5,855.85 | \$ 24,013.04 | \$ - | \$ - | \$ 22,665.15 | \$ 7,203.74 |
| County Ambulance | 259.97 | 87,216.74 | - | - | 86,996.48 | 480.23 |
| County Airport | 39.87 | 20,789.85 | - | - | 20,774.16 | 55.56 |
| Senior Citizens | 2,078.11 | 39,630.22 | - | - | 41,571.09 | 137.24 |
| County Historical Society | 468.28 | 6,232.37 | - | - | 5,723.79 | 976.86 |

Continued on next page....

DICKEY COUNTY
Ellendale, North Dakota

SCHEDULE OF FUND ACTIVITY - CLIENT BASIS
For the Year Ended December 31, 2011

| | Balance 1-1-11 | Receipts | Transfers In | Transfers Out | Disbursements | Balance 12-31-11 |
|---|------------------------|-------------------------|----------------------|----------------------|-------------------------|------------------------|
| CONTINUED... | | | | | | |
| <u>Agency Funds (Cont.):</u> | | | | | | |
| Fines | \$ 708.01 | \$ - | \$ - | \$ - | \$ - | \$ 708.01 |
| Water Conservancy - Garrison | 5,855.85 | 27,184.58 | - | - | 25,836.69 | 7,203.74 |
| Soil Conservation Service | 10,626.17 | 43,850.39 | - | - | 42,850.13 | 11,626.43 |
| Kedish House | - | 5,146.75 | - | - | 5,146.75 | - |
| Overloads | - | 2,820.00 | - | - | 2,820.00 | - |
| Escrow Money | - | 2,081.47 | - | - | 2,081.47 | - |
| Cancer Insurance | - | 22,044.55 | - | - | 22,172.97 | (128.42) |
| Blue Cross Blue Shield | 35,690.88 | 441,886.26 | - | - | 439,262.90 | 38,314.24 |
| Income Tax Withholding | - | 155,363.87 | - | - | 155,363.87 | - |
| Life Insurance | 754.50 | 6,949.41 | - | - | 7,156.68 | 547.23 |
| State Withholding | - | 31,702.18 | - | - | 31,702.18 | - |
| Deferred Comp. | - | 31,182.08 | - | - | 31,182.08 | - |
| Mobile Home | 18,585.66 | 19,352.36 | - | - | 18,508.89 | 19,429.13 |
| Flex | 8,380.94 | 36,045.58 | - | - | 38,053.16 | 6,373.36 |
| Dental/Vision | - | 11,194.98 | - | - | 11,186.02 | 8.96 |
| State Game and Fish | 24,491.88 | 80,094.00 | - | - | 72,992.00 | 31,593.88 |
| Land Rental and Sale | 170,339.37 | 33.13 | - | - | 89.61 | 170,282.89 |
| Township Debt | - | - | - | - | 34,780.82 | (34,780.82) |
| County Fair | 1,539.08 | 35,140.75 | - | - | 36,474.01 | 205.82 |
| District Court Special | 84,357.06 | 480,883.52 | - | - | 274,365.51 | 290,875.07 |
| Total Cities, Parks and Townships | 291,817.72 | 2,133,854.18 | - | - | 2,057,151.96 | 368,519.94 |
| Total Rural Fire Protection District | 8,946.01 | 28,780.79 | - | - | 27,891.96 | 9,834.84 |
| Total School Districts | 799,490.66 | 3,372,439.39 | - | - | 3,196,709.75 | 975,220.30 |
| Total Agency Funds | \$ 1,470,285.87 | \$ 7,145,912.44 | \$ - | \$ - | \$ 6,711,510.08 | \$ 1,904,688.23 |
| Total Primary Government | \$ 4,457,371.75 | \$ 15,563,077.44 | \$ 338,887.16 | \$ 338,887.16 | \$ 14,544,461.34 | \$ 5,475,987.85 |
| <u>Component Units:</u> | | | | | | |
| County Water Resource District: | | | | | | |
| General | \$ 208,280.22 | \$ 93,172.50 | \$ - | \$ - | \$ 47,535.65 | \$ 253,917.07 |
| Jackson Improvement District | - | 59,045.00 | - | - | 56,448.51 | 2,596.49 |
| Riverdale Improvement District | - | 20,000.00 | - | - | 19,958.93 | 41.07 |
| Drain #1 | 2,664.91 | 7,801.55 | - | - | 3,071.57 | 7,394.89 |
| Oakes Pilot Drain | 13,290.13 | 6,760.34 | - | - | 141.04 | 19,909.43 |
| Total County Water Resources Dist. | \$ 224,235.26 | \$ 186,779.39 | \$ - | \$ - | \$ 127,155.70 | \$ 283,858.95 |
| Job Development Authority | \$ 103,684.13 | \$ 100,533.02 | - | - | \$ 69,566.50 | \$ 134,650.65 |
| County Park | 31,464.98 | 26,632.24 | - | - | 21,041.66 | 37,055.56 |
| Health District | 93,256.72 | 293,750.63 | - | - | 288,417.97 | 98,589.38 |
| County Fair | 2,833.79 | 60,108.11 | - | - | 44,363.71 | 18,578.19 |
| Total Component Units | \$ 455,474.88 | \$ 667,803.39 | \$ - | \$ - | \$ 550,545.54 | \$ 572,732.73 |
| Total Reporting Entity | \$ 4,912,846.63 | \$ 16,230,880.83 | \$ 338,887.16 | \$ 338,887.16 | \$ 15,095,006.88 | \$ 6,048,720.58 |

DICKEY COUNTY
Ellendale, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012 and 2011

| Federal Grantor/ Pass Through Grantor/ Program Title | Federal CFDA Number | Expenditures | |
|--|---------------------------|-----------------|------------|
| | | 2012 | 2011 |
| <u>U.S. DEPARTMENT OF JUSTICE:</u> | | | |
| <u>Passed Through State's Attorney General:</u> | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | \$ 6,073 | \$ 3,962 |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u> | | | |
| <u>Passed Through State Department of Human Services:</u> | | | |
| Promoting Safe and Stable Families | 93.556 | \$ 2,601 | \$ 5,020 |
| Temporary Assistance for Needy Families | 93.558 | 35,866 | 50,276 |
| Child Support Enforcement | 93.563 | 5,813 | 1,382 |
| Child Care and Development Block Grant | 93.596 | 4,810 | 5,100 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.645 | 2,761 | - |
| Children's Justice Grants to States (Recovery) | 93.658 | 31,193 | 31,003 |
| Adoption Assistance (Recovery) | 93.659 | 517 | 399 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.767 | 419 | 1,034 |
| Foster Care-Title IV-E | 93.994 | 951 | 744 |
| Total U.S. Department of Health and Human Services | | \$ 84,931 | \$ 94,958 |
| <u>U.S. DEPARTMENT OF AGRICULTURE:</u> | | | |
| <u>Passed Through State Department of Human Services:</u> | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | \$ 135 | - |
| <u>U.S. DEPARTMENT OF ENERGY:</u> | | | |
| <u>Passed Through State Department of Commerce:</u> | | | |
| Energy Efficiency and Conservation Block Grant Program (EECBG) | 81.128 | \$ - | \$ 49,344 |
| <u>U.S. DEPARTMENT OF TRANSPORTATION:</u> | | | |
| <u>Passed Through State Department of Transportation:</u> | | | |
| Highway Planning and Construction | 20.205 | ** \$ 1,647,734 | \$ 76,635 |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u> | | | |
| <u>Passed Through State Department of Emergency Services:</u> | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | ** \$ 1,767,822 | \$ 430,252 |
| Total Expenditure of Federal Awards | | \$ 3,506,695 | \$ 655,151 |

** - Major Program

NOTE 1: BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Dickey County under programs of the federal government for the year ended December 31, 2012. The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Dickey County, it is not intended to and does not present the financial position or changes in net position of Dickey County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribe Governments*, wherein certain types of expenditures are allowable or are limited as to reimbursement.

STATE AUDITOR

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Local Government Division:
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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

**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**

Independent Auditor's Report

Board of County Commissioners
Dickey County
Ellendale, 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 units, each major fund, and the aggregate remaining fund information of Dickey County, Ellendale, North Dakota, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Dickey County's basic financial statements, and have issued our report thereon dated July 8, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dickey 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 Dickey County's internal control. Accordingly, we do not express an opinion on the effectiveness of Dickey 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dickey County's financial statements are free of 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 is required to be reported under *Government Auditing Standards*.

DICKEY 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

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 result 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

July 8, 2013

STATE AUDITOR

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Local Government Division:
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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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

Board of County Commissioners
Dickey County
Ellendale, North Dakota

Report on Compliance for Each Major Federal Programs

We have audited Dickey County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Dickey County's major federal programs for the years ended December 31, 2012 and 2011. Dickey County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Dickey County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dickey County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Dickey County's compliance.

Opinion on Each Major Federal Program

In our opinion, Dickey County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2012 and 2011.

DICKEY COUNTY

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 - Continued

Report on Internal Control Over Compliance

Management of Dickey County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dickey County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dickey County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Dickey County as of and for the years ended December 31, 2012 and 2011, and have issued our report thereon dated July 8, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Robert R. Peterson
State Auditor

July 8, 2013

