

**OFFICE OF
STATE AUDITOR**

AUDIT REPORT

**CASS COUNTY GOVERNMENT
FARGO, NORTH DAKOTA**

FOR THE YEAR ENDED DECEMBER 31, 2013



CASS COUNTY GOVERNMENT
Fargo, North Dakota

Audit Report
For the Year Ended December 31, 2013

TABLE OF CONTENTS

	<u>Page(s)</u>
County Officials	1
Organizational Chart	3
Independent Auditor's Report	4 – 5
Management's Discussion and Analysis	6 – 14
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16 – 17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18 – 19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	22 – 23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Human Service Fund	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County Road and Bridge Fund	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – 2009 Flood Recovery Fund	28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – 2010 Flood Recovery Fund	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – 2013 Flood Emergency Fund	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – 2011 Flood Recovery Fund	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Flood Mitigation Fund	32

	<u>Page(s)</u>
Statement of Net Position – Proprietary Funds	34
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	35
Statement of Cash Flows – Proprietary Funds	36
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	37
Statement of Net Position – Component Units	38 – 39
Statement of Activities – Component Units	40 – 41
Notes to the Financial Statements	42 - 69
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	
Special Revenue Funds	70 – 72
Debt Service Funds	73
Capital Projects Funds	74
Combining Balance Sheet – All Nonmajor Governmental Funds	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	
Special Revenue Funds	76 – 79
Debt Service Funds	80
Capital Projects Funds	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds	82
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds	
Special Revenue Funds	84 – 94
Debt Service Funds	96 – 99
Combining Statement of Net Position – Internal Service Funds	100
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	101
Combining Statement of Cash Flows – Internal Service Funds	102
Schedule of Expenditures of Federal Awards	104-105
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	106-107
Report on Compliance with Requirements that could have a Direct and Material Effect on each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	108-109
Schedule of Findings and Questioned Costs	110-111

**CASS COUNTY GOVERNMENT
COUNTY OFFICIALS**

Current Officials

Commissioners: Ken Pawluk, Chairman
Darrell Vanyo
Vern Bennett
Mary Scherling
Chad M. Peterson

Auditor: Michael Montplaisir

Treasurer: Charlotte Sandvik

Sheriff: Paul Laney

Recorder: Jewel Spies

States Attorney: Birch Burdick

2013 Officials

Commissioners: Vern Bennett, Chairman
Darrell Vanyo
Kenneth Pawluk
Mary Scherling
Chad M. Peterson

Auditor: Michael Montplaisir

Treasurer: Charlotte Sandvik

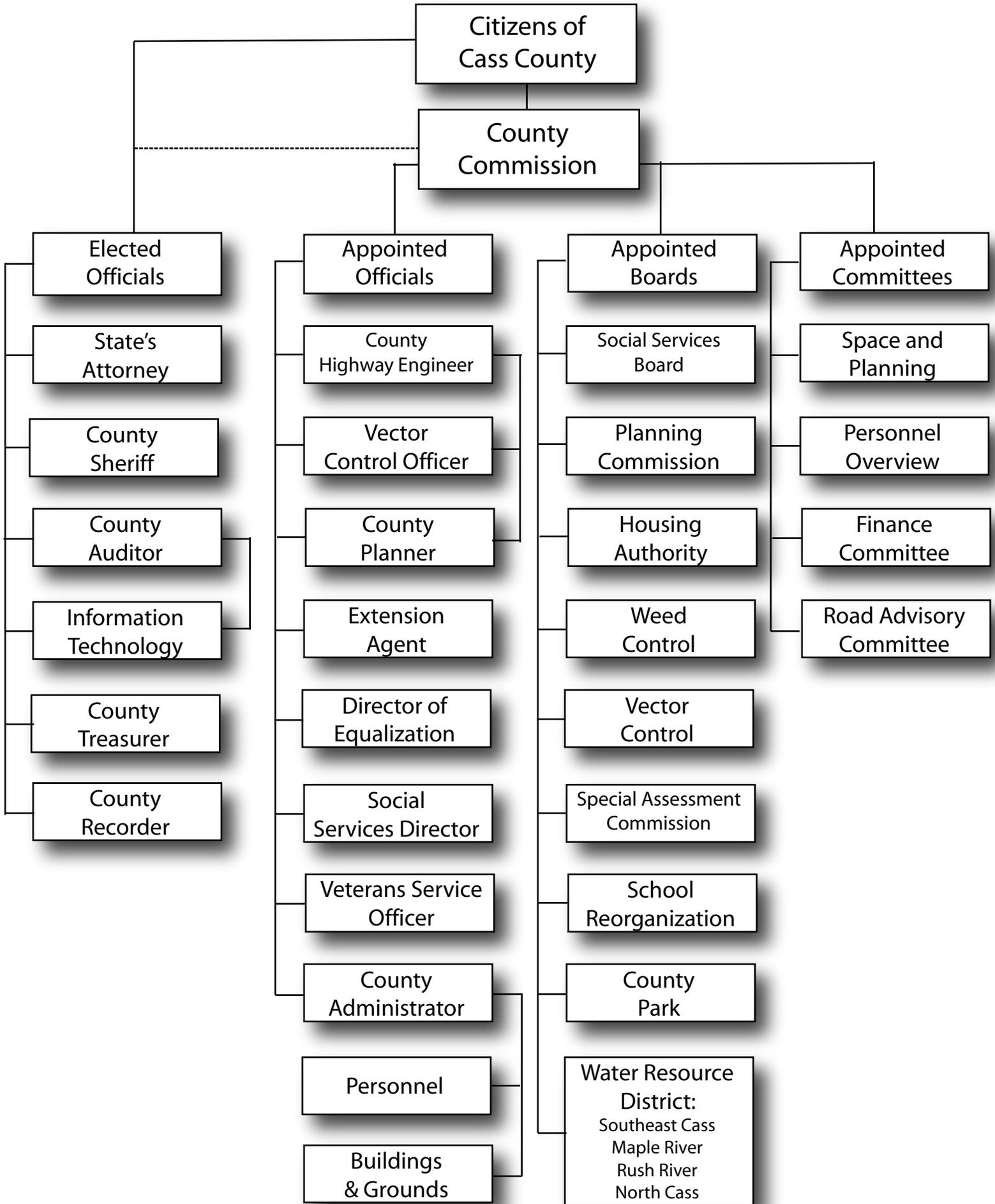
Sheriff: Paul Laney

Recorder: Jewel Spies

States Attorney: Birch Burdick

THIS PAGE HAS BEEN RESERVED FOR NOTES

Cass County Government Organizational Chart



STATE AUDITOR

ROBERT R. PETERSON
Phone (701) 328-2241
Fax (701) 328-1406



Local Government Division:
FARGO OFFICE
MANAGER – DAVID MIX
Phone: (701) 239-7252 Fax: (701) 239-7251

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Cass County
Fargo, 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 Cass County, Fargo, North Dakota, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Fargo, North Dakota, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective statement of revenues, expenditures and changes in fund balance for the general fund, the human service fund, the county road and bridge fund, the 2009 flood recovery fund, the 2010 flood recovery fund, the 2013 flood emergency fund, the 2011 flood recovery fund, and the flood mitigation fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 6-14 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 Cass County's basic financial statements. The *combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balance – budget and actual – nonmajor governmental funds (special revenue and debt service funds), 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 basic financial statements.

The *combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balance – budget and actual – nonmajor governmental funds (special revenue and debt service funds), and schedule of expenditures of federal awards* are the responsibility of management and were derived from and relate 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 *combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balance – budget and actual – nonmajor governmental funds (special revenue and debt service funds), and schedule of expenditures of federal awards* are 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 June 12, 2014 on our consideration of Cass 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 Cass County's internal control over financial reporting and compliance.



Robert R. Peterson
State Auditor

Fargo, North Dakota
June 12, 2014

CASS COUNTY GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's management discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- At December 31, 2013, the assets of Cass County Government exceeded liabilities and deferred inflows by \$166,876,975 (net position). Net investment in capital assets (net of depreciation and related debt) accounted for 80% of this amount, with a value of \$133,541,081. Of the remaining net position, \$9,052,411 is restricted for special purposes, and \$24,283,484 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors, without legal restriction.
- At December 31, 2013, the County's governmental funds reported combined ending fund balances of \$32,927,011, for an increase of \$10,039,430 over the previous year.
- At December 31, 2013, the unassigned fund balance for the General Fund was \$8,769,301 or 35% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. They consist of the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all the County's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during fiscal year 2013. All changes in net position are

reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Items such as uncollected taxes and earned but unused vacation leave will be included in the Statement of Activities as revenues and expenses, even though the cash associated with these items will not be received or distributed in 2013.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, highways and streets, conservation and economic development, relief and charities, and culture and recreation.

The government-wide financial statements include not only the County itself (known as the primary government), but also the following legally separate component units: Southeast Cass Water Resource District, Maple River Water Resource District, North Cass Water Resource District, Rush River Water Resource District, Cass County Vector Control District, and Cass County Noxious Weed District. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 15-17 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of

Revenues, Expenditures, and Changes in Fund Balance provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains thirty-six individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General, Human Services, County Road and Bridge, 2009 Flood Recovery Fund, 2010 Flood Recovery Fund, 2011 Flood Recovery Fund, 2013 Flood Emergency Fund, Flood Mitigation Fund, Future Building, Courthouse West Addition Funds, and Flood Control Sales Tax Fund which are considered to be major funds. Data from the other twenty-four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The County adopts an annual appropriated budget for its general, special revenue, and debt service funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 18-37 of this report. Combining component unit statements can be found on pages 38-41.

Proprietary Funds

The county maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its health insurance, dental insurance, telephone trust, and motor pool. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the supplementary information section of this report.

The basic proprietary fund financial statements can be found on pages 34-36 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-69 of this report.

OTHER INFORMATION

The combining statements referred to on page 8 in connection with non-major governmental funds and internal service funds are presented in the supplementary information section of this report. Combining and individual fund schedules can be found on pages 70-102 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET POSITION

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. At the close of the fiscal year ended December 31, 2013, Cass County's assets exceeded liabilities and deferred inflows by \$166,876,975.

Statement of Net Position December 31, 2013 and 2012

	Governmental Activities	
	2013	2012
Current and Other Assets	\$ 46,110,938	\$ 39,699,784
Capital Assets	140,335,162	138,444,811
Total Assets	\$ 186,446,100	\$ 178,144,594
Long-Term Liabilities	\$ 6,466,370	\$ 7,278,103
Other Liabilities	5,829,777	7,356,049
Total Liabilities	\$ 12,296,147	\$ 14,634,152
Deferred Inflows of Resources		
Unavailable Revenue	\$ 7,272,978	\$ 9,675,057
Net Position:		
Net Investment in Capital Assets	\$ 133,541,081	\$ 130,868,984
Restricted	9,052,411	6,062,258
Unrestricted	24,283,484	16,904,145
Total Net Position	\$ 166,876,975	\$ 153,835,385

The largest portion of the County's net position (80%), reflects its investment in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investments in its capital assets is reported net

of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position in the amount of \$24,283,484 may be used to meet the government's ongoing obligations to its citizens and creditors. Total net position increased by over \$13 million. The main reason for the increase was the increase in capital grants from Federal Emergency Management for flood mitigation, state shared revenues and the increase in county sales tax.

STATEMENT OF CHANGES IN NET POSITION

Governmental activities increased the County's net position by \$13,041,590. Key elements in changes in net position are shown in the following table.

	Governmental Activities	
	2013	2012
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,710,824	\$ 5,331,749
Operating Grants and Contributions	22,423,964	19,815,439
Capital Grants and Contributions	5,538,738	354,695
General Revenues:		
Property Taxes	31,465,829	31,046,541
Sales Tax	15,135,193	14,812,160
State Share Revenues	7,563,694	7,384,069
Other	349,464	359,481
Total Revenues	\$ 88,187,708	\$ 79,104,134
Expenses:		
General Government	\$ 13,935,655	\$ 15,302,368
Public Safety	17,642,420	17,152,771
Highways and Streets	20,884,882	25,619,469
Relief and Charities	13,137,268	12,238,254
Conservation Economic Development	8,356,650	2,463,396
Culture and Recreation	859,350	866,399
Interest on Long-Term Debt	329,890	309,675
Total Expenses	\$ 75,146,115	\$ 73,952,333
Increase in Net Position	\$ 13,041,590	\$ 5,151,803
Net Position – January 1	153,835,385	148,683,587
Net Position – December 31	<u>\$ 166,876,975</u>	<u>\$ 153,835,385</u>

Total revenues for 2013 were \$88,187,708 which is an increase of \$9 million over 2012. Property tax revenue accounted for 36% of total revenues; the increase over 2012 was \$419 thousand as a result of increased property valuations. Sales tax accounted for 17% an increase of 323 thousand over 2012. Operating grants accounted for 25% an increase of 2.6 million over 2012 as a result of increased state and federal reimbursements for road projects. Capital grants accounted for 6% an increase of 5.1 million over 2012, the grants were from state and federal sources to obtain land buyouts for flood protection projects. The remaining 16%

came from charges for services, state shared revenues and interest income. Total expense increased by over 1.1 million over 2012. The highways and streets expense decreased by over \$4.7 million as a result of a reduction in repairing roads from prior year floods of 2011, 2010 and 2009. The county also incurred \$8.3 million in expenses for the planning phase of the F/M Diversion project this was an increase of 5.8 million over 2012.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County has three fund categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

GOVERNMENTAL FUNDS

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2013, the County's governmental funds reported combined ending fund balances of \$32,927,011, an increase of \$10,039,430 compared with the previous year. The General, Human Services, County Road and Bridge, 2009 Flood Recovery Fund, 2010 Flood Recovery Fund, 2013 Flood Emergency Fund, 2011 Flood Recovery Fund, Flood Mitigation Fund, Future Building, Courthouse West Addition Fund, and Flood Control Sales Tax Fund is reported as major funds.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2013, unassigned fund balance of the General Fund was \$8,769,301, while total fund balance was \$8,942,927. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unassigned fund balance represents 35% of total General Fund expenditures.

The County's General Fund balance increased by \$183,207 during 2013 as a result of the county's governing board efforts to closely match revenues with expenses each year. The County Commission has a policy of maintaining a cash reserve of approximately 10% of budgeted expenditures. When the reserve is greater than 10%, the County Commission adjusts tax rates to decrease revenue and bring the reserve closer to the 10% goal.

The Human Service Fund balance at December 31, 2013 was \$2,140,820, an increase of \$215,066 over December 2012.

The fund balance of the County Road and Bridge Fund at December 31, 2013 was \$3,506,917. This was an increase of \$1,713,714 over 2012 and was the result of a decrease in construction projects.

The 2009 Flood Recovery Fund had an ending fund balance of zero. This fund was established to repair the damaged county roads and bridges as a result of the 2009 flood. These road projects were completed during the year.

The 2010 Flood Recovery Fund had an ending fund balance of \$(745,337). This fund was established to repair the damaged county roads and bridges as a result of the 2010 flood. These road projects are still on-going.

The 2011 Flood Recovery Fund had an ending fund balance of \$(980,608). This fund was established to repair the damaged county roads and bridges as a result of the 2011 flood. These road projects are still on-going.

The 2013 Flood Emergency Fund had an ending fund balance of \$(136). This fund was established to prepare for and fight the flood of 2013.

The Flood Mitigation Fund had an ending balance of \$(383,484). The County has received grant funds from the Federal Emergency Management Administration to buyout properties for flood mitigation. The County transferred funds from the General Fund to cover the local share of expenses incurred for this program.

The Future Building Fund is funded by estate tax collections and as such, the revenue is extremely unpredictable. The fund is used for building renovations and minor construction projects. The fund balance at December 31, 2013 was zero. Transfers were made to the Courthouse West Addition Fund to cover the cost of construction in excess of the bond issue.

The Courthouse West Addition Fund had an ending fund balance of \$30,247. Construction was completed on the courthouse addition in 2012. The county issued \$8.9 million in general obligation bonds to fund the project and the remaining will be funded by the Building Fund reserves. The balance remaining is to finalize any pending issues with the new building.

The Flood Control Sales Tax Fund had an ending fund balance of \$15,941,570. This fund is used to account for the one-half cent sales tax approved by the voters of Cass County for flood control projects.

General Fund Budgetary Highlights

Differences between the General Fund's original budget and the final amended budget were \$68,547 in revenues and in expenditures. The budgeted revenues and expenditures increased due to various grants that were awarded after the original budget was approved.

The General Fund's actual revenue was \$873,289 over the final budget; the variance is a result of an increase in state aid. The actual expenditures were \$709,962 less than the final budget. The variance is a result of the departments under spending their budgets.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of December 31, 2013, the County's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$140,335,163. This investment in capital assets includes, land, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was \$1,890,350.

Major capital asset events during the current fiscal year included the following:

- Flood Mitigation buyout properties
- Replacement of sheriff vehicles and heavy equipment for the road department

The following is a schedule of capital assets net of accumulated depreciation as of December 31, 2013 and 2012:

	Governmental Activities	
	2013	2012
Land	\$ 34,791,323	\$ 29,118,881
Buildings	37,764,049	38,664,521
Improvements Other than Buildings	1,873,144	1,942,266
Machinery and Equipment	2,684,159	3,128,446
Infrastructure	63,222,486	65,590,697
Total	\$ 140,335,163	\$ 138,444,811

Additional information on the County's capital assets can be found in Note 7 on page 56-59 of this report.

LONG-TERM DEBT

At the end of fiscal year 2013, the County had total debt outstanding of \$8,866,872. Of this amount, \$417,192 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The county issued \$8.9 million in general obligation bonds for the courthouse addition construction with a remaining balance of 6.85 million. The remainder of the County's debt consists of compensated absences.

The following is a schedule of the outstanding long-term debt as of December 31, 2013 and 2012:

	Governmental Activities	
	2013	2012
Special Assessment Bonds	\$ 417,192	\$ 464,183
General Obligation Bonds	6,799,729	7,447,890
Special Assessments Payable	-	105,285
Leases Payable	-	127,937
Compensated Absences	1,649,949	1,599,983
Total	<u>\$ 8,866,872</u>	<u>\$ 9,745,277</u>

Additional information on the County's debt can be found in Note 8 on pages 59-66 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the County at December 31, 2013 was 3.0%.
- The taxable value of all property located in the county has increased by over 3.2% in each year for the last five years.
- The taxable sales in the county increased by 2% from the prior fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the County Auditor's Office, Box 2806, Fargo, ND 58108-2806.

CASS COUNTY GOVERNMENT
Statement of Net Position
December 31, 2013

	Primary Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 39,195,065	\$ 10,208,464
Receivables (net of allowance for uncollectibles):		
Accounts	168,427	13,733
Due From Primary Government	-	40,834
Delinquent Tax	404,699	75,028
Due From Other Governments	5,589,326	2,084,928
Special Assessments	-	14,544
Loans	63,879	-
Inventories	153,987	85,374
Prepays	169,615	385
Uncertified Special Assessments Receivable	365,940	8,844,051
Capital Assets Not Being Depreciated:		
Land	34,791,323	14,985,523
Construction in progress	-	4,445,983
Capital assets (net of accumulated depreciation):		
Buildings	37,764,049	18,885
Improvements other than buildings	1,873,144	-
Machinery and equipment	2,684,159	95,718
Infrastructure	63,222,486	96,858,945
Total assets	<u>\$ 186,446,100</u>	<u>\$ 137,772,395</u>
LIABILITIES		
Accounts Payable	\$ 2,400,633	\$ 781,735
Benefits Payable	-	40,097
Retainages Payable	101,947	222,069
Interest Payable	45,352	51,405
Deposits	351,990	-
IBNR Claims	347,352	-
Due to Inmates/Permits	166,753	-
Unearned Revenue	15,250	
Noncurrent liabilities:		
Due within one year	2,400,499	1,618,726
Due in more than one year	6,466,370	13,350,089
Total liabilities	<u>\$ 12,296,147</u>	<u>\$ 16,064,121</u>
Deferred Inflows of Resources:		
Unavailable Revenue - Property Taxes	\$ 7,253,293	\$ 203,461
Unavailable Revenue - Special Assessments	19,685	
Total Deferred Inflows of Resources	<u>\$ 7,272,978</u>	<u>\$ 203,461</u>
NET POSITION		
Net Investment in capital assets	\$ 133,541,081	\$ 101,467,245
Restricted for:		
General Government	3,437,403	-
Highway and Streets	3,284,899	-
Relief and Charities	1,676,758	-
Culture and Recreation	125,663	-
Conservation of Natural Resources	-	4,517,354
Debt Service	527,687	7,174,822
Capital Projects	-	5,363,018
Unrestricted	24,283,484	2,982,377
Total Net Position	<u>\$ 166,876,975</u>	<u>\$ 121,504,816</u>

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

CASS COUNTY GOVERNMENT
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Primary Government:				
Governmental activities:				
General government	\$ 13,935,655	\$ 2,466,536	\$ 106,914	\$ -
Public safety	17,642,420	2,354,580	605,802	-
Highways and streets	20,884,882	621,954	17,934,441	-
Relief and charities	13,137,268	201,521	3,218,237	-
Conservation & economic development	8,356,650	55,103	177,820	5,538,738
Culture and recreation	859,350	11,130	380,750	-
Interest on long-term debt	329,890	-	-	-
Total primary government	<u>\$ 75,146,115</u>	<u>\$ 5,710,824</u>	<u>\$ 22,423,964</u>	<u>\$ 5,538,738</u>
Component units:				
Southeast Cass Water Resource District	\$ 6,160,183	\$ -	\$ 3,085,926	\$ 200,117
North Cass Water Resource District	298,161	-	6,011	73,141
Maple River Water Resource District	958,940	-	729,878	2,164,569
Rush River Water Resource District	699,268	-	167,062	1,200,662
Noxious weed	401,262	11,204	38,373	-
Vector control	803,624	280,206	-	-
Total component units	<u>\$ 9,321,438</u>	<u>\$ 291,410</u>	<u>\$ 4,027,250</u>	<u>\$ 3,638,489</u>

General revenues:
Property taxes
Sales taxes
Unrestricted State Shared Revenues
Unrestricted investment earnings
Miscellaneous Revenue

 Total general revenues
 Changes in net position
Net position - beginning
Prior Period Adjustment
Net position - ending

The accompanying notes are an integral part of the financial statements.

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government		
Governmental Activities		Component Units
\$ (11,362,205)	\$ -	-
(14,682,038)	-	-
(2,328,487)	-	-
(9,717,509)	-	-
(2,584,989)	-	-
(467,470)	-	-
(329,890)	-	-
<u>\$ (41,472,590)</u>	<u>\$ -</u>	
\$ -	\$ (2,874,139)	
-	(219,010)	
-	1,935,506	
-	668,456	
-	(351,686)	
-	(523,418)	
<u>\$ -</u>	<u>\$ (1,364,291)</u>	
\$ 31,465,829	\$ 6,338,973	
15,135,193	-	
7,563,694	276,789	
167,809	30,228	
181,655	95,104	
<u>\$ 54,514,180</u>	<u>\$ 6,741,095</u>	
13,041,590	5,376,804	
153,835,385	116,128,006	
	-	
<u>\$ 166,876,975</u>	<u>\$ 121,504,816</u>	

CASS COUNTY GOVERNMENT
Balance Sheet
Governmental Funds
December 31, 2013

	General	Human Services	County Road and Bridge	2013 Flood Emergency	2010 Flood Recovery
Assets:					
Cash and Cash Equivalents	\$ 10,061,626	\$ 4,344,166	\$ 1,336,597	\$ -	\$ -
Receivables:					
Taxes	190,059	122,559	54,660	-	-
Accounts	7,280	8,058	12,170	185	-
Loans	63,879	-	-	-	-
Due From Other Governments	2,013,885	331,242	1,704,321	-	-
Due From Other Funds	402,222	-	1,724,191	-	-
Inventory	-	-	136,723	-	-
Inventory of supplies, at cost	17,264	-	-	-	-
Prepaid Items	150,917	-	2,503	-	-
Total Assets	12,907,131	4,806,025	4,971,166	185	-
Liabilities:					
Accounts Payable	469,770	228,536	319,076	-	-
Retainages Payable	-	-	34,655	-	-
Unearned Revenues	59,879	-	15,250	-	-
Due to Inmates/Permits	-	-	17,000	-	-
Due to Other Funds	-	-	-	323	745,336
Total Liabilities	529,649	228,536	385,980	323	745,336
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	3,434,556	2,436,669	1,078,269	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	3,434,556	2,436,669	1,078,269	-	-
Fund Balances (Deficits):					
Nonspendable	168,181	-	139,226	-	-
Restricted	-	2,140,820	3,367,690	-	-
Committed	-	-	-	-	-
Assigned	5,445	-	-	-	-
Unassigned	8,769,301	-	-	(138)	(745,336)
Total Fund Balances (Deficits)	8,942,927	2,140,820	3,506,917	(138)	(745,336)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 12,907,131	\$ 4,806,025	\$ 4,971,166	\$ 185	\$ -

The accompanying notes are an integral part of the financial statements.

2011 Flood Recovery	Flood Mitigation	Courthouse West Addition	Flood Control Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 95,465	\$ 15,736,466	\$ 5,219,554	\$ 36,793,873
-	-	-	-	37,420	404,699
-	-	-	-	136,051	163,744
-	-	-	-	-	63,879
-	-	-	1,537,816	2,062	5,589,326
-	-	-	-	90	2,126,503
-	-	-	-	-	136,723
-	-	-	-	-	17,264
-	-	-	-	16,195	169,615
-	-	95,465	17,274,282	5,411,372	45,465,627
-	-	-	1,332,712	40,514	2,390,607
2,075	-	65,217	-	-	101,947
-	-	-	-	-	75,129
-	-	-	-	149,753	166,753
978,533	383,484	-	-	18,828	2,126,503
980,608	383,484	65,217	1,332,712	209,095	4,860,939
-	-	-	-	707,800	7,657,294
-	-	-	-	20,383	20,383
-	-	-	-	728,183	7,677,677
-	-	-	-	16,195	323,602
-	-	-	-	4,002,353	9,510,863
-	-	30,247	15,941,570	455,738	16,427,555
-	-	-	-	-	5,445
(980,608)	(383,484)	-	-	(190)	6,659,546
(980,608)	(383,484)	30,247	15,941,570	4,474,095	32,927,011
\$ -	\$ -	\$ 95,465	\$ 17,274,282	\$ 5,411,372	\$ 45,465,627

CASS COUNTY GOVERNMENT
Reconciliation of the Balance Sheet
of Governmental Funds
To the Statement of Net Position
December 31, 2013

Amounts reported for governmental activities in the statement of net position (Page 15) are different because:

Total fund balances - governmental funds (page 19)		\$ 32,927,011
Add - Capital Assets	\$ 223,217,396	
Deduct - accumulated depreciation	<u>(82,941,873)</u>	
Net Assets		140,275,523
Property taxes and special assessments 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 unearned revenues in the funds.		404,699
Loans receivable will be collected over the next three years; thus they are not available to pay for the current period's expenditures and therefore, are reported as unearned revenues in the funds.		59,879
Long-term uncertified special assessments receivable are not reported in the funds because they are unavailable to pay the current period's expenditures.		365,940
Internal service funds are used by management to charge the costs of certain equipment usage and self-insurance to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Add - net assets of governmental activities accounted for in the internal service funds		1,756,147
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(1,649,949)	
Special assessments bonds payable	(422,839)	
GO Bonds Payable	(6,850,000)	
Unamortized Bond Discount	55,919	
Interest Payable	<u>(45,352)</u>	
Total long term liabilities		<u>(8,912,222)</u>
Net position of governmental activities		<u>\$ 166,876,975</u>

The accompanying notes are an integral part of these financial statements

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2013

	General Fund	Human Services	County Road and Bridge	2009 Flood Recovery	2010 Flood Recovery	2013 Flood Emergency
REVENUES						
Taxes:						
Property	\$ 14,422,440	\$ 9,903,131	\$ 4,300,109	\$ -	\$ -	\$ -
Sales	-	-	-	-	-	-
Licenses, permits and fees	49,139	13,830	70,500	-	-	-
Intergovernmental revenues	8,144,716	3,218,237	14,831,513	631,751	7,983	466,378
Charges for services	2,614,863	187,091	549,187	-	-	-
Miscellaneous revenues	205,066	18,032	37,931	-	-	2,267
Total Revenues	25,436,225	13,340,322	19,789,240	631,751	7,983	468,645
EXPENDITURES						
Current:						
General government	6,511,387	-	-	-	-	-
Public Safety	16,464,880	-	-	-	-	-
Highways and streets	-	-	17,317,808	-	99,380	659,777
Relief and charities	-	13,125,256	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation & economic development	2,040,330	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	102,350	-	25,587	-	-	-
Interest	4,391	-	1,098	-	-	-
Fiscal charges	-	-	-	-	-	-
Total Expenditures	25,123,336	13,125,256	17,344,493	-	99,380	659,777
Excess (deficiency) of revenues over (under) expenditures	312,888	215,066	2,444,747	631,751	(91,397)	(191,132)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	78,923	671,077	1,000,000
Transfers out	(140,745)	-	(750,000)	-	-	(809,005)
Sale of capital assets	11,064	-	18,967	-	-	-
Total of other financing sources and uses	(129,681)	-	(731,034)	78,923	671,077	190,995
Net change in fund balances	183,207	215,066	1,713,714	710,675	579,680	(138)
Fund balances (deficit) - beginning	8,759,719	1,925,754	1,793,204	(710,675)	(1,325,016)	-
Fund balances (deficit) - ending	\$ 8,942,927	\$ 2,140,820	\$ 3,506,917	\$ -	\$ (745,336)	\$ (138)

The accompanying notes are an integral part of the financial statements.

2011 Flood Recovery	Flood Mitigation	Future Building	Courthouse West Addition	Flood Control Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,947,017	\$ 31,572,698
-	-	-	-	15,135,193	-	15,135,193
-	-	-	-	-	-	133,469
1,996,816	5,538,738	-	-	-	665,566	35,501,698
-	-	-	-	-	2,072,767	5,423,907
-	1,100	232	37	51,185	174,893	490,744
<u>1,996,816</u>	<u>5,539,838</u>	<u>232</u>	<u>37</u>	<u>15,186,378</u>	<u>5,860,243</u>	<u>88,257,709</u>
-	-	-	-	-	1,399,879	7,911,266
-	-	-	-	-	642,982	17,107,862
185,420	-	-	-	-	-	18,262,385
-	-	-	-	-	-	13,125,256
-	-	-	-	-	909,785	909,785
-	6,288,777	-	-	-	35,165	8,364,271
-	-	-	211,261	11,196,106	-	11,407,367
-	-	-	-	-	746,834	874,771
-	-	-	-	-	277,376	282,864
-	-	-	-	-	2,483	2,483
<u>185,420</u>	<u>6,288,777</u>	<u>-</u>	<u>211,261</u>	<u>11,196,106</u>	<u>4,014,504</u>	<u>78,248,310</u>
<u>1,811,396</u>	<u>(748,939)</u>	<u>232</u>	<u>(211,224)</u>	<u>3,990,272</u>	<u>1,845,739</u>	<u>10,009,399</u>
-	451,200	22,522	464,279	-	814,005	3,502,006
-	(22,522)	(334,506)	-	-	(1,445,228)	(3,502,006)
-	-	-	-	-	-	30,031
-	428,677	(311,983)	464,279	-	(631,224)	30,031
<u>1,811,396</u>	<u>(320,262)</u>	<u>(311,751)</u>	<u>253,055</u>	<u>3,990,272</u>	<u>1,214,515</u>	<u>10,039,430</u>
<u>(2,792,004)</u>	<u>(63,222)</u>	<u>311,751</u>	<u>(222,808)</u>	<u>11,951,297</u>	<u>3,259,579</u>	<u>22,887,581</u>
<u>\$ (980,608)</u>	<u>\$ (383,484)</u>	<u>\$ -</u>	<u>\$ 30,247</u>	<u>\$ 15,941,570</u>	<u>\$ 4,474,095</u>	<u>\$ 32,927,011</u>

CASS COUNTY GOVERNMENT
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2013

Amounts reported for governmental activities in the statement of activities (page 16-17) are different because:

Net change in fund balances - total governmental funds (page 22-23) \$ 10,039,430

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

Capital asset additions	\$ 6,098,037	
Current year depreciation expense	<u>(4,160,053)</u>	1,937,984

In the statement of activities, only the loss on the sale or disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or disposed.

Retired assets	(295,294)	
Accumulated depreciation on retired assets	<u>255,551</u>	(39,743)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Decrease in Taxes Receivable	(26,974)	
Decrease in Uncertified Special Assessments	(56,056)	
Increase in Loans Receivable	<u>13,026</u>	(70,005)

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of 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 proceeds exceeded repayments.

Repayment of bonds	746,834	
Repayment of leases	127,937	
Repayment of specials	<u>105,285</u>	980,056

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

Net decrease in interest payable	7,139	
Amortization of Bond Discounts	(6,659)	
Amortization of Bond Issuance Costs	(45,023)	
Net increase in compensated absences	<u>(49,966)</u>	(94,509)

Internal service funds are used by management to charge the costs of the motor pool, employee health insurance and the telephone system to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

288,377

Change in net position of governmental activities \$ 13,041,590

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

CASS COUNTY GOVERNMENT
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 14,170,941	\$ 14,170,941	\$ 14,422,440	\$ 251,499
Licenses, Permits and Fees	41,500	41,500	49,139	7,639
Intergovernmental Revenues	7,675,256	7,743,803	8,144,716	400,913
Charges for Services	2,477,936	2,477,936	2,614,863	136,927
Miscellaneous Revenues	128,755	128,755	205,066	76,311
Total Revenues	24,494,388	24,562,935	25,436,225	873,289
Expenditures:				
Current:				
General Government:				
County Commission	787,441	787,441	748,345	39,096
County Administrator	2,472,674	2,472,674	2,328,380	144,294
Information Technology	1,175,904	1,175,904	1,104,976	70,928
Auditor	990,982	990,982	877,092	113,890
Treasurer	349,816	349,816	343,748	6,068
County Recorder	607,486	607,486	606,496	990
Director of Tax Equalization	271,429	271,429	220,658	50,771
Veterans Service	267,242	267,242	211,289	55,953
County Planning	95,585	95,585	70,403	25,182
Total General Government	7,018,559	7,018,559	6,511,387	507,172
Public Safety:				
Emergency Management	237,183	288,265	335,012	(46,747)
County Sheriff	13,724,707	13,724,707	13,485,434	239,273
States Attorney	2,675,262	2,675,262	2,614,043	61,219
County Coronor			20,460	(20,460)
Cemetery	13,352	13,352	9,930	3,422
Total Public Safety	16,650,504	16,701,586	16,464,880	236,706
Conservation & Econ. Development:				
County Extension Agent	516,648	534,113	477,237	56,876
Public Service Agencies	1,579,041	1,579,041	1,563,093	15,948
Total Conservation & Econ Dev	2,095,689	2,113,154	2,040,330	72,824
Debt Service:				
Principal	-	-	102,350	(102,350)
Interest	-	-	4,391	(4,391)
Total Debt Service	-	-	106,740	(106,740)
Total Expenditures	25,764,752	25,833,299	25,123,336	709,962
Excess (deficiency) of revenues over (Under) expenditures	(1,270,364)	(1,270,364)	312,888	1,583,251
Other Financing Sources (Uses):				
Sale of Property	10,000	10,000	11,064	1,064
Operating Transfers Out	(20,000)	(20,000)	(140,745)	(120,745)
Total Other Financing Sources and (Uses)	(10,000)	(10,000)	(129,681)	(119,681)
Net change in fund balances	(1,280,364)	(1,280,364)	183,207	1,463,572
Fund Balance - Beginning	8,759,719	8,759,719	8,759,719	-
Fund Balance - Ending	\$ 7,479,355	\$ 7,479,355	\$ 8,942,927	\$ 1,463,572

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
Human Service
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ 9,781,946	\$ 9,781,946	\$ 9,903,131	\$ 121,185
Licenses, Permits and Fees	15,000	15,000	13,830	(1,170)
Intergovernmental Revenues	3,159,867	3,159,867	3,218,237	58,370
Charges for Services	125,350	125,350	187,091	61,741
Miscellaneous Revenues	14,485	14,485	18,032	3,547
Total Revenues	13,096,648	13,096,648	13,340,322	243,673
<u>Expenditures:</u>				
Current:				
Relief and Charities	13,403,146	13,403,146	13,125,256	277,890
Total Expenditures	13,403,146	13,403,146	13,125,256	277,890
Excess (deficiency) of revenues over (under) expenditures	(306,498)	(306,498)	215,065	521,564
Fund Balance - Beginning	1,925,754	1,925,754	1,925,754	-
Fund Balance - Ending	\$ 1,619,256	\$ 1,619,256	\$ 2,140,820	\$ 521,564

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
County Road and Bridge
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ 4,418,837	\$ 4,418,837	\$ 4,300,109	\$ (118,728)
Licenses, Permits and Fees	40,000	40,000	70,500	30,500
Intergovernmental Revenues	7,960,029	15,000,000	14,831,513	(168,487)
Charges for Services	12,593	12,593	549,187	536,594
Miscellaneous Revenues	26,561	26,561	37,931	11,370
Total Revenues	12,458,020	19,497,991	19,789,240	291,249
<u>Expenditures:</u>				
Current:				
Highways and Streets	12,402,862	19,350,262	17,317,808	2,032,454
Debt Service :				
Principal	25,587	25,587	25,587	-
Interest	1,098	1,098	1,098	-
Total Expenditures	12,429,547	19,376,947	17,344,493	2,032,454
Excess (deficiency) of revenues over (under) expenditures	28,473	121,044	2,444,747	2,323,704
<u>Other Financing Sources (Uses):</u>				
Sale of Property	20,000	20,000	18,967	(1,034)
Transfers Out	-	-	(750,000)	(750,000)
Total Other Financing Sources and (Uses)	20,000	20,000	(731,034)	(751,034)
Net change in fund balances	48,473	141,044	1,713,713	1,572,669
Fund Balance - Beginning	1,793,204	1,793,204	1,793,204	-
Fund Balance - Ending	\$ 1,841,677	\$ 1,934,248	\$ 3,506,917	\$ 1,572,669

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
2009 Flood Recovery
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	631,751	631,751	-
Miscellaneous Revenues	-	-	-	-
Total Revenues	-	631,751	631,751	-
<u>Expenditures:</u>				
Current:				
Highways and Streets	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	631,751	631,751	1
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	78,923	78,923	-
Total Other Financing Sources and (Uses)	-	78,923	78,923	-
Net change in fund balances	-	710,674	710,675	(1)
Fund Balance - Beginning	-	(710,675)	(710,675)	-
Fund Balance - Ending	\$ -	\$ (1)	\$ -	\$ (1)

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
2010 Flood Recovery
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	6,995	7,983	988
Charges for Services	-	-	-	-
Total Revenues	-	6,995	7,983	988
<u>Expenditures:</u>				
Current:				
Highways and Streets	-	108,444	99,380	9,064
Total Expenditures	-	108,444	99,380	9,064
Excess (deficiency) of revenues over (under) expenditures	-	(101,449)	(91,397)	10,053
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	671,077	671,077	-
Lease Proceeds	-	-	-	-
Sale of Property	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and (Uses)	-	671,077	671,077	-
Net change in fund balances	-	569,628	579,680	10,053
Fund Balance - Beginning	-	(1,325,016)	(1,325,016)	-
Fund Balance - Ending	\$ -	\$ (755,388)	\$ (745,336)	\$ 10,053

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
2013 Flood Emergency Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	466,378	466,378	-
Charges for Services	-	-	-	-
Miscellaneous Revenues	-	2,012	2,267	255
Total Revenues	-	468,390	468,645	255
<u>Expenditures:</u>				
Current:				
Highways and Streets	-	659,639	659,777	(138)
Total Expenditures	-	659,639	659,777	(138)
Excess (deficiency) of revenues over (under) expenditures	-	(191,249)	(191,132)	117
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	1,000,000	1,000,000	-
Transfers Out	-	(808,750)	(809,005)	(255)
Total Other Financing Sources and (Uses)	-	191,250	190,995	(255)
Net change in fund balances	-	1	(138)	(137)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ 1	\$ (138)	\$ (137)

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
2011 Flood Recovery Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	1,996,817	1,996,816	(1)
Miscellaneous Revenues	-	-	-	-
Total Revenues	-	1,996,817	1,996,816	(1)
<u>Expenditures:</u>				
Current:				
Highways and Streets	-	184,967	185,420	(453)
Total Expenditures	-	184,967	185,420	(453)
Excess (deficiency) of revenues over (under) expenditures	-	1,811,850	1,811,396	(453)
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Net change in fund balances	-	1,811,850	1,811,396	(453)
Fund Balance - Beginning	-	(2,792,004)	(2,792,004)	-
Fund Balance - Ending	\$ -	\$ (980,154)	\$ (980,608)	\$ (453)

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
Flood Mitigation
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	6,281,377	5,538,738	(742,639)
Miscellaneous Revenues	-	1,000	1,100	100
Total Revenues	-	6,282,377	5,539,838	(742,539)
<u>Expenditures:</u>				
Current:				
Conservation & Economic Development	-	6,708,486	6,288,777	419,709
Total Expenditures	-	6,708,486	6,288,777	419,709
Excess (deficiency) of revenues over (under) expenditures	-	(426,109)	(748,939)	(322,830)
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	511,854	451,200	(60,654)
Lease Proceeds				
Sale of Property	-	(22,522)	(22,522)	-
Transfers Out				
Total Other Financing Sources and (Uses)	-	489,332	428,677	(60,654)
Net change in fund balances	-	63,223	(320,261)	(383,484)
Fund Balance - Beginning	-	(63,222)	(63,222)	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (383,484)</u>	<u>\$ (383,484)</u>

The accompanying notes are an integral part of the financial statements.

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
Proprietary Funds
Statement of Net Position
December 31, 2013

	Governmental Activities
	Internal Service Funds
<u>ASSETS</u>	
Current Assets:	
Cash and Investments	\$ 2,401,192
Accounts Receivable	4,683
Prepaid Items	-
	-
Total Current Assets	2,405,875
Noncurrent Assets:	
Capital Assets	318,230
Less: Accumulated Depreciation	(258,592)
	59,638
Total Noncurrent Assets	59,638
Total Assets	\$ 2,465,513
<u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ 10,026
Deposits	351,990
IBNR Claims	347,352
	709,368
Total Liabilities	\$ 709,368
<u>Net Position</u>	
Net Investment in Capital Assets	\$ 59,638
Unrestricted	1,696,509
	1,756,147
Total Net Position	\$ 1,756,147

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Fund Types
For the Year Ended December 31, 2013

	Governmental Activities
	Internal Service Funds
<u>Operating Revenues:</u>	
Premiums	\$ 4,236,979
Charges for Services	238,354
Miscellaneous	19,979
	4,495,312
<u>Operating Expenses:</u>	
Premiums	543,517
Medical Services	9,929
Telephone Service	165,428
Administrative Fees	207,847
Collision Repair/Replacement	21,866
Benefit Payments	2,886,186
IBNR Claims	347,352
Depreciation Expense	31,334
	4,213,459
Operating Income	281,853
<u>Nonoperating Revenues (Expenses):</u>	
Interest Income	7,001
Loss on Disposal of Capital Assets	(477)
	6,524
Change in Net Position	288,377
Total Net Position Beginning	1,467,771
Total Net Position Ending	\$ 1,756,147

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
Statement of Cash Flows
Proprietary Fund Types
For the Year Ended December 31, 2013

	Governmental Activities
	Internal Service Funds
<u>Cash Flows From Operating Activities:</u>	
Receipts from customers	\$ 4,471,437
Payments to suppliers	(950,656)
Claims paid	(3,213,473)
Other receipts	19,979
	327,287
<u>Cash Flows From Capital and Related Financing Activities:</u>	
Purchase of capital assets	(23,922)
	(23,922)
<u>Cash Flows From Investing Activities:</u>	
Interest income	7,001
	310,366
Net Increase in cash and cash equivalents	310,366
Cash and cash equivalents - beginning of the year	2,090,824
	2,401,192
<u>Reconciliation of Operating Income to net cash provided by operating activities:</u>	
Operating income	281,853
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation	31,334
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(4,496)
(Increase) decrease in prepaid items	600
Increase (decrease) in accounts payable	(2,068)
Increase (decrease) in premium deposit funds	3,652
Increase (decrease) in IBNR claims	16,414
Net cash provided by operating activities	\$ 327,287

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 38,426,768
Accounts Receivable	<u>-</u>
Total Assets	<u>\$ 38,426,768</u>
<u>LIABILITIES</u>	
Accounts Payable	320,258
Due to Component Units	40,834
Deposits	<u>38,065,676</u>
Total Liabilities	<u>\$ 38,426,768</u>

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
Statement of Net Position
Component Units
December 31, 2013

	Southeast Cass WRD	North Cass WRD	Maple River WRD
<u>Assets:</u>			
Cash and Cash Equivalents	\$ 5,240,880	\$ 817,797	\$ 2,776,674
Receivables:			
Accounts Receivable	-	-	-
Delinquent Tax	51,908	2,655	5,982
Due From Other Governments	2,021,722	1,959	4,905
Special Assessments	12,267	53	107
Due From Primary Government	23,327	1,921	1,641
Inventory	-	-	-
Prepays	-	-	-
Long-Term Receivables:			
Uncertified Special Assessments Receivable	3,383,027	68,279	2,357,241
Capital Assets Not Being Depreciated:			
Land	9,096,321	1,228,254	1,902,666
Construction in Progress	536,155	665,407	1,588,402
Capital Assets (Net of Accumulated Depreciation)			
Buildings	-	-	-
Equipment	-	-	-
Infrastructure	77,127,103	3,814,649	9,946,264
Total Assets	97,492,711	6,600,974	18,583,880
<u>Liabilities:</u>			
Accounts Payable	205,635	60,229	477,172
Benefits Payable	23,903	3,282	6,542
Retainages Payable	20,904	9,745	130,012
Interest Payable	21,648	2,870	9,762
Noncurrent Liabilities:			
Due within one year	1,194,345	135,416	74,810
Due in more than one year	5,012,819	1,031,357	3,476,089
Total Liabilities	6,479,254	1,242,899	4,174,387
<u>Deferred Inflows of Resources:</u>			
Unavailable Revenue - Property Taxes	-	-	-
<u>Net Position</u>			
Net Investment in Capital Assets	80,564,338	4,543,525	9,890,407
Restricted For:			
Conservation of Natural Resources	3,320,437	800,020	222,882
Debt Service	1,183,987	78,302	2,354,109
Capital Projects	3,383,027	-	1,979,991
Unrestricted	2,561,669	(63,771)	(37,895)
Total Net Position	\$ 91,013,457	\$ 5,358,075	\$ 14,409,493

The accompanying notes are an integral part of the financial statements.

Rush River WRD	Weed Control	Vector Control	Totals
\$ 788,389	\$ 378,536	\$ 206,189	\$ 10,208,464
-	3,503	10,231	13,733
2,925	4,931	6,627	75,028
56,342	-	-	2,084,928
2,117	-	-	14,544
13,945	-	-	40,834
-	-	85,374	85,374
-	385	-	385
3,035,504	-	-	8,844,051
2,758,282	-	-	14,985,523
1,656,019	-	-	4,445,983
-	18,885	-	18,885
-	21,530	74,188	95,718
5,970,929	-	-	96,858,945
<u>14,284,453</u>	<u>427,769</u>	<u>382,608</u>	<u>137,772,395</u>
35,662	331	2,706	781,735
6,370	-	-	40,097
61,408	-	-	222,069
17,125	-	-	51,405
203,021	2,714	8,421	1,618,726
<u>3,829,824</u>	<u>-</u>	<u>-</u>	<u>13,350,089</u>
<u>4,153,411</u>	<u>3,045</u>	<u>11,127</u>	<u>16,064,121</u>
-	<u>84,789</u>	<u>118,672</u>	<u>203,461</u>
6,354,372	40,415	74,188	101,467,245
174,015	-	-	4,517,354
3,558,424	-	-	7,174,822
-	-	-	5,363,018
44,232	299,520	178,621	2,982,377
<u>\$ 10,131,042</u>	<u>\$ 339,936</u>	<u>\$ 252,809</u>	<u>\$ 121,504,816</u>

CASS COUNTY GOVERNMENT
Statement of Activities
Component Units
For the Year Ended December 31, 2013

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component units:				
Southeast Cass Water Resource District	\$ 6,160,183	\$ -	\$ 3,085,926	\$ 200,117
Maple River Water Resource District	958,940	-	729,878	2,164,569
North Cass Water Resource District	298,161	-	6,011	73,141
Rush River Water Resource District	699,268	-	167,062	1,200,662
Noxious weed	401,262	11,204	38,373	-
Vector control	803,624	280,206	-	-
Total component units	\$ 9,321,438	\$ 291,410	\$ 4,027,250	\$ 3,638,489

General revenues:
Property taxes
Unrestricted State Shared Revenue
Unrestricted investment earnings
Miscellaneous Revenue

Total general revenues
Changes in net position
Net position - beginning
Prior period adjustment
Net position - ending

The accompanying notes are an integral part of the financial statements.

**Net (Expense) Revenue and
Changes in Net Position**

Southeast Cass WRD	North Cass WRD	Maple River WRD	Rush River WRD	Weed Control	Vector Control	Total
\$ (2,874,139)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,874,139)
-	(219,010)	1,935,506	-	-	-	1,935,506
-	-	-	668,456	-	-	668,456
-	-	-	-	(351,686)	-	(351,686)
-	-	-	-	-	(523,418)	(523,418)
<u>\$ (2,874,139)</u>	<u>\$ (219,010)</u>	<u>\$ 1,935,506</u>	<u>\$ 668,456</u>	<u>\$ (351,686)</u>	<u>\$ (523,418)</u>	<u>\$ (1,364,291)</u>
\$ 4,323,461	\$ 282,797	\$ 636,764	\$ 247,654	\$ 340,139	\$ 508,158	\$ 6,338,973
182,485	2,708	22,499	7,638	17,356	44,104	276,789
20,246	2,503	1,912	3,559	1,451	556	30,228
64,215	275	15,179	12,278	114	3,043	95,104
<u>\$ 4,590,407</u>	<u>\$ 288,283</u>	<u>\$ 676,354</u>	<u>\$ 271,128</u>	<u>\$ 359,060</u>	<u>\$ 555,862</u>	<u>\$ 6,741,095</u>
1,716,267	69,273	2,611,859	939,584	7,374	32,443	5,376,804
89,297,191	5,288,800	11,797,633	9,191,456	332,561	220,365	116,128,006
-	-	-	-	-	-	-
<u>\$ 91,013,457</u>	<u>\$ 5,358,075</u>	<u>\$ 14,409,493</u>	<u>\$ 10,131,043</u>	<u>\$ 339,935</u>	<u>\$ 252,808</u>	<u>\$ 121,504,816</u>

CASS COUNTY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cass County operates under a Home Rule Charter passed by the voters in 1994. The financial statements of the 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 government's accounting policies are described below.

A. The Financial Reporting Entity

For financial reporting purposes, Cass County has included all funds and has considered all potential component units for which Cass County is financially accountable, and other organizations for which the nature and significance of their relationship with Cass County are such that exclusion would cause Cass County's financial statements to be misleading or incomplete. The Government Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of Cass 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 Cass County.

Based on these criteria, Cass County has included six discretely presented component units within Cass County's reporting entity.

B. Individual Component Unit Disclosures

Discretely Presented Component Units. The component units' column in the combined financial statements include the financial data of the County's other component units. They are reported in a separate column to emphasize that they are legally separate from the County. The county board appoints the governing bodies of all of these component units.

The component units consist of the four Water Resource Districts: Southeast Cass, North Cass, Maple River, and Rush River; the Cass County Vector Control District and the Cass County Noxious Weed District.

The Water Resource Districts have jurisdiction over the management of the water resources within their respective boundaries. The County's governing body has the authority to modify or approve the budgets of these districts.

Complete financial statements of the individual Water Resource Districts can be

obtained at Water Resource Districts, 1201 Main Avenue West, West Fargo, North Dakota 58078.

The primary responsibilities of the Cass County Vector Control District and Cass County Noxious Weed District are to provide vector and weed control, respectively, on public land. The County Engineer is responsible for the management of the Vector Control District. Board members are appointed by the County Board of Commissioners for each District. The Cass County Board of Commissioners has the authority to modify or approve the budgets of these districts. Both districts are located at the Cass County Highway Department. Complete financial statements of the Cass County Noxious Weed District and Cass County Vector Control District can be obtained at Cass County Auditor's Office, Box 2806, Fargo, ND 58108-2806.

C. Joint Ventures

Under authorization of state statutes, the Cass County Water Resource Districts have joined the water resource districts of Richland County, Grand Forks County, Pembina County, Traill County, Steele County, Walsh County, Nelson County, Ransom County, and Sargent County to establish and operate a joint exercise of powers agreement for water management within the Red River Valley. Known as the Red River Valley Joint Water Resource Board, the agreement was established for mutual advantage of the governments. Each government appoints one member to the Board of Directors. The operating and capital expenses are funded by contributions from each government. Each government's share of assets, liabilities, and fund equity cannot be determined due to lack of provision being made for this in the joint venture agreement and the fact that each government's contribution each year depends on where the Red River Joint Water Resource Board projects are being undertaken.

The following is summary financial information on the joint venture as of and for the year ended December 31, 2013, which is the most current audited information available:

Total Assets	\$ 6,976,146
Total Liabilities	<u>177,049</u>
Total Net Position	<u>6,799,097</u>
Revenues	2,042,748
Expenses	<u>1,288,712</u>
Change in Net Position	<u>\$ 754,036</u>

Complete financial statements can be obtained from the Treasurer's Office at Red River Joint Water Resource District, 1201 Main Avenue West, West Fargo, ND 58078.

D. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include interfund services provided and used between governmental functions. Elimination of these would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities are supported by taxes and intergovernmental revenues.

The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses are charged based upon a county-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Human Service Fund** – This fund is used to account for the County Social Service operations; this department is designated by law to provide relief to the poor and related services to the citizens of the County. The majority of the services/programs offered by the County are done in conjunction with state and federal agencies, mainly the North Dakota Department of Human Services.
- **County Road and Bridge Fund** – This fund is used for the normal maintenance of county roads and the operation of the road shops. Most of the revenues for this fund are derived from the highway tax distribution fund.
- **2009 Flood Recovery** – This fund was established to account for the costs of repairing roads damaged by the 2009 spring flood. Some of these costs are reimbursed by the federal and state government.
- **2010 Flood Recovery** – This fund was established to account for the costs of repairing roads damaged by the 2010 spring flood. Some of these costs are reimbursed by the federal and state government.
- **2013 Flood Emergency** – This fund was established to account for the costs associated with fighting the spring flood of 2013. Some of these costs are reimbursed by the federal and state government.

- **2011 Flood Recovery** – This fund was established to account for the costs of repairing roads damaged by the 2011 spring flood. Some of these costs are reimbursed by the federal and state government.
- **Flood Mitigation** – This fund was established to account for a federal grant to buy out homes to make way for future flood protection.
- **Future Building Fund** – This fund is used to provide for the future construction of county buildings and major remodeling projects.
- **Courthouse West Addition Fund** – This fund is used to provide for the construction of an addition to the courthouse. Revenues are derived from an \$8.9 million bond issue and county reserves.
- **Flood Control Sales Tax Fund** – This fund is used to provide for the county share of costs incurred by the Flood Diversion Authority as well as any county costs for permanent flood control projects.

Additionally, the County reports the following fund types:

PROPRIETARY FUNDS

Internal Service Funds - Internal service funds are used to account for services provided to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The following Internal Service Funds are used by the county:

Health Insurance Trust - This fund accounts for a self-funded comprehensive health insurance plan for county employees, administered by an outside firm. Costs are recovered by monthly premiums charged to each department.

Dental Insurance Trust - This fund accounts for a self-funded dental insurance plan for county employees, administered by an outside firm. Costs are recovered by monthly premiums charged to each department.

Telephone Trust - This fund provides for the operation of the County's telephone system. Monthly user fees are charged to departments.

Motor Pool - This fund provides for uses and repairs to county-owned vehicles. Departments are charged a per mile fee for the use of county-owned vehicles.

FIDUCIARY FUNDS

Agency Funds - Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of

operations. The following types of agency funds are used by the County:

County Funds - These funds provide clearing facilities for items to be apportioned to other county funds.

Tax Collection Funds - These funds are used by the County in its role as tax collector to record property tax receipts awaiting apportionment to other governmental units and recipient County funds, and their periodic distribution.

Funds of Other Governmental Units - The County Treasurer provides fiscal services for various other governmental entities. These funds represent the assets, primarily cash and investments, of these entities in the Treasurer's custody and the related liability of the county to disburse these monies on demand.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at year-end.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting--under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is not utilized in the governmental funds.

G. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, money market accounts and highly liquid investments with an original maturity of three months or less.

Investments consist of demand deposits and certificates of deposit with maturities greater than three months. These investments are stated at cost.

H. Receivables

Receivables in the County's governmental funds consist primarily of tax revenues. Receivables also include amounts due for services to individuals performed by the County and not received by December 31, 2013.

Due from other governments consist primarily of receivables due from state government for reimbursements from various state departments, the federal government and other local governments for grants and prisoner board fees.

I. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. The inventory is offset within the nonspendable classification of fund balance in the fund financial statements which indicates that inventory does not constitute "available spending resources" even though it is a component of net current assets.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items. Prepaid items are offset within the nonspendable classification of fund balance in the fund financial statements.

K. Uncertified Special Assessments

This represents a long-term receivable in the government-wide financial statements showing the amount of uncertified/uncollected debt service fund special assessments over the life of the special assessment bonds.

L. Capital Assets

Capital assets including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. The capitalization threshold is \$5,000. Assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received.

In the case of the initial capitalization of general infrastructure assets the county chose to include all such items regardless of their acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements

are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40-50
Improvements Other Than Buildings	50
Vehicles	5
Machinery and Equipment	10
Infrastructure	15-60

M. Accounts Payable

Accounts payable are liability accounts reflecting amounts on open accounts owing to private persons or organizations for goods and services received prior to December 31, 2013.

N. Retainages Payable

Retainages payable consists of amounts owed to contractors on open construction contracts for the courthouse addition project and various road construction projects not yet completed at year-end.

O. Interest Payable

Interest payable represents the amount payable on all special assessment bonds, general obligation bonds, and leases interest at year-end.

P. Compensated Absences

Vested or accumulated vacation leave are payable to employees upon separation from service. All vacation leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported. No liability is recorded for accumulated sick leave as this is a non-vesting benefit. The computed liability is in compliance with GASB Statement No. 16, Accounting for Compensated Absences.

Q. Deferred Inflows of Resources

The statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts

are deferred and recognized as an inflow of resources in the period that the amounts become available.

R. IBNR Claims - Self Insurance

The IBNR (Incurred But Not Reported) claims are an estimate of the health insurance and dental insurance claims, for which the County is liable, incurred prior to December 31, but not processed and paid until the following year.

The County is self-insured for a comprehensive group health insurance plan and dental insurance plan. The County records estimated liabilities for such claims filed or estimated to be filed for incidents that have occurred in the related Internal Service Funds. Premiums are collected from County departments and employees, and claims are paid in the related Internal Service Funds.

Reconciliation of Claims Liability:

Employee Health	2013	2012
Balance January 1	\$ 317,700	\$ 281,694
Incurred Claims Including IBNR's and Changes in Estimates	2,617,454	2,339,857
Less Claims Payments	2,603,687	2,303,851
Balance December 31	\$ 331,467	\$ 317,700

Employee Dental	2013	2012
Balance January 1	\$ 13,238	\$ 11,331
Incurred Claims Including IBNR's and Changes in Estimates	285,146	250,011
Less Claims Payments	282,499	248,104
Balance December 31	\$ 15,885	\$ 13,238

S. Long-Term Obligations

In the government-wide financial statements, the long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premium received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

T. Fund Balances

In the governmental fund financial statements, governmental funds report fund balances in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – These are amounts that are restricted to specific purposes when the constraints are externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority. The County Commission is the highest level of decision-making authority for the government. Once approved, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation
- Assigned – Amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The county commission may assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.
- Unassigned – The residual classification for the general fund.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

U. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

V. Interfund Transactions

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 a reduction of expenditures in the fund that is reimbursed. All other transactions, except reimbursements, are reported as transfers.

NOTE 2: LEGAL COMPLIANCE - BUDGETS

Chapter 11-23 of the North Dakota Century Code governs county government in North Dakota. The Century Code chapter and the Home Rule Charter passed by the county voters in 1994 are the basis for the legal level of budgetary control in Cass County.

Each department completes its budget and delivers it to the county auditor who then files it with the board of county commissioners. The county auditor prepares a preliminary county budget for the general, special revenue, and debt service funds on the modified accrual basis of accounting. The preliminary budget includes proposed expenditures and the means of financing them. The board of county commissioners holds a public hearing where any taxpayer may testify in favor of or against any proposed expenditure or tax levy. The board of county commissioners may not approve the budget until after the public budget hearing, but must adopt the final budget on or before October 1st. For the year ending December 31, 2013, the County complied with the applicable budget laws except as noted below:

Chapter 11-23 of the North Dakota Century Code sets the legal level of budgetary control at the fund level, no expenditure or commitment of funds may exceed the appropriation for the fund as a whole. In addition, it is the policy of Cass County to control budgets at the departmental level. In the General Fund, departments consist of the various county offices. In the Special Revenue and Debt Service Funds, the departments are comprised of the various individual funds.

Management may approve transfers of appropriations within departments without formal approval by the board of county commissioners. The board of county commissioners must approve all appropriation transfers between departments, or any supplemental appropriation. All supplemental appropriations must be approved by the board of county commissioners at the fund level and may only be done within additional revenues or reserves that were not anticipated at the time the original budget was adopted. During the year, several supplementary appropriations were necessary. At year-end, the balance of each appropriation becomes a part of the unappropriated fund balance.

During 2013 expenditures exceed appropriations in the following funds:

Special Revenue Funds:

2013 Flood Emergency Fund	\$ 138
2011 Flood Recovery	453
BNSF Train Derailment	190
24/7 Sobriety Program	8,353

These excess expenditures over appropriations were the result of unforeseen expenditures at the time the final budget was approved.

NOTE 3: DEPOSITS AND INVESTMENTS

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

Deposits must be deposited either with the Bank of North Dakota or in other financial institutions situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or secured with pledges of securities equal to 110% of the uninsured balance.

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 deposits, 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 December 31, 2013, the County's carrying amount of deposits was \$73,504,782 and the bank balance was \$74,134,341. Of the bank balances, \$5,010,101 was covered by federal depository insurance. Of the remaining bank balances, \$69,098,584 was collateralized with securities held by the pledging financial institution's agent in the government's name. Additionally, bank balances totaling \$25,657 are not collateralized since the funds are held at the Bank of North Dakota, which does not carry FDIC insurance and is not required to provide security pledges.

Credit Risk:

The County may invest idle funds as authorized in North Dakota Statutes, as follows:

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

As of December 31, 2013, the county held certificates of deposit in the amount of \$2,525,000, which are all considered deposits.

Concentration of Credit Risk:

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

Component Units

Deposits: At December 31, 2013, the deposits of the Water Resource Districts were entirely covered by federal depository insurance or by collateral held by the district's custodial bank in the district's name. For the purpose of risk analysis, certificates of deposits are classified as deposits.

Deposits of the Cass County Noxious Weed Control and Cass County Vector Control were pooled with the County's funds and held in the County's custodial bank in the County's name. The Weed and Vector Control deposits were covered by federal depository insurance or by collateral held by the County's agent in the County's name.

NOTE 4: TAXES AND SPECIAL ASSESSMENTS RECEIVABLE

The taxes and special assessments receivable represent the past four years of delinquent uncollected tax levies and billings. No allowance has been established for uncollectible taxes and assessments receivable.

Property that is subject to taxation is assessed on February 1 of each year to determine its 'true and full value'. Property that is under construction is assessed on the percentage of completion as of February 1. Property owners have the opportunity to appeal their assessment through a County Board of Equalization in June of each year.

Property tax mill levies must be approved by the County Commission on or before October 1 of each year. Levies are expressed in terms of one thousandth of a dollar or 'mills'. The property tax for each taxed property is computed by the Cass County Auditor and certified for collection to the County Treasurer by December 10. Before computing the tax, the true and full value is reduced by 50 percent to arrive at an 'assessed value'. The assessed value is further reduced to 10 percent of assessed value for commercial and agricultural property and 9 percent of assessed value for residential property. The result is the 'taxable value' and is used when applying the mill levy to the property.

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 of 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 five percent discount is allowed if all taxes and special assessments are paid by February 15. Penalties of 3 percent on the first installment are assessed on March 2, May 1, July 1, and October 16. Penalties of 6 percent are assessed on the second installment on October 16.

Two years after the property tax has become due, the County will start the process of foreclosing on the tax lien. The property owner has until October 1 of the third year to satisfy the tax lien at which time the County is entitled to a tax deed. The County, upon receiving a tax deed, will set a minimum sales price on the property and offer it for sale at a public auction.

NOTE 5: DUE TO/ DUE FROM OTHER FUNDS

The composition of inter-fund balances as of December 31, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
General	Flood Mitigation	383,484
General	911 Fund	18,738
County Road & Bridge	2013 Flood Emergency	322
County Road & Bridge	2010 Flood Recovery	745,336
County Road & Bridge	2011 Flood Recovery	978,533
Emergency Fund	BNSF Train Derailment	90
Total		2,126,503

The above amounts represent the amounts the payable funds have borrowed from pooled cash.

NOTE 6: TRANSFERS

The following is the transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2013:

Transfers In	Transfers Out	Amount
2009 Flood Recovery	County Road & Bridge	78,923
2010 Flood Recovery	County Road & Bridge	671,077
911 Service	General Fund	5,000
2013 Flood Emergency Fund	Emergency & Flood Mitigation	1,000,000
Emergency & Flood Mitigation	2013 Flood Emergency	809,005
Flood Mitigation	Emergency & Flood Mitigation	445,228
Future Building Fund	Flood Mitigation	22,522
Flood Mitigation	Future Building Fund	5,972
Courthouse Addition	Future Building Fund	328,534
Courthouse Addition	General Fund	135,745
Total Transfers		3,502,006

Transfers are used to move unrestricted general revenue to close out projects as they are completed and to subsidize other programs in accordance with county commission authority.

NOTE 7: CAPITAL ASSETS

The following is a summary of changes in the capital assets during the year ended December 31, 2013:

Primary Government Capital Assets

	Balance 1/1/2013	Increases	Decreases	Balance 12/31/2013
Capital Assets, not being depreciated:				
Land	\$ 29,118,881	\$ 5,672,442	\$ -	\$ 34,791,323
Construction in Progress	-	-	-	-
Total Capital Assets not being depreciated	\$ 29,118,881	\$ 5,672,442	\$ -	\$ 34,791,323
Capital Assets, being depreciated:				
Buildings	\$ 50,470,521	\$ 45,063	\$ 12,468	\$ 50,503,116
Improvements other than buildings	2,851,571	-	-	2,851,571
Machinery and Equipment	9,924,695	404,454	284,836	10,044,313
Infrastructure	125,345,303	-	-	125,345,303
Total Capital Assets, being depreciated	\$ 188,592,091	\$ 449,517	\$ 297,304	\$ 188,744,303
Less accumulated depreciation for:				
Buildings	\$ 11,806,000	\$ 940,107	\$ 7,041	\$ 12,739,067
Improvements other than buildings	909,305	69,121	-	978,427
Machinery and Equipment	6,796,249	813,948	250,044	7,360,154
Infrastructure	59,754,606	2,368,211	-	62,122,817
Total Accumulated Depreciation	\$ 79,266,161	\$ 4,191,388	\$ 257,084	\$ 83,200,464
Net Capital Assets, being Depreciated	\$ 109,325,930	\$ (3,741,871)	\$ 40,220	\$ 105,543,839
Net Governmental Activities Capital Assets	\$ 138,444,811	\$ 1,930,571	\$ 40,220	\$ 140,335,163

Depreciation expense was charged to functions/programs of primary government as follows:

Governmental Activities:	
General Government	\$ 508,400
Public Safety	782,951
Highways and Streets	2,765,817
Relief and Charities	81,081
Culture and Recreation	18,386
Conservation and Econ. Development	3,418
Total Depreciation Expense - Governmental Activities	\$ 4,160,053
Depreciation of Internal Service Funds	31,334
Total Depreciation Expense	\$ 4,191,387

During the year ended December 31, 2013, the following changes occurred in the capital assets of:

Southeast Cass Water Resource District				
	Balance			Balance
	1/1/2013	Increases	Transfer	12/31/13
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 9,059,071	\$ 37,250	\$ -	\$ 9,096,321
Construction in Progress	9,787,194	814,870	(10,065,908)	536,156
Total Capital Assets Not Being Depreciated	\$ 18,846,265	\$ 852,120	\$ (10,065,908)	\$ 9,632,477
Facilities	\$ 71,725,211	\$ -	\$ -	\$ 71,725,211
Projects	22,613,426	-	10,065,908	32,679,334
Equipment	40,000	-	-	40,000
Total Capital Assets, Being Depreciated	\$ 94,378,637	\$ -	\$ 10,065,908	\$ 104,444,545
Less Accumulated Depreciation for:				
Facilities	\$ 21,433,419	\$ 1,434,504	\$ -	\$ 22,867,923
Projects	3,957,251	452,269	-	4,409,520
Equipment	40,000	-	-	40,000
Total Accumulated Depreciation	\$ 25,430,670	\$ 1,886,773	\$ -	\$ 27,317,443
Total Capital Assets Being Depreciated, Net	\$ 68,947,967	\$ (1,886,773)	\$ 10,065,908	\$ 77,127,103
Governmental Activities Capital Assets, Net	\$ 87,794,232	\$ (1,034,653)	\$ -	\$ 86,759,580

Maple River Water Resource District				
	Balance			Balance
	1/1/2013	Increases	Transfers	12/31/2013
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,868,306	\$ 34,360	\$ -	\$ 1,902,666
Construction in Progress	506,452	1,602,402	(520,452)	1,588,402
Total Capital Assets Not Being Depreciated	\$ 2,374,758	\$ 1,636,762	\$ (520,452)	\$ 3,491,068
Capital Assets Being Depreciated:				
Facilities	\$ 10,550,637	\$ -	\$ -	\$ 10,550,637
Projects	6,657,469	-	520,452	7,177,921
Total Capital Assets, Being Depreciated	\$ 17,208,106	\$ -	\$ 520,452	\$ 17,728,558
Less Accumulated Depreciation for:				
Facilities	\$ 6,869,451	\$ 187,013	\$ -	\$ 7,056,464
Projects	592,680	133,149	-	725,829
Total Accumulated Depreciation	\$ 7,462,131	\$ 320,162	\$ -	\$ 7,782,293
Total Capital Assets Being Depreciated, Net	\$ 9,745,975	\$ (320,162)	\$ 520,452	\$ 9,946,265
Governmental Activities Capital Assets, Net	\$ 12,120,733	\$ 1,316,600	\$ -	\$ 13,437,333

North Cass Water Resource District

	Balance 1/1/2013	Increases	Transfers	Balance 12/31/2013
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,048,154	\$ 180,100	\$ -	\$ 1,228,254
Construction in Progress		665,407		665,407
Total Capital Assets Not Being Depreciated	1,048,154	845,507	-	1,893,661
Capital Assets Being Depreciated:				
Facilities	\$ 3,768,900	\$ -	\$ -	\$ 3,768,900
Projects	3,223,844	-	-	3,223,844
Total Capital Assets, Being Depreciated	\$ 6,992,744	\$ -	\$ -	\$ 6,992,744
Less Accumulated Depreciation for:				
Facilities	\$ 2,401,784	\$ 75,378	\$ -	\$ 2,477,162
Projects	636,456	64,477		700,933
Total Accumulated Depreciation	\$ 3,038,240	\$ 139,855	\$ -	\$ 3,178,095
Total Capital Assets Being Depreciated, Net	\$ 3,954,504	\$ (139,855)	\$ -	\$ 3,814,649
Governmental Activities Capital Assets, Net	\$ 5,002,658	\$ 705,652	\$ -	\$ 5,708,310

Rush River Water Resource District

	Balance 1/1/2013	Increases	Transfers	Balance 12/31/2013
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 2,458,717	\$ 299,565	\$ -	\$ 2,758,282
Construction in Progress	1,490,905	1,657,870	(1,492,756)	1,656,019
Total Capital Assets Not Being Depreciated	\$ 3,949,622	\$ 1,957,435	\$ (1,492,756)	\$ 4,414,301
Capital Assets Being Depreciated:				
Facilities	\$ 22,267,672	\$ -	\$ 1,492,756	\$ 23,760,428
Projects	449,400	-	-	449,400
Total Capital Assets, Being Depreciated	\$ 22,717,072	\$ -	\$ 1,492,756	\$ 24,209,828
Less Accumulated Depreciation for:				
Facilities	\$ 17,873,054	\$ 271,353	\$ -	\$ 18,144,407
Projects	85,504	8,988		94,492
Total Accumulated Depreciation	\$ 17,958,558	\$ 280,341	\$ -	\$ 18,238,899
Total Capital Assets Being Depreciated, Net	\$ 4,758,514	\$ (280,341)	\$ 1,492,756	\$ 5,970,929
Governmental Activities Capital Assets, Net	\$ 8,708,136	\$ 1,677,094	\$ -	\$ 10,385,230

Noxious Weed Control

	Balance 1/1/2013	Increases	Decreases	Balance 12/31/2013
Capital Assets, Being Depreciated:				
Buildings	\$ 41,054	\$ -	\$ -	\$ 41,054
Machinery & Equipment	75,038	-	-	75,038
Total Capital Assets, Being Depreciated	\$ 116,092	\$ -	\$ -	\$ 116,092
Less Accumulated Depreciation:				
Buildings	\$ 21,348	\$ 821	\$ -	\$ 22,169
Machinery & Equipment	44,640	8,868		53,508
Total Accumulated Depreciation	\$ 65,988	\$ 9,689	\$ -	\$ 75,677
Total Capital Assets Net of Depreciation	\$ 50,104	\$ (9,689)	\$ -	\$ 40,415

Vector Control				
	Balance 1/1/2013	Increases	Decreases	Balance 12/31/2013
Capital Assets, Being Depreciated:				
Machinery & Equipment	\$ 367,719	\$ 27,609	\$ -	\$ 395,328
Less Accumulated Depreciation				
Machinery & Equipment	297,249	23,891	-	321,140
Total Capital Assets Net of Depreciation	\$ 70,470	\$ 3,718	\$ -	\$ 74,188

NOTE 8: LONG-TERM DEBTSpecial Assessment Bonds

Cass County issues special assessment bonds for construction in various subdivisions. The original amount of special assessment bonds issued in prior years was \$830,000. These bonds will be repaid from the debt service funds by amounts levied against the property owners benefited by this construction. As of December 31, 2013, the County had funds of \$61,830 available for payment on the special assessment bonds. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds are received. The County may levy general taxes to make up deficiencies in special assessment funds. Special assessments on property must be paid at the same time property taxes are paid.

Special assessment bonds at December 31, 2013, are comprised of the following individual issues:

Special Assessment Bonds:

\$380,000 Refunding Improvement Bonds of 2005 for construction in the Greyhawks Estates Subdivision due in annual installments of \$25,000 through 2020 with interest at 4.15% to 4.40%.	\$ 175,000
\$365,000 Refunding Improvement Bonds of 2007 due in annual installments of \$25,000 through 2022 with interest at 3.90% to 4.45%.	225,000
\$85,000 Refunding Improvement Bonds of 2001 for construction in the Holmen's 3 rd Subdivision due in annual installments of \$6,478 to \$8,024 through 2016 with interest at 5.42%.	<u>22,839</u>
Total Special Assessment Bonds	\$ <u>422,839</u>

Annual debt service requirements to maturity for special assessment bonds are as follows:

Special Assessment Bonds		
Year Ending		
December 31	Principal	Interest
2014	\$ 57,210	\$ 17,273
2015	57,606	14,827
2016	58,024	12,321
2017	50,000	9,875
2018	50,000	7,725
2019-2022	150,000	11,100
Total	\$ 422,839	\$ 73,121

General Obligation Bonds

During the year ended December 31, 2010 the county issued \$8,900,000 in Recovery Zone Economic Development bonds. These bonds were issued to finance the construction of the west addition to the Cass County Courthouse. The bonds are collateralized by the faith, credit and taxing power of the County.

General Obligation bonds at December 31, 2013, are comprised of the following individual issues:

\$8,900,000 General Obligation Bonds of 2010 due in annual installments of \$700,000 to \$840,000 through 2022 with interest at 2.3% to 4.7%.

\$6,850,000

General Obligation Bonds		
Year Ending		
December 31	Principal	Interest
2014	\$ 700,000	\$ 243,283
2015	710,000	225,825
2016	725,000	205,361
2017	735,000	182,178
2018	755,000	156,083
2019-2022	3,225,000	297,033
Total	\$ 6,850,000	\$ 1,309,761

During the year ended December 31, 2013, the following changes occurred in liabilities reported in long-term debt.

	Balance			Balance	Due Within
	1/1/13	Additions	Reductions	12/31/13	One Year
Special Assessment Bonds	\$ 479,674	\$ -	\$ (56,834)	\$ 422,839	\$ 57,210
Less Deferred:					
Bond Discount	\$ 6,392	\$ -	\$ (745)	\$ 5,647	\$ 745
Issuance Costs	9,099	-	(9,099)	-	-
Total Deferred	\$ 15,491	\$ -	\$ (9,844)	\$ 5,647	\$ 745
Total Special Assessment Bonds	\$ 464,183	\$ -	\$ (46,990)	\$ 417,192	\$ 56,465
General Obligation Bonds	\$ 7,540,000	\$ -	\$ (690,000)	\$ 6,850,000	\$ 700,000
Less Deferred:					
Bond Discount	\$ 56,186	\$ -	\$ (5,914)	\$ 50,271	\$ 5,914
Issuance Costs	35,924	-	(35,924)	-	-
Total Deferred	\$ 92,110	\$ -	\$ (41,839)	\$ 50,271	\$ 5,914
Total General Obligation Bonds	\$ 7,447,890	\$ -	\$ (648,161)	\$ 6,799,729	\$ 694,086
Lease Payable	\$ 127,937	\$ -	\$ (127,937)	\$ -	\$ -
Special Assessments	105,285	-	(105,285)	-	-
Compensated Absences	1,599,983	1,730,343	(1,680,377)	1,649,949	1,649,949
Total	\$ 9,745,277	\$ 1,730,343	\$ (2,608,750)	\$ 8,866,872	\$ 2,400,502

The County is subject to a statutory limitation by the State of North Dakota for indebtedness payable principally from property taxes. At December 31, 2013, the statutory limit for the County was \$272,589,645. The County has general obligation bonds payable that are subject to this limitation. The general obligation bonds at December 31, 2013 were \$6,850,000. The legal debt margin at December 31, 2013 is \$265,739,645. The compensated absences are generally liquidated as follows: 55% from the General Fund, 35% from Human Service Fund, and 10% from County Road and Bridge Fund.

Component Units

During the year ended December 31, 2013, the following changes occurred in the long-term debt of the Water Resource Districts:

Southeast Cass Water Resource District					
	Balance			Balance	Due Within
	1-1-13	Increases	Decreases	12-31-13	One Year
Bonds Payable	\$ 6,400,000	\$ 910,000	\$ (1,995,000)	\$ 5,315,000	\$ 1,125,000
Less Deferred Amounts:					
Bond Discount	81,397	11,375	(35,733)	57,038	12,578
Bond Issuance Costs	43,497	4,900	(48,397)	-	-
Total Bonds Payable	\$ 6,275,106	\$ 893,725	\$ (1,910,870)	\$ 5,257,962	\$ 1,112,422
Loans Payable	930,936	76,050	(69,707)	937,279	70,000
Compensated Absences	13,773	9,586	(11,436)	11,923	11,923
TOTAL	\$ 7,219,815	\$ 979,361	\$ (1,992,013)	\$ 6,207,164	\$ 1,194,345

Maple River Water Resource District					
	Balance			Balance	Due Within
	1-1-13	Increases	Decreases	12-31-13	One Year
Bonds Payable	\$ 320,000	\$ 3,330,000	\$ (158,333)	\$ 3,491,667	\$ 58,333
Less Deferred Amounts:					
Bond Discount	940	49,950	(1,148)	49,742	2,498
Bond Issuance Costs	1,973	5,900	(7,873)	-	-
Total Bonds Payable	\$ 317,087	\$ 3,274,150	\$ (149,312)	\$ 3,441,925	\$ 55,835
Loan Payable	120,000	-	(15,000)	105,000	15,000
Compensated Absences	4,591	3,195	(3,812)	3,974	3,974
TOTAL	\$ 441,678	\$ 3,277,345	\$ (168,124)	\$ 3,550,899	\$ 74,809

North Cass Water Resource District					
	Balance			Balance	Due Within
	1-1-13	Increases	Decreases	12-31-13	One Year
Bonds Payable	\$ 158,550	\$ 1,100,000	\$ (83,550)	\$ 1,175,000	\$ 135,000
Less Deferred Amounts:					
Bond Discount	370	11,000	(1,155)	10,215	1,571
Bond Issuance Costs	641	4,700	(5,341)	-	-
Total Bonds Payable	157,539	1,084,300	(77,054)	1,164,785	133,429
Compensated Absences	2,295	1,598	(1,906)	1,987	1,987
TOTAL	\$ 159,834	\$ 1,085,898	\$ (78,960)	\$ 1,166,772	\$ 135,416

Rush River Water Resource District					
	Balance			Balance	Due Within
	1-1-13	Increases	Decreases	12-31-13	One Year
Bonds Payable	\$ 2,635,000	\$ 1,620,000	\$ (165,000)	\$ 4,090,000	\$ 205,000
Less Deferred Amounts:					
Bond Discount	38,099	24,300	(3,257)	59,141	3,966
Bond Issuance Costs	16,790	5,000	(21,791)	-	-
Total Bonds Payable	\$ 2,580,111	\$ 1,590,700	\$ (139,952)	\$ 4,030,859	\$ 201,034
Compensated Absences	2,295	1,598	(1,906)	1,987	1,987
TOTAL	\$ 2,582,406	\$ 1,592,298	\$ (141,858)	\$ 4,032,846	\$ 203,021

Long-term debt of the Water Resource Districts at December 31, 2013, is comprised of the following special assessment bonds:

Southeast Cass Water Resource District:

\$3,345,000 2011 Improvement Bonds, Series B, due in annual installments of \$500,000 to 775,000 through 2017; interest at .75% to 1.75%. \$2,325,000

\$780,000 2011 Improvement Bonds, Series A, due in annual installments of \$145,000 through 2017; interest at .75% to 1.75%. 575,000

\$910,000 2013 Refunding Improvement Bonds, due in annual installments of \$60,000 to \$275,000 through 2018; with interest at .35% to .85%. 910,000

\$1,880,000 2011 Improvement Bonds due in annual installments of \$195,000 to \$235,000 through 2020; interest at 1.10% to 2.7%.	<u>\$1,505,000</u>
Total Southeast Cass Special Assessment Bonds and Warrants Payable	<u>\$5,315,000</u>
<u>Loans Payable:</u>	
\$408,755 State Revolving Loan Fund loan drawdown. Due in annual installments of \$15,000 to \$25,000 through 2031; interest at 2.5%.	\$ 390,000
\$214,000 1998 State Revolving Loan Fund Municipal Bond Bank, due in annual installments of \$10,000 to \$15,000 through 2018; interest at 2.5%.	64,000
\$738,279 State Revolving Loan Fund drawdown. Maximum drawdown amount is up to \$850,000. Due in annual installments of \$40,000 to \$55,000 through 2026; with interest at 2.5%. There is no current set payment schedule until all the monies have been drawn.	<u>\$ 483,279</u>
Total Loans Payable	<u>\$ 937,279</u>
Total Southeast Cass Long-term Debt (excluding Compensated Absences)	<u>\$6,252,279</u>
<u>Maple River District Bonds and Warrants Payable:</u>	
\$200,000 Improvement Bonds of 2009, due in annual installments of \$33,333 through 2015; interest at 4.65%.	\$ 66,667
\$3,330,000 Improvement Bonds of 2013, due in annual installments of \$10,000 to \$245,000 through 2033; interest at .85% to 4.5%.	3,330,000
\$228,000 Improvement Bonds of 2005, due in annual installments of \$15,000 to \$16,000 through 2019; interest at 4.9%.	<u>\$ 95,000</u>
Total Maple River Bonds Payable	<u>\$3,491,667</u>
<u>Loans Payable:</u>	
\$225,000 2005 State Bank & Trust Loan, due in annual installments of \$15,000 through 2020; interest at 5.25%.	<u>\$ 105,000</u>

Total Maple River Long-Term Debt (excluding Compensated Absences)	<u>\$3,596,667</u>
---	--------------------

Rush River District Bonds and Warrants Payable:

\$800,000 2005 Improvement Bonds, due in annual installments of \$10,000 to \$70,000 through 2019, with interest at 3.7% to 4.35%.	\$ 315,000
--	------------

\$1,825,000 2012 Improvement Bonds, due in annual installments of \$75,000 to \$115,000 through 2032; interest at .75% to 3.10%.	1,750,000
--	-----------

\$1,620,000 2013 Improvement Bonds, due in annual installments of \$35,000 to \$535,000 through 2033; interest at .900% to 4.25%.	1,620,000
---	-----------

\$560,000 2008 Improvement Bonds, due in annual installments of \$35,000 to \$45,000 through 2023, with interest at 3.25% to 4.65%.	<u>405,000</u>
---	----------------

Total Rush River Long-Term Debt (excluding Compensated Absences)	<u>\$ 4,090,000</u>
--	---------------------

North Cass District Bonds Payable:

\$215,000 2003 Improvement Bonds, due in annual installments of \$15,000 through 2018, with interest at 4.0% to 5.0%.	\$ 75,000
---	-----------

\$1,100,000 2013 Improvement Bonds, due in annual installments of \$120,000 to \$485,000 through 2019; interest at .50% to 1.85%.	<u>1,100,000</u>
---	------------------

Total North Cass Special Assessment Bonds and Warrants Payable	<u>\$ 1,175,000</u>
--	---------------------

Water Resource Districts' long term debt service requirements to maturity are

as follows:

Southeast Cass Water Resource Districts Bonds Payable:

GOVERNMENTAL ACTIVITIES				
Year Ending December 31	SA Bonds Payable		Loan Payable	
	Principal	Interest	Principal	Interest
2014	\$ 1,125,000	\$ 77,841	\$ 65,000	\$ 23,432
2015	1,120,000	65,870	65,000	21,806
2016	1,130,000	50,204	75,000	20,181
2017	1,195,000	30,166	75,000	18,307
2018	280,000	15,780	79,000	16,432
2019 - 2023	465,000	12,623	335,000	55,910
2024 - 2028			168,279	19,831
2029 - 2033	-	-	75,000	3,750
Total	\$ 5,315,000	\$ 252,484	\$ 937,279	\$ 179,649

Maple River Water Resource Districts Bonds Payable:

GOVERNMENTAL ACTIVITIES				
Year Ending December 31	SA Bonds Payable		Loan Payable	
	Principal	Interest	Principal	Interest
2014	\$ 58,333	\$ 106,338	\$ 15,000	\$ 5,116
2015	194,334	112,439	15,000	4,328
2016	161,000	109,648	15,000	3,543
2017	161,000	107,160	15,000	2,752
2018	161,000	104,201	15,000	1,965
2019 - 2023	771,000	463,320	30,000	1,570
2024 - 2028	865,000	327,055		
2029 - 2033	1,120,000	128,887		
Total	\$ 3,491,668	\$ 1,459,048	\$ 105,000	\$ 19,274

North Cass Water Resource Districts Bonds Payable:

GOVERNMENTAL ACTIVITIES			
Year Ending December 31	Spec. Assess. Bonds Payable		
	Principal	Interest	
2014	\$ 135,000	\$ 16,453	
2015	500,000	12,888	
2016	135,000	8,932	
2017	135,000	6,623	
2018	140,000	3,936	
2019 - 2023	130,000	1,202	
Total	\$ 1,175,000	\$ 50,034	

Rush River Water Resource Districts Bonds Payable:

GOVERNMENTAL ACTIVITIES		
Year Ending December 31	Spec. Assess. Bonds Payable	
	Principal	Interest
2014	\$ 205,000	\$ 121,057
2015	705,000	104,077
2016	230,000	96,617
2017	235,000	90,555
2018	240,000	84,200
2019 - 2023	910,000	340,494
2024 - 2028	775,000	210,033
2029 - 2033	790,000	66,208
Total	\$ 4,090,000	\$ 1,113,241

The County is secondarily liable for the payment of principal and interest on water resource district bonds. These special assessment bonds are paid from the debt service funds that are funded by annual payments made by property owners directly benefiting from each project. The water resource district may reassess properties in the improvement district or may use general tax levies to cover deficiencies. In the event the water resource district is not able to generate funds to meet principal and interest payments, the County is also obligated to levy general tax levies to fund the deficiencies.

NOTE 9: CONDUIT DEBT OBLIGATIONS

From time to time, the County has issued Industrial Revenue Bonds and Community Development Block Grants to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the county, nor state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2013, there were 38 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$224,234,880.

NOTE 10: PENSION PLANS

The County contributes to the North Dakota Public Employees' 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, PO Box 1214, Bismarck, North Dakota, 58502-1214.

Plan members are required to contribute 6% of their annual covered salary. The County is required to contribute 7.26% of the employees' salary, which consists of 6.12% for employee and 1.14% for the retiree health benefits fund. The County has agreed to pay 67% of the member assessments in lieu of a salary increase. 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, 2013, 2012, and 2011 were 2,728,094, 2,177,471, and \$1,719,412, respectively, equal to the required contributions for the year.

NOTE 11: RISK MANAGEMENT

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

In 1986 state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and more than 2,000 political subdivisions. The County pays an annual premium to NDIRF for its general liability, auto, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of two million dollars per occurrence.

The County also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The County pays an annual premium to the Fire and Tornado Fund to cover property damage to building and personal property. Estimating replacement cost in consultation with the Fire and Tornado Fund provides replacement cost coverage.

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 the County with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The County participates in the North Dakota Worker's Compensation Bureau. The County has retained risk for employee health and accident up to a maximum of \$65,000 per individual and up to 120% of actuarially expected claims. The County has purchased a stop loss policy for amounts in excess of \$65,000 per employee and 120% of actuarially expected claims. The County has sufficient reserves in the self-insurance fund to fund the retained risk. A

liability for incurred but not reported claims is included on the balance sheet.

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

NOTE 12: CONTINGENT LIABILITIES

The County is a defendant in various lawsuits incident to its operations. In the opinion of County Counsel and management, such claims against the County not covered by insurance would not materially affect the financial condition of the County.

NOTE 13: CONSTRUCTION COMMITMENTS

The County has the following open construction contracts with balances owing at December 31, 2013:

Project	Contract Amount	Total Completed	Retainage	Remaining Balance
County 11 Grading - Mapleton	\$ 693,090	\$ 693,090	\$ 34,655	\$ 34,655
Grading Site 89	557,420	544,145	2,075	15,351
Courthouse West Addition	14,732,456	14,732,456	65,217	65,217
Total Construction Commitments	\$ 15,982,966	\$ 15,969,691	\$ 101,948	\$ 115,223

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
December 31, 2013

	Parenting Workshop	Sheriff Asset Forfeiture	JAIBG Fund	BNSF Train Derailment	Jail Commissary
<u>Assets:</u>					
Cash and cash equivalents	\$ 34,767	\$ 155,231	\$ 64,571	\$ -	\$ 312,739
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	230	678	-	-
Due From Other Funds	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
Total Assets	<u>34,767</u>	<u>155,461</u>	<u>65,249</u>	<u>-</u>	<u>312,739</u>
<u>Liabilities:</u>					
Accounts Payable	200	664	-	99	5,290
Due to Other Funds	-	-	-	90	-
Due to Inmates/Permits/Drug Cases	-	118,190	-	-	31,562
Total Liabilities	<u>200</u>	<u>118,854</u>	<u>-</u>	<u>190</u>	<u>36,853</u>
<u>Deferred Inflows of Resources:</u>					
Unavailable Revenue - Property Taxes	-	-	-	-	-
<u>Fund Balance:</u>					
Nonspendable	-	-	-	-	-
Restricted	-	36,607	65,249	-	-
Committed	34,567	-	-	-	275,886
Unassigned	-	-	-	(190)	-
Total Fund Balances	<u>34,567</u>	<u>36,607</u>	<u>65,249</u>	<u>(190)</u>	<u>275,886</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 34,767</u>	<u>\$ 155,461</u>	<u>\$ 65,249</u>	<u>\$ -</u>	<u>\$ 312,739</u>

<u>Hazardous Plan/ Response</u>	<u>Valley Water Rescue</u>	<u>St. Att'y Asset Forfeiture</u>	<u>Senior Citizens</u>	<u>911 Service</u>	<u>Emergency & Flood Mitigation</u>
\$ 24,372	\$ 8,908	\$ 124,939	\$ 183,807	\$ -	\$ 2,134,668
-	-	-	6,627	-	19,232
-	-	-	-	32,532	-
-	-	-	-	-	90
-	-	-	-	-	-
-	-	-	-	-	-
<u>24,372</u>	<u>8,908</u>	<u>124,939</u>	<u>190,433</u>	<u>32,532</u>	<u>2,153,990</u>
-	60	-	-	13,109	-
-	-	-	-	18,738	-
-	-	-	-	-	-
-	60	-	-	31,847	-
-	-	-	125,299	-	375,250
-	-	-	-	-	-
24,372	-	124,939	65,134	-	1,778,740
-	8,848	-	-	685	-
-	-	-	-	-	-
<u>24,372</u>	<u>8,848</u>	<u>124,939</u>	<u>65,134</u>	<u>685</u>	<u>1,778,740</u>
<u>\$ 24,372</u>	<u>\$ 8,908</u>	<u>\$ 124,939</u>	<u>\$ 190,433</u>	<u>\$ 32,532</u>	<u>\$ 2,153,990</u>

Continued on next page

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
December 31, 2013

	NDRIN County Recorder Project	Document Preservation ROD	County Park	24/7 Sobriety Program	Total Nonmajor Special Revenue Funds
<u>Assets:</u>					
Cash and cash equivalents	\$ 1,266,049	\$ 280,876	\$ 68,502	\$ 66,716	\$ 4,726,145
Receivables:					
Taxes	-	-	287	-	26,145
Accounts	102,611	-	-	-	136,051
Due From Other Funds	-	-	-	-	90
Prepaid Items	-	16,195	-	-	16,195
Due From Other Governments	-	453	1,609	-	2,062
Total Assets	<u>1,368,660</u>	<u>297,524</u>	<u>70,397</u>	<u>66,716</u>	<u>4,906,688</u>
<u>Liabilities:</u>					
Accounts Payable	8,678	1,882	138	10,393	40,514
Due to Other Funds	-	-	-	-	18,828
Due to Inmates	-	-	-	-	149,753
Total Liabilities	<u>8,678</u>	<u>1,882</u>	<u>138</u>	<u>10,393</u>	<u>209,095</u>
<u>Deferred Inflows of Resources:</u>					
Unavailable Revenue - Property Taxes	-	-	9,172	-	509,721
<u>Fund Balances:</u>					
Nonspendable	-	16,195	-	-	16,195
Restricted	1,359,983	279,447	61,087	56,323	3,851,881
Committed	-	-	-	-	319,987
Unassigned	-	-	-	-	(190)
Total Fund Balances	<u>1,359,983</u>	<u>295,642</u>	<u>61,087</u>	<u>56,323</u>	<u>4,187,873</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 1,368,660</u>	<u>\$ 297,524</u>	<u>\$ 70,397</u>	<u>\$ 66,716</u>	<u>\$ 4,906,688</u>

Continued from previous page

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - All Debt Service Funds
December 31, 2013

	<u>Holmen's Third Subdivision</u>	<u>Greyhawk Estates Subdivision</u>	<u>Granberg Amber Plains</u>	<u>2010 Bond S&I</u>	<u>Special Assessment Deficiency</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:						
Cash and Investments	\$ 5,676	\$ 57,108	\$ 18,730	\$ 276,144	\$ 11,136	\$ 368,795
Receivables:						
Taxes	-	-	698	10,577	-	11,275
Total Assets	<u>5,676</u>	<u>57,108</u>	<u>19,429</u>	<u>286,721</u>	<u>11,136</u>	<u>380,070</u>
Deferred Inflows of Resources:						
Unavailable Revenue - Property Taxes	-	-	-	198,079	-	198,079
Unavailable Revenue - Special Assessments	1,076	8,504	10,804	-	-	20,383
Total Deferred Inflows of Resources	<u>1,076</u>	<u>8,504</u>	<u>10,804</u>	<u>198,079</u>	<u>-</u>	<u>218,462</u>
Fund Balances:						
Restricted	4,601	48,604	8,625	88,642	-	150,472
Committed	-	-	-	-	11,136	11,136
Total Fund Balances	<u>4,601</u>	<u>48,604</u>	<u>8,625</u>	<u>88,642</u>	<u>11,136</u>	<u>161,608</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,676</u>	<u>\$ 57,108</u>	<u>\$ 19,429</u>	<u>\$ 286,721</u>	<u>\$ 11,136</u>	<u>\$ 380,070</u>

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects Funds
December 31, 2013

	Forest River Subdivision	Round Hill Subdivision	Greyhawk Estates Subdivision	Granberg Amber Plains	Total Nonmajor Capital Projects Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 29,470	\$ 27,347	\$ 30,831	\$ 36,966	\$ 124,614
Accounts Receivable	-	-	-	-	-
Total Assets	<u>29,470</u>	<u>27,347</u>	<u>30,831</u>	<u>36,966</u>	<u>124,614</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities:</u>					
Accounts Payable	-	-	-	-	-
Retainage Payable	-	-	-	-	-
Total Liabilities	-	-	-	-	-
<u>Fund Balances:</u>					
Committed	<u>29,470</u>	<u>27,347</u>	<u>30,831</u>	<u>36,966</u>	<u>124,614</u>
Total Fund Balances	<u>29,470</u>	<u>27,347</u>	<u>30,831</u>	<u>36,966</u>	<u>124,614</u>
Total Liabilities and Fund Balances	<u>\$ 29,470</u>	<u>\$ 27,347</u>	<u>\$ 30,831</u>	<u>\$ 36,966</u>	<u>\$ 124,614</u>

CASS COUNTY GOVERNMENT
Combining Balance Sheet
All Nonmajor Governmental Funds
December 31, 2013

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	\$ 4,726,145	\$ 368,795	\$ 124,614	\$ 5,219,554
Receivables:				
Taxes	26,145	11,275	-	37,420
Accounts	136,051	-	-	136,051
Due From Other Governments	2,062	-	-	2,062
Due From Other Funds	90	-	-	90
Prepaid Items	16,195	-	-	16,195
Total Assets	<u>4,906,688</u>	<u>380,070</u>	<u>124,614</u>	<u>5,411,372</u>
Liabilities:				
Accounts Payable	40,514	-	-	40,514
Due to Other Funds	18,828	-	-	18,828
Due To Inmates	149,753	-	-	149,753
Total Liabilities	<u>209,095</u>	<u>-</u>	<u>-</u>	<u>209,095</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	509,721	198,079	-	707,800
Unavailabel Revenue - Special Assessments	-	20,383	-	20,383
Total Deferred Inflows of Resources	<u>509,721</u>	<u>218,462</u>	<u>-</u>	<u>728,183</u>
Fund Balances:				
Nonspendable	16,195	-	-	16,195
Restricted	3,851,881	150,472	-	4,002,353
Committed	319,987	11,136	124,614	455,738
Unassigned	(190)	-	-	(190)
Total Fund Balances	<u>4,187,873</u>	<u>161,608</u>	<u>124,614</u>	<u>4,474,095</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,906,688</u>	<u>\$ 380,070</u>	<u>\$ 124,614</u>	<u>\$ 5,411,372</u>

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds - Special Revenue Funds
For the Fiscal Year Ended December 31, 2013

	Parenting Workshop	Sheriff Asset Forfeiture	JAIBG Fund
<u>Revenues:</u>			
Property Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	35,500	-
Charges for Services	23,232	-	-
Miscellaneous Revenues	99	32,130	13,276
	<hr/>	<hr/>	<hr/>
Total Revenues	23,331	67,630	13,276
<u>Expenditures:</u>			
Current:			
General Government	-	-	-
Public Safety	-	60,136	9,612
Culture and Recreation	-	-	-
Conservation & Econ. Development	23,942	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	23,942	60,136	9,612
Excess (deficiency) of Revenues Over (Under) Expenditures	<hr/> (611)	<hr/> 7,494	<hr/> 3,664
<u>Other Financing Sources (Uses):</u>			
Transfers In	-	-	-
Transfers Out	<hr/> -	<hr/> -	<hr/> -
Total Other Financing Sources and (Uses)	<hr/> -	<hr/> -	<hr/> -
Net change in fund balances	<hr/> (611)	<hr/> 7,494	<hr/> 3,664
Fund Balance - Beginning	<hr/> 35,178	<hr/> 29,113	<hr/> 61,585
Fund Balance - Ending	<hr/> <u>\$ 34,567</u>	<hr/> <u>\$ 36,607</u>	<hr/> <u>\$ 65,249</u>

Jail Commissary	Hazardous Plan/ Response	Valley Water Rescue	St. Atty Asset Forfeiture	Senior Citizens	911 Service
\$ -	\$ -	\$ -	\$ -	\$ 508,113	\$ -
-	-	-	-	372,545	-
214,887	-	-	-	-	330,541
892	6,743	33,690	9,510	199	-
<u>215,779</u>	<u>6,743</u>	<u>33,690</u>	<u>9,510</u>	<u>880,857</u>	<u>330,541</u>
-	-	-	-	-	-
131,113	730	42,011	9,376	-	336,462
-	-	-	-	867,852	-
-	-	-	-	-	-
<u>131,113</u>	<u>730</u>	<u>42,011</u>	<u>9,376</u>	<u>867,852</u>	<u>336,462</u>
<u>84,666</u>	<u>6,013</u>	<u>(8,321)</u>	<u>134</u>	<u>13,005</u>	<u>(5,921)</u>
-	-	-	-	-	5,000
-	-	-	-	-	-
-	-	-	-	-	5,000
<u>84,666</u>	<u>6,013</u>	<u>(8,321)</u>	<u>134</u>	<u>13,005</u>	<u>(921)</u>
<u>191,221</u>	<u>18,358</u>	<u>17,169</u>	<u>124,805</u>	<u>52,130</u>	<u>1,606</u>
<u>\$ 275,886</u>	<u>\$ 24,372</u>	<u>\$ 8,848</u>	<u>\$ 124,939</u>	<u>\$ 65,134</u>	<u>\$ 685</u>

Continued on next page

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds - Special Revenue Funds
For the Fiscal Year Ended December 31, 2013

	Emergency & Flood Mitigation	NDRIN - County Recorders	Document Preservation Fund
<u>Revenues:</u>			
Property Taxes	\$ 1,520,404	\$ -	\$ -
Intergovernmental Revenues	136,039	-	-
Charges for Services	-	1,311,748	99,819
Miscellaneous Revenues	4,470	4,367	67,780
	<hr/>	<hr/>	<hr/>
Total Revenues	1,660,913	1,316,114	167,599
<u>Expenditures:</u>			
Current:			
General Government	-	1,206,920	192,959
Public Safety	-	-	-
Culture and Recreation	-	-	-
Conservation & Econ. Development	11,222	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	11,222	1,206,920	192,959
Excess (deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>
	1,649,691	109,194	(25,360)
<u>Other Financing Sources (Uses):</u>			
Transfers In	809,005	-	-
Transfers Out	(1,445,228)	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources and (Uses)	(636,222)	-	-
Net change in fund balances	<hr/>	<hr/>	<hr/>
	1,013,468	109,194	(25,360)
Fund Balance - Beginning	<hr/>	<hr/>	<hr/>
	765,272	1,250,788	321,002
Fund Balance - Ending	<hr/>	<hr/>	<hr/>
	\$ 1,778,740	\$ 1,359,983	\$ 295,642

Continued from previous page

County Park	24/7 Sobriety Program	BNSF Train Derailment	Total Nonmajor Special Revenue Funds
\$ 23,561	\$ -	\$ -	\$ 2,052,077
14,568	-	-	558,653
11,130	81,411	-	2,072,767
205	142	-	173,503
<u>49,465</u>	<u>81,553</u>	<u>-</u>	<u>4,857,000</u>
-	-	-	1,399,879
-	53,353	190	642,982
41,933	-	-	909,785
-	-	-	35,165
<u>41,933</u>	<u>53,353</u>	<u>190</u>	<u>2,987,810</u>
<u>7,531</u>	<u>28,201</u>	<u>(190)</u>	<u>1,869,190</u>
-	-	-	814,005
-	-	-	(1,445,228)
-	-	-	(631,222)
<u>7,531</u>	<u>28,201</u>	<u>(190)</u>	<u>1,237,968</u>
<u>53,556</u>	<u>28,123</u>	<u>-</u>	<u>2,949,907</u>
<u>\$ 61,087</u>	<u>\$ 56,323</u>	<u>\$ (190)</u>	<u>\$ 4,187,873</u>

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds - Debt Service Funds
For the Fiscal Year Ended December 31, 2013

	Holmen's Third Subdivision	Greyhawk Estates Subdivision	Granberg Amber Plains	Special Assessment Deficiency	2010 Bond S&I	Total Nonmajor Debt Service Funds
<u>Revenues:</u>						
Property Taxes	\$ 6,358	\$ 38,390	\$ 35,148	\$ -	\$ 815,044	\$ 894,939
Intergovernmental Revenues	-	-	-	-	106,914	106,914
Miscellaneous Revenues	27	168	51	35	723	1,004
Total Revenues	6,384	38,558	35,199	35	922,681	1,002,857
<u>Expenditures:</u>						
<u>Debt Service:</u>						
Principal	6,834	25,000	25,000	-	690,000	746,834
Interest	1,517	8,031	10,113	-	257,715	277,376
Fiscal Charges	-	975	1,108	-	400	2,483
Total Expenditures	8,351	34,006	36,221	-	948,115	1,026,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,967)	4,552	(1,022)	35	(25,434)	(23,837)
<u>Other Financing Sources (Uses):</u>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(1,967)	4,552	(1,022)	35	(25,434)	(23,837)
Fund Balance - Beginning	6,568	44,052	9,647	11,102	114,076	185,445
Fund Balance - Ending	\$ 4,601	\$ 48,604	\$ 8,625	\$ 11,136	\$ 88,642	\$ 161,608

CASS COUNTY GOVERNMENT
Combining Statement of Revenues , Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects Funds
For the Fiscal Year Ended December 31, 2013

	Forest River <u>Subdivision</u>	Round Hill <u>Subdivision</u>	Greyhawk Estates <u>Subdivision</u>	Granberg Amber <u>Plains</u>	Total Nonmajor Capital Projects <u>Funds</u>
<u>Revenues:</u>					
Intergovernmental Revenues	-	-	-	-	-
Miscellaneous Revenues	\$ 91	\$ 85	\$ 96	\$ 115	\$ 387
Total Revenues	<u>91</u>	<u>85</u>	<u>96</u>	<u>115</u>	<u>387</u>
<u>Expenditures:</u>					
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91</u>	<u>85</u>	<u>96</u>	<u>115</u>	<u>387</u>
<u>Other Financing Sources:</u>					
Transfer Out	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources over Expenditures	<u>91</u>	<u>85</u>	<u>96</u>	<u>115</u>	<u>387</u>
Fund Balance - Beginning	<u>29,379</u>	<u>27,263</u>	<u>30,735</u>	<u>36,851</u>	<u>124,228</u>
Fund Balance - Ending	<u>\$ 29,470</u>	<u>\$ 27,347</u>	<u>\$ 30,831</u>	<u>\$ 36,966</u>	<u>\$ 124,614</u>

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2013

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<u>REVENUES</u>				
Taxes:				
Property	\$ 2,052,077	\$ 894,939	\$ -	\$ 2,947,017
Intergovernmental revenues	558,653	106,914	-	665,566
Charges for services	2,072,767	-	-	2,072,767
Miscellaneous revenues	173,503	1,004	387	174,893
Total Revenues	<u>4,857,000</u>	<u>1,002,857</u>	<u>387</u>	<u>5,860,243</u>
<u>EXPENDITURES</u>				
Current:				
General government	1,399,879	-	-	1,399,879
Public Safety	642,982	-	-	642,982
Culture and recreation	909,785	-	-	909,785
Conservation & economic development	35,165	-	-	35,165
Debt service:				
Principal retirement	-	746,834	-	746,834
Interest	-	277,376	-	277,376
Fiscal charges	-	2,483	-	2,483
Total Expenditures	<u>2,987,810</u>	<u>1,026,693</u>	<u>-</u>	<u>4,014,504</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,869,190</u>	<u>(23,836)</u>	<u>387</u>	<u>1,845,739</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	814,005	-	-	814,005
Transfers out	<u>(1,445,228)</u>	<u>-</u>	<u>-</u>	<u>(1,445,228)</u>
Total of other financing uses	<u>(631,222)</u>	<u>-</u>	<u>-</u>	<u>(631,222)</u>
Net change in fund balances	1,237,968	(23,837)	387	1,214,517
Fund Balances - Beginning	<u>2,949,907</u>	<u>185,445</u>	<u>124,228</u>	<u>3,259,579</u>
Fund Balances - Ending	<u>\$ 4,187,873</u>	<u>\$ 161,608</u>	<u>\$ 124,614</u>	<u>\$ 4,474,095</u>

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2013

	Parenting Workshop			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	16,500	16,500	23,232	6,732
Miscellaneous Revenues	30	30	99	69
Total Revenues	16,530	16,530	23,331	6,801
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	20,000	25,000	23,942	1,058
Total Expenditures	20,000	25,000	23,942	1,058
Excess (deficiency) of revenues over (under) expenditures	(3,470)	(8,470)	(611)	7,859
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	(3,470)	(8,470)	(611)	7,859
Fund Balance - Beginning	35,178	35,178	35,178	-
Fund Balance - Ending	\$ 31,708	\$ 26,708	\$ 34,567	\$ 7,859

Sheriff Asset Forfeiture				JAIBG Fund			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100,000	100,000	35,500	(64,500)	-	-	-	-
-	-	-	-	-	-	-	-
58,100	58,100	32,130	(25,970)	8,300	11,800	13,276	1,476
158,100	158,100	67,630	(90,470)	8,300	11,800	13,276	1,476
-	-	-	-	-	-	-	-
179,800	179,800	60,136	119,664	5,000	10,000	9,612	388
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
179,800	179,800	60,136	119,664	5,000	10,000	9,612	388
(21,700)	(21,700)	7,494	29,194	3,300	1,800	3,664	1,864
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(21,700)	(21,700)	7,494	29,194	3,300	1,800	3,664	1,864
29,113	29,113	29,113	-	61,585	61,585	61,585	-
\$ 7,413	\$ 7,413	\$ 36,607	\$ 29,194	\$ 64,885	\$ 63,385	\$ 65,249	\$ 1,864

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2013

	Jail Commissary			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	290,000	290,000	214,887	(75,113)
Miscellaneous Revenues	1,000	1,000	892	(108)
Total Revenues	291,000	291,000	215,779	(75,221)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	210,066	210,066	131,113	78,953
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	-	-	-	-
Total Expenditures	210,066	210,066	131,113	78,953
Excess (deficiency) of revenues over (under) expenditures	80,934	80,934	84,666	3,731
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	80,934	80,934	84,666	3,731
Fund Balance - Beginning	191,221	191,221	191,221	-
Fund Balance - Ending	\$ 272,155	\$ 272,155	\$ 275,886	\$ 3,731

Continued from previous page

Hazardous Plan/Response				Valley Water Rescue			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,050	6,050	6,743	693	33,704	33,704	33,690	(14)
6,050	6,050	6,743	693	33,704	33,704	33,690	(14)
-	-	-	-	-	-	-	-
6,000	6,000	730	5,270	34,290	43,550	42,011	1,539
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,000	6,000	730	5,270	34,290	43,550	42,011	1,539
50	50	6,013	5,964	(586)	(9,846)	(8,321)	1,525
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50	50	6,013	5,964	(586)	(9,846)	(8,321)	1,525
18,358	18,358	18,358	-	17,169	17,169	17,169	-
\$ 18,408	\$ 18,408	\$ 24,372	\$ 5,964	\$ 16,583	\$ 7,323	\$ 8,848	\$ 1,525

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2013

	States Attorney Asset Forfeiture			
	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Revenues	15,300	15,300	9,510	(5,790)
Total Revenues	15,300	15,300	9,510	(5,790)
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	3,000	10,000	9,376	624
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	-	-	-	-
Total Expenditures	3,000	10,000	9,376	624
Excess (deficiency) of revenues over (under) expenditures	12,300	5,300	134	(5,166)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	12,300	5,300	134	(5,166)
Fund Balance - Beginning	124,805	124,805	124,805	-
Fund Balance - Ending	\$ 137,105	\$ 130,105	\$ 124,939	\$ (5,166)

Continued from previous page

Senior Citizens				911 Service			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 501,580	\$ 501,580	\$ 508,113	\$ 6,533	\$ -	\$ -	\$ -	\$ -
372,545	372,545	372,545	-	-	-	-	-
-	-	-	-	320,000	330,500	330,541	41
264	264	199	(65)	-	-	-	-
<u>874,389</u>	<u>874,389</u>	<u>880,857</u>	<u>6,467</u>	<u>320,000</u>	<u>330,500</u>	<u>330,541</u>	<u>41</u>
-	-	-	-	-	-	-	-
-	-	-	-	336,094	338,094	336,462	1,632
867,852	867,852	867,852	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>867,852</u>	<u>867,852</u>	<u>867,852</u>	<u>-</u>	<u>336,094</u>	<u>338,094</u>	<u>336,462</u>	<u>1,632</u>
<u>6,537</u>	<u>6,537</u>	<u>13,005</u>	<u>6,467</u>	<u>(16,094)</u>	<u>(7,594)</u>	<u>(5,921)</u>	<u>1,673</u>
-	-	-	-	20,000	10,000	5,000	(5,000)
-	-	-	-	-	-	-	-
-	-	-	-	20,000	10,000	5,000	(5,000)
<u>6,537</u>	<u>6,537</u>	<u>13,005</u>	<u>6,467</u>	<u>3,906</u>	<u>2,406</u>	<u>(920)</u>	<u>(3,327)</u>
<u>52,130</u>	<u>52,130</u>	<u>52,130</u>	<u>-</u>	<u>1,606</u>	<u>1,606</u>	<u>1,606</u>	<u>-</u>
<u>\$ 58,667</u>	<u>\$ 58,667</u>	<u>\$ 65,134</u>	<u>\$ 6,467</u>	<u>\$ 5,512</u>	<u>\$ 4,012</u>	<u>\$ 685</u>	<u>\$ (3,327)</u>

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2013

	Emergency /Flood Mitigation Fund			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property Taxes	\$ 1,500,524	\$ 1,500,524	\$ 1,520,404	\$ 19,880
Intergovernmental Revenues	-	-	136,039	136,039
Charges for Services	-	-	-	-
Miscellaneous Revenues	2,450	2,450	4,470	2,020
Total Revenues	1,502,974	1,502,974	1,660,913	157,939
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	1,200,000	1,211,222	11,222	1,200,000
Total Expenditures	1,200,000	1,211,222	11,222	1,200,000
Excess (deficiency) of revenues over (under) expenditures	302,974	291,752	1,649,691	1,357,939
Other Financing Sources (Uses):				
Transfers In	-	808,750	809,005	255
Transfers Out	-	(1,505,882)	(1,445,228)	60,654
Total Other Financing Sources (Uses)	-	(697,132)	(636,222)	60,909
 Net change in fund balances	 302,974	 (405,380)	 1,013,469	 1,418,848
Fund Balance - Beginning	765,272	765,272	765,272	-
Fund Balance - Ending	\$ 1,068,246	\$ 359,892	\$ 1,778,740	\$ 1,418,848

Continued from previous page

NDRIN - County Recorder Project				Document Preservation - ROD			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,380,000	1,380,000	1,311,748	(68,252)	75,500	75,500	99,819	24,319
5,000	5,000	4,367	(633)	-	-	67,780	67,780
<u>1,385,000</u>	<u>1,385,000</u>	<u>1,316,114</u>	<u>(68,885)</u>	<u>75,500</u>	<u>75,500</u>	<u>167,599</u>	<u>92,099</u>
1,068,000	1,220,000	1,206,920	13,080	322,224	322,224	192,959	129,265
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,068,000</u>	<u>1,220,000</u>	<u>1,206,920</u>	<u>13,080</u>	<u>322,224</u>	<u>322,224</u>	<u>192,959</u>	<u>129,265</u>
<u>317,000</u>	<u>165,000</u>	<u>109,194</u>	<u>(55,805)</u>	<u>(246,724)</u>	<u>(246,724)</u>	<u>(25,360)</u>	<u>221,364</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>317,000</u>	<u>165,000</u>	<u>109,194</u>	<u>(55,805)</u>	<u>(246,724)</u>	<u>(246,724)</u>	<u>(25,360)</u>	<u>221,364</u>
<u>1,250,788</u>	<u>1,250,788</u>	<u>1,250,788</u>	<u>-</u>	<u>321,002</u>	<u>321,002</u>	<u>321,002</u>	<u>-</u>
<u>\$ 1,567,788</u>	<u>\$ 1,415,788</u>	<u>\$ 1,359,983</u>	<u>\$ (55,805)</u>	<u>\$ 74,278</u>	<u>\$ 74,278</u>	<u>\$ 295,642</u>	<u>\$ 221,364</u>

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2013

	County Park			
	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 21,517	\$ 21,517	\$ 23,561	\$ 2,044
Intergovernmental Revenues	16,132	16,132	14,568	(1,564)
Charges for Services	6,500	6,500	11,130	4,630
Miscellaneous Revenues	162	162	205	43
Total Revenues	44,311	44,311	49,465	5,153
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Culture and Recreation	44,311	46,311	41,933	4,378
Conservation & Econ. Develop.	-	-	-	-
Total Expenditures	44,311	46,311	41,933	4,378
Excess (deficiency) of revenues over (under) expenditures	-	(2,000)	7,532	9,531
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net change in fund balances	-	(2,000)	7,532	9,531
Fund Balance - Beginning	53,556	53,556	53,556	-
Fund Balance - Ending	\$ 53,556	\$ 51,556	\$ 61,087	\$ 9,531

Continued from previous page

24/7 Sobriety Program				BNSF Train Derailment			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
14,000	65,000	81,411	16,411	-	-	-	-
40	40	142	102	-	-	-	-
14,040	65,040	81,553	16,513	-	-	-	-
-	-	-	-	-	-	-	-
5,000	45,000	53,353	(8,353)	-	-	190	(190)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,000	45,000	53,353	(8,353)	-	-	190	(190)
9,040	20,040	28,200	8,160	-	-	(190)	(190)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,040	20,040	28,200	8,160	-	-	(190)	(190)
28,123	28,123	28,123	-	-	-	-	-
\$ 37,163	\$ 48,163	\$ 56,323	\$ 8,160	\$ -	\$ -	\$ (190)	\$ (190)

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2013

	Total Nonmajor Budgeted Special Revenue Funds			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property Taxes	\$ 2,023,621	\$ 2,023,621	\$ 2,052,077	\$ 28,456
Intergovernmental Revenues	488,677	488,677	558,653	69,976
Charges for Services	2,102,500	2,164,000	2,072,767	(91,233)
Miscellaneous Revenues	130,400	133,920	173,503	39,583
Total Revenues	4,745,198	4,810,218	4,857,000	46,782
Expenditures:				
Current:				
General Government	1,390,224	1,542,224	1,399,879	142,345
Public Safety	779,250	842,510	642,982	199,528
Culture and Recreation	912,163	914,163	909,785	4,378
Conservation & Econ. Development	1,220,000	1,236,222	35,165	1,201,057
Total Expenditures	4,301,637	4,535,119	2,987,810	1,547,309
Excess (deficiency) of revenues over (under) expenditures	443,561	275,099	1,869,190	1,594,091
Other Financing Sources (Uses):				
Transfers In	20,000	818,750	814,005	(4,745)
Transfers Out	-	(1,505,882)	(1,445,228)	60,654
Total Other Financing Sources (Uses)	20,000	(687,132)	(631,222)	55,910
Net change in fund balances	463,561	(412,033)	1,237,968	1,649,999
Fund Balance - Beginning	2,949,907	2,949,907	2,949,907	-
Fund Balance - Ending	\$ 3,413,468	\$ 2,537,874	\$ 4,187,873	\$ 1,649,999

Continued from previous page

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Funds
For the Fiscal Year Ended December 31, 2013

	<u>Holmen's Third Subdivision</u>			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ 6,335	\$ 6,335	\$ 6,358	\$ 23
Intergovernmental Revenues	-	-	-	-
Miscellaneous Revenues	50	50	27	(23)
Total Revenues	<u>6,385</u>	<u>6,385</u>	<u>6,384</u>	<u>(1)</u>
<u>Expenditures:</u>				
Debt Service:				
Principal	6,835	6,835	6,834	1
Interest	1,520	1,520	1,517	3
Fiscal Charges	-	-	-	-
Total Expenditures	<u>8,355</u>	<u>8,355</u>	<u>8,351</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,970)</u>	<u>(1,970)</u>	<u>(1,967)</u>	<u>3</u>
Fund Balance - Beginning	<u>6,568</u>	<u>6,568</u>	<u>6,568</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,598</u>	<u>\$ 4,598</u>	<u>\$ 4,601</u>	<u>\$ 3</u>

Greyhawk Estates Subdivision				Granberg Amber Plains			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 32,500	\$ 32,500	\$38,390	\$ 5,890	\$ 35,580	\$ 35,580	\$ 35,148	\$ (432)
-	-	-	-	-	-	-	-
100	100	168	68	100	100	51	(49)
<u>32,600</u>	<u>32,600</u>	<u>38,558</u>	<u>5,958</u>	<u>35,680</u>	<u>35,680</u>	<u>35,199</u>	<u>(480)</u>
25,000	25,000	25,000	-	25,000	25,000	25,000	-
8,032	8,032	8,031	1	10,115	10,115	10,113	-
1,000	1,000	975	25	1,500	1,500	1,108	392
<u>34,032</u>	<u>34,032</u>	<u>34,006</u>	<u>26</u>	<u>36,615</u>	<u>36,615</u>	<u>36,221</u>	<u>392</u>
<u>(1,432)</u>	<u>(1,432)</u>	<u>4,552</u>	<u>5,984</u>	<u>(935)</u>	<u>(935)</u>	<u>(1,022)</u>	<u>(87)</u>
44,052	44,052	44,052	-	9,647	9,647	9,647	-
<u>\$ 42,620</u>	<u>\$ 42,620</u>	<u>\$48,604</u>	<u>\$ 5,984</u>	<u>\$ 8,712</u>	<u>\$ 8,712</u>	<u>\$ 8,625</u>	<u>\$ (87)</u>

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Funds
For the Fiscal Year Ended December 31, 2013

	<u>Special Assessment Deficiency</u>			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<u>Revenues:</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Miscellaneous Revenues	-	-	35	35
Total Revenues	-	-	35	35
<u>Expenditures:</u>				
<u>Debt Service:</u>				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal Charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	35	35
Fund Balance - Beginning	11,102	11,102	11,102	-
Fund Balance - Ending	<u>\$ 11,102</u>	<u>\$ 11,102</u>	<u>\$11,136</u>	<u>\$ 35</u>

Continued from previous page

2010 Bond S&I				Total Nonmajor Debt Service Funds			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 801,599	\$ 801,599	\$ 815,044	\$ 13,445	\$ 876,014	\$ 876,014	\$ 894,939	\$ 18,925
115,972	115,972	106,914	(9,058)	115,972	115,972	106,914	(9,058)
695	695	723	28	945	945	1,004	59
<u>918,266</u>	<u>918,266</u>	<u>922,681</u>	<u>4,416</u>	<u>992,931</u>	<u>992,931</u>	<u>1,002,857</u>	<u>9,926</u>
690,000	690,000	690,000	-	746,835	746,835	746,834	1
257,715	257,715	257,715	-	277,382	277,381	277,376	5
2,000	2,000	400	1,600	4,500	4,500	2,483	2,017
<u>949,715</u>	<u>949,715</u>	<u>948,115</u>	<u>1,600</u>	<u>1,028,717</u>	<u>1,028,716</u>	<u>1,026,693</u>	<u>2,023</u>
<u>(31,449)</u>	<u>(31,449)</u>	<u>(25,434)</u>	<u>6,015</u>	<u>(35,786)</u>	<u>(35,785)</u>	<u>(23,837)</u>	<u>11,948</u>
114,076	114,076	114,076	-	185,445	185,445	185,445	-
<u>\$ 82,627</u>	<u>\$ 82,627</u>	<u>\$ 88,642</u>	<u>\$ 6,015</u>	<u>\$ 149,659</u>	<u>\$ 149,660</u>	<u>\$ 161,608</u>	<u>\$ 11,948</u>

CASS COUNTY GOVERNMENT
Combining Statement of Net Position
Internal Service Funds
December 31, 2013

	Health Insurance Trust	Dental Insurance Trust	Telephone Trust	Motor Pool Operating	Total
<u>ASSETS</u>					
Current Assets:					
Cash and cash equivalents	\$ 2,057,563	\$ 215,891	\$ 83,877	\$ 43,861	\$ 2,401,192
Accounts Receivable	4,405	-	278	-	4,683
Prepaid Items	-	-	-	-	-
Total Current Assets	2,061,967	215,891	84,156	43,861	2,405,875
Noncurrent Assets:					
Capital Assets	-	-	162,264	155,967	318,230
Less: Accumulated Depreciation	-	-	(120,601)	(137,991)	(258,592)
Total Noncurrent Assets	-	-	41,663	17,976	59,638
Total Assets	2,061,967	215,891	125,819	61,837	2,465,513
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts Payable	984	-	7,556	1,485	10,026
Deposits	326,748	25,242	-	-	351,990
IBNR Claims	331,467	15,885	-	-	347,352
	-	-	-	-	-
Total Liabilities	659,199	41,127	7,556	1,485	709,368
Net Position:					
Net Investment in Capital Assets	-	-	41,663	17,976	59,639
Unrestricted	1,402,768	174,765	76,600	42,376	1,696,509
Total Net Position	\$ 1,402,768	\$ 174,765	\$ 118,262	\$ 60,352	\$ 1,756,147

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2013

	Health Insurance Trust	Dental Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Operating Revenues:</u>					
Premiums	\$ 3,939,343	\$ 297,636	\$ -	\$ -	\$ 4,236,979
Charges for Services	-	-	202,750	35,604	238,354
Miscellaneous	19,979	-	-	-	19,979
Total Operating Revenues	3,959,322	297,636	202,750	35,604	4,495,312
<u>Operating Expenses:</u>					
Premiums	543,517	-	-	-	543,517
Medical Services	9,929	-	-	-	9,929
Telephone Service	-	-	165,428	-	165,428
Administrative Fees	190,243	17,604	-	-	207,847
Maintenance and Repairs	-	-	-	21,866	21,866
Benefit Payments	2,603,687	282,499	-	-	2,886,186
IBNR Claims	331,467	15,885	-	-	347,352
Depreciation Expense	-	-	13,110	18,224	31,334
Total Operating Expenses	3,678,843	315,989	178,538	40,090	4,213,459
Operating Income	280,479	(18,353)	24,212	(4,486)	281,853
<u>Nonoperating Revenues (Expenses):</u>					
Interest Income	6,033	646	153	170	7,001
Loss/Gain on Disposal of Capital Assets	-	-	(477)	-	(477)
Total Nonoperating Revenues (Expenses)	6,033	646	(324)	170	6,524
Change in Net Position	286,512	(17,707)	23,888	(4,316)	288,377
Total Net Position Beginning	1,116,257	192,471	94,375	64,668	1,467,771
Total Net Position Ending	\$ 1,402,768	\$ 174,765	\$ 118,262	\$ 60,352	\$ 1,756,147

CASS COUNTY GOVERNMENT
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013

	Health Insurance Trust	Dental Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from customers	\$ 3,934,938	\$ 297,636	\$ 203,259	\$ 35,604	\$ 4,471,437
Payments to Suppliers	(745,776)	(17,796)	(165,640)	(21,444)	(950,656)
Claims Paid	(2,918,204)	(295,269)	-	-	(3,213,473)
Other Receipts	19,979	-	-	-	19,979
Net Cash provided by operating activities	<u>290,937</u>	<u>(15,429)</u>	<u>37,619</u>	<u>14,160</u>	<u>327,287</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>					
Purchase of Capital Assets	-	-	(1,452)	(22,470)	(23,922)
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(1,452)</u>	<u>(22,470)</u>	<u>(23,922)</u>
<u>Cash Flows From Investing Activities:</u>					
Interest Income	6,033	646	153	170	7,001
Net Increase in cash and cash equivalents	296,970	(14,783)	36,320	(8,140)	310,366
Balances -Beginning of the Year	1,760,592	230,674	47,557	52,001	2,090,824
Balances - End of the Year	<u>2,057,563</u>	<u>215,891</u>	<u>83,877</u>	<u>43,861</u>	<u>2,401,192</u>
<u>Reconciliation of Operating Income to net cash provided by operating activities:</u>					
Operating Income (Loss)	280,479	(18,353)	24,212	(4,486)	281,853
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation	-	-	13,110	18,224	31,334
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(4,405)	-	(91)	-	(4,496)
(Increase)Decrease in Prepaid Items			600		600
Increase (Decrease) in Accounts Payable	(2,087)	(192)	(212)	422	(2,068)
Increase (Decrease) in Premium Deposit Funds	3,183	469	-	-	3,652
Increase (Decrease) in IBNR Claims	13,767	2,647	-	-	16,414
Net Cash Provided by Operating Activities	<u>\$ 290,937</u>	<u>\$ (15,429)</u>	<u>\$ 37,619</u>	<u>\$ 14,160</u>	<u>\$ 327,287</u>

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
 Fargo, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2013

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF THE TREASURY:</u>		
<u>Direct Assistance:</u>		
Community Development Financial Institutions Program	21.020	\$ 106,914
<u>U.S. DEPARTMENT OF JUSTICE:</u>		
<u>Direct Assistance:</u>		
Public Safety Partnership and Community Policing Grants	16.710	137,578
Joint Law Enforcement Operations Grant	16.111	46,441
Equitable Sharing Grant	16.922	588
State Criminal Alien Assistance Program	16.606	12,367
<u>Passed Through State Penitentiary:</u>		
Crime Victim Assistance	16.575	29,559
<u>Passed Through State's Attorney General:</u>		
Recovery Act - Edward Byrne Memorial Justice Assistance Grant	16.803	16,039
<u>Passed Through North Dakota Association of Counties:</u>		
Juvenile Accountability Block Grants	16.523	17,797
<u>Passed Through North Dakota Highway Patrol:</u>		
Enforcing Underage Drinking Laws Program	16.727	2,835
Total U.S. Department of Justice		\$ 263,204
U.S. DEPARTMENT OF AGRICULTURE		
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>		
<u>Passed Through State Department of Human Services:</u>		
Foster Care_Title IV-E	93.658	** \$ 624,095
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	51,392
Maternal and Child Child Health Services Block Grant to the States	93.994	17,043
Medical Assistance Program	93.778	3,160
Children's Health Insurance Program	93.767	12,635
Adoption Assistance	93.659	8,561
Promoting Safe and Stable Families	93.556	61,886
Child Care and Development Block Grant	93.575	367
Children's Justice Grants	93.643	1,002
Child Welfare Services_State Grants	93.645	15,807
Temporary Assistance for Needy Families	93.558	** 895,330
Promoting Safe and Stable Families	93.556	1,942
Money Follows the Person Rebalancing Demonstration	93.791	104,082
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	86,102
Child Support Enforcement	93.563	12,374
Total U.S. Department of Health and Human Services		\$ 1,895,776

Continued on next page....

CASS COUNTY GOVERNMENT
 Fargo, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2013

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number		Expenditures
CONTINUED			
<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	**	1,428,592
Flood Mitigation Assistance	97.029		338
Hazard Mitigation Grant	97.039	**	4,490,558
Emergency Management Performance Grants	97.042		129,621
Homeland Security Grant	97.067		<u>51,226</u>
Total U.S. Federal Management Agency			<u>\$ 6,100,336</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
<u>Passed Through State Highway Department</u>			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		\$ 8,955
State and Community Highway Safety	20.600		7,290
Highway Planning and Construction	20.205	**	<u>1,655,523</u>
Total U.S. Department of Transportation			<u>\$ 1,671,768</u>
Total Expenditures of Federal Awards			<u><u>\$ 10,037,998</u></u>

** - major program

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cass County under programs of the federal government for the year ended December 31, 2013. 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 Cass County, it is not intended to and does not present the financial position or changes in net position of Cass 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

ROBERT R. PETERSON
Phone (701) 328-2241
Fax (701) 328-1406



Local Government Division:
FARGO OFFICE
MANAGER – DAVID MIX
Phone: (701) 239-7252 Fax: (701) 239-7251

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

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
Cass County
Fargo, 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 Cass County, Fargo, North Dakota as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Cass County's basic financial statements, and have issued our report thereon dated June 12, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cass 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 Cass County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cass 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 Cass 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*.

CASS 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

Fargo, North Dakota
June 12, 2014

STATE AUDITOR

ROBERT R. PETERSON
Phone (701) 328-2241
Fax (701) 328-1406



Local Government Division:
FARGO OFFICE
MANAGER – DAVID MIX
Phone: (701) 239-7252 Fax: (701) 239-7251

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

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
Cass County
Fargo, North Dakota

Report on Compliance for Each Major Federal Program

We have audited Cass 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 Cass County's major federal programs for the year ended December 31, 2013. Cass 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 Cass 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 Cass 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 Cass County's compliance.

Opinion on Each Major Federal Program

In our opinion, Cass 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 year ended December 31, 2013.

CASS 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 Cass 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 Cass 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 Cass 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 Cass County as of and for the year ended December 31, 2013, and have issued our report thereon dated June 12, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions 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

Fargo, North Dakota
June 12, 2014

CASS COUNTY
Fargo, North Dakota

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of Report Issued?

Governmental Activities	Unmodified
Discretely Presented Component Units	Unmodified
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified
Budgetary Comparisons	Unmodified

Internal Control over financial reporting:

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

Federal Awards

Internal Control over major programs:

Material weaknesses identified?	_____	Yes	_____	<u>X</u>	None reported
Reportable conditions identified not considered to be material weaknesses?	_____	Yes	_____	<u>X</u>	None reported
Type of auditor's report issued on compliance for major programs:				Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	Yes	_____	<u>X</u>	None

Identification of major programs:

CFDA Numbers	Name of Federal Program Or Cluster
93.658	Foster Care-Title IV-E (Recovery)
93.558	Temporary Assistance for Needy Families
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.039	Hazard Mitigation Grant
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and B programs:

\$301,140

Auditee qualified as low-risk auditee?

X Yes _____ No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.