

Cass County Government

Fargo, North Dakota

Audit Report

For the Year Ended
December 31, 2014



ROBERT R. PETERSON
STATE AUDITOR

CASS COUNTY GOVERNMENT
Fargo, North Dakota

Audit Report
For the Year Ended December 31, 2014

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 - 70
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	
Special Revenue Funds	72 – 74
Debt Service Funds	75
Capital Projects Funds	76
Combining Balance Sheet – All Nonmajor Governmental Funds	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	
Special Revenue Funds	78 – 81
Debt Service Funds	82
Capital Projects Funds	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds	84
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds	
Special Revenue Funds	86 – 96
Debt Service Funds	98 – 101
Combining Statement of Net Position – Internal Service Funds	102
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	103
Combining Statement of Cash Flows – Internal Service Funds	104
Schedule of Expenditures of Federal Awards	106-107
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	108-109
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	110-111
Schedule of Findings and Questioned Costs	112-113
Management’s Letter	114-115

**CASS COUNTY GOVERNMENT
COUNTY OFFICIALS**

Current Officials

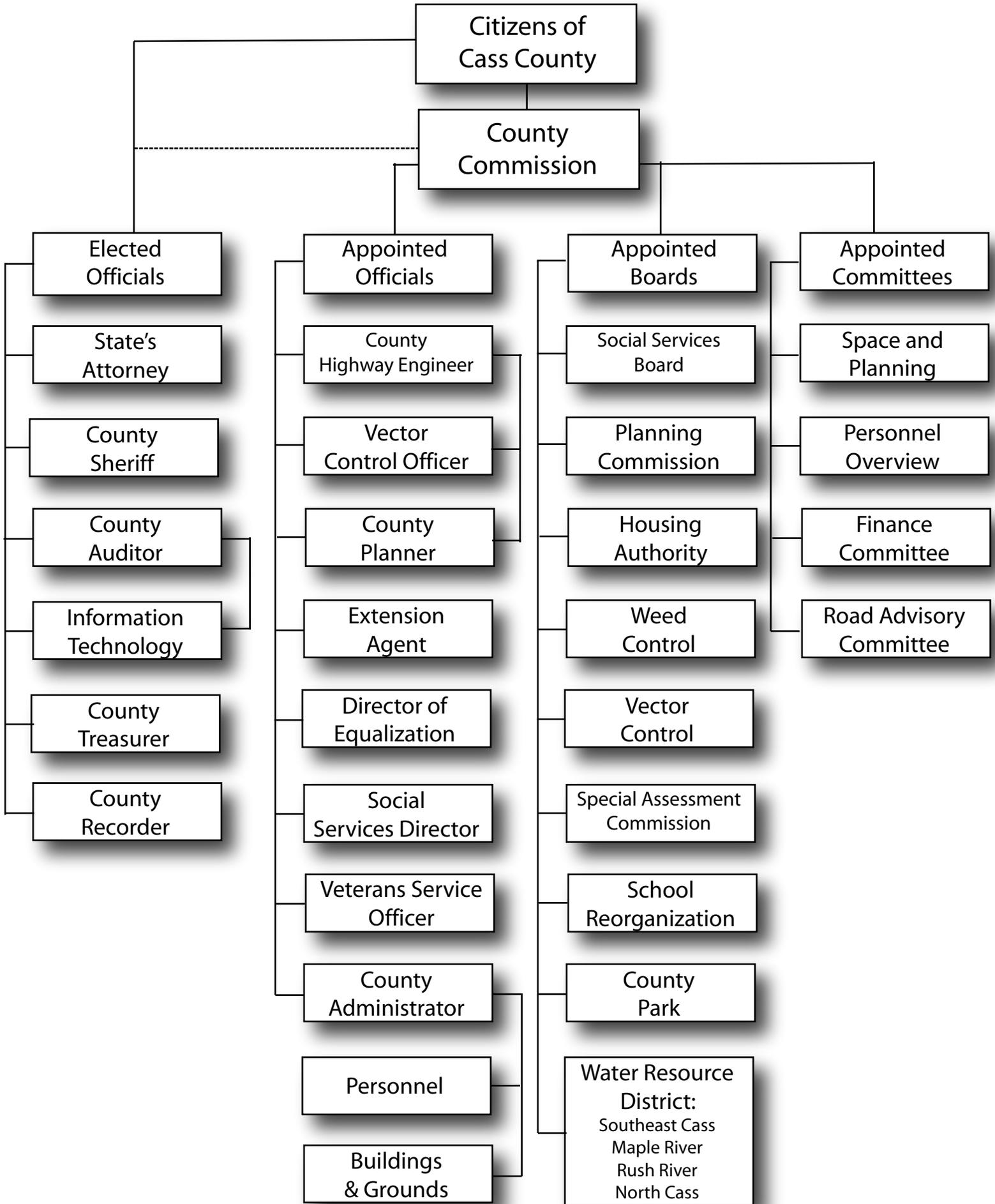
Commissioners:	Chad M. Peterson, Chairman Rick Steen Arland H. Rasmussen Mary Scherling Kenneth Pawluk
Auditor:	Michael Montplaisir
Treasurer:	Charlotte Sandvik
Sheriff:	Paul Laney
Recorder:	Jewel Spies
States Attorney:	Birch Burdick

2014 Officials

Commissioners:	Kenneth 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

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Cass County Government Organizational Chart



STATE AUDITOR

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MANAGER – DAVID MIX
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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, 2014, 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, 2014, 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 22, 2015 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 22, 2015

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, 2014. 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, 2014, the assets of Cass County Government exceeded liabilities and deferred inflows by \$149,954,392 (net position). Net investment in capital assets (net of depreciation and related debt) accounted for 92% of this amount, with a value of \$138,776,719.
- At December 31, 2014, the County's governmental funds reported combined ending fund balances of \$55,652,909, for an increase of \$22,725,902 over the previous year.
- At December 31, 2014, the unassigned fund balance for the General Fund was \$8,260,583 or 30% 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 2014. 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 2014.

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, Flood Control Loan Fund, 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 page 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 42-70 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 72-104 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, 2014, Cass County's assets exceeded liabilities and deferred inflows by \$149,954,392.

Statement of Net Position December 31, 2014 and 2013

	Governmental Activities	
	2014	2013
Current and Other Assets	\$ 74,428,417	\$ 46,110,938
Capital Assets	144,882,362	140,335,162
Total Assets	<u>\$ 219,310,779</u>	<u>\$ 186,446,100</u>
Long-Term Liabilities	\$ 50,765,624	\$ 6,466,370
Other Liabilities	9,437,041	5,829,777
Total Liabilities	<u>\$ 60,202,665</u>	<u>\$ 12,296,147</u>
Deferred Inflows of Resources		
Unavailable Revenue	<u>\$ 9,153,723</u>	<u>\$ 7,272,978</u>
Net Position:		
Net Investment in Capital Assets	\$ 138,776,719	\$ 133,541,081
Restricted	32,222,189	9,052,411
Unrestricted	(21,044,516)	24,283,484
Total Net Position	<u>\$ 149,954,392</u>	<u>\$ 166,876,975</u>

The largest portion of the County's net position (92%), 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. Total net position decreased by over \$16.9 million. The main reason for the decrease was the \$38.2 million expenditures for the Fargo/Moorhead Diversion project and other flood control projects.

STATEMENT OF CHANGES IN NET POSITION

Governmental activities decreased the County's net position by \$16,922,568. Key elements in changes in net position are shown in the following table.

	Governmental Activities	
	2014	2013
Revenues:		
Program Revenues:		
Charges for Services	\$ 6,962,055	\$ 5,710,824
Operating Grants and Contributions	20,783,929	22,423,964
Capital Grants and Contributions	5,720,548	5,538,738
General Revenues:		
Property Taxes	32,846,723	31,465,829
Sales Tax	16,164,464	15,135,193
State Share Revenues	8,639,513	7,563,694
Other	886,443	349,464
Total Revenues	\$ 92,003,675	\$ 88,187,708
Expenses:		
General Government	\$ 9,028,821	\$ 13,935,655
Public Safety	19,512,519	17,642,420
Highways and Streets	23,395,819	20,884,882
Relief and Charities	14,019,886	13,137,268
Conservation Economic Development	41,669,890	8,356,650
Culture and Recreation	991,260	859,350
Interest on Long-Term Debt	308,046	329,890
Total Expenses	\$ 108,926,242	\$ 75,146,115
(Decrease) / Increase in Net Position	\$ (16,922,568)	\$ 13,041,590
Net Position – January 1	166,876,975	153,835,385
Net Position – December 31	\$ 149,954,392	\$ 166,876,975

Total revenues for 2014 were \$92,003,675 which is an increase of \$3.8 million over 2013. Property tax revenue accounted for 36% of total revenues; the increase over 2013 was \$1.3 million as a result of increased property valuations. Sales tax accounted for 17%, an increase of \$1 million over 2013. Operating grants accounted for 23%, a decrease of \$1.6 million over 2013 as a result of decreased state and federal reimbursements for road projects. Capital grants accounted for 6%, an increase of \$181 thousand over 2013. The grants were from state and federal sources to obtain land buyouts for flood protection projects. The remaining 18% came from charges for services, state shared revenues and interest income. Total expense increased by over \$33.7 million over 2013. The highways and streets expense increased by over \$2.5 million as a result of an increase in road

construction projects. The county also incurred \$38.2 million in expenses for the planning phase of the F/M Diversion project and other flood control projects. This was an increase of \$27 million over 2013.

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 2014, the County's governmental funds reported combined ending fund balances of \$55,652,915, an increase of \$22,725,902 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, Flood Control Loan Fund, Courthouse West Addition Fund, and Flood Control Sales Tax Fund are reported as major funds.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2014, unassigned fund balance of the General Fund was \$8,260,583, while total fund balance was \$8,585,262. 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 30% of total General Fund expenditures.

The County's General Fund balance decreased by \$357,665 during 2014 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, 2014 was \$2,065,855, a decrease of \$74,965 over December 2013.

The fund balance of the County Road and Bridge Fund at December 31, 2014 was \$3,348,382. This was a decrease of \$158,535 over 2013 and was the result of an increase in road construction projects.

The county established several funds to account for the costs associated with spring flooding. The funds are the 2009 Flood Recovery Fund, 2010 Flood Recovery Fund, 2011 Flood Recovery Fund, and the 2013 Flood Emergency Fund. The county is still completing repairs to damaged county roads and bridges. As

these repairs are completed the county expects to receive reimbursements from the Federal Emergency Management Agency.

The Flood Mitigation Fund had an ending balance of \$(1,721,944). The County has received grant funds from the Federal Emergency Management Agency 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 Flood Control Loan Fund was established to account for the Loan Proceeds for the F/M Diversion project. The county obtained a \$50 million loan of which \$45 million was drawn down during 2014. This fund had an ending balance of \$23,214,795.

The Courthouse West Addition Fund was closed during the year and the final retainages were paid. Construction was completed on the courthouse addition in 2012. The county issued \$8.9 million in general obligation bonds to fund the project.

The Flood Control Sales Tax Fund had an ending fund balance of \$15,734,661. 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 \$225 in revenues and \$552,096 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 \$85,605 under the final budget; the variance is a result of a decrease in financial institution tax from the state. The actual expenditures were \$1,051,469 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, 2014, the County's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$144,882,362. 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 \$4,547,201.

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, 2014 and 2013:

	Governmental Activities	
	2014	2013
Land	\$ 41,949,738	\$ 34,791,323
Buildings	36,824,832	37,764,049
Improvements Other than Buildings	2,310,722	1,873,144
Machinery and Equipment	2,871,808	2,684,159
Infrastructure	60,925,262	63,222,486
Total	\$ 144,882,362	\$ 140,335,163

Additional information on the County's capital assets can be found in Note 7 on page 57-60 of this report.

LONG-TERM DEBT

At the end of fiscal year 2014, the County had total debt outstanding of \$53,185,302. Of this amount, \$360,727 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 \$6.15 million. During the year the county took out a \$50 million loan for funding the costs of the F/M Diversion project. 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, 2014 and 2013:

	Governmental Activities	
	2014	2013
Special Assessment Bonds	\$ 360,727	\$ 417,192
General Obligation Bonds	6,105,643	6,799,729
Loans Payable	45,060,200	-
Compensated Absences	1,658,729	1,649,949
Total	\$ 53,185,302	\$ 8,866,872

Additional information on the County's debt can be found in Note 8 on pages 60-67 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the County at December 31, 2014 was 2.5%.
- 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 4% 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, 2014

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 67,151,897	\$ 10,383,906
Receivables (net of allowance for uncollectibles):		
Accounts	55,334	25,248
Due From Primary Government	-	35,390
Delinquent Tax	314,325	70,924
Due From Other Governments	6,025,295	407,189
Special Assessments	-	3,915
Loans	56,364	-
Inventories	160,888	46,482
Prepays	351,169	7,831
Uncertified Special Assessments Receivable	313,145	7,395,618
Capital Assets Not Being Depreciated:		
Land	41,949,738	29,152,167
Construction in progress	-	11,126,312
Capital assets (net of accumulated depreciation):		
Buildings	36,824,832	18,064
Improvements other than buildings	2,310,722	-
Machinery and equipment	2,871,808	142,646
Infrastructure	60,925,262	97,249,163
Total assets	\$ 219,310,779	\$ 156,064,851
LIABILITIES		
Accounts Payable	\$ 5,831,895	\$ 2,063,650
Benefits Payable	-	44,483
Retainages Payable	210,678	383,927
Interest Payable	83,434	60,646
Deposits	410,920	-
IBNR Claims	389,862	-
Due to Inmates/Permits	90,576	-
Noncurrent liabilities:		
Due within one year	2,419,676	2,708,918
Due in more than one year	50,765,624	11,267,119
Total liabilities	\$ 60,202,664	\$ 16,528,743
Deferred Inflows of Resources:		
Unavailable Revenue - Property Taxes	\$ 9,132,385	\$ 259,259
Unavailable Revenue - Special Assessments	21,337	-
Total Deferred Inflows of Resources	\$ 9,153,723	\$ 259,259
NET POSITION		
Net Investment in capital assets	\$ 138,776,719	\$ 123,755,689
Restricted for:		
General Government	3,748,476	-
Highway and Streets	3,065,067	-
Relief and Charities	1,534,486	-
Culture and Recreation	166,661	-
Conservation of Natural Resources	23,214,795	1,872,825
Debt Service	492,704	6,045,270
Capital Projects	-	2,566,602
Unrestricted	(21,044,516)	5,036,467
Total Net Position	\$ 149,954,392	\$ 139,276,855

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, 2014

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Primary Government:				
Governmental activities:				
General government	\$ 9,028,821	\$ 2,586,708	\$ 101,542	\$ -
Public safety	19,512,519	3,746,880	540,802	-
Highways and streets	23,395,819	376,314	16,453,142	-
Relief and charities	14,019,886	193,022	3,223,837	-
Conservation & economic development	41,669,890	47,426	21,726	5,720,548
Culture and recreation	991,260	11,705	442,880	-
Interest on long-term debt	308,046	-	-	-
Total primary government	<u>\$ 108,926,242</u>	<u>\$ 6,962,055</u>	<u>\$ 20,783,929</u>	<u>\$ 5,720,548</u>
Component units:				
Southeast Cass Water Resource District	\$ 7,154,053	\$ -	\$ 5,560,188	\$ 14,082,624
North Cass Water Resource District	520,587	-	240,053	4,442
Maple River Water Resource District	812,298	-	247,095	101,893
Rush River Water Resource District	497,343	-	152,834	142,279
Noxious weed	451,812	9,608	42,302	-
Vector control	891,168	324,663	-	-
Total component units	<u>\$ 10,327,260</u>	<u>\$ 334,270</u>	<u>\$ 6,242,472</u>	<u>\$ 14,331,238</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		Component
Activities		Units
\$	(6,340,571)	\$ -
	(15,224,838)	-
	(6,566,363)	-
	(10,603,027)	-
	(35,880,190)	-
	(536,675)	-
	(308,046)	-
\$	(75,459,710)	\$ -
\$	-	\$ 12,488,759
	-	(276,092)
	-	(463,310)
	-	(202,230)
	-	(399,902)
	-	(566,505)
\$	-	\$ 10,580,720
\$	32,846,723	\$ 7,301,949
	16,164,464	-
	8,639,513	327,307
	133,782	28,698
	752,661	102,621
\$	58,537,142	\$ 7,760,575
	(16,922,568)	18,341,295
	166,876,975	121,504,812
		(569,256)
\$	149,954,392	\$ 139,276,855

CASS COUNTY GOVERNMENT
Balance Sheet
Governmental Funds
December 31, 2014

	General	Human Services	County Road and Bridge	2010 Flood Recovery
Assets:				
Cash and Cash Equivalents	\$ 9,063,805	\$ 4,763,320	\$ 2,688,901	\$ 102,033
Receivables:				
Taxes	142,119	100,036	43,314	-
Accounts	9,481	9,481	-	-
Loans	56,364	-	-	-
Due From Other Governments	2,619,946	318,711	1,341,555	-
Due From Other Funds	1,742,303	-	693,398	-
Inventory	-	-	143,841	-
Inventory of supplies, at cost	17,047	-	-	-
Prepaid Items	299,830	17,319	32,661	-
Total Assets	13,950,896	5,208,866	4,943,669	102,033
Liabilities:				
Accounts Payable	870,448	249,011	98,903	-
Retainages Payable	-	-	210,678	-
Unearned Revenues	52,364	-	-	-
Due to Inmates/Permits	-	-	11,000	-
Due to Other Funds	-	-	-	-
Total Liabilities	922,813	249,011	320,581	-
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	4,442,822	2,893,999	1,274,706	-
Unavailable Revenue - Special Assessments	-	-	-	-
Total Deferred Inflows of Resources	4,442,822	2,893,999	1,274,706	-
Fund Balances (Deficits):				
Nonspendable:				
Inventory	17,047	-	143,841	-
Prepaid Items	299,830	17,319	32,661	-
Restricted:				
Public Safety	-	-	-	-
Relief and Charities	-	2,048,537	-	-
Highways and Streets	-	-	3,171,880	-
Senior Citizens	-	-	-	-
Flood Control Projects	-	-	-	-
Document Preservation	-	-	-	-
County Park	-	-	-	-
Special Assessment Debt	-	-	-	-
General Obligation Debt	-	-	-	-
Committed:				
Public Safety	-	-	-	-
Parenting Workshop	-	-	-	-
Flood Control Projects	-	-	-	102,033
Special Assessment Projects	-	-	-	-
Assigned:				
SWAT Vehicle Replacement	7,802	-	-	-
Unassigned	8,260,583	-	-	-
Total Fund Balances (Deficits)	8,585,262	2,065,855	3,348,382	102,033
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 13,950,896	\$ 5,208,866	\$ 4,943,669	\$ 102,033

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

2011 Flood Recovery	Flood Mitigation	Flood Control Loan Fund	Flood Control Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 27,688,312	\$ 14,032,343	\$ 5,998,107	\$ 64,336,820
-	-	-	-	28,856	314,325
-	-	-	-	33,040	52,002
-	-	-	-	-	56,364
-	-	-	1,715,339	29,745	6,025,295
-	-	-	-	-	2,435,701
-	-	-	-	-	143,841
-	-	-	-	-	17,047
-	-	-	-	1,360	351,169
-	-	<u>27,688,312</u>	<u>15,747,682</u>	<u>6,091,108</u>	<u>73,732,564</u>
-	60	4,473,517	13,022	117,329	5,822,291
-	-	-	-	-	210,678
-	-	-	-	-	52,364
-	-	-	-	79,576	90,576
693,398	1,721,884	-	-	20,419	2,435,701
<u>693,398</u>	<u>1,721,944</u>	<u>4,473,517</u>	<u>13,022</u>	<u>217,324</u>	<u>8,611,610</u>
-	-	-	-	835,183	9,446,711
-	-	-	-	21,337	21,337
-	-	-	-	856,520	9,468,048
-	-	-	-	-	160,888
-	-	-	-	1,360	351,169
-	-	-	-	411,906	411,906
-	-	-	-	-	2,048,537
-	-	-	-	-	3,171,880
-	-	-	-	100,581	100,581
-	-	23,214,795	-	1,863,876	25,078,671
-	-	-	-	1,869,242	1,869,242
-	-	-	-	69,602	69,602
-	-	-	-	70,775	70,775
-	-	-	-	100,637	100,637
-	-	-	-	360,724	360,724
-	-	-	-	43,629	43,629
-	-	-	15,734,660	-	15,836,693
-	-	-	-	124,931	124,931
-	-	-	-	-	7,802
(693,398)	(1,721,944)	-	-	-	5,845,241
<u>(693,398)</u>	<u>(1,721,944)</u>	<u>23,214,795</u>	<u>15,734,660</u>	<u>5,017,264</u>	<u>55,652,908</u>
\$ -	\$ -	\$ 27,688,312	\$ 15,747,682	\$ 6,091,108	\$ 73,732,564

CASS COUNTY GOVERNMENT
Reconciliation of the Balance Sheet
of Governmental Funds
To the Statement of Net Position
December 31, 2014

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

Total fund balances - governmental funds (page 19)		\$ 55,652,908
Add - Capital Assets	\$ 231,286,295	
Deduct - accumulated depreciation	<u>(86,471,484)</u>	
Net Assets		144,814,811
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.		314,325
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.		52,364
Long-term uncertified special assessments receivable are not reported in the funds because they are unavailable to pay the current period's expenditures.		313,145
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 position of governmental activities accounted for in the internal service funds		2,075,574
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	(1,658,729)	
Special assessments bonds payable	(365,630)	
GO Bonds Payable	(6,150,000)	
Loan Payable	(45,060,200)	
Unamortized Bond Discount	49,259	
Interest Payable	<u>(83,434)</u>	
Total long term liabilities		<u>(53,268,733)</u>
Net position of governmental activities		<u>\$ 149,954,392</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, 2014

	General Fund	Human Services	County Road and Bridge	2009 Flood Recovery	2010 Flood Recovery	2013 Flood Emergency
REVENUES						
Taxes:						
Property	\$ 14,805,371	\$ 10,523,710	\$ 4,569,404	\$ -	\$ -	\$ -
Sales	-	-	-	-	-	-
Licenses, permits and fees	84,512	13,055	113,853	-	-	-
Intergovernmental revenues	9,120,440	3,223,837	16,107,140	153,281	-	111,812
Charges for services	3,497,457	179,957	253,849	-	-	-
Miscellaneous revenues	82,591	15,141	42,526	-	58	8,400
Total Revenues	27,590,370	13,955,700	21,086,771	153,281	58	120,211
EXPENDITURES						
Current:						
General government	7,701,694	-	-	-	-	-
Public Safety	18,176,069	-	-	-	-	-
Highways and streets	-	-	21,256,711	80,278	103,243	8,262
Relief and charities	-	14,030,665	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation & economic development	2,048,567	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Fiscal charges	-	-	-	-	-	-
Total Expenditures	27,926,330	14,030,665	21,256,711	80,278	103,243	8,262
Excess (deficiency) of revenues over (under) expenditures	(335,960)	(74,965)	(169,940)	73,003	(103,185)	111,949
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	1,029,061	-
Transfers out	(42,456)	-	-	(73,003)	(78,508)	(111,812)
Loan Proceeds	-	-	-	-	-	-
Sale of capital assets	20,751	-	11,405	-	-	-
Total of other financing sources and uses	(21,705)	-	11,405	(73,003)	950,553	(111,812)
Net change in fund balances	(357,665)	(74,965)	(158,535)	-	847,368	136
Fund balances (deficit) - beginning	8,942,927	2,140,820	3,506,917	-	(745,336)	(138)
Fund balances (deficit) - ending	\$ 8,585,262	\$ 2,065,855	\$ 3,348,382	\$ -	\$ 102,033	\$ -

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

2011 Flood Recovery	Flood Mitigation	Flood Control Loan Fund	Courthouse West Addition	Flood Control Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,113,023	\$ 33,011,508
-	-	-	-	16,164,464	-	16,164,464
-	-	-	-	-	-	211,419
80,910	5,720,548	-	-	-	584,572	35,102,540
-	-	-	-	-	2,522,045	6,453,308
43	693,789	1,463	167	27,886	339,044	1,211,108
<u>80,953</u>	<u>6,414,337</u>	<u>1,463</u>	<u>167</u>	<u>16,192,350</u>	<u>6,558,684</u>	<u>92,154,347</u>
-	-	-	-	-	1,450,244	9,151,938
-	-	-	-	-	1,044,607	19,220,676
57,065	-	-	-	-	-	21,505,559
-	-	-	-	-	-	14,030,665
-	-	-	-	-	983,675	983,675
-	8,216,006	-	-	-	61,705	10,326,277
-	-	21,846,868	35,371	16,399,260	-	38,281,498
-	-	-	-	-	757,210	757,210
-	-	-	-	-	260,555	260,555
-	-	-	-	-	2,750	2,750
<u>57,065</u>	<u>8,216,006</u>	<u>21,846,868</u>	<u>35,371</u>	<u>16,399,260</u>	<u>4,560,746</u>	<u>114,520,803</u>
<u>23,888</u>	<u>(1,801,669)</u>	<u>(21,845,405)</u>	<u>(35,204)</u>	<u>(206,910)</u>	<u>1,997,938</u>	<u>(22,366,456)</u>
263,322	463,208	-	4,956	-	37,500	1,798,048
-	-	-	-	-	(1,492,269)	(1,798,048)
-	-	45,060,200	-	-	-	45,060,200
-	-	-	-	-	-	32,156
<u>263,322</u>	<u>463,208</u>	<u>45,060,200</u>	<u>4,956</u>	<u>-</u>	<u>(1,454,769)</u>	<u>45,092,359</u>
<u>287,210</u>	<u>(1,338,461)</u>	<u>23,214,795</u>	<u>(30,247)</u>	<u>(206,910)</u>	<u>543,169</u>	<u>22,725,902</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>
<u>\$ (693,398)</u>	<u>\$ (1,721,944)</u>	<u>\$ 23,214,795</u>	<u>\$ -</u>	<u>\$ 15,734,660</u>	<u>\$ 5,017,264</u>	<u>\$ 55,652,908</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, 2014

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) \$ 22,725,902

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	\$ 8,839,813	
Current year depreciation expense	<u>(4,177,827)</u>	4,661,986

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	(770,914)	
Accumulated depreciation on retired assets	<u>648,216</u>	(122,698)

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	(90,374)	
Decrease in Uncertified Special Assessments	(52,795)	
Decrease in Loans Receivable	<u>(7,515)</u>	(150,684)

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.

Issuance of Loan Payable	(45,060,200)	
Repayment of bonds	<u>757,210</u>	(44,302,990)

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 increase in interest payable	(38,082)	
Amortization of Bond Issuance Costs	(6,659)	
Net increase in compensated absences	<u>(8,780)</u>	(53,521)

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.

319,428

Change in net position of governmental activities \$ (16,922,568)

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, 2014

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 14,634,469	\$ 14,634,469	\$ 14,805,371	\$ 170,902
Licenses, Permits and Fees	43,500	43,500	84,512	41,012
Intergovernmental Revenues	9,421,142	9,421,142	9,120,440	(300,702)
Charges for Services	3,462,460	3,462,460	3,497,457	34,997
Miscellaneous Revenues	114,180	114,405	82,591	(31,814)
Total Revenues	27,675,751	27,675,976	27,590,370	(85,605)
Expenditures:				
Current:				
General Government:				
County Commission	865,780	865,780	769,849	95,931
County Administrator	2,590,931	2,801,731	2,857,947	(56,216)
Information Technology	1,277,916	1,277,916	1,316,368	(38,452)
Auditor	1,211,202	1,211,202	1,194,454	16,748
Treasurer	357,737	357,737	356,802	935
County Recorder	628,499	628,499	611,350	17,149
Director of Tax Equalization	289,262	289,262	273,596	15,666
Veterans Service	273,687	273,687	251,860	21,827
County Planning	87,230	87,230	69,467	17,763
Total General Government	7,582,244	7,793,044	7,701,694	91,351
Public Safety:				
Emergency Management	217,926	217,926	209,643	8,283
County Sheriff	15,613,414	15,654,710	14,872,725	781,985
States Attorney	2,660,253	2,660,253	2,646,785	13,468
County Coroner	189,856	489,856	434,460	55,396
Cemetery	13,369	13,369	12,455	914
Total Public Safety	18,694,818	19,036,114	18,176,069	860,045
Conservation & Econ. Development:				
County Extension Agent	510,504	510,504	461,182	49,322
Public Service Agencies	1,638,136	1,638,136	1,587,385	50,751
Total Conservation & Econ Dev	2,148,640	2,148,640	2,048,567	100,073
Total Expenditures	28,425,702	28,977,798	27,926,330	1,051,469
Excess (deficiency) of revenues over (Under) expenditures	(749,951)	(1,301,822)	(335,960)	965,864
Other Financing Sources (Uses):				
Sale of Property	10,000	10,000	20,751	10,751
Operating Transfers Out	(270,000)	(270,000)	(42,456)	227,544
Total Other Financing Sources and (Uses)	(260,000)	(260,000)	(21,705)	238,295
Net change in fund balances	(1,009,951)	(1,561,822)	(357,665)	1,204,161
Fund Balance - Beginning	8,942,927	8,942,927	8,942,927	-
Fund Balance - Ending	\$ 7,932,976	\$ 7,381,105	\$ 8,585,262	\$ 1,204,161

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, 2014

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ 10,431,389	\$ 10,431,389	\$ 10,523,710	\$ 92,321
Licenses, Permits and Fees	15,000	15,000	13,055	(1,945)
Intergovernmental Revenues	3,326,709	3,326,709	3,223,837	(102,872)
Charges for Services	175,050	175,050	179,957	4,907
Miscellaneous Revenues	12,997	12,997	15,141	2,144
Total Revenues	13,961,145	13,961,145	13,955,700	(5,445)
<u>Expenditures:</u>				
Current:				
Relief and Charities	14,132,517	14,132,517	14,030,665	101,852
Total Expenditures	14,132,517	14,132,517	14,030,665	101,852
Excess (deficiency) of revenues over (under) expenditures	(171,372)	(171,372)	(74,966)	96,408
Fund Balance - Beginning	2,140,820	2,140,820	2,140,820	-
Fund Balance - Ending	\$ 1,969,448	\$ 1,969,448	\$ 2,065,855	\$ 96,408

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, 2014

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ 4,527,310	\$ 4,527,310	\$ 4,569,404	\$ 42,094
Licenses, Permits and Fees	40,000	40,000	113,853	73,853
Intergovernmental Revenues	14,970,136	16,375,026	16,107,140	(267,886)
Charges for Services	12,600	12,600	253,849	241,249
Miscellaneous Revenues	17,959	17,959	42,526	24,567
Total Revenues	<u>19,568,005</u>	<u>20,972,895</u>	<u>21,086,771</u>	<u>113,877</u>
<u>Expenditures:</u>				
Current:				
Highways and Streets	<u>21,786,036</u>	<u>23,226,758</u>	<u>21,256,711</u>	<u>1,970,047</u>
Total Expenditures	<u>21,786,036</u>	<u>23,226,758</u>	<u>21,256,711</u>	<u>1,970,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,218,031)</u>	<u>(2,253,863)</u>	<u>(169,940)</u>	<u>2,083,925</u>
<u>Other Financing Sources (Uses):</u>				
Sale of Property	-	-	11,405	11,405
Transfers Out	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>11,405</u>	<u>11,405</u>
Net change in fund balances	<u>(2,218,031)</u>	<u>(2,253,863)</u>	<u>(158,535)</u>	<u>2,095,329</u>
Fund Balance - Beginning	<u>3,506,917</u>	<u>3,506,917</u>	<u>3,506,917</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,288,886</u>	<u>\$ 1,253,054</u>	<u>\$ 3,348,382</u>	<u>\$ 2,095,329</u>

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, 2014

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	153,281	153,281
Miscellaneous Revenues	-	-	-	-
Total Revenues	-	-	153,281	153,281
<u>Expenditures:</u>				
Current:				
Highways and Streets	-	-	80,278	(80,278)
Total Expenditures	-	-	80,278	(80,278)
Excess (deficiency) of revenues over (under) expenditures	-	-	73,003	73,003
<u>Other Financing Sources (Uses):</u>				
Transfers Out	-	-	(73,003)	(73,003)
Total Other Financing Sources and (Uses)	-	-	(73,003)	(73,003)
Net change in fund balances	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2014

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Revenues	-	38	58	20
Total Revenues	-	38	58	20
<u>Expenditures:</u>				
Current:				
Highways and Streets	-	181,692	103,243	78,449
Total Expenditures	-	181,692	103,243	78,449
Excess (deficiency) of revenues over (under) expenditures	-	(181,654)	(103,185)	78,469
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	1,029,061	1,029,061	-
Transfers Out	-	-	(78,508)	(78,508)
Total Other Financing Sources and (Uses)	-	1,029,061	950,553	(78,508)
Net change in fund balances	-	847,407	847,368	(38)
Fund Balance - Beginning	-	(745,336)	(745,336)	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 102,071</u>	<u>\$ 102,033</u>	<u>\$ (38)</u>

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, 2014

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	111,812	111,812
Charges for Services	-	-	-	-
Miscellaneous Revenues	-	8,400	8,400	-
Total Revenues	-	8,400	120,211	111,812
<u>Expenditures:</u>				
Current:				
Highways and Streets	-	8,262	8,262	-
Total Expenditures	-	8,262	8,262	-
Excess (deficiency) of revenues over (under) expenditures	-	138	111,949	111,812
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	(111,812)	(111,812)
Total Other Financing Sources and (Uses)	-	-	(111,812)	(111,812)
Net change in fund balances	-	138	138	-
Fund Balance - Beginning	-	(138)	(138)	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

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, 2014

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	28,813	80,910	52,097
Miscellaneous Revenues	-	-	43	43
Total Revenues	-	28,813	80,953	52,140
<u>Expenditures:</u>				
Current:				
Highways and Streets	-	59,140	57,065	2,075
Total Expenditures	-	59,140	57,065	2,075
Excess (deficiency) of revenues over (under) expenditures	-	(30,327)	23,888	54,216
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	263,322	263,322
Total Other Financing Sources and (Uses)	-	-	263,322	263,322
Net change in fund balances	-	(30,327)	287,209	317,538
Fund Balance - Beginning	-	(980,608)	(980,608)	-
Fund Balance - Ending	\$ -	\$ (1,010,935)	\$ (693,398)	\$ 317,538

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, 2014

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	5,720,548	5,720,548	-
Miscellaneous Revenues	-	693,789	693,789	-
Total Revenues	-	6,414,337	6,414,337	-
<u>Expenditures:</u>				
Current:				
Conservation & Economic Development	-	8,592,434	8,216,006	376,428
Total Expenditures	-	8,592,434	8,216,006	376,428
Excess (deficiency) of revenues over (under) expenditures	-	(2,178,097)	(1,801,669)	376,428
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	462,748	463,208	460
Transfers Out	-	-	-	-
Total Other Financing Sources and (Uses)	-	462,748	463,208	460
Net change in fund balances	-	(1,715,349)	(1,338,459)	376,888
Fund Balance - Beginning	-	(383,484)	(383,484)	-
Fund Balance - Ending	\$ -	\$ (2,098,833)	\$ (1,721,944)	\$ 376,888

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, 2014

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
<u>ASSETS</u>	
Current Assets:	
Cash and Investments	\$ 2,815,077
Accounts Receivable	3,332
Prepaid Items	-
	-
Total Current Assets	2,818,409
Noncurrent Assets:	
Capital Assets	322,097
Less: Accumulated Depreciation	(254,546)
	67,551
Total Noncurrent Assets	67,551
Total Assets	\$ 2,885,960
<u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ 9,604
Deposits	410,920
IBNR Claims	389,862
	810,386
Total Liabilities	\$ 810,386
<u>Net Position</u>	
Net Investment in Capital Assets	\$ 67,551
Unrestricted	2,008,024
	2,075,574
Total Net Position	\$ 2,075,574

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, 2014

	Governmental Activities
	Internal Service Funds
<u>Operating Revenues:</u>	
Premiums	\$ 4,410,488
Charges for Services	260,232
Miscellaneous	14,794
	4,685,514
<u>Operating Expenses:</u>	
Premiums	634,311
Medical Services	9,441
Telephone Service	171,973
Administrative Fees	269,437
Collision Repair/Replacement	22,901
Benefit Payments	2,857,908
IBNR Claims	389,862
Depreciation Expense	22,073
	4,377,906
Total Operating Expenses	4,377,906
Operating Income	307,608
<u>Nonoperating Revenues (Expenses):</u>	
Interest Income	6,265
Gain on Disposal of Capital Assets	5,555
	11,820
Total Nonoperating Revenues (Expenses)	11,820
Change in Net Position	319,428
Total Net Position Beginning	1,756,147
Total Net Position Ending	\$ 2,075,574

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, 2014

	Governmental Activities
	Internal Service Funds
<u>Cash Flows From Operating Activities:</u>	
Receipts from customers	\$ 4,672,071
Payments to suppliers	(1,108,484)
Claims paid	(3,146,330)
Other receipts	14,794
	432,051
<u>Cash Flows From Capital and Related Financing Activities:</u>	
Purchase of capital assets	(30,749)
Proceeds on Sale of Capital Assets	6,319
	(24,430)
<u>Cash Flows From Investing Activities:</u>	
Interest income	6,265
	413,885
Cash and cash equivalents - beginning of the year	2,401,192
	2,815,077
<u>Reconciliation of Operating Income to net cash provided by operating activities:</u>	
Operating income	307,608
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation	22,073
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	1,351
Increase (decrease) in accounts payable	(421)
Increase (decrease) in premium deposit funds	58,930
Increase (decrease) in IBNR claims	42,510
	\$ 432,051
 Schedule of non-cash capital and related financing activities:	
Disposal of Capital Assets	\$ (1,870)

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

CASS COUNTY GOVERNMENT
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 49,789,082
Accounts Receivable	<u>-</u>
Total Assets	<u>\$ 49,789,082</u>
 <u>LIABILITIES</u>	
Accounts Payable	329,560
Due to Component Units	35,390
Deposits	<u>49,424,132</u>
Total Liabilities	<u>\$ 49,789,082</u>

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

CASS COUNTY GOVERNMENT
Statement of Net Position
Component Units
December 31, 2014

	Southeast Cass WRD	North Cass WRD	Maple River WRD
<u>Assets:</u>			
Cash and Cash Equivalents	\$ 7,363,503	\$ 1,041,837	\$ 368,298
Receivables:			
Accounts Receivable	-	-	-
Delinquent Tax	51,666	2,525	6,418
Due From Other Governments	395,614	2,454	6,738
Special Assessments	2,056	54	547
Due From Primary Government	22,298	1,038	3,912
Inventory	-	-	-
Prepays	-	-	-
Long-Term Receivables:			
Uncertified Special Assessments Receivable	2,863,477	54,623	1,653,050
Capital Assets Not Being Depreciated:			
Land	22,429,144	1,228,254	2,625,232
Construction in Progress	6,728,017	21,065	3,882,775
Capital Assets (Net of Accumulated Depreciation)			
Buildings	-	-	-
Equipment	-	-	-
Infrastructure	75,775,468	4,380,329	9,615,693
Total Assets	115,631,241	6,732,179	18,162,663
<u>Liabilities:</u>			
Accounts Payable	1,533,597	137,164	372,583
Benefits Payable	27,110	3,500	7,667
Retainages Payable	342,201	-	35,592
Interest Payable	19,379	2,615	19,818
Noncurrent Liabilities:			
Due within one year	1,181,001	500,369	211,202
Due in more than one year	3,852,119	532,929	3,269,253
Total Liabilities	6,955,406	1,176,577	3,916,115
<u>Deferred Inflows of Resources:</u>			
Unavailable Revenue - Property Taxes	-	-	-
<u>Net Position</u>			
Net Investment in Capital Assets	99,914,789	4,598,290	12,647,612
Restricted For:			
Conservation of Natural Resources	493,204	906,184	121,735
Debt Service	1,242,001	60,268	1,373,682
Capital Projects	2,521,276	-	35,593
Unrestricted	4,504,566	(9,139)	67,927
Total Net Position	\$ 108,675,835	\$ 5,555,603	\$ 14,246,549

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

Rush River WRD	Weed Control	Vector Control	Totals
\$ 995,985	\$ 369,488	\$ 244,794	\$ 10,383,906
-	4,603	20,645	25,248
2,067	3,114	5,135	70,924
2,383	-	-	407,189
1,258	-	-	3,915
8,142	-	-	35,390
-	-	46,482	46,482
-	1,102	6,729	7,831
2,824,468	-	-	7,395,618
2,869,537	-	-	29,152,167
494,455	-	-	11,126,312
-	18,064	-	18,064
-	13,833	128,813	142,646
7,477,673	-	-	97,249,163
<u>14,675,968</u>	<u>410,202</u>	<u>452,597</u>	<u>156,064,850</u>
18,700	771	835	2,063,650
6,206	-	-	44,483
6,134	-	-	383,927
18,834	-	-	60,646
797,227	2,229	16,890	2,708,918
3,612,818	-	-	11,267,119
<u>4,459,919</u>	<u>2,999</u>	<u>17,726</u>	<u>16,528,743</u>
-	109,930	149,330	259,259
6,434,288	31,897	128,813	123,755,689
351,702	-	-	1,872,825
3,369,319	-	-	6,045,270
9,733	-	-	2,566,602
51,007	265,376	156,729	5,036,467
<u>\$ 10,216,049</u>	<u>\$ 297,274</u>	<u>\$ 285,541</u>	<u>\$ 139,276,855</u>

CASS COUNTY GOVERNMENT
Statement of Activities
Component Units
For the Year Ended December 31, 2014

<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	\$ 7,154,053	\$ -	\$ 5,560,188	\$ 14,082,624
Maple River Water Resource District	812,298	-	247,095	101,893
North Cass Water Resource District	520,587	-	240,053	4,442
Rush River Water Resource District	497,343	-	152,834	142,279
Noxious weed	451,812	9,608	42,302	-
Vector control	891,168	324,663	-	-
Total component units	\$ 10,327,260	\$ 334,270	\$ 6,242,472	\$ 14,331,238

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**

<u>Southeast Cass WRD</u>	<u>North Cass WRD</u>	<u>Maple River WRD</u>	<u>Rush River WRD</u>	<u>Weed Control</u>	<u>Vector Control</u>	<u>Total</u>
\$ 12,488,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,488,759
-	-	(463,310)	-	-	-	(463,310)
-	(276,092)	-	-	-	-	(276,092)
-	-	-	(202,230)	-	-	(202,230)
-	-	-	-	(399,902)	-	(399,902)
-	-	-	-	-	(566,505)	(566,505)
<u>\$ 12,488,759</u>	<u>\$ (276,092)</u>	<u>\$ (463,310)</u>	<u>\$ (202,230)</u>	<u>\$ (399,902)</u>	<u>\$ (566,505)</u>	<u>\$ 10,580,720</u>
\$ 4,858,750	\$ 468,653	\$ 830,898	\$ 272,759	\$ 332,476	\$ 538,413	\$ 7,301,949
216,382	2,580	25,677	8,667	23,545	50,457	327,307
17,074	2,145	4,606	2,950	1,219	703	28,698
81,413	243	8,441	2,859	-	9,665	102,621
<u>\$ 5,173,619</u>	<u>\$ 473,621</u>	<u>\$ 869,622</u>	<u>\$ 287,236</u>	<u>\$ 357,240</u>	<u>\$ 599,238</u>	<u>\$ 7,760,575</u>
17,662,378	197,529	406,311	85,006	(42,662)	32,733	18,341,295
91,013,457	5,358,075	14,409,493	10,131,043	339,935	252,808	121,504,816
-	-	(569,256)	-	-	-	(569,256)
<u>\$ 108,675,835</u>	<u>\$ 5,555,603</u>	<u>\$ 14,246,549</u>	<u>\$ 10,216,049</u>	<u>\$ 297,274</u>	<u>\$ 285,541</u>	<u>\$ 139,276,855</u>

**CASS COUNTY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014**

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 a summary of financial information on the joint venture as of and for the year ended December 31, 2014, which is the most current audited information available:

Total Assets	\$ 8,091,476
Total Liabilities	<u>265,559</u>
Total Net Position	<u>7,825,917</u>
Revenues	2,395,150
Expenses	<u>1,368,330</u>
Change in Net Position	<u>\$ 1,026,820</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. Joint Powers AgreementsRegional Dispatch Center

In December of 2002, The City of Fargo, ND, City of Moorhead, MN, Clay County of MN and Cass County of ND entered into a joint powers agreement to establish a framework that allows for the joint operation of dispatch functions by the named entities. Additionally, the City of West Fargo, ND entered into the joint powers agreement in 2008. By combining the communications and dispatch of these agencies, duplication of equipment and staff time is reduced or eliminated. The goal was to reduce the financial burden to the respective governments' taxpayers through the sharing of one communication center, as well as to improve communications services.

Each governmental entity will contribute to the joint operations in the following percentages:

City of Fargo – 50.6%
City of Moorhead – 18.2%
Cass County – 8.8%
Clay County – 10%
City of West Fargo – 12.4%

Any governmental entity may elect to withdraw from participation upon giving a 6-month written notice. Additional financial information may be obtained by contacting: Attn: Director, Red River Regional Dispatch Center 915 9th Ave N., Moorhead, MN 56560.

The City of Fargo, and Cass County each assessed a \$1.00 9-1-1 emergency service communication system fee and the City of West Fargo assessed a \$1.50 fee. On November 4, 2014 the voters of Cass County approved the Cass County Measure #1 thereby authorizing Cass County Government to levy a single county wide 9-1-1 fee not to exceed \$1.50 in lieu of the various existing fees, to become effective on January 1, 2015.

Per a memorandum of understanding between the City of Fargo, ND, City of West Fargo, ND, and Cass County, ND, starting January 1, 2015 and continuing thereafter Cass County Government agrees to pay all valid billings from the vendors for 9-1-1 emergency services communications systems fees for the entire county.

Metro Flood Diversion Authority

In June of 2011, the City of Fargo, ND, City of Moorhead, MN, Clay County of MN, Cass County of ND, the Cass County Joint Water Resource District, and the Buffalo Red River Watershed District entered into a joint powers agreement for the purpose of building and operating a flood diversion channel along the Red River of the North to reduce the flood risk of the stakeholder communities

and counties. The Diversion Authority and its members worked with the United States Army Corps of Engineers on the FM Metro Flood Risk Management Feasibility Study to develop the flood diversion channel project plan.

The joint powers agreement will continue to be in full force and effect until it is terminated upon unanimous approval of the members to this agreement. Additional information regarding the authority may be obtained by contacting: Flood Diversion Board of Authority, Box 2806, 211 Ninth Street South, Fargo, ND 58108.

E. 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.

F. 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.
- **Flood Control Loan Fund** – This fund is used to provide for the construction cost incurred by the Flood Diversion Authority.
- **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.

G. 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.

H. 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.

I. 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, 2014.

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.

J. 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.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items. Prepaid items are offset within the nonspendable classification of fund balance in the fund financial statements.

L. 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.

M. 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

N. 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, 2014.

O. Retainages Payable

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

P. Interest Payable

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

Q. 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. The entire portion of accumulated unpaid vacation is considered short term for the reason that historically, unpaid vacation is utilized within one year either through vacation payouts when

employees terminate their service with the County or with the use of annual leave though out the year.

R. 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.

S. 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	2014	2013
Balance January 1	\$ 331,467	\$ 317,700
Incurred Claims Including IBNR's and Changes in Estimates	2,629,754	2,617,454
Less Claims Payments	2,585,321	2,603,687
Balance December 31	\$ 375,900	\$ 331,467

Employee Dental	2014	2013
Balance January 1	\$ 15,885	\$ 13,238
Incurred Claims Including IBNR's and Changes in Estimates	270,663	285,146
Less Claims Payments	272,586	282,499
Balance December 31	\$ 13,962	\$ 15,885

T. 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.

U. 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.

V. 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.

W. 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, 2014, 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 2014 expenditures exceed appropriations in the following funds:

Special Revenue Funds:

Sheriff Asset Forfeiture	\$ 64,189
Jail Commissary	10,412
2009 Flood Recovery	80,278
911 Service	3,611
24/7 Sobriety Program	28,002

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, 2014, the County's carrying amount of deposits was \$115,234,826 and the bank balance was \$110,092,140. Of the bank balances, \$4,684,234 was covered by federal depository insurance. Of the remaining bank balances, \$105,382,236 was collateralized with securities held by the pledging financial institution's agent in the government's name. Additionally, bank balances totaling \$25,670 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, 2014, the County held certificates of deposit in the amount of \$875,000, 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, 2014, 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, 2014 is as follows:

Receivable Fund	Payable Fund	Amount
General	Flood Mitigation	1,721,884
General	911 Fund	20,419
County Road & Bridge	2011 Flood Recovery	693,398
Total		2,435,701

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, 2014:

Transfers In	Transfers Out	Amount
2011 Flood Recovery	2013 Flood Emergency	111,812
2011 Flood Recovery	2009 Flood Recovery	73,003
911 Service	General Fund	37,500
2011 Flood Recovery	2010 Flood Recovery	78,508
2010 Flood Recovery	Emergency & Flood Mitigation	1,029,061
Flood Mitigation	Emergency & Flood Mitigation	463,208
Courthouse Addition	General Fund	4,956
Total Transfers		1,798,048

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, 2014:

Primary Government Capital Assets

	Balance 1/1/2014	Increases	Decreases	Balance 12/31/2014
Capital Assets, not being depreciated:				
Land	\$ 34,791,323	\$ 7,158,414	\$ -	\$ 41,949,738
Construction in Progress	-	-	-	-
Total Capital Assets not being depreciated	\$ 34,791,323	\$ 7,158,414	\$ -	\$ 41,949,738
Capital Assets, being depreciated:				
Buildings	\$ 50,503,116	\$ -	\$ -	\$ 50,503,116
Improvements other than buildings	2,851,571	517,040	-	3,368,611
Machinery and Equipment	10,044,313	1,195,107	797,796	10,441,625
Infrastructure	125,345,303	-	-	125,345,303
Total Capital Assets, being depreciated	\$ 188,744,303	\$ 1,712,148	\$ 797,796	\$ 189,658,654
Less accumulated depreciation for:				
Buildings	\$ 12,739,067	\$ 939,217	\$ -	\$ 13,678,284
Improvements other than buildings	978,427	79,462	-	1,057,889
Machinery and Equipment	7,360,154	883,996	674,334	7,569,816
Infrastructure	62,122,817	2,297,224	-	64,420,042
Total Accumulated Depreciation	\$ 83,200,465	\$ 4,199,900	\$ 674,334	\$ 86,726,031
Net Capital Assets, being Depreciated	\$ 105,543,838	\$ (2,487,752)	\$ 123,462	\$ 102,932,624
Net Governmental Activities Capital Assets	\$ 140,335,161	\$ 4,670,662	\$ 123,462	\$ 144,882,362

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

Governmental Activities:	
General Government	\$ 498,037
Public Safety	813,213
Highways and Streets	2,773,334
Relief and Charities	81,081
Culture and Recreation	11,157
Conservation and Econ. Development	1,005
Total Depreciation Expense - Governmental Activities	\$ 4,177,827
Depreciation of Internal Service Funds	22,073
Total Depreciation Expense	\$ 4,199,900

Component Units

During the year ended December 31, 2014, the following changes occurred in the capital assets of:

Southeast Cass Water Resource District				
	Balance 1/1/2014	Increases	Transfers	Balance 12/31/2014
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 9,096,321	\$ 13,332,823	\$ -	\$ 22,429,144
Construction in Progress	536,155	6,922,939	(731,077)	6,728,017
Total Capital Assets Not Being Depreciated	\$ 9,632,476	\$ 20,255,762	\$ (731,077)	\$ 29,157,161
Facilities	\$ 71,725,211	\$ -	\$ -	\$ 71,725,211
Projects	32,679,335	-	731,077	33,410,412
Equipment	40,000	20,000	-	60,000
Total Capital Assets, Being Depreciated	\$ 104,444,546	\$ 20,000	\$ 731,077	\$ 105,195,623
Less Accumulated Depreciation for:				
Facilities	\$ 22,867,923	\$ 1,434,504	\$ -	\$ 24,302,427
Projects	4,409,520	668,208	-	5,077,728
Equipment	40,000	-	-	40,000
Total Accumulated Depreciation	\$ 27,317,443	\$ 2,102,712	\$ -	\$ 29,420,155
Total Capital Assets Being Depreciated, Net	\$ 77,127,103	\$ (2,082,712)	\$ 731,077	\$ 75,775,468
Governmental Activities Capital Assets, Net	\$ 86,759,579	\$ 18,173,050	\$ -	\$ 104,932,628

Maple River Water Resource District				
	Balance			Balance
	1/1/2014	Increases	Transfers	12/31/2014
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,902,666	\$ 722,566	\$ -	\$ 2,625,232
Construction in Progress	1,588,402	2,294,374	-	3,882,775
Total Capital Assets Not Being Depreciated	\$ 3,491,068	\$ 3,016,940	\$ -	\$ 6,508,007
Capital Assets Being Depreciated:				
Facilities	\$ 10,550,637	\$ -	\$ -	\$ 10,550,637
Projects	7,177,920	-	-	7,177,920
Total Capital Assets, Being Depreciated	\$ 17,728,557	\$ -	\$ -	\$ 17,728,557
Less Accumulated Depreciation for:				
Facilities	\$ 7,056,464	\$ 187,013	\$ -	\$ 7,243,476
Projects	725,830	143,558	-	869,388
Total Accumulated Depreciation	\$ 7,782,294	\$ 330,571	\$ -	\$ 8,112,865
Total Capital Assets Being Depreciated, Net	\$ 9,946,263	\$ (330,571)	\$ -	\$ 9,615,693
Governmental Activities Capital Assets, Net	\$ 13,437,331	\$ 2,686,369	\$ -	\$ 16,123,701

North Cass Water Resource District				
	Balance			Balance
	1/1/2014	Increases	Transfers	12/31/2014
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,228,254	\$ -	\$ -	\$ 1,228,254
Construction in Progress	665,407	75,591	(719,933)	21,065
Total Capital Assets Not Being Depreciated	1,893,661	75,591	(719,933)	1,249,319
Capital Assets Being Depreciated:				
Facilities	\$ 3,768,900	\$ -	\$ -	\$ 3,768,900
Projects	3,223,844	-	719,933	3,943,777
Total Capital Assets, Being Depreciated	\$ 6,992,744	\$ -	\$ 719,933	\$ 7,712,677
Less Accumulated Depreciation for:				
Facilities	\$ 2,477,162	\$ 75,378	\$ -	\$ 2,552,540
Projects	700,932	78,876	-	779,808
Total Accumulated Depreciation	\$ 3,178,094	\$ 154,254	\$ -	\$ 3,332,348
Total Capital Assets Being Depreciated, Net	\$ 3,814,649	\$ (154,254)	\$ 719,933	\$ 4,380,329
Governmental Activities Capital Assets, Net	\$ 5,708,310	\$ (78,663)	\$ -	\$ 5,629,648

Rush River Water Resource District				
	Balance 1/1/2014	Increases	Transfers	Balance 12/31/2014
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 2,758,282	\$ 111,255	\$ -	\$ 2,869,537
Construction in Progress	1,656,019	655,376	(1,816,941)	494,454
Total Capital Assets Not Being Depreciated	\$ 4,414,301	\$ 766,631	\$ (1,816,941)	\$ 3,363,991
Capital Assets Being Depreciated:				
Facilities	\$ 23,760,429	\$ -	\$ 1,816,941	\$ 25,577,370
Projects	449,400	-	-	449,400
Total Capital Assets, Being Depreciated	\$ 24,209,829	\$ -	\$ 1,816,941	\$ 26,026,770
Less Accumulated Depreciation for:				
Facilities	\$ 18,144,407	\$ 301,209	\$ -	\$ 18,445,616
Projects	94,492	8,988	-	103,480
Total Accumulated Depreciation	\$ 18,238,899	\$ 310,197	\$ -	\$ 18,549,096
Total Capital Assets Being Depreciated, Net	\$ 5,970,929	\$ (310,197)	\$ 1,816,941	\$ 7,477,673
Governmental Activities Capital Assets, Net	\$ 10,385,230	\$ 456,435	\$ -	\$ 10,841,665

Noxious Weed Control				
	Balance 1/1/2014	Increases	Decreases	Balance 12/31/2014
Governmental Activities:				
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	\$ 22,169	\$ 821	\$ -	\$ 22,990
Machinery & Equipment	53,508	7,697	-	61,206
Total Accumulated Depreciation	\$ 75,677	\$ 8,518	\$ -	\$ 84,195
Total Capital Assets Net of Depreciation	\$ 40,415	\$ (8,518)	\$ -	\$ 31,897

Vector Control				
	Balance 1/1/2014	Increases	Decreases	Balance 12/31/2014
Governmental Activities:				
Capital Assets, Being Depreciated:				
Machinery & Equipment	\$ 395,328	\$ 84,144	\$ 22,500	\$ 456,972
Less Accumulated Depreciation				
Machinery & Equipment	321,140	29,519	22,500	328,159
Total Capital Assets Net of Depreciation	\$ 74,188	\$ 54,625	\$ -	\$ 128,813

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, 2014, the County had funds of \$59,611 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, 2014, 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%.	\$ 150,000
\$365,000 Refunding Improvement Bonds of 2007 due in annual installments of \$25,000 through 2022 with interest at 4.20% to 4.45%.	200,000
\$85,000 Refunding Improvement Bonds of 2001 for construction in the Holmen's 3 rd Subdivision due in annual installments of \$7,606 to \$8,024 through 2016 with interest at 5.42%.	<u>15,630</u>
Total Special Assessment Bonds	<u>\$ 365,630</u>

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

Special Assessment Bonds		
Year Ending December 31	Principal	Interest
2015	\$ 57,606	\$ 14,827
2016	58,024	12,321
2017	50,000	9,875
2018	50,000	7,725
2019	50,000	5,544
2020-2022	100,000	5,556
Total	\$ 365,630	\$ 55,848

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, 2014, are comprised of the following individual issues:

\$8,900,000 General Obligation Bonds of 2010 due in annual installments of \$710,000 to \$840,000 through 2022 with interest at 2.65 to 4.7%.

\$6,150,000

General Obligation Bonds		
Year Ending December 31	Principal	Interest
2015	\$ 710,000	\$ 225,825
2016	725,000	205,361
2017	735,000	182,178
2018	755,000	156,083
2019	775,000	126,228
2020-2022	2,450,000	170,805
Total	\$ 6,150,000	\$ 1,066,479

Loan Payable

During the year ended December 31, 2014 the County entered into a loan agreement with U.S. Bank National Association with authorized principal at \$50,000,000. During the year the County drew down \$45,060,200 of the principal amount. The loan agreement is to fund the flood control project undertaken by the Fargo/Moorhead Diversion Authority, including ring levees around the communities of Oxbow, Hickson and Bakkee, North Dakota, in addition to a 20,000 cubic feet per second, 36-mile long 1,500 foot wide diversion channel on the North Dakota side of the Red River, with 32,500 acres of upstream staging located in both Cass and Clay Counties. The loan is backed by 91% of the county's sales tax and 100% of the City of Fargo sales tax. Interest is payable semi-annually at the libor rate (a per annum rate of interest equal to .5% per annum plus the product of the libor index multiplied by 75%). Fees on the unused portion of the loan accrue at .38% semi-annually. Maturity date of the loan is July 31, 2017.

During the year ended December 31, 2014, the following changes occurred in liabilities reported in long-term debt.

	Balance			Balance	
	1/1/14	Additions	Reductions	12/31/14	Due Within One Year
Special Assessment Bonds	\$ 422,839	\$ -	\$ (57,210)	\$ 365,630	\$ 57,606
Less Deferred:					
Bond Discount	\$ 5,647	\$ -	\$ (745)	\$ 4,902	\$ 745
Total Deferred	\$ 5,647	\$ -	\$ (745)	\$ 4,902	\$ 745
Total Special Assessment Bonds	\$ 417,192	\$ -	\$ (56,465)	\$ 360,727	\$ 56,861
General Obligation Bonds	\$ 6,850,000	\$ -	\$ (700,000)	\$ 6,150,000	\$ 710,000
Less Deferred:					
Bond Discount	\$ 50,271	\$ -	\$ (5,914)	\$ 44,357	\$ 5,914
Total Deferred	\$ 50,271	\$ -	\$ (5,914)	\$ 44,357	\$ 5,914
Total General Obligation Bonds	\$ 6,799,729	\$ -	\$ (694,086)	\$ 6,105,643	\$ 704,086
Loan Payable	\$ -	\$ 45,060,200	\$ -	\$ 45,060,200	\$ -
Compensated Absences	1,649,949	1,744,388	(1,735,608)	1,658,729	1,658,729
Total	\$ 8,866,869	\$ 46,804,588	\$ (2,486,158)	\$ 53,185,302	\$ 2,419,678

The County is subject to a statutory limitation by the State of North Dakota for indebtedness payable principally from property taxes. At December 31, 2014, the statutory limit for the County was \$287,067,870. The County has general obligation bonds payable and loan payable that are subject to this limitation. The general obligation bonds and loan payable at December 31, 2014 were \$6,150,000 and 45,060,200, respectively. The legal debt margin at December 31, 2014 is \$235,902,027. 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, 2014, the following changes occurred in the long-term debt of the Water Resource Districts:

Southeast Cass Water Resource District					
	Balance			Balance	Due Within
	1-1-14	Increases	Decreases	12-31-14	One Year
Bonds Payable	\$ 5,315,000	\$ -	\$ (1,125,000)	\$ 4,190,000	\$ 1,120,000
Less Deferred Amounts:					
Bond Discount	57,038	-	(12,578)	44,460	12,578
Total Bonds Payable	\$ 5,257,962	\$ -	\$ (1,112,422)	\$ 4,145,540	\$ 1,107,422
Loans Payable	937,279	20	(65,000)	872,299	58,299
Compensated Absences	11,923	11,126	(7,769)	15,280	15,280
TOTAL	\$ 6,207,164	\$ 11,146	\$ (1,185,191)	\$ 5,033,119	\$ 1,181,001

Maple River Water Resource District					
	Balance			Balance	Due Within
	1-1-14	Increases	Decreases	12-31-14	One Year
Bonds Payable	\$ 3,491,667	\$ -	\$ (58,333)	\$ 3,433,334	\$ 194,333
Less Deferred Amounts:					
Bond Discount	49,742	-	(2,498)	47,244	2,498
Total Bonds Payable	\$ 3,441,925	\$ -	\$ (55,835)	\$ 3,386,090	\$ 191,835
Loan Payable	105,000	-	(15,000)	90,000	15,000
Compensated Absences	3,974	3,009	(2,617)	4,366	4,366
TOTAL	\$ 3,550,899	\$ 3,009	\$ (73,452)	\$ 3,480,456	\$ 211,201

North Cass Water Resource District					
	Balance			Balance	Due Within
	1-1-14	Increases	Decreases	12-31-14	One Year
Bonds Payable	\$ 1,175,000	\$ -	\$ (135,000)	\$ 1,040,000	\$ 500,000
Less Deferred Amounts:					
Bond Discount	10,214	-	(1,571)	8,643	1,571
Total Bonds Payable	\$ 1,164,786	\$ -	\$ (133,429)	\$ 1,031,357	\$ 498,429
Compensated Absences	1,987	1,337	(1,384)	1,940	1,940
TOTAL	\$ 1,166,773	\$ 1,337	\$ (134,813)	\$ 1,033,297	\$ 500,369

Rush River Water Resource District					
	Balance			Balance	Due Within
	1-1-14	Increases	Decreases	12-31-14	One Year
Bonds Payable	\$ 4,090,000	\$ 590,000	\$ (205,000)	\$ 4,475,000	\$ 800,000
Less Deferred Amounts:					
Bond Discount	59,141	8,850	(369)	67,623	5,441
Total Bonds Payable	\$ 4,030,859	\$ 581,150	\$ (204,631)	\$ 4,407,377	\$ 794,559
Compensated Absences	1,987	2,037	(1,357)	2,668	2,668
TOTAL	\$ 4,032,846	\$ 583,187	\$ (205,988)	\$ 4,410,045	\$ 797,227

Long-term debt of the Water Resource Districts at December 31, 2014, 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 \$510,000 to 775,000 through 2017; interest at 1.00% to 1.75%. \$1,815,000

\$780,000 2011 Improvement Bonds, Series A, due in annual installments of \$140,000 to \$145,000 through 2017; interest at 1.00% to 1.75%. \$ 435,000

\$910,000 2013 Refunding Improvement Bonds, due in annual installments of \$60,000 to \$260,000 through 2018; with interest at .50% to .85%. 635,000

\$1,880,000 2011 Improvement Bonds due in annual installments of \$200,000 to \$235,000 through 2020; interest at 1.85% to 2.7%. \$1,305,000

Total Southeast Cass Special Assessment Bonds and Warrants Payable \$4,190,000

Loans Payable:

\$408,755 State Revolving Loan Fund loan drawdown. Due in annual installments of \$15,000 to \$25,000 through 2031; interest at 2.5%. \$ 375,000

\$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%. 54,000

\$443,299 State Revolving Loan Fund drawdown. Due in annual installments of \$30,000 to \$45,000 through 2026; with interest at 2.5%.	443,299
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Total Loans Payable	<u>\$ 872,299</u>
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Total Southeast Cass Long-term Debt (excluding Compensated Absences)	<u>\$5,062,299</u>
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Maple River District Bonds and Warrants Payable:

\$200,000 Improvement Bonds of 2009, due in annual installments of \$33,333 through 2015; interest at 4.65%.	\$ 33,333
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\$3,330,000 Improvement Bonds of 2013, due in annual installments of \$145,000 to \$245,000 through 2033; interest at .85% to 4.5%.	3,320,000
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\$228,000 Improvement Bonds of 2005, due in annual installments of \$15,000 to \$16,000 through 2019; interest at 4.9%.	<u>80,000</u>
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Total Maple River Bonds Payable	<u>\$3,433,333</u>
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Loans Payable:

\$225,000 2005 State Bank & Trust Loan, due in annual installments of \$15,000 through 2020; interest at 5.25%.	<u>\$ 90,000</u>
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Total Maple River Long-Term Debt (excluding Compensated Absences)	<u>\$3,523,333</u>
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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 3.9% to 4.35%.	\$ 260,000
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\$1,825,000 2012 Improvement Bonds, due in annual installments of \$80,000 to \$115,000 through 2032; interest at .75% to 3.10%.	1,670,000
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\$1,620,000 2013 Improvement Bonds, due in annual installments of \$35,000 to \$535,000 through 2033; interest at .900% to 4.25%.	1,585,000
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\$590,000 2014 Improvement Bonds, due in annual	
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installments of \$95,000 to \$100,000 through 2020: interest at .75% to 1.55%.

590,000

\$560,000 2008 Improvement Bonds, due in annual installments of \$35,000 to \$45,000 through 2023, with interest at 4.00% to 4.65%.

370,000

Total Rush River Long-Term Debt (excluding Compensated Absences)

\$ 4,475,000North 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%.

\$ 60,000

\$1,100,000 2013 Improvement Bonds, due in annual installments of \$120,000 to \$485,000 through 2019; interest at 1.00% to 1.85%.

980,000

Total North Cass Special Assessment Bonds and Warrants Payable

\$ 1,040,000

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
2015	\$ 1,120,000	\$ 65,870	\$ 58,299	\$ 21,807
2016	1,130,000	50,204	65,000	20,350
2017	1,195,000	30,166	70,000	18,725
2018	280,000	15,780	69,000	16,975
2019	230,000	9,450	55,000	15,250
2020 - 2024	235,000	3,173	295,000	55,250
2025 - 2029			210,000	18,875
2030 - 2031	-	-	50,000	1,875
Total	\$ 4,190,000	\$ 174,643	\$ 872,299	\$ 169,107

Maple River Water Resource Districts Bonds Payable:

GOVERNMENTAL ACTIVITIES				
Year Ending December 31	SA Bonds Payable		Loan Payable	
	Principal	Interest	Principal	Interest
2015	\$ 194,333	\$ 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	161,000	100,880	15,000	1,178
2020 - 2024	775,000	440,040	15,000	392
2025 - 2029	895,000	293,855		
2030 - 2033	925,000	84,487		
Total	\$ 3,433,334	\$ 1,352,710	\$ 90,000	\$ 14,158

North Cass Water Resource Districts Bonds Payable:

GOVERNMENTAL ACTIVITIES		
Year Ending December 31	Spec. Assess. Bonds Payable	
	Principal	Interest
2015	\$ 500,000	\$ 12,888
2016	135,000	8,932
2017	135,000	6,622
2018	140,000	3,936
2019	130,000	1,203
Total	\$ 1,040,000	\$ 33,581

Rush River Water Resource Districts Bonds Payable:

GOVERNMENTAL ACTIVITIES		
Year Ending December 31	Spec. Assess. Bonds Payable	
	Principal	Interest
2015	\$ 800,000	\$ 111,982
2016	325,000	103,174
2017	335,000	95,980
2018	340,000	88,075
2019	280,000	80,855
2020 - 2024	975,000	314,722
2025 - 2029	800,000	183,555
2030 - 2033	620,000	40,701
Total	\$ 4,475,000	\$ 1,019,044

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, 2014, there were 38 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$261,037,831.

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 7% of their annual covered salary. The County is required to contribute 8.26% of the employees' salary, which consists of 7.12% for employee and 1.14% for the retiree health benefits fund. The County has agreed to pay 57% 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, 2014, 2013, and 2012 were \$3,339,546, 2,728,094, and \$2,177,471, 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.

Metro Flood Diversion Authority Project

The U.S. Senate and the House of Representatives has signed the Water Resource Reform and Development Act (WRRDA) which is needed to acquire federal funding for the Metro Flood Diversion project. The project will build permanent flood protection for approximately 200,000 people in North Dakota and Minnesota.

WRRDA authorizes \$846 million in federal funding for the Diversion Project. The State of North Dakota has already committed \$304 million to the Project, in addition to legislative intent for an additional \$266 million over the next four

bienniums. Voters in the City of Fargo and Cass County have overwhelmingly approved two dedicated local sales taxes to help fund the Project. With modest growth, the sales taxes are expected to jointly raise \$700 million over the life of the tax.

The Diversion Authority is working on securing funding to begin construction of the Diversion Project. Federal funding is expected to be appropriated over time. Funding from the State of North Dakota can only be used for the Diversion once federal funding for construction is received.

NOTE 13: CONSTRUCTION COMMITMENTS

The County has the following open construction contracts with balances owing at December 31, 2014:

Project	Contract Amount	Total Completed	Retainage	Remaining Balance
C15 Grading	\$ 1,105,994	\$ 1,103,773	\$ 22,075	\$ 24,296
C14 I29 C81	468,438	473,113	1,787	1,787
C81 Bit Overlay	578,680	552,030	2,105	28,756
C81 Bit Overlay	780,301	842,778	2,976	2,976
2014 Bit Overlay	5,650,825	5,047,528	100,951	704,248
C6 RCB 11-14 Warren	106,711	102,251	1,023	5,483
C32 27/28 Amenia Bridge	1,074,434	1,010,085	10,101	74,450
C36 1/2 Norm Twp	893,893	750,043	15,001	158,851
16/17 Reed Lake Shure Bridge	1,869,636	1,861,002	37,220	45,853
5/8 Hill Twp Bridge	249,284	271,540	2,715	2,715
33 Hill 4 Clifton Twp Bridge	745,775	657,971	13,159	100,963
34 Pontiac Twp Bridge	796,694	820,452	1,565	1,565
Total Construction Commitments	\$ 14,320,665	\$ 13,492,566	\$ 210,678	\$ 1,151,942

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
December 31, 2014

	Parenting Workshop	Sheriff Asset Forfeiture	JAIBG Fund	Jail Commissary
<u>Assets:</u>				
Cash and cash equivalents	\$ 43,629	\$ 65,031	\$ 65,367	\$ 405,174
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Prepaid Items	-	-	-	97
Due From Other Governments	-	26,942	-	-
Total Assets	<u>43,629</u>	<u>91,973</u>	<u>65,367</u>	<u>405,271</u>
<u>Liabilities:</u>				
Accounts Payable	-	57,693	-	9,758
Due to Other Funds	-	-	-	-
Due to Inmates/Permits/Drug Cases	-	25,513	-	54,063
Total Liabilities	<u>-</u>	<u>83,206</u>	<u>-</u>	<u>63,821</u>
<u>Deferred Inflows of Resources:</u>				
Unavailable Revenue - Property Taxes	-	-	-	-
<u>Fund Balance:</u>				
Nonspendable:				
Prepaid Items	-	-	-	97
Restricted:				
Public Safety	-	8,767	65,367	-
Senior Citizens	-	-	-	-
Flood Control Projects	-	-	-	-
Document Preservation	-	-	-	-
County Park	-	-	-	-
Committed:				
Public Safety	-	-	-	341,352
Parenting Workshop	43,629	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>43,629</u>	<u>8,767</u>	<u>65,367</u>	<u>341,450</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 43,629</u>	<u>\$ 91,973</u>	<u>\$ 65,367</u>	<u>\$ 405,271</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>
\$ 37,627	\$ 24,990	\$ 212,140	\$ 249,911	\$ -	\$ 2,293,946
-	-	-	5,135	-	15,357
-	-	-	-	28,512	-
-	-	-	-	-	-
413	-	-	-	-	-
<u>38,040</u>	<u>24,990</u>	<u>212,140</u>	<u>255,046</u>	<u>28,512</u>	<u>2,309,303</u>
-	5,777	-	-	7,934	-
-	-	-	-	20,419	-
-	-	-	-	-	-
-	<u>5,777</u>	-	-	<u>28,353</u>	-
-	-	-	<u>154,465</u>	-	<u>445,427</u>
-	-	-	-	-	-
38,040	-	212,140	-	-	-
-	-	-	100,581	-	-
-	-	-	-	-	1,863,876
-	-	-	-	-	-
-	19,213	-	-	159	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>38,040</u>	<u>19,213</u>	<u>212,140</u>	<u>100,581</u>	<u>159</u>	<u>1,863,876</u>
<u>\$ 38,040</u>	<u>\$ 24,990</u>	<u>\$ 212,140</u>	<u>\$ 255,046</u>	<u>\$ 28,512</u>	<u>\$ 2,309,303</u>

Continued on next page

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
December 31, 2014

	NDRIN County Recorder Project	Document Preservation ROD	County Park	24/7 Sobriety Program	Total Nonmajor Special Revenue Funds
Assets:					
Cash and cash equivalents	\$ 1,589,598	\$ 281,208	\$ 78,112	\$ 117,165	\$ 5,463,898
Receivables:					
Taxes	-	-	219	-	20,710
Accounts	4,528	-	-	-	33,040
Prepaid Items	900	-	-	363	1,360
Due From Other Governments	-	375	2,016	-	29,745
Total Assets	1,595,026	281,583	80,347	117,528	5,548,753
Liabilities:					
Accounts Payable	6,467	-	127	29,573	117,329
Due to Other Funds	-	-	-	-	20,419
Due to Inmates	-	-	-	-	79,576
Total Liabilities	6,467	-	127	29,573	217,324
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	-	-	10,617	-	610,509
Fund Balances:					
Nonspendable:					
Prepaid Items	900	-	-	363	1,360
Restricted:					
Public Safety	-	-	-	87,592	411,906
Senior Citizens	-	-	-	-	100,581
Flood Control Projects	-	-	-	-	1,863,876
Document Preservation	1,587,659	281,583	-	-	1,869,242
County Park	-	-	69,602	-	69,602
Committed:					
Public Safety	-	-	-	-	360,724
Parenting Workshop	-	-	-	-	43,629
Unassigned	-	-	-	-	-
Total Fund Balances	1,588,559	281,583	69,602	87,955	4,720,920
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 1,595,026	\$ 281,583	\$ 80,347	\$ 117,528	\$ 5,548,753

Continued from previous page

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - All Debt Service Funds
December 31, 2014

	<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	\$ 3,686	\$ 53,520	\$ 23,743	\$ 317,166	\$ 11,165	\$ 409,278
Receivables:						
Taxes	-	-	-	8,146	-	8,146
Total Assets	<u>3,686</u>	<u>53,520</u>	<u>23,743</u>	<u>325,312</u>	<u>11,165</u>	<u>417,424</u>
Deferred Inflows of Resources:						
Unavailable Revenue - Property Taxes	-	-	-	224,674	-	224,674
Unavailable Revenue - Special Assessments	1,346	9,050	10,942	-	-	21,337
Total Deferred Inflows of Resources	<u>1,346</u>	<u>9,050</u>	<u>10,942</u>	<u>224,674</u>	<u>-</u>	<u>246,012</u>
Fund Balances:						
Restricted:						
Special Assessment Debt	2,340	44,470	12,801	-	11,165	70,775
General Obligation Debt	-	-	-	100,637	-	100,637
Total Fund Balances	<u>2,340</u>	<u>44,470</u>	<u>12,801</u>	<u>100,637</u>	<u>11,165</u>	<u>171,413</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,686</u>	<u>\$ 53,520</u>	<u>\$ 23,743</u>	<u>\$ 325,312</u>	<u>\$ 11,165</u>	<u>\$ 417,424</u>

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects Funds
December 31, 2014

	Forest River Subdivision	Round Hill Subdivision	Greyhawk Estates Subdivision	Granberg Amber Plains	Total Nonmajor Capital Projects Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 29,545	\$ 27,417	\$ 30,909	\$ 37,060	\$ 124,931
Accounts Receivable	-	-	-	-	-
Total Assets	29,545	27,417	30,909	37,060	124,931
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities:</u>					
Accounts Payable	-	-	-	-	-
Retainage Payable	-	-	-	-	-
Total Liabilities	-	-	-	-	-
<u>Fund Balances:</u>					
<u>Committed:</u>					
Special Assessment Projects	29,545	27,417	30,909	37,060	124,931
Total Fund Balances	29,545	27,417	30,909	37,060	124,931
Total Liabilities and Fund Balances	\$ 29,545	\$ 27,417	\$ 30,909	\$ 37,060	\$ 124,931

CASS COUNTY GOVERNMENT
Combining Balance Sheet
All Nonmajor Governmental Funds
December 31, 2014

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	\$ 5,463,898	\$ 409,278	\$ 124,931	\$ 5,998,107
Receivables:				
Taxes	20,710	8,146	-	28,856
Accounts	33,040	-	-	33,040
Due From Other Governments	29,745	-	-	29,745
Prepaid Items	1,360	-	-	1,360
Total Assets	<u>5,548,753</u>	<u>417,424</u>	<u>124,931</u>	<u>6,091,108</u>
Liabilities:				
Accounts Payable	117,329	-	-	117,329
Due to Other Funds	20,419	-	-	20,419
Due To Inmates	79,576	-	-	79,576
Total Liabilities	<u>217,324</u>	<u>-</u>	<u>-</u>	<u>217,324</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	610,509	224,674	-	835,183
Unavailable Revenue - Special Assessments	-	21,337	-	21,337
Total Deferred Inflows of Resources	<u>610,509</u>	<u>246,012</u>	<u>-</u>	<u>856,520</u>
Fund Balances:				
Nonspendable:				
Prepaid Items	1,360	-	-	1,360
Restricted:				
Public Safety	411,906	-	-	411,906
Senior Citizens	100,581	-	-	100,581
Flood Control Projects	1,863,876	-	-	1,863,876
Document Preservation	1,869,242	-	-	1,869,242
County Park	69,602	-	-	69,602
Special Assessment Debt	-	70,775	-	70,775
General Obligation Debt	-	100,637	-	100,637
Committed:				
Public Safety	360,724	-	-	360,724
Parenting Workshop	43,629	-	-	43,629
Special Assessment Projects	-	-	124,931	124,931
Unassigned	-	-	-	-
Total Fund Balances	<u>4,720,920</u>	<u>171,413</u>	<u>124,931</u>	<u>5,017,264</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,548,753</u>	<u>\$ 417,424</u>	<u>\$ 124,931</u>	<u>\$ 6,091,108</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, 2014

	Parenting Workshop	Sheriff Asset Forfeiture	JAIBG Fund
<u>Revenues:</u>			
Property Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	32,989	-
Charges for Services	20,539	-	-
Miscellaneous Revenues	88	183,784	3,840
	<hr/>	<hr/>	<hr/>
Total Revenues	20,627	216,773	3,840
<u>Expenditures:</u>			
Current:			
General Government	-	-	-
Public Safety	-	244,613	3,723
Culture and Recreation	-	-	-
Conservation & Econ. Development	11,565	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	11,565	244,613	3,723
Excess (deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>
	9,062	(27,840)	118
<u>Other Financing Sources (Uses):</u>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources and (Uses)	-	-	-
Net change in fund balances	<hr/>	<hr/>	<hr/>
	9,062	(27,840)	118
Fund Balance - Beginning	<hr/>	<hr/>	<hr/>
	34,567	36,607	65,249
Fund Balance - Ending	<hr/>	<hr/>	<hr/>
	\$ 43,629	\$ 8,767	\$ 65,367

Jail Commissary	Hazardous Plan/ Response	Valley Water Rescue	St. Atty Asset Forfeiture	Senior Citizens	911 Service
\$ -	\$ -	\$ -	\$ -	\$ 539,906	\$ -
-	-	-	-	442,880	-
211,566	-	-	-	-	321,598
957	13,668	33,678	88,424	257	-
<u>212,523</u>	<u>13,668</u>	<u>33,678</u>	<u>88,424</u>	<u>983,043</u>	<u>321,598</u>
-	-	-	-	-	-
146,960	-	23,313	1,223	-	359,624
-	-	-	-	947,596	-
-	-	-	-	-	-
<u>146,960</u>	<u>-</u>	<u>23,313</u>	<u>1,223</u>	<u>947,596</u>	<u>359,624</u>
<u>65,563</u>	<u>13,668</u>	<u>10,365</u>	<u>87,201</u>	<u>35,447</u>	<u>(38,026)</u>
-	-	-	-	-	37,500
-	-	-	-	-	-
-	-	-	-	-	37,500
<u>65,563</u>	<u>13,668</u>	<u>10,365</u>	<u>87,201</u>	<u>35,447</u>	<u>(526)</u>
<u>275,886</u>	<u>24,372</u>	<u>8,848</u>	<u>124,939</u>	<u>65,134</u>	<u>685</u>
<u>\$ 341,450</u>	<u>\$ 38,040</u>	<u>\$ 19,213</u>	<u>\$ 212,140</u>	<u>\$ 100,581</u>	<u>\$ 159</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, 2014

	Emergency & Flood Mitigation	NDRIN - County Recorders	Document Preservation Fund
<u>Revenues:</u>			
Property Taxes	\$ 1,619,686	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Charges for Services	-	1,474,602	185,526
Miscellaneous Revenues	7,859	4,098	536
	<hr/>	<hr/>	<hr/>
Total Revenues	1,627,545	1,478,700	186,062
<u>Expenditures:</u>			
Current:			
General Government	-	1,250,123	200,121
Public Safety	-	-	-
Culture and Recreation	-	-	-
Conservation & Econ. Development	50,140	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	50,140	1,250,123	200,121
Excess (deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>
	1,577,405	228,577	(14,059)
<u>Other Financing Sources (Uses):</u>			
Transfers In	-	-	-
Transfers Out	(1,492,269)	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources and (Uses)	(1,492,269)	-	-
Net change in fund balances	<hr/>	<hr/>	<hr/>
	85,136	228,577	(14,059)
Fund Balance - Beginning	<hr/>	<hr/>	<hr/>
	1,778,740	1,359,983	295,642
Fund Balance - Ending	<hr/>	<hr/>	<hr/>
	\$ 1,863,876	\$ 1,588,559	\$ 281,583

Continued from previous page

County Park	24/7 Sobriety Program	BNSF Train Derailment	Total Nonmajor Special Revenue Funds
\$ 25,538	\$ -	\$ -	\$ 2,185,130
7,161	-	-	483,030
11,705	296,509	-	2,522,045
189	252	212	337,843
<u>44,593</u>	<u>296,761</u>	<u>212</u>	<u>5,528,048</u>
-	-	-	1,450,244
-	265,129	22	1,044,607
36,079	-	-	983,675
-	-	-	61,705
<u>36,079</u>	<u>265,129</u>	<u>22</u>	<u>3,540,231</u>
<u>8,515</u>	<u>31,632</u>	<u>190</u>	<u>1,987,817</u>
-	-	-	37,500
-	-	-	(1,492,269)
-	-	-	(1,454,769)
<u>8,515</u>	<u>31,632</u>	<u>190</u>	<u>533,048</u>
<u>61,087</u>	<u>56,323</u>	<u>(190)</u>	<u>4,187,873</u>
<u>\$ 69,602</u>	<u>\$ 87,955</u>	<u>\$ -</u>	<u>\$ 4,720,920</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, 2014

	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	\$ 6,075	\$ 28,895	\$ 39,441	\$ -	\$ 853,483	\$ 927,893
Intergovernmental Revenues	-	-	-	-	101,542	101,542
Miscellaneous Revenues	16	136	51	28	653	884
Total Revenues	6,090	29,031	39,492	28	955,678	1,030,319
<u>Expenditures:</u>						
<u>Debt Service:</u>						
Principal	7,210	25,000	25,000	-	700,000	757,210
Interest	1,142	6,994	9,138	-	243,283	260,555
Fiscal Charges	-	1,171	1,179	-	400	2,750
Total Expenditures	8,351	33,165	35,317	-	943,683	1,020,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,261)	(4,134)	4,176	28	11,995	9,804
<u>Other Financing Sources (Uses):</u>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(2,261)	(4,134)	4,176	28	11,995	9,804
Fund Balance - Beginning	4,601	48,604	8,625	11,136	88,642	161,608
Fund Balance - Ending	\$ 2,340	\$ 44,470	\$ 12,801	\$ 11,165	\$ 100,637	\$ 171,413

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, 2014

	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	\$ 75	\$ 70	\$ 78	\$ 94	\$ 317
Total Revenues	<u>75</u>	<u>70</u>	<u>78</u>	<u>94</u>	<u>317</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>75</u>	<u>70</u>	<u>78</u>	<u>94</u>	<u>317</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>75</u>	<u>70</u>	<u>78</u>	<u>94</u>	<u>317</u>
Fund Balance - Beginning	<u>29,470</u>	<u>27,347</u>	<u>30,831</u>	<u>36,966</u>	<u>124,614</u>
Fund Balance - Ending	<u>\$ 29,545</u>	<u>\$ 27,417</u>	<u>\$ 30,909</u>	<u>\$ 37,060</u>	<u>\$ 124,931</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, 2014

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<u>REVENUES</u>				
Taxes:				
Property	\$ 2,185,130	\$ 927,893	\$ -	\$ 3,113,023
Intergovernmental revenues	483,030	101,542	-	584,572
Charges for services	2,522,045	-	-	2,522,045
Miscellaneous revenues	337,843	884	317	339,044
Total Revenues	5,528,048	1,030,319	317	6,558,684
<u>EXPENDITURES</u>				
Current:				
General government	1,450,244	-	-	1,450,244
Public Safety	1,044,607	-	-	1,044,607
Culture and recreation	983,675	-	-	983,675
Conservation & economic development	61,705	-	-	61,705
Debt service:				
Principal retirement	-	757,210	-	757,210
Interest	-	260,555	-	260,555
Fiscal charges	-	2,750	-	2,750
Total Expenditures	3,540,231	1,020,515	-	4,560,746
Excess (deficiency) of revenues over (under) expenditures	1,987,817	9,804	317	1,997,938
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	37,500	-	-	37,500
Transfers out	(1,492,269)	-	-	(1,492,269)
Total of other financing uses	(1,454,769)	-	-	(1,454,769)
Net change in fund balances	533,048	9,804	317	543,169
Fund Balances - Beginning	4,187,873	161,608	124,614	4,474,095
Fund Balances - Ending	\$ 4,720,920	\$ 171,413	\$ 124,931	\$ 5,017,264

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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, 2014

	Parenting Workshop			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	15,500	15,500	20,539	5,039
Miscellaneous Revenues	30	30	88	58
Total Revenues	15,530	15,530	20,627	5,097
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	20,000	20,000	11,565	8,435
Total Expenditures	20,000	20,000	11,565	8,435
Excess (deficiency) of revenues over (under) expenditures	(4,470)	(4,470)	9,062	13,532
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
 Net change in fund balances	 (4,470)	 (4,470)	 9,062	 13,532
Fund Balance - Beginning	34,567	34,567	34,567	-
Fund Balance - Ending	\$ 30,097	\$ 30,097	\$ 43,629	\$ 13,532

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		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50,000	50,000	32,989	(17,011)	-	-	-	-
-	-	-	-	-	-	-	-
51,100	155,572	183,784	28,212	10,200	10,200	3,840	(6,360)
101,100	205,572	216,773	11,201	10,200	10,200	3,840	(6,360)
-	-	-	-	-	-	-	-
59,100	180,424	244,613	(64,189)	10,000	10,000	3,723	6,277
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
59,100	180,424	244,613	(64,189)	10,000	10,000	3,723	6,277
42,000	25,148	(27,840)	(52,988)	200	200	117	(82)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
42,000	25,148	(27,840)	(52,988)	200	200	117	(82)
36,607	36,607	36,607	-	65,249	65,249	65,249	-
\$ 78,607	\$ 61,755	\$ 8,767	\$ (52,988)	\$ 65,449	\$ 65,449	\$ 65,367	\$ (82)

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, 2014

	Jail Commissary			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	200,000	200,000	211,566	11,566
Miscellaneous Revenues	1,000	1,000	957	(43)
Total Revenues	201,000	201,000	212,523	11,523
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	130,548	136,548	146,960	(10,412)
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	-	-	-	-
Total Expenditures	130,548	136,548	146,960	(10,412)
Excess (deficiency) of revenues over (under) expenditures	70,452	64,452	65,563	1,112
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	70,452	64,452	65,563	1,112
Fund Balance - Beginning	275,886	275,886	275,886	-
Fund Balance - Ending	\$ 346,338	\$ 340,338	\$ 341,450	\$ 1,112

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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		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,000	6,000	13,668	7,668	33,704	33,704	33,678	(26)
6,000	6,000	13,668	7,668	33,704	33,704	33,678	(26)
-	-	-	-	-	-	-	-
6,000	6,000	-	6,000	34,290	34,290	23,313	10,977
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,000	6,000	-	6,000	34,290	34,290	23,313	10,977
-	-	13,668	13,668	(586)	(586)	10,365	10,951
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	13,668	13,668	(586)	(586)	10,365	10,951
24,372	24,372	24,372	-	8,848	8,848	8,848	-
\$ 24,372	\$ 24,372	\$ 38,040	\$ 13,668	\$ 8,262	\$ 8,262	\$ 19,213	\$ 10,951

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, 2014

	States Attorney Asset Forfeiture			
	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Revenues	15,300	15,300	88,424	73,124
Total Revenues	15,300	15,300	88,424	73,124
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	-
Public Safety	3,000	3,000	1,223	1,777
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	-	-	-	-
Total Expenditures	3,000	3,000	1,223	1,777
Excess (deficiency) of revenues over (under) expenditures	12,300	12,300	87,201	74,901
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	12,300	12,300	87,201	74,901
Fund Balance - Beginning	124,939	124,939	124,939	-
Fund Balance - Ending	\$ 137,239	\$ 137,239	\$ 212,140	\$ 74,901

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Senior Citizens				911 Service			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 535,090	\$ 535,090	\$ 539,906	\$ 4,816	\$ -	\$ -	\$ -	\$ -
449,944	449,944	442,880	(7,064)	-	-	-	-
-	-	-	-	285,000	285,000	321,598	36,598
120	120	257	137	-	-	-	-
<u>985,154</u>	<u>985,154</u>	<u>983,043</u>	<u>(2,111)</u>	<u>285,000</u>	<u>285,000</u>	<u>321,598</u>	<u>36,598</u>
-	-	-	-	-	-	-	-
947,596	947,596	947,596	-	356,013	356,013	359,624	(3,611)
-	-	-	-	-	-	-	-
<u>947,596</u>	<u>947,596</u>	<u>947,596</u>	<u>-</u>	<u>356,013</u>	<u>356,013</u>	<u>359,624</u>	<u>(3,611)</u>
<u>37,558</u>	<u>37,558</u>	<u>35,447</u>	<u>(2,111)</u>	<u>(71,013)</u>	<u>(71,013)</u>	<u>(38,026)</u>	<u>32,987</u>
-	-	-	-	70,000	70,000	37,500	(32,500)
-	-	-	-	-	-	-	-
-	-	-	-	70,000	70,000	37,500	(32,500)
<u>37,558</u>	<u>37,558</u>	<u>35,447</u>	<u>(2,111)</u>	<u>(1,013)</u>	<u>(1,013)</u>	<u>(525)</u>	<u>487</u>
<u>65,134</u>	<u>65,134</u>	<u>65,134</u>	<u>-</u>	<u>685</u>	<u>685</u>	<u>685</u>	<u>-</u>
<u>\$ 102,692</u>	<u>\$ 102,692</u>	<u>\$ 100,581</u>	<u>\$ (2,111)</u>	<u>\$ (328)</u>	<u>\$ (328)</u>	<u>\$ 159</u>	<u>\$ 487</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, 2014

	Emergency /Flood Mitigation Fund			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property Taxes	\$ 1,603,964	\$ 1,603,964	\$ 1,619,686	\$ 15,722
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Revenues	2,608	2,608	7,859	5,251
Total Revenues	1,606,572	1,606,572	1,627,545	20,973
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	50,140	50,140	50,140	-
Total Expenditures	50,140	50,140	50,140	-
Excess (deficiency) of revenues over (under) expenditures	1,556,432	1,556,432	1,577,405	20,973
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(1,949,860)	(1,949,860)	(1,492,269)	457,591
Total Other Financing Sources (Uses)	(1,949,860)	(1,949,860)	(1,492,269)	457,591
Net change in fund balances	(393,428)	(393,428)	85,136	478,564
Fund Balance - Beginning	1,778,740	1,778,740	1,778,740	-
Fund Balance - Ending	\$ 1,385,312	\$ 1,385,312	\$ 1,863,876	\$ 478,564

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		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,320,000	1,320,000	1,474,602	154,602	191,000	191,000	185,526	(5,474)
5,000	5,000	4,098	(902)	-	-	536	536
<u>1,325,000</u>	<u>1,325,000</u>	<u>1,478,700</u>	<u>153,700</u>	<u>191,000</u>	<u>191,000</u>	<u>186,062</u>	<u>(4,938)</u>
1,286,000	1,286,000	1,250,123	35,877	206,346	206,346	200,121	6,225
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,286,000</u>	<u>1,286,000</u>	<u>1,250,123</u>	<u>35,877</u>	<u>206,346</u>	<u>206,346</u>	<u>200,121</u>	<u>6,225</u>
<u>39,000</u>	<u>39,000</u>	<u>228,577</u>	<u>189,576</u>	<u>(15,346)</u>	<u>(15,346)</u>	<u>(14,059)</u>	<u>1,287</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>39,000</u>	<u>39,000</u>	<u>228,577</u>	<u>189,576</u>	<u>(15,346)</u>	<u>(15,346)</u>	<u>(14,059)</u>	<u>1,287</u>
<u>1,359,983</u>	<u>1,359,983</u>	<u>1,359,983</u>	<u>-</u>	<u>295,642</u>	<u>295,642</u>	<u>295,642</u>	<u>-</u>
<u>\$ 1,398,983</u>	<u>\$ 1,398,983</u>	<u>\$ 1,588,559</u>	<u>\$ 189,576</u>	<u>\$ 280,296</u>	<u>\$ 280,296</u>	<u>\$ 281,583</u>	<u>\$ 1,287</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, 2014

	County Park			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property Taxes	\$ 25,284	\$ 25,284	\$ 25,538	\$ 254
Intergovernmental Revenues	7,063	7,063	7,161	98
Charges for Services	7,500	11,705	11,705	-
Miscellaneous Revenues	119	119	189	70
Total Revenues	39,966	44,171	44,593	422
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Culture and Recreation	32,903	38,464	36,079	2,385
Conservation & Econ. Development	-	-	-	-
Total Expenditures	32,903	38,464	36,079	2,385
Excess (deficiency) of revenues over (under) expenditures	7,063	5,707	8,514	2,808
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	7,063	5,707	8,514	2,808
Fund Balance - Beginning	61,087	61,087	61,087	-
Fund Balance - Ending	\$ 68,150	\$ 66,794	\$ 69,602	\$ 2,808

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		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
70,000	293,301	296,509	3,208	-	-	-	-
100	200	252	52	-	212	212	-
<u>70,100</u>	<u>293,501</u>	<u>296,761</u>	<u>3,260</u>	<u>-</u>	<u>212</u>	<u>212</u>	<u>-</u>
-	-	-	-	-	-	-	-
40,000	237,127	265,129	(28,002)	-	22	22	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>40,000</u>	<u>237,127</u>	<u>265,129</u>	<u>(28,002)</u>	<u>-</u>	<u>22</u>	<u>22</u>	<u>-</u>
<u>30,100</u>	<u>56,374</u>	<u>31,632</u>	<u>(24,742)</u>	<u>-</u>	<u>190</u>	<u>190</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>30,100</u>	<u>56,374</u>	<u>31,632</u>	<u>(24,742)</u>	<u>-</u>	<u>190</u>	<u>190</u>	<u>-</u>
<u>56,323</u>	<u>56,323</u>	<u>56,323</u>	<u>-</u>	<u>(190)</u>	<u>(190)</u>	<u>(190)</u>	<u>-</u>
<u>\$ 86,423</u>	<u>\$ 112,697</u>	<u>\$ 87,955</u>	<u>\$ (24,742)</u>	<u>\$ (190)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014

	Total Nonmajor Budgeted Special Revenue Funds			
	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 2,164,338	\$ 2,164,338	\$ 2,185,130	\$ 20,792
Intergovernmental Revenues	507,007	507,007	483,030	(23,977)
Charges for Services	2,089,000	2,316,506	2,522,045	205,539
Miscellaneous Revenues	125,281	230,065	337,843	107,778
Total Revenues	4,885,626	5,217,916	5,528,048	310,132
Expenditures:				
Current:				
General Government	1,492,346	1,492,346	1,450,244	42,102
Public Safety	638,951	963,424	1,044,607	(81,183)
Culture and Recreation	980,499	986,060	983,675	2,385
Conservation & Econ. Development	70,140	70,140	61,705	8,435
Total Expenditures	3,181,936	3,511,970	3,540,231	(28,261)
Excess (deficiency) of revenues over (under) expenditures	1,703,690	1,705,946	1,987,817	281,871
Other Financing Sources (Uses):				
Transfers In	70,000	70,000	37,500	(32,500)
Transfers Out	(1,949,860)	(1,949,860)	(1,492,269)	457,591
Total Other Financing Sources (Uses)	(1,879,860)	(1,879,860)	(1,454,769)	425,091
 Net change in fund balances	 (176,170)	 (173,914)	 533,048	 706,961
Fund Balance - Beginning	4,187,873	4,187,873	4,187,873	-
Fund Balance - Ending	\$ 4,011,703	\$ 4,013,959	\$ 4,720,920	\$ 706,961

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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, 2014

	Holmen's Third Subdivision			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property Taxes	\$ 6,051	\$ 6,051	\$ 6,075	\$ 24
Intergovernmental Revenues	-	-	-	-
Miscellaneous Revenues	-	-	16	16
Total Revenues	6,051	6,051	6,090	39
Expenditures:				
Debt Service:				
Principal	7,210	7,210	7,210	-
Interest	1,142	1,142	1,142	-
Fiscal Charges	-	-	-	-
Total Expenditures	8,352	8,352	8,351	-
Excess (deficiency) of revenues over (under) expenditures	(2,301)	(2,301)	(2,261)	39
Fund Balance - Beginning	4,601	4,601	4,601	-
Fund Balance - Ending	\$ 2,300	\$ 2,300	\$ 2,340	\$ 39

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			
\$ 30,028	\$ 30,028	\$28,895	\$ (1,133)	\$ 34,312	\$ 34,312	\$ 39,441	\$ 5,129
-	-	-	-	-	-	-	-
75	75	136	61	-	-	51	51
<u>30,103</u>	<u>30,103</u>	<u>29,031</u>	<u>(1,072)</u>	<u>34,312</u>	<u>34,312</u>	<u>39,492</u>	<u>5,181</u>
25,000	25,000	25,000	-	25,000	25,000	25,000	-
6,994	6,994	6,994	1	9,138	9,138	9,138	-
1,000	1,171	1,171	-	1,500	1,500	1,179	321
<u>32,994</u>	<u>33,165</u>	<u>33,165</u>	<u>1</u>	<u>35,638</u>	<u>35,638</u>	<u>35,317</u>	<u>321</u>
<u>(2,891)</u>	<u>(3,062)</u>	<u>(4,134)</u>	<u>(1,071)</u>	<u>(1,326)</u>	<u>(1,326)</u>	<u>4,176</u>	<u>5,503</u>
48,604	48,604	48,604	-	8,625	8,625	8,625	-
<u>\$ 45,713</u>	<u>\$ 45,542</u>	<u>\$44,470</u>	<u>\$ (1,071)</u>	<u>\$ 7,299</u>	<u>\$ 7,299</u>	<u>\$ 12,801</u>	<u>\$ 5,503</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, 2014

	<u>Special Assessment Deficiency</u>			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<u>Revenues:</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Miscellaneous Revenues	-	-	28	28
Total Revenues	-	-	28	28
<u>Expenditures:</u>				
<u>Debt Service:</u>				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal Charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	28	28
Fund Balance - Beginning	11,136	11,136	11,136	-
Fund Balance - Ending	\$ 11,136	\$ 11,136	\$11,165	\$ 28

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		
\$ 845,798	\$ 845,798	\$ 853,483	\$ 7,685	\$ 916,189	\$ 916,189	\$ 927,893	\$ 11,704
100,281	100,281	101,542	1,261	100,281	100,281	101,542	1,261
449	449	653	204	524	524	884	360
<u>946,528</u>	<u>946,528</u>	<u>955,678</u>	<u>9,151</u>	<u>1,016,994</u>	<u>1,016,994</u>	<u>1,030,319</u>	<u>13,325</u>
700,000	700,000	700,000	-	757,210	757,210	757,210	-
243,283	243,283	243,283	-	260,557	260,556	260,555	1
2,000	2,000	400	1,600	4,500	4,671	2,750	1,921
<u>945,283</u>	<u>945,283</u>	<u>943,683</u>	<u>1,600</u>	<u>1,022,267</u>	<u>1,022,437</u>	<u>1,020,515</u>	<u>1,922</u>
1,245	1,245	11,995	10,750	(5,273)	(5,443)	9,804	15,247
88,642	88,642	88,642	-	161,608	161,608	161,608	-
<u>\$ 89,887</u>	<u>\$ 89,887</u>	<u>\$ 100,637</u>	<u>\$ 10,750</u>	<u>\$ 156,335</u>	<u>\$ 156,165</u>	<u>\$ 171,413</u>	<u>\$ 15,247</u>

CASS COUNTY GOVERNMENT
Combining Statement of Net Position
Internal Service Funds
December 31, 2014

	Health Insurance Trust	Dental Insurance Trust	Telephone Trust	Motor Pool Operating	Total
<u>ASSETS</u>					
Current Assets:					
Cash and cash equivalents	\$ 2,419,924	\$ 229,219	\$ 122,050	\$ 43,885	\$ 2,815,077
Accounts Receivable	-	-	282	3,050	3,332
Prepaid Items	-	-	-	-	-
Total Current Assets	<u>2,419,924</u>	<u>229,219</u>	<u>122,332</u>	<u>46,935</u>	<u>2,818,409</u>
Noncurrent Assets:					
Capital Assets	-	-	172,670	149,427	322,097
Less: Accumulated Depreciation	-	-	(133,379)	(121,167)	(254,546)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>39,291</u>	<u>28,260</u>	<u>67,551</u>
Total Assets	<u><u>2,419,924</u></u>	<u><u>229,219</u></u>	<u><u>161,623</u></u>	<u><u>75,195</u></u>	<u><u>2,885,960</u></u>
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts Payable	540	-	8,818	246	9,604
Deposits	380,969	29,952	-	-	410,920
IBNR Claims	375,900	13,962	-	-	389,862
	-	-	-	-	-
Total Liabilities	<u>757,409</u>	<u>43,914</u>	<u>8,818</u>	<u>246</u>	<u>810,386</u>
Net Position:					
Net Investment in Capital Assets	-	-	39,291	28,260	67,551
Unrestricted	1,662,515	185,306	113,514	46,689	2,008,024
Total Net Position	<u><u>\$ 1,662,515</u></u>	<u><u>\$ 185,306</u></u>	<u><u>\$ 152,804</u></u>	<u><u>\$ 74,949</u></u>	<u><u>\$ 2,075,574</u></u>

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2014

	Health Insurance Trust	Dental Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Operating Revenues:</u>					
Premiums	\$ 4,092,558	\$ 317,929	\$ -	\$ -	\$ 4,410,488
Charges for Services	-	-	220,963	39,269	260,232
Miscellaneous	14,794	-	-	-	14,794
Total Operating Revenues	4,107,352	317,929	220,963	39,269	4,685,514
<u>Operating Expenses:</u>					
Premiums	634,311	-	-	-	634,311
Medical Services	9,441	-	-	-	9,441
Telephone Service	-	-	171,973	-	171,973
Administrative Fees	248,059	21,378	-	-	269,437
Maintenance and Repairs	-	-	-	22,901	22,901
Benefit Payments	2,585,321	272,586	-	-	2,857,908
IBNR Claims	375,900	13,962	-	-	389,862
Depreciation Expense	-	-	13,885	8,188	22,073
Total Operating Expenses	3,853,032	307,926	185,858	31,089	4,377,906
Operating Income	254,320	10,003	35,105	8,180	307,608
<u>Nonoperating Revenues (Expenses):</u>					
Interest Income	5,427	538	202	98	6,265
Loss/Gain on Disposal of Capital Assets	-	-	(764)	6,319	5,555
Total Nonoperating Revenues (Expenses)	5,427	538	(562)	6,417	11,820
Change in Net Position	259,747	10,541	34,543	14,597	319,428
Total Net Position Beginning	1,402,768	174,765	118,262	60,352	1,756,147
Total Net Position Ending	\$ 1,662,515	\$ 185,306	\$ 152,804	\$ 74,949	\$ 2,075,574

CASS COUNTY GOVERNMENT
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2014

	Health Insurance Trust	Dental Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from customers	\$ 4,096,963	\$ 317,929	\$ 220,959	\$ 36,219	\$ 4,672,071
Payments to Suppliers	(892,255)	(21,378)	(170,711)	(24,140)	(1,108,484)
Claims Paid	(2,862,568)	(283,762)	-	-	(3,146,330)
Other Receipts	14,794	-	-	-	14,794
Net Cash provided by operating activities	<u>356,934</u>	<u>12,789</u>	<u>50,248</u>	<u>12,079</u>	<u>432,051</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>					
Purchase of Capital Assets	-	-	(12,277)	(18,472)	(30,749)
Proceeds on Sale of Capital Assets	-	-	-	6,319	6,319
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(12,277)</u>	<u>(12,153)</u>	<u>(24,430)</u>
<u>Cash Flows From Investing Activities:</u>					
Interest Income	5,427	538	202	98	6,265
Net Increase in cash and cash equivalents	362,361	13,327	38,173	24	413,885
Balances -Beginning 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>
Balances - End of the Year	<u><u>2,419,924</u></u>	<u><u>229,219</u></u>	<u><u>122,050</u></u>	<u><u>43,885</u></u>	<u><u>2,815,077</u></u>
<u>Reconciliation of Operating Income to net cash provided by operating activities:</u>					
Operating Income (Loss)	254,320	10,003	35,105	8,180	307,608
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation	-	-	13,885	8,188	22,073
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	4,405	-	(4)	(3,050)	1,351
(Increase)Decrease in Prepaid Items	-	-	-	-	-
Increase (Decrease) in Accounts Payable	(444)	-	1,262	(1,239)	(421)
Increase (Decrease) in Premium Deposit Funds	54,221	4,710	-	-	58,930
Increase (Decrease) in IBNR Claims	44,433	(1,923)	-	-	42,510
Net Cash Provided by Operating Activities	<u>\$ 356,935</u>	<u>\$ 12,790</u>	<u>\$ 50,248</u>	<u>\$ 12,079</u>	<u>\$ 432,051</u>
<u>Schedule of non-cash capital and related financing activities:</u>					
Disposal of Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,870)</u>	<u>\$ -</u>	<u>\$ (1,870)</u>

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CASS COUNTY GOVERNMENT
 Fargo, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2014

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	\$ 101,542
<u>U.S. DEPARTMENT OF JUSTICE:</u>		
<u>Direct Assistance:</u>		
Public Safety Partnership and Community Policing Grants	16.710	91,871
Joint Law Enforcement Operations Grant	16.111	12,637
Edward Byrne Memorial Justice Assistane Grant	16.803	26,942
State Criminal Alien Assistance Program	16.606	19,206
<u>Passed Through State Penitentiary:</u>		
Crime Victim Assistance	16.575	37,207
<u>Passed Through North Dakota Association of Counties:</u>		
Juvenile Accountability Block Grants	16.523	11,853
<u>Passed Through North Dakota Highway Patrol:</u>		
Enforcing Underage Drinking Laws Program	16.727	2,340
Total U.S. Department of Justice		\$ 202,055
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	** \$ 669,059
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	28,453
Maternal and Child Child Health Services Block Grant to the States	93.994	18,399
	93.778	9,457
Children's Health Insurance Program	93.767	3,018
Adoption Assistance	93.659	10,179
Promoting Safe and Stable Families	93.556	35,548
Child Care and Development Block Grant	93.575	709
Children's Justice Grants	93.643	349
Child Welfare Services_State Grants	93.645	17,984
Temporary Assistance for Needy Families	93.558	** 1,095,274
Elder Abuse Prevention	93.041	11,320
Money Follows the Person Rebalancing Demonstration	93.791	30,116
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	113,340
Child Support Enforcement	93.563	
Total U.S. Department of Health and Human Services		\$ 2,043,205

Continued on next page....

CASS COUNTY GOVERNMENT
 Fargo, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2014

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	211,564
Hazard Mitigation Grant	97.039	5,782,772
Emergency Management Performance Grants	97.042	126,043
Homeland Security Grant	97.067	43,735
Total U.S. Federal Management Agency		<u>\$ 6,164,114</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>		
<u>Passed Through State Highway Department</u>		
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	\$ 5,749
State and Community Highway Safety	20.600	5,681
Total U.S. Department of Transportation		<u>\$ 11,430</u>
Total Expenditures of Federal Awards		<u><u>\$ 8,522,346</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, 2014. 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.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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, 2014, 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 22, 2015.

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 22, 2015

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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, 2014. 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, 2014.

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, 2014, and have issued our report thereon dated June 22, 2015, 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 22, 2015

CASS COUNTY
Fargo, North Dakota

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

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
97.039	Hazard Mitigation Grant

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

\$300,000

Auditee qualified as low-risk auditee?

X Yes _____ No

CASS COUNTY

Schedule of Findings and Questioned Costs - Continued

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

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Board of County Commissioners
Cass County
Fargo, North Dakota

We have audited 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 for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2015. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, GOVERNMENT AUDITING STANDARDS AND OMB CIRCULAR A-133

As stated in our engagement letter dated April 22, 2015, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

In planning and performing our audit, we considered Cass County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cass County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cass County's internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on each of Cass County's major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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 grants noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Cass County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Cass County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Cass County's compliance with those requirements.

SIGNIFICANT ACCOUNTING POLICIES/QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Cass County are described in Note 1 to the financial statements. The provisions of GASB 65 (Items Previously Reported as Assets and Liabilities) were implemented during the year ended December 31, 2014. Application of existing policies was not changed during the year ended December 31, 2014. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

CASS COUNTY

Management's Letter - Continued

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

DISAGREEMENTS WITH MANAGEMENT

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

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated June 22, 2015.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

OTHER AUDIT FINDINGS OR ISSUES

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

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

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



Robert R. Peterson
State Auditor

Fargo, North Dakota
June 22, 2015

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