



ROBERT R. PETERSON
STATE AUDITOR

Cass County Government

Fargo, North Dakota

Audit Report

For the Year Ended
December 31, 2015

Office of the State Auditor

CASS COUNTY GOVERNMENT
Fargo, North Dakota

Audit Report
For the Year Ended December 31, 2015

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**CASS COUNTY GOVERNMENT
COUNTY OFFICIALS**

Current Officials

Commissioners: Mary Scherling, Chairwoman
Rick Steen
Arland H. Rasmussen
Chad M. Peterson
Kenneth Pawluk

Auditor: Michael Montplaisir

Treasurer: Charlotte Sandvik

Sheriff: Paul Laney

Recorder: Jewel Spies

States Attorney: Birch Burdick

2015 Officials

Commissioners: Chad M. Peterson, Chairman
Rick Steen
Arland H. Rasmussen
Mary Scherling
Kenneth Pawluk

Auditor: Michael Montplaisir

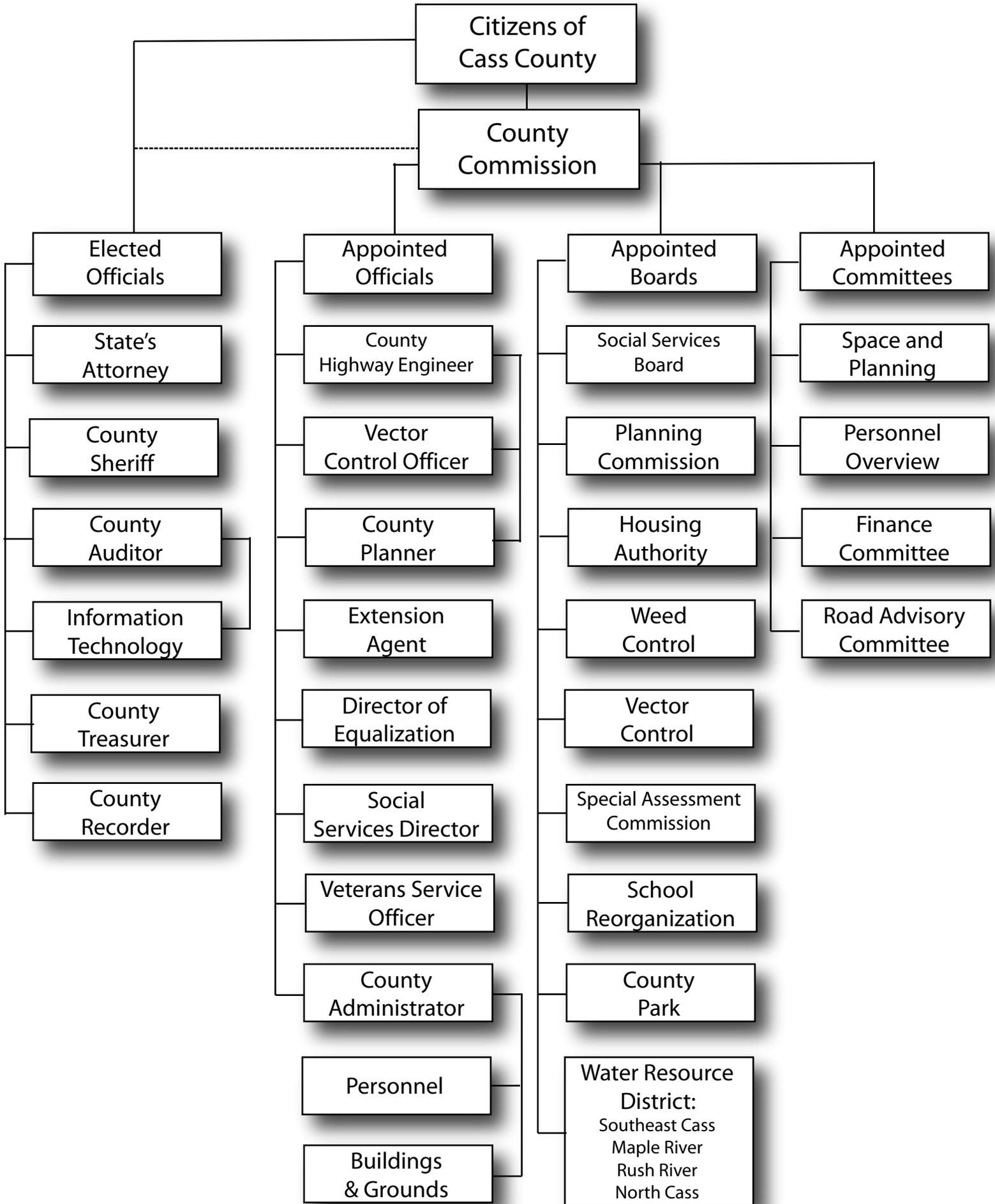
Treasurer: Charlotte Sandvik

Sheriff: Paul Laney

Recorder: Jewel Spies

States Attorney: Birch Burdick

Cass County Government Organizational Chart



STATE AUDITOR

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STATE CAPITOL
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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, 2015, 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, 2015, 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.

CASS COUNTY

Independent Auditor's Report - Continued

Emphasis of a Matter

As discussed in Note 10 to the financial statements, Cass County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis and the schedules of the proportionate share of the net pension liability and employer pension contributions* on pages 5-15 and 82-83 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), combining internal service fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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), combining internal service fund financial statements, and schedule of expenditures of federal awards* is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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), combining internal service fund statements, 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 6, 2016 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 6, 2016

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, 2015. 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, 2015, the assets and deferred outflows of Cass County Government exceeded liabilities and deferred inflows by \$123,999,587 (net position). Net investment in capital assets (net of depreciation and related debt) was at \$140,362,009. Unrestricted net position decreased by \$35.9 million from the prior year and ended at \$(57) million.

- A cumulative effect of change in accounting principal was necessary to properly recognize the provisions of GASB 68. Accordingly, beginning net position was reduced by \$16.9 million for the beginning 2015 net pension liability. See Note 10 for more detailed information related to this cumulative effect of change in accounting principal.

- At December 31, 2015, the County's governmental funds reported combined ending fund balances of \$49,221,840, for a decrease of \$6,431,068 over the previous year.

- At December 31, 2015, the unassigned fund balance for the General Fund was \$6,396,075 or 21% 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 2015. 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 2015.

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 16-18 of this report.

The table below summarizes the major features of the county's financial statements, including portions of the county's activities covered and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

| Major Features of the Government-Wide and Fund Financial Statements | | | | |
|---|--|---|--|---|
| | | Fund Financial Statements | | |
| | Government-Wide Statements | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire District (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary. | Activities of the Internal Service Funds | Instances in which the county administers resource on behalf of someone else, such as other governments |
| Required Financial Statements | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statement of Cash Flows | <ul style="list-style-type: none"> • Statement of Fiduciary Assets and Liabilities |
| Accounting Basis and Measurement Focus | Accrual Accounting and Economic Resource Focus | Modified accrual accounting and current financial resource focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of Asset/Liability information | All assets and deferred outflows of resources, and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term | Generally assets expected to be consumed and liabilities paid during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can |
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable | All revenues and expenses during the year, regardless of when cash is received or paid | All additions and deductions during the year, regardless of when cash is received or paid |

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-three 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, and Flood Control Sales Tax Fund which are considered to be major funds. Data from the other twenty-three 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 19-37 of this report. Combining component unit statements can be found on pages 39-42.

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 statement 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 43-81 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 85-117 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, 2015, Cass County's assets and deferred outflows exceeded liabilities and deferred inflows by \$123,999,587.

Statement of Net Position December 31, 2015 and 2014

| | Governmental Activities | |
|------------------------------------|-------------------------|------------------|
| | 2015 | 2014 |
| Current and Other Assets | \$ 66,752,660 | \$ 74,428,417 |
| Capital Assets | 145,763,567 | 144,882,362 |
| Total Assets | \$ 212,516,226 | \$ 219,310,779 |
| Deferred Outflows of Resources | \$ 1,363,183 | \$ - |
| Long-Term Liabilities | \$ 70,675,585 | \$ 50,765,624 |
| Other Liabilities | 6,140,360 | 9,437,041 |
| Total Liabilities | \$ 76,815,945 | \$ 60,202,665 |
| Deferred Inflows of Resources | \$ 13,063,877 | \$ 9,153,723 |
| Net Position: | | |
| Net Investment in Capital Assets | \$ 140,362,009 | \$ 138,776,719 |
| Restricted | 40,648,438 | 32,222,189 |
| Unrestricted | (57,010,859) | (21,044,516) |
| Total Net Position | \$ 123,999,587 | \$ 149,954,392 |

The largest portion of the County's net position 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 \$25.9 million. The main reason for the decrease was the result of implementing GASB Statement 68, Accounting and Financial Reporting for Pensions.

STATEMENT OF CHANGES IN NET POSITION

Governmental activities decreased the County's net position by \$9,047,976. Key elements in changes in net position are shown in the following table.

| | Governmental Activities | |
|---|----------------------------|-----------------------|
| | 2015 | 2014 |
| Revenues: | | |
| Program Revenues: | | |
| Charges for Services | \$ 9,769,238 | \$ 6,962,055 |
| Operating Grants and Contributions | 18,512,865 | 20,783,929 |
| Capital Grants and Contributions | 4,515,419 | 5,720,548 |
| General Revenues: | | |
| Property Taxes | 35,718,426 | 32,846,723 |
| Sales Tax | 16,449,060 | 16,164,464 |
| State Share Revenues | 7,361,938 | 8,639,513 |
| Other | 506,547 | 886,443 |
| Total Revenues | \$ 92,833,493 | \$ 92,003,675 |
| Expenses: | | |
| General Government | \$ 10,351,235 | \$ 9,028,821 |
| Public Safety | 21,987,295 | 19,512,519 |
| Highways and Streets | 21,422,780 | 23,395,819 |
| Relief and Charities | 14,179,753 | 14,019,886 |
| Conservation & Economic Development | 32,612,490 | 41,669,890 |
| Culture and Recreation | 1,064,697 | 991,260 |
| Interest on Long-Term Debt | 263,219 | 308,046 |
| Total Expenses | \$ 101,881,469 | \$ 108,926,242 |
| (Decrease) / Increase in Net Position | \$ (9,047,976) | \$ (16,922,568) |
| Net Position – January 1, as previously stated | 149,954,392 | 166,876,975 |
| Cumulative Effect of Change in Accounting Principal | (16,906,831) | - |
| Net Position – January 1, as restated | \$ 133,047,561 | - |
| Net Position – December 31 | \$ 123,999,587 | \$ 149,954,392 |

Total revenues for 2015 were \$92,833,493 which is an increase of \$829,818 over 2014. Property tax revenue accounted for 38% of total revenues; the increase over 2014 was \$2.8 million as a result of increased property valuations. Sales tax accounted for 18%, an increase of \$284,596 over 2014. Operating grants accounted for 20%, a decrease of \$2.3 million over 2014 as a result of decreased state and federal reimbursements for road projects. Capital grants accounted for 5%, a decrease of \$1.2 million over 2014. The grants were from state and federal sources to obtain land buyouts for flood protection projects. The remaining 19% came from charges for services, state shared revenues and interest income. Total expense decreased by over \$7 million over 2014. The highways and streets expense decreased by over \$1.9 million as a result of a decrease in road construction projects. The county also incurred \$29.8 million in expenses for the planning phase of the F/M Diversion project and other flood control projects. This was a decrease of \$8 million over 2014.

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 2015, the County's governmental funds reported combined ending fund balances of \$49,221,840, a decrease of \$6,431,068 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, 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 2015, unassigned fund balance of the General Fund was \$6,396,075, while total fund balance was \$6,734,067. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 21% of total General Fund expenditures.

The County's General Fund balance decreased by \$1,851,194 during 2015 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, 2015 was \$2,190,067, an increase of \$124,212 over December 2014.

The fund balance of the County Road and Bridge Fund at December 31, 2015 was \$3,673,357. This was an increase of \$324,975 over 2014 and was the result of a decrease 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 \$(3,750). 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 \$50 million was drawn down and expended on the planning phase of the F/M Diversion project.

The Flood Control Sales Tax Fund had an ending fund balance of \$30,872,051. 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 \$73,682 in revenues and \$1,729,031 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 \$345,409 under the final budget; the variance is a result of a decrease in state aid and financial institution tax from the state. The actual expenditures were \$1,235,100 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, 2015, the County's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$145,763,566. 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 \$881,204.

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
- Purchase of a Law Enforcement Building

The following is a schedule of capital assets net of accumulated depreciation as of December 31, 2015 and 2014:

| | Governmental Activities | |
|-----------------------------------|----------------------------|-----------------------|
| | 2015 | 2014 |
| Land | \$ 44,633,974 | \$ 41,949,738 |
| Buildings | 37,072,734 | 36,824,832 |
| Improvements Other than Buildings | 2,231,260 | 2,310,722 |
| Machinery and Equipment | 3,149,314 | 2,871,808 |
| Infrastructure | 58,676,285 | 60,925,262 |
| Total | <u>\$ 145,763,566</u> | <u>\$ 144,882,362</u> |

Additional information on the County's capital assets can be found in Note 7 on page 59-62 of this report.

LONG-TERM LIABILITIES

At the end of fiscal year 2015, the County had total long-term liabilities outstanding of \$73,160,709. Of this amount, \$303,867 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 \$5.4 million. The county took out a \$50 million loan for funding the costs of the F/M Diversion project. During the year the county implemented GASB 68, Accounting and Financial Reporting for Pensions, as a result the county booked Net Pension Liability. The remainder of the County's long-term liabilities consists of compensated absences.

The following is a schedule of the outstanding long-term debt as of December 31, 2015 and 2014:

| | Governmental Activities | |
|--------------------------|----------------------------|----------------------|
| | 2015 | 2014 |
| Special Assessment Bonds | \$ 303,867 | \$ 360,727 |
| General Obligation Bonds | 5,401,557 | 6,105,643 |
| Loans Payable | 50,000,000 | 45,060,200 |
| Net Pension Liability | 15,746,526 | 15,310,961 |
| Compensated Absences | 1,708,758 | 1,658,729 |
| Total | <u>\$ 73,160,709</u> | <u>\$ 68,496,261</u> |

Additional information on the County's long-term liabilities can be found in Note 8 on pages 62-70 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the County at December 31, 2015 was 2.2%.
- 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 decreased by 1.75% 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, 2015

| | Primary Governmental Activities | Component Units |
|---|---------------------------------------|-----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 60,490,968 | \$ 23,728,809 |
| Receivables (net of allowance for uncollectibles): | | |
| Accounts | 336,306 | 14,509 |
| Due From Primary Government | - | 27,812 |
| Delinquent Tax | 278,199 | 75,042 |
| Due From Other Governments | 4,632,366 | 3,004,679 |
| Special Assessments | - | 4,927 |
| Loans | 34,200 | - |
| Inventories | 223,606 | 91,251 |
| Prepaid Items | 495,323 | 7,087 |
| Uncertified Special Assessments Receivable | 261,692 | 8,033,251 |
| Capital Assets Not Being Depreciated: | | |
| Land | 44,633,974 | 75,853,232 |
| Construction in progress | - | 20,310,342 |
| Capital assets (net of accumulated depreciation): | | |
| Buildings | 37,072,734 | 17,243 |
| Improvements other than buildings | 2,231,260 | - |
| Machinery and equipment | 3,149,314 | 292,638 |
| Infrastructure | 58,676,285 | 99,240,811 |
| Total assets | \$ 212,516,226 | \$ 230,701,628 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Differences Between Expected & Actual Experience | \$ 456,827 | \$ 9,702 |
| Pension Contributions Made Subsequent to Measurement Date | 906,356 | 22,510 |
| Total Deferred Outflows of Resources | \$ 1,363,183 | \$ 32,212 |
| LIABILITIES | | |
| Accounts Payable | \$ 2,496,968 | \$ 1,657,982 |
| Benefits Payable | - | 48,429 |
| Retainages Payable | 139,350 | 618,354 |
| Interest Payable | 96,560 | 158,935 |
| Premium Deposits | 439,863 | - |
| IBNR Claims | 335,088 | - |
| Due to Inmates/Permits/Drug Cases | 147,408 | - |
| Noncurrent liabilities: | | |
| Due within one year | 2,485,123 | 2,353,443 |
| Due in more than one year | 54,929,059 | 21,797,948 |
| Net Pension Liability | 15,746,526 | 297,971 |
| Total liabilities | \$ 76,815,945 | \$ 26,933,062 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property Taxes Levied for Subsequent Year- Property Taxes | \$ 10,702,411 | \$ 301,278 |
| Property Taxes Levied for Subsequent Year - Special Assessments | 24,368 | - |
| Deferred Inflows of Resources Related to Pensions | 2,337,097 | 38,593 |
| Total Deferred Inflows of Resources | \$ 13,063,877 | \$ 339,871 |
| NET POSITION | | |
| Net Investment in capital assets | \$ 140,362,009 | \$ 171,615,069 |
| Restricted for: | | |
| General Government | 4,159,005 | - |
| Highway and Streets | 3,328,764 | - |
| Relief and Charities | 1,631,843 | - |
| Culture and Recreation | 213,559 | - |
| Conservation of Natural Resources | 30,872,051 | 7,590,310 |
| Debt Service | 443,216 | 8,394,568 |
| Capital Projects | - | 8,987,895 |
| Unrestricted | (57,010,859) | 6,873,071 |
| Total Net Position | \$ 123,999,587 | \$ 203,460,909 |

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, 2015

| | Program Revenues | | | |
|--|-----------------------|-------------------------|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Functions/Programs | | | | |
| Primary Government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 10,351,235 | \$ 2,580,027 | \$ 94,446 | \$ - |
| Public safety | 21,987,295 | 6,501,870 | 480,722 | - |
| Highways and streets | 21,422,780 | 350,875 | 14,204,940 | - |
| Relief and charities | 14,179,753 | 296,462 | 3,234,853 | - |
| Conservation & economic development | 32,612,490 | 24,215 | 22,012 | 4,515,419 |
| Culture and recreation | 1,064,697 | 15,788 | 475,892 | - |
| Interest on long-term debt | 263,219 | - | - | - |
| Total primary government | <u>\$ 101,881,469</u> | <u>\$ 9,769,238</u> | <u>\$ 18,512,865</u> | <u>\$ 4,515,419</u> |
| Component units: | | | | |
| Southeast Cass Water Resource District | \$ 13,441,309 | \$ - | \$ 13,252,561 | \$ 48,931,274 |
| North Cass Water Resource District | 349,057 | - | 113,838 | 3,517 |
| Maple River Water Resource District | 1,249,073 | - | 6,340,631 | 1,656,909 |
| Rush River Water Resource District | 673,779 | - | 1,232,892 | 130,719 |
| Noxious weed | 443,625 | 11,498 | 50,033 | - |
| Vector control | 968,187 | 427,045 | - | - |
| Total component units | <u>\$ 17,125,030</u> | <u>\$ 438,543</u> | <u>\$ 20,989,955</u> | <u>\$ 50,722,419</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 - January 1 as previously stated

Cumulative Effect of Change in Accounting Principal

Net Position - January 1 as restated

Net position - December 31

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 |
| \$ | (7,676,762) | \$ - |
| | (15,004,703) | - |
| | (6,866,964) | - |
| | (10,648,438) | - |
| | (28,050,844) | - |
| | (573,017) | - |
| | (263,219) | - |
| <u>\$</u> | <u>(69,083,947)</u> | <u>\$ -</u> |
| | | |
| \$ | - | \$ 48,742,526 |
| | - | (231,702) |
| | - | 6,748,466 |
| | - | 689,832 |
| | - | (382,095) |
| | - | (541,142) |
| <u>\$</u> | <u>-</u> | <u>\$ 55,025,886</u> |
| | | |
| \$ | 35,718,426 | \$ 8,706,690 |
| | 16,449,060 | - |
| | 7,361,938 | 264,543 |
| | 146,742 | 25,349 |
| | 359,805 | 474,089 |
| <u>\$</u> | <u>60,035,971</u> | <u>\$ 9,470,671</u> |
| | | |
| <u>\$</u> | <u>(9,047,976)</u> | <u>\$ 64,496,557</u> |
| | | |
| \$ | 149,954,392 | \$ 139,276,855 |
| | (16,906,831) | (312,495) |
| <u>\$</u> | <u>133,047,561</u> | <u>\$ 138,964,355</u> |
| | | |
| <u>\$</u> | <u>123,999,587</u> | <u>\$ 203,460,909</u> |

CASS COUNTY GOVERNMENT
Balance Sheet
Governmental Funds
December 31, 2015

| | General | Human Services | County Road and Bridge |
|---|----------------------|---------------------|---------------------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 10,606,073 | \$ 4,921,023 | \$ 4,890,467 |
| Receivables: | | | |
| Taxes | 129,618 | 86,268 | 37,478 |
| Accounts | 6,934 | 13,609 | - |
| Loans | 34,200 | - | - |
| Due From Other Governments | 1,885,111 | 481,864 | 993,940 |
| Due From Other Funds | 252,170 | - | - |
| Inventory | - | - | 205,829 |
| Inventory of supplies, at cost | 17,777 | - | - |
| Prepaid Items | 310,053 | 17,392 | 34,355 |
| Total Assets | 13,241,935 | 5,520,155 | 6,162,068 |
| Liabilities: | | | |
| Accounts Payable | 980,069 | 697,757 | 467,686 |
| Retainages Payable | - | - | 139,350 |
| Unearned Revenues | 30,200 | - | - |
| Due to Inmates/Permits | - | - | 12,000 |
| Due to Other Funds | - | - | - |
| Total Liabilities | 1,010,269 | 697,757 | 619,036 |
| Deferred Inflows of Resources | | | |
| Taxes Receivable | 129,618 | 86,268 | 37,478 |
| Property Taxes Levied for Subsequent Year | 5,367,980 | 2,546,063 | 1,832,196 |
| Special Assessments Levied for Subsequent Year | - | - | - |
| Total Deferred Inflows of Resources | 5,497,599 | 2,632,330 | 1,869,674 |
| Fund Balances (Deficits): | | | |
| Nonspendable: | | | |
| Inventory | 17,777 | - | 205,829 |
| Prepaid Items | 310,053 | 17,392 | 34,355 |
| Restricted: | | | |
| Public Safety | - | - | - |
| Relief and Charities | - | 2,172,675 | - |
| Highways and Streets | - | - | 3,433,174 |
| Senior Citizens | - | - | - |
| Flood Control Projects | - | - | - |
| Document Preservation | - | - | - |
| County Park | - | - | - |
| Special Assessment Debt | - | - | - |
| General Obligation Debt | - | - | - |
| Committed: | | | |
| Public Safety | - | - | - |
| Parenting Workshop | - | - | - |
| Flood Control Projects | - | - | - |
| Special Assessment Projects | - | - | - |
| Assigned: | | | |
| SWAT Vehicle Replacement | 10,163 | - | - |
| Unassigned | 6,396,075 | - | - |
| Total Fund Balances (Deficits) | 6,734,067 | 2,190,067 | 3,673,357 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits) | \$ 13,241,935 | \$ 5,520,155 | \$ 6,162,068 |

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

| Flood Mitigation | Flood Control Sales Tax | Other Governmental Funds | Total Governmental Funds |
|------------------|-------------------------|--------------------------|--------------------------|
| \$ - | \$ 29,812,148 | \$ 6,800,041 | \$ 57,029,750 |
| - | - | 24,835 | 278,199 |
| - | - | 315,472 | 336,015 |
| - | - | - | 34,200 |
| - | 1,234,495 | 36,956 | 4,632,366 |
| - | - | 3,750 | 255,920 |
| - | - | - | 205,829 |
| - | - | - | 17,777 |
| - | - | 132,463 | 494,262 |
| - | 31,046,643 | 7,313,519 | 63,284,318 |
| - | 174,592 | 164,518 | 2,484,622 |
| - | - | - | 139,350 |
| - | - | - | 30,200 |
| - | - | 135,408 | 147,408 |
| 3,750 | - | 252,170 | 255,920 |
| 3,750 | 174,592 | 552,096 | 3,057,500 |
| - | - | 24,835 | 278,199 |
| - | - | 956,171 | 10,702,411 |
| - | - | 24,368 | 24,368 |
| - | - | 1,005,375 | 11,004,979 |
| - | - | - | 223,605 |
| - | - | 132,463 | 494,262 |
| - | - | 467,294 | 467,294 |
| - | - | - | 2,172,675 |
| - | - | - | 3,433,174 |
| - | - | 129,583 | 129,583 |
| - | - | 2,283,691 | 2,283,691 |
| - | - | 1,862,042 | 1,862,042 |
| - | - | 86,784 | 86,784 |
| - | - | 65,454 | 65,454 |
| - | - | 109,288 | 109,288 |
| - | - | 451,400 | 451,400 |
| - | - | 43,035 | 43,035 |
| - | 30,872,051 | - | 30,872,051 |
| - | - | 125,218 | 125,218 |
| - | - | - | 10,163 |
| (3,750) | - | (204) | 6,392,121 |
| (3,750) | 30,872,051 | 5,756,048 | 49,221,840 |
| \$ - | \$ 31,046,643 | \$ 7,313,519 | \$ 63,284,318 |

CASS COUNTY GOVERNMENT
Reconciliation of the Balance Sheet
of Governmental Funds
To the Statement of Net Position
December 31, 2015

Amounts reported for governmental activities in the statement of net position (Page 16) are different because:

| | | |
|--|---------------------|-----------------------|
| Total fund balances - governmental funds (page 20) | | \$ 49,221,840 |
| | | |
| Add - Capital Assets | \$ 235,301,951 | |
| Deduct - accumulated depreciation | <u>(89,653,911)</u> | |
| Net Capital Assets | | 145,648,040 |
| | | |
| 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. | | 278,199 |
| | | |
| 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. | | 30,200 |
| | | |
| Long-term uncertified special assessments receivable are not reported in the funds because they are unavailable to pay the current period's expenditures. | | 261,692 |
| | | |
| 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 | | 2,790,798 |
| | | |
| Net pension obligations are not due and payable in the current period, and therefore are not reported in the governmental funds | | (15,746,526) |
| | | |
| Deferred outflows and inflows of resources related to pensions are not due and payable in the current period and, therefore, are not reported in the funds | | |
| Difference between expected and actual experience | 456,827 | |
| Pension Contributions made subsequent to the measurement date | 906,356 | |
| Deferred Inflows of Resources Related to Pensions | <u>(2,337,097)</u> | |
| | | (973,915) |
| | | |
| 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 | (1,708,758) | |
| Special assessments bonds payable | (308,024) | |
| GO Bonds Payable | (5,440,000) | |
| Loan Payable | (50,000,000) | |
| Unamortized Bond Discount | 42,600 | |
| Interest Payable | <u>(96,560)</u> | |
| Total long term liabilities | | <u>(57,510,742)</u> |
| | | |
| Net position of governmental activities | | <u>\$ 123,999,587</u> |

The accompanying notes are an integral part of these financial statements

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CASS COUNTY GOVERNMENT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2015

| | General Fund | Human Services | County Road and Bridge | 2009 Flood Recovery | 2010 Flood Recovery | 2013 Flood Emergency |
|--|---------------------|---------------------|---------------------------|---------------------------|---------------------------|----------------------------|
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Property | \$ 16,886,963 | \$ 10,959,593 | \$ 4,757,921 | \$ - | \$ - | \$ - |
| Sales | - | - | - | - | - | - |
| Licenses, permits and fees | 73,416 | 12,985 | 80,310 | - | - | - |
| Intergovernmental revenues | 7,713,943 | 3,234,853 | 14,058,900 | 62,862 | - | 105 |
| Charges for services | 3,806,530 | 283,277 | 270,565 | - | - | - |
| Miscellaneous revenues | 93,177 | 14,446 | 23,115 | - | - | - |
| Total Revenues | 28,574,029 | 14,505,155 | 19,190,811 | 62,862 | - | 105 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 8,957,910 | - | - | - | - | - |
| Public Safety | 19,417,703 | - | - | - | - | - |
| Highways and streets | - | - | 18,866,846 | - | 102,033 | - |
| Relief and charities | - | 14,380,943 | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Conservation & economic development | 2,101,308 | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Fiscal charges | - | - | - | - | - | - |
| Total Expenditures | 30,476,921 | 14,380,943 | 18,866,846 | - | 102,033 | - |
| Excess (deficiency) of revenues over (under) expenditures | (1,902,892) | 124,212 | 323,965 | 62,862 | (102,033) | 105 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 41,350 | - | - | - | - | - |
| Transfers out | (40,000) | - | - | (62,862) | - | (105) |
| Loan Proceeds | - | - | - | - | - | - |
| Sale of capital assets | 50,347 | - | 1,010 | - | - | - |
| Total of other financing sources and uses | 51,697 | - | 1,010 | (62,862) | - | (105) |
| Net change in fund balances | (1,851,194) | 124,212 | 324,975 | - | (102,033) | - |
| Fund balances (deficit) - beginning | 8,585,262 | 2,065,855 | 3,348,382 | - | 102,033 | - |
| Fund balances (deficit) - ending | \$ 6,734,067 | \$ 2,190,067 | \$ 3,673,357 | \$ - | \$ - | \$ - |

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 |
|---------------------------|---------------------|----------------------------|-------------------------------|--------------------------------|--------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 3,219,168 | \$ 35,823,646 |
| - | - | - | 16,449,060 | - | 16,449,060 |
| - | - | - | - | - | 166,711 |
| 83,073 | 4,515,419 | - | - | 709,201 | 30,378,356 |
| - | - | - | - | 5,110,410 | 9,470,782 |
| 9 | 5,141 | 314,948 | 51,651 | 152,193 | 654,680 |
| <u>83,083</u> | <u>4,520,560</u> | <u>314,948</u> | <u>16,500,711</u> | <u>9,190,972</u> | <u>92,943,235</u> |
| - | - | - | - | 1,361,684 | 10,319,594 |
| - | - | - | - | 3,725,126 | 23,142,829 |
| 194,449 | - | - | - | - | 19,163,328 |
| - | - | - | - | - | 14,380,943 |
| - | - | - | - | 1,065,777 | 1,065,777 |
| - | 3,335,380 | - | - | 12,400 | 5,449,088 |
| - | - | 28,469,383 | 1,363,481 | - | 29,832,863 |
| - | - | - | - | 767,606 | 767,606 |
| - | - | - | - | 240,652 | 240,652 |
| - | - | - | - | 2,782 | 2,782 |
| <u>194,449</u> | <u>3,335,380</u> | <u>28,469,383</u> | <u>1,363,481</u> | <u>7,176,027</u> | <u>104,365,462</u> |
| <u>(111,366)</u> | <u>1,185,180</u> | <u>(28,154,435)</u> | <u>15,137,230</u> | <u>2,014,945</u> | <u>(11,422,227)</u> |
| 804,765 | 533,015 | - | 161 | 40,000 | 1,419,290 |
| - | - | (161) | - | (1,316,162) | (1,419,290) |
| - | - | 4,939,800 | - | - | 4,939,800 |
| - | - | - | - | - | 51,357 |
| <u>804,765</u> | <u>533,015</u> | <u>4,939,639</u> | <u>161</u> | <u>(1,276,162)</u> | <u>4,991,160</u> |
| <u>693,399</u> | <u>1,718,195</u> | <u>(23,214,796)</u> | <u>15,137,391</u> | <u>738,783</u> | <u>(6,431,068)</u> |
| <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>55,652,909</u> |
| <u>\$ -</u> | <u>\$ (3,750)</u> | <u>\$ -</u> | <u>\$ 30,872,051</u> | <u>\$ 5,756,048</u> | <u>\$ 49,221,840</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, 2015

Amounts reported for governmental activities in the statement of activities (page 17-18) are different because:

Net change in fund balances - total governmental funds (page 23-24) \$ (6,431,068)

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 | \$ 5,082,987 | |
| Current year depreciation expense | <u>(4,124,402)</u> | 958,585 |

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 | (1,067,331) | |
| Accumulated depreciation on retired assets | <u>941,975</u> | (125,356) |

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 | (36,126) | |
| Decrease in Uncertified Special Assessments | (51,453) | |
| Decrease in Loans Receivable | <u>(22,164)</u> | (109,744) |

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 | (4,939,800) | |
| Repayment of bonds | <u>767,606</u> | (4,172,194) |

The net pension liability, and related deferred outflows and inflows of resources are reported in the government wide statements; however, activity related to these pension items do not involve financial resources, and are not reported in the funds

| | | |
|--|-----------|---------|
| Increase in Net Pension Liability | (435,565) | |
| Decrease in Deferred Outflows of Resources | (29,709) | |
| Decrease in Deferred Inflows of Resources | 651,665 | 186,390 |

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 | (13,126) | |
| Amortization of Bond Issuance Costs | (6,659) | |
| Net increase in compensated absences | <u>(50,029)</u> | (69,815) |

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.

715,224

Change in net position of governmental activities \$ (9,047,976)

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, 2015

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 16,702,594 | \$ 16,702,594 | \$ 16,886,963 | \$ 184,369 |
| Licenses, Permits and Fees | 57,500 | 57,500 | 73,416 | 15,916 |
| Intergovernmental Revenues | 8,443,115 | 8,443,115 | 7,713,943 | (729,172) |
| Charges for Services | 3,561,070 | 3,634,752 | 3,806,530 | 171,778 |
| Miscellaneous Revenues | 81,477 | 81,477 | 93,177 | 11,700 |
| Total Revenues | 28,845,756 | 28,919,438 | 28,574,029 | (345,409) |
| Expenditures: | | | | |
| Current: | | | | |
| General Government: | | | | |
| County Commission | 978,203 | 978,203 | 855,650 | 122,553 |
| County Administrator | 2,728,276 | 4,376,694 | 3,993,089 | 383,605 |
| Information Technology | 1,352,305 | 1,352,305 | 1,301,967 | 50,338 |
| Auditor | 1,225,153 | 1,240,653 | 1,215,258 | 25,395 |
| Treasurer | 382,075 | 382,075 | 372,091 | 9,984 |
| County Recorder | 642,880 | 642,880 | 601,962 | 40,918 |
| Director of Tax Equalization | 401,085 | 401,085 | 261,174 | 139,911 |
| Veterans Service | 287,871 | 287,871 | 282,131 | 5,740 |
| County Planning | 83,793 | 83,793 | 74,588 | 9,205 |
| Total General Government | 8,081,641 | 9,745,559 | 8,957,910 | 787,649 |
| Public Safety: | | | | |
| Emergency Management | 229,169 | 241,669 | 244,334 | (2,665) |
| County Sheriff | 16,222,502 | 16,245,115 | 15,947,023 | 298,092 |
| States Attorney | 2,826,021 | 2,826,021 | 2,782,110 | 43,911 |
| County Coroner | 409,157 | 439,157 | 432,352 | 6,805 |
| Cemetery | 13,408 | 13,408 | 11,884 | 1,524 |
| Total Public Safety | 19,700,257 | 19,765,370 | 19,417,703 | 347,667 |
| Conservation & Econ. Development: | | | | |
| County Extension Agent | 513,472 | 513,472 | 484,031 | 29,441 |
| Public Service Agencies | 1,687,620 | 1,687,620 | 1,617,276 | 70,344 |
| Total Conservation & Econ Dev | 2,201,092 | 2,201,092 | 2,101,308 | 99,784 |
| Total Expenditures | 29,982,990 | 31,712,021 | 30,476,921 | 1,235,100 |
| Excess (deficiency) of revenues over (Under) expenditures | (1,137,234) | (2,792,583) | (1,902,892) | 889,691 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 41,350 | 41,350 | 41,350 | - |
| Sale of Property | 10,000 | 10,000 | 50,347 | 40,347 |
| Transfers Out | (64,000) | (64,000) | (40,000) | 24,000 |
| Total Other Financing Sources and (Uses) | (12,650) | (12,650) | 51,697 | 64,347 |
| Net change in fund balances | (1,149,884) | (2,805,233) | (1,851,194) | 954,040 |
| Fund Balance - Beginning | 8,585,262 | 8,585,262 | 8,585,262 | - |
| Fund Balance - Ending | \$ 7,435,378 | \$ 5,780,029 | \$ 6,734,067 | \$ 954,040 |

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, 2015

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 10,847,052 | \$ 10,847,052 | \$ 10,959,593 | \$ 112,541 |
| Licenses, Permits and Fees | 14,000 | 14,000 | 12,985 | (1,015) |
| Intergovernmental Revenues | 3,052,326 | 3,052,326 | 3,234,853 | 182,527 |
| Charges for Services | 130,450 | 130,450 | 283,277 | 152,827 |
| Miscellaneous Revenues | 11,710 | 11,710 | 14,446 | 2,736 |
| Total Revenues | 14,055,538 | 14,055,538 | 14,505,155 | 449,616 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Relief and Charities | 14,617,767 | 14,702,367 | 14,380,943 | 321,424 |
| Total Expenditures | 14,617,767 | 14,702,367 | 14,380,943 | 321,424 |
| Excess (deficiency) of revenues over (under) expenditures | (562,229) | (646,829) | 124,212 | 771,041 |
| Fund Balance - Beginning | 2,065,855 | 2,065,855 | 2,065,855 | - |
| Fund Balance - Ending | \$ 1,503,626 | \$ 1,419,026 | \$ 2,190,067 | \$ 771,041 |

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, 2015

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 4,705,137 | \$ 4,705,137 | \$ 4,757,921 | \$ 52,784 |
| Licenses, Permits and Fees | 40,000 | 40,000 | 80,310 | 40,310 |
| Intergovernmental Revenues | 7,968,551 | 14,193,567 | 14,058,900 | (134,667) |
| Charges for Services | - | - | 270,565 | 270,565 |
| Miscellaneous Revenues | 16,432 | 16,425 | 23,115 | 6,690 |
| Total Revenues | <u>12,730,120</u> | <u>18,955,129</u> | <u>19,190,811</u> | <u>235,682</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways and Streets | 13,887,211 | 20,442,211 | 18,866,846 | 1,575,365 |
| Total Expenditures | <u>13,887,211</u> | <u>20,442,211</u> | <u>18,866,846</u> | <u>1,575,365</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,157,091)</u> | <u>(1,487,082)</u> | <u>323,965</u> | <u>1,811,048</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Sale of Property | 20,000 | 20,000 | 1,010 | (18,990) |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources and (Uses) | <u>20,000</u> | <u>20,000</u> | <u>1,010</u> | <u>(18,990)</u> |
| Net change in fund balances | <u>(1,137,091)</u> | <u>(1,467,082)</u> | <u>324,975</u> | <u>1,792,057</u> |
| Fund Balance - Beginning | <u>3,348,382</u> | <u>3,348,382</u> | <u>3,348,382</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 2,211,291</u> | <u>\$ 1,881,300</u> | <u>\$ 3,673,357</u> | <u>\$ 1,792,057</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, 2015

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|----------|----------|----------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | 62,863 | 62,862 | (1) |
| Miscellaneous Revenues | - | - | - | - |
| Total Revenues | - | 62,863 | 62,862 | (1) |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways and Streets | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | - | 62,863 | 62,862 | (1) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers Out | - | (62,862) | (62,862) | - |
| Total Other Financing Sources and (Uses) | - | (62,862) | (62,862) | - |
| Net change in fund balances | - | 1 | - | (1) |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | \$ - | \$ 1 | \$ - | \$ (1) |

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

CASS COUNTY GOVERNMENT
2010 Flood Recovery
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2015

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|-------------|----------------|----------------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | - | - | - |
| Charges for Services | - | - | - | - |
| Miscellaneous Revenues | - | - | - | - |
| Total Revenues | - | - | - | - |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways and Streets | - | 102,033 | 102,033 | - |
| Total Expenditures | - | 102,033 | 102,033 | - |
| Excess (deficiency) of revenues over (under) expenditures | - | (102,033) | (102,033) | - |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources and (Uses) | - | - | - | - |
| | | | | |
| Net change in fund balances | - | (102,033) | (102,033) | - |
| Fund Balance - Beginning | - | 102,033 | 102,033 | - |
| 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
2013 Flood Emergency Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2015

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|-------------|--------------|--------------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | 105 | 105 | - |
| Charges for Services | - | - | - | - |
| Miscellaneous Revenues | - | - | - | - |
| Total Revenues | - | 105 | 105 | - |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways and Streets | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | - | 105 | 105 | - |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | (105) | (105) | - |
| Total Other Financing Sources and (Uses) | - | (105) | (105) | - |
| Net change in fund balances | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| 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, 2015

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|----------|-----------|-----------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | 83,073 | 83,073 | - |
| Miscellaneous Revenues | - | 9 | 9 | - |
| Total Revenues | - | 83,083 | 83,083 | - |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways and Streets | - | 194,150 | 194,449 | (299) |
| Total Expenditures | - | 194,150 | 194,449 | (299) |
| Excess (deficiency) of revenues over (under) expenditures | - | (111,067) | (111,366) | (299) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | - | 804,465 | 804,765 | 300 |
| Total Other Financing Sources and (Uses) | - | 804,465 | 804,765 | 300 |
| Net change in fund balances | - | 693,398 | 693,398 | - |
| Fund Balance - Beginning | - | (693,398) | (693,398) | - |
| Fund Balance - Ending | \$ - | \$ - | \$ - | \$ - |

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, 2015

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|-------------|------------------|-------------------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | 4,515,419 | 4,515,419 | - |
| Miscellaneous Revenues | - | 5,141 | 5,141 | - |
| Total Revenues | - | 4,520,560 | 4,520,560 | - |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Conservation & Economic Development | - | 3,331,631 | 3,335,380 | (3,750) |
| Total Expenditures | - | 3,331,631 | 3,335,380 | (3,750) |
| Excess (deficiency) of revenues over (under) expenditures | - | 1,188,929 | 1,185,179 | (3,750) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | - | 533,015 | 533,015 | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources and (Uses) | - | 533,015 | 533,015 | - |
| Net change in fund balances | - | 1,721,944 | 1,718,195 | (3,750) |
| Fund Balance - Beginning | - | (1,721,944) | (1,721,944) | - |
| Fund Balance - Ending | \$ - | \$ - | \$ (3,750) | \$ (3,750) |

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

CASS COUNTY GOVERNMENT
Proprietary Funds
Statement of Net Position
December 31, 2015

| | Governmental Activities |
|----------------------------------|----------------------------|
| | Internal Service Funds |
| <u>ASSETS</u> | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 3,461,218 |
| Accounts Receivable | 291 |
| Prepaid Items | 1,061 |
| Total Current Assets | 3,462,570 |
| Noncurrent Assets: | |
| Capital Assets | 377,631 |
| Less: Accumulated Depreciation | (262,105) |
| Total Noncurrent Assets | 115,526 |
| Total Assets | \$ 3,578,096 |
| <u>LIABILITIES</u> | |
| <u>Current Liabilities</u> | |
| Accounts Payable | \$ 12,346 |
| Premium Deposits | 439,863 |
| IBNR Claims | 335,088 |
| Total Liabilities | \$ 787,297 |
| <u>Net Position</u> | |
| Net Investment in Capital Assets | \$ 115,526 |
| Unrestricted | 2,675,273 |
| Total Net Position | \$ 2,790,798 |

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, 2015

| | Governmental Activities |
|--|----------------------------|
| | Internal Service Funds |
| <u>Operating Revenues:</u> | |
| Premiums | \$ 4,965,457 |
| Charges for Services | 278,140 |
| Miscellaneous | 77,362 |
| Total Operating Revenues | 5,320,959 |
| <u>Operating Expenses:</u> | |
| Premiums | 775,570 |
| Medical Services | 10,398 |
| Telephone Service | 225,512 |
| Administrative Fees | 316,992 |
| Collision Repair/Replacement | 21,882 |
| Benefit Payments | 2,889,133 |
| IBNR Claims | 335,088 |
| Depreciation Expense | 35,460 |
| Total Operating Expenses | 4,610,035 |
| Operating Income | 710,924 |
| <u>Nonoperating Revenues (Expenses):</u> | |
| Interest Income | 7,088 |
| Gain on Disposal of Capital Assets | (2,788) |
| Total Nonoperating Revenues (Expenses) | 4,300 |
| Change in Net Position | 715,224 |
| Total Net Position Beginning | 2,075,574 |
| Total Net Position Ending | \$ 2,790,799 |

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, 2015

| | Governmental Activities |
|---|----------------------------|
| | Internal Service Funds |
| <u>Cash Flows From Operating Activities:</u> | |
| Receipts from customers | \$ 5,245,577 |
| Payments to suppliers | (1,347,612) |
| Claims paid | (3,250,054) |
| Other receipts | 77,362 |
| | 725,274 |
| <u>Cash Flows From Capital and Related Financing Activities:</u> | |
| Purchase of capital assets | (86,722) |
| Proceeds on Sale of Capital Assets | 500 |
| | (86,222) |
| <u>Cash Flows From Investing Activities:</u> | |
| Interest income | 7,088 |
| | 646,140 |
| Cash and cash equivalents - beginning of the year | 2,815,078 |
| | 3,461,218 |
| <u>Reconciliation of Operating Income to net cash provided by operating activities:</u> | |
| Operating income | 710,924 |
| Adjustments to reconcile operating income to net cash flows from operating activities: | |
| Depreciation | 35,460 |
| Changes in assets and liabilities: | |
| (Increase) decrease in accounts receivable | 3,041 |
| Increase (decrease) in accounts payable | 2,742 |
| Increase (decrease) in premium deposit funds | 28,942 |
| Increase (decrease) in IBNR claims | (54,774) |
| Net cash provided by operating activities | \$ 725,274 |
| Schedule of non-cash capital and related financing activities: | |
| Disposal of Capital Assets | \$ (3,288) |

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

CASS COUNTY GOVERNMENT
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2015

| | <u>Agency Funds</u> |
|---------------------------|----------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ 59,768,946 |
| Accounts Receivable | <u>-</u> |
| Total Assets | <u>\$ 59,768,946</u> |
| <u>LIABILITIES</u> | |
| Accounts Payable | 332,935 |
| Due to Component Units | 27,812 |
| Deposits | <u>59,408,199</u> |
| Total Liabilities | <u>\$ 59,768,946</u> |

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

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CASS COUNTY GOVERNMENT
Statement of Net Position
Component Units
December 31, 2015

| | Southeast Cass WRD | North Cass WRD | Maple River WRD |
|---|-----------------------|---------------------|----------------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 11,528,096 | \$ 1,040,113 | \$ 8,875,361 |
| Receivables: | | | |
| Accounts Receivable | - | - | - |
| Delinquent Tax | 55,005 | 2,615 | 8,507 |
| Due From Other Governments | 2,943,407 | 55,385 | 4,242 |
| Special Assessments | 3,880 | - | 74 |
| Due From Primary Government | 19,914 | 1,415 | 6,297 |
| Inventory | - | - | - |
| Prepaid Items | - | - | - |
| Long-Term Receivables: | | | |
| Uncertified Special Assessments Receivable | 2,334,526 | 40,967 | 3,083,137 |
| Capital Assets Not Being Depreciated: | | | |
| Land | 69,064,593 | 1,240,454 | 2,627,168 |
| Construction in Progress | 12,265,780 | 172,058 | 7,684,695 |
| Capital Assets (Net of Accumulated Depreciation) | | | |
| Buildings | - | - | - |
| Equipment | 19,000 | - | - |
| Infrastructure | 74,815,696 | 4,226,075 | 12,500,244 |
| Total Assets | 173,049,896 | 6,779,081 | 34,789,724 |
| Deferred Outflows of Resources: | | | |
| Differences Between Expected & Actual Experience | 3,304 | 441 | 1,101 |
| Pension Contributions Made Subsequent to Measurement Date | 8,455 | 1,127 | 2,818 |
| Total Deferred Outflows of Resources | 11,759 | 1,568 | 3,920 |
| Liabilities: | | | |
| Accounts Payable | 1,384,872 | 90,664 | 159,874 |
| Benefits Payable | 26,906 | 3,747 | 7,889 |
| Retainages Payable | 494,323 | 5,274 | 111,981 |
| Interest Payable | 25,126 | 2,381 | 113,676 |
| Noncurrent Liabilities: | | | |
| Due within one year | 1,621,867 | 165,015 | 169,801 |
| Due in more than one year | 5,862,268 | 606,714 | 11,929,858 |
| Net Pension Liability | 92,018 | 12,269 | 30,673 |
| Total Liabilities | 9,507,379 | 886,065 | 12,523,752 |
| Deferred Inflows of Resources: | | | |
| Property Taxes Levied for Subsequent Year | - | - | - |
| Deferred Inflows of Resources Related to Pensions | 10,278 | 1,370 | 3,426 |
| Total Deferred Inflows of Resources | 10,278 | 1,370 | 3,426 |
| Net Position | | | |
| Net Investment in Capital Assets | 148,696,691 | 4,868,958 | 10,717,701 |
| Restricted For: | | | |
| Conservation of Natural Resources | 5,748,881 | 909,675 | 526,141 |
| Debt Service | 1,257,205 | 45,285 | 3,908,011 |
| Capital Projects | 1,845,243 | - | 6,597,967 |
| Unrestricted | 5,995,978 | 69,296 | 516,648 |
| Total Net Position | \$ 163,543,997 | \$ 5,893,214 | \$ 22,266,467 |

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

| Rush River WRD | Weed Control | Vector Control | Totals |
|----------------------|-------------------|-------------------|-----------------------|
| \$ 1,687,070 | \$ 393,878 | \$ 204,291 | \$ 23,728,809 |
| - | 3,029 | 11,479 | 14,509 |
| 1,296 | 3,059 | 4,560 | 75,042 |
| 1,645 | - | - | 3,004,679 |
| 973 | - | - | 4,927 |
| 186 | - | - | 27,812 |
| - | - | 91,251 | 91,251 |
| - | 970 | 6,117 | 7,087 |
| 2,574,621 | - | - | 8,033,251 |
| 2,921,017 | - | - | 75,853,232 |
| 187,809 | - | - | 20,310,342 |
| - | 17,243 | - | 17,243 |
| - | 18,316 | 255,322 | 292,638 |
| 7,698,796 | - | - | 99,240,811 |
| <u>15,073,413</u> | <u>436,494</u> | <u>573,020</u> | <u>230,701,628</u> |
| 661 | 1,426 | 2,770 | 9,702 |
| 1,691 | 2,846 | 5,574 | 22,510 |
| <u>2,352</u> | <u>4,271</u> | <u>8,343</u> | <u>32,212</u> |
| 19,536 | 281 | 2,754 | 1,657,982 |
| 9,887 | - | - | 48,429 |
| 6,776 | - | - | 618,354 |
| 17,752 | - | - | 158,935 |
| 370,828 | 4,623 | 21,309 | 2,353,443 |
| 3,399,108 | - | - | 21,797,948 |
| 18,404 | 49,142 | 95,464 | 297,971 |
| <u>3,842,291</u> | <u>54,047</u> | <u>119,527</u> | <u>26,933,062</u> |
| - | 133,529 | 167,749 | 301,278 |
| 2,056 | 7,294 | 14,169 | 38,593 |
| <u>2,056</u> | <u>140,822</u> | <u>181,918</u> | <u>339,871</u> |
| 7,040,838 | 35,559 | 255,322 | 171,615,069 |
| 405,613 | - | - | 7,590,310 |
| 3,184,067 | - | - | 8,394,568 |
| 544,685 | - | - | 8,987,895 |
| 56,215 | 210,337 | 24,596 | 6,873,071 |
| <u>\$ 11,231,418</u> | <u>\$ 245,895</u> | <u>\$ 279,918</u> | <u>\$ 203,460,909</u> |

CASS COUNTY GOVERNMENT
Statement of Activities
Component Units
For the Year Ended December 31, 2015

| <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 | \$ 13,441,309 | \$ - | \$ 13,252,561 | \$ 48,931,274 |
| Maple River Water Resource District | 1,249,073 | - | 6,340,631 | 1,656,909 |
| North Cass Water Resource District | 349,057 | - | 113,838 | 3,517 |
| Rush River Water Resource District | 673,779 | - | 1,232,892 | 130,719 |
| Noxious weed | 443,625 | 11,498 | 50,033 | - |
| Vector control | 968,187 | 427,045 | - | - |
| Total component units | \$ 17,125,030 | \$ 438,543 | \$ 20,989,955 | \$ 50,722,419 |

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

Total general revenues

Changes in net position

Net position - January 1 as previously stated

Cumulative Effect of Change in Accounting Principal

Net Position - January 1 as restated

Net position - ending

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

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

| Southeast Cass WRD | North Cass WRD | Maple River WRD | Rush River WRD | Weed Control | Vector Control | Total |
|-------------------------------|---------------------------|----------------------------|---------------------------|-------------------------|---------------------------|-----------------------|
| \$ 48,742,526 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 48,742,526 |
| - | - | 6,748,466 | - | - | - | 6,748,466 |
| - | (231,702) | - | - | - | - | (231,702) |
| - | - | - | 689,832 | - | - | 689,832 |
| - | - | - | - | (382,095) | - | (382,095) |
| - | - | - | - | - | (541,142) | (541,142) |
| <u>\$ 48,742,526</u> | <u>\$ (231,702)</u> | <u>\$ 6,748,466</u> | <u>\$ 689,832</u> | <u>\$ (382,095)</u> | <u>\$ (541,142)</u> | <u>\$ 55,025,886</u> |
| | | | | | | |
| \$ 5,587,332 | \$ 576,737 | \$ 1,256,652 | \$ 334,804 | \$ 366,215 | \$ 584,951 | \$ 8,706,690 |
| 175,412 | 2,615 | 21,190 | 8,093 | 16,208 | 41,024 | 264,543 |
| 14,363 | 2,001 | 4,891 | 2,545 | 1,058 | 491 | 25,349 |
| 440,399 | 209 | 19,343 | 2,436 | 46 | 11,656 | 474,089 |
| <u>\$ 6,217,505</u> | <u>\$ 581,562</u> | <u>\$ 1,302,076</u> | <u>\$ 347,878</u> | <u>\$ 383,527</u> | <u>\$ 638,122</u> | <u>\$ 9,470,671</u> |
| | | | | | | |
| \$ 54,960,032 | \$ 349,860 | \$ 8,050,542 | \$ 1,037,711 | \$ 1,432 | \$ 96,980 | \$ 64,496,557 |
| 108,675,835 | 5,555,603 | 14,246,549 | 10,216,048 | 297,274 | 285,541 | 139,276,855 |
| (91,869) | (12,249) | (30,623) | (22,340) | (52,810) | (102,604) | (312,495) |
| \$ 108,583,966 | \$ 5,543,354 | \$ 14,215,925 | \$ 10,193,709 | \$ 244,464 | \$ 182,938 | \$ 138,964,355 |
| <u>\$ 163,543,997</u> | <u>\$ 5,893,214</u> | <u>\$ 22,266,467</u> | <u>\$ 11,231,419</u> | <u>\$ 245,895</u> | <u>\$ 279,918</u> | <u>\$ 203,460,909</u> |

**CASS COUNTY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015**

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, 2015, which is the most current audited information available:

| | |
|------------------------|---------------------|
| Total Assets | \$ 7,770,996 |
| Total Liabilities | <u>104,554</u> |
| Total Net Position | <u>7,666,442</u> |
| Revenues | 2,423,290 |
| Expenses | <u>2,582,765</u> |
| Change in Net Position | <u>\$ (159,475)</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. The joint powers agreement was amended effective January 1, 2015 which Fargo and West Fargo agreed to end their existing 9-1-1 emergency service communications systems fees as of December 31, 2014. 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 – 0%
City of Moorhead – 18.2%
Cass County – 71.8%
Clay County – 10%
City of West Fargo – 0%

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.

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.
- **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, 2015.

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, 2015, are recorded as prepaid items. Prepaid items are accounted for using the consumption method. 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, 2015.

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 Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. See additional information regarding this item in Note 11 to the financial statements.

S. 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 multiple items 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. The County also reports deferred inflows of resources related to pensions. See additional information regarding this item in Note 11 to the financial statements.

T. 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 | 2015 | 2014 |
|--|------------|------------|
| Balance January 1 | \$ 375,900 | \$ 331,467 |
| Incurred Claims Including IBNR's and Changes in Estimates | 2,516,514 | 2,629,754 |
| Less Claims Payments | 2,571,288 | 2,585,321 |
| Balance December 31 | \$ 321,126 | \$ 375,900 |

| Employee Dental | 2015 | 2014 |
|--|-----------|-----------|
| Balance January 1 | \$ 13,962 | \$ 15,885 |
| Incurred Claims Including IBNR's and Changes in Estimates | 317,846 | 270,663 |
| Less Claims Payments | 317,846 | 272,586 |
| Balance December 31 | \$ 13,962 | \$ 13,962 |

U. 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.

V. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

W. 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 resolutions passed by the board of county commissioners. 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.

X. 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.

Y. 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 2015 expenditures exceed appropriations in the following funds:

Special Revenue Funds:

| | |
|--------------------------|-----------|
| Sheriff Asset Forfeiture | \$ 82,984 |
| JAIBG Fund | 448 |
| Jail Commissary | 5,345 |
| Valley Water Rescue | 2,420 |
| Flood Mitigation | 3,749 |
| 911 Service | 822 |
| 2011 Flood Recovery | 299 |
| 24/7 Sobriety Program | 19,964 |

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

NOTE 3: DEPOSITS

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, 2015, the County's carrying amount of deposits was \$114,461,182 and the bank balance was \$114,740,296. Of the bank balances, \$4,360,529 was covered by federal depository insurance. Of the remaining bank balances, \$110,354,084 was collateralized with securities held by the pledging financial institution's agent in the government's name. Additionally, bank balances totaling \$25,683 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, 2015, 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, 2015, 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, 2015 is as follows:

| Receivable Fund | Payable Fund | Amount |
|------------------------|---------------------|----------------|
| Emergency | Flood Mitigation | 3,750 |
| General | 911 Fund | 252,170 |
| Total | | 255,920 |

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, 2015:

| Transfers In | Transfers Out | Amount |
|-------------------------|-------------------------------|------------------|
| 2011 Flood Recovery | 2009 Flood Recovery | 62,862 |
| 911 Service | General Fund | 40,000 |
| 2011 Flood Recovery | 2013 Flood Recovery | 105 |
| 2011 Flood Recovery | Emergency & Flood Mitigation | 741,798 |
| Flood Mitigation | Emergency & Flood Mitigation | 533,015 |
| General Fund | St. Attorney Asset Forfeiture | 41,350 |
| Flood Control Sales Tax | Flood Control Loan Fund | 161 |
| Total Transfers | | 1,419,290 |

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, 2015:

Primary Government Capital Assets

| | Balance 1/1/2015 | Increases | Decreases | Balance 12/31/2015 |
|---|-----------------------|-----------------------|---------------------|-----------------------|
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 41,949,738 | \$ 2,684,236 | \$ - | \$ 44,633,974 |
| Construction in Progress | - | - | - | - |
| Total Capital Assets not being depreciated | \$ 41,949,738 | \$ 2,684,236 | \$ - | \$ 44,633,974 |
| Capital Assets, being depreciated: | | | | |
| Buildings | \$ 50,503,116 | \$ 1,211,405 | \$ - | \$ 51,714,521 |
| Improvements other than buildings | 3,368,611 | - | - | 3,368,611 |
| Machinery and Equipment | 10,441,625 | 1,274,068 | 1,098,519 | 10,617,174 |
| Infrastructure | 125,345,303 | - | - | 125,345,303 |
| Total Capital Assets, being depreciated | \$ 189,658,654 | \$ 2,485,473 | \$ 1,098,519 | \$ 191,045,608 |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 13,678,284 | \$ 963,502 | \$ - | \$ 14,641,786 |
| Improvements other than buildings | 1,057,889 | 79,462 | - | 1,137,351 |
| Machinery and Equipment | 7,569,816 | 867,919 | 969,876 | 7,467,860 |
| Infrastructure | 64,420,042 | 2,248,977 | - | 66,669,019 |
| Total Accumulated Depreciation | \$ 86,726,031 | \$ 4,159,861 | \$ 969,876 | \$ 89,916,016 |
| Net Capital Assets, being Depreciated | \$ 102,932,624 | \$ (1,674,388) | \$ 128,643 | \$ 101,129,592 |
| Net Governmental Activities Capital Assets | \$ 144,882,361 | \$ 1,009,848 | \$ 128,643 | \$ 145,763,567 |

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

| Governmental Activities: | |
|---|---------------------|
| General Government | \$ 463,090 |
| Public Safety | 851,837 |
| Highways and Streets | 2,716,479 |
| Relief and Charities | 80,549 |
| Culture and Recreation | 11,442 |
| Conservation and Econ. Development | 1,005 |
| Total Depreciation Expense - Governmental Activities | \$ 4,124,402 |
| Depreciation of Internal Service Funds | 35,460 |
| Total Depreciation Expense | \$ 4,159,861 |

Component Units

During the year ended December 31, 2015, the following changes occurred in the capital assets of:

| Southeast Cass Water Resource District | | | | | |
|--|-----------------------|-----------------------|------------------|-----------------------|-----------------------|
| | Balance | | | | Balance |
| | 1/1/2015 | Increases | Decreases | Transfers | 12/31/2015 |
| Governmental Activities: | | | | | |
| Capital Assets not being depreciated: | | | | | |
| Land | \$ 22,429,144 | \$ 46,635,449 | \$ - | \$ - | \$ 69,064,593 |
| Construction in Progress | 6,728,017 | 6,725,238 | 800 | (1,186,675) | 12,265,780 |
| Total Capital Assets Not Being Depreciated | \$ 29,157,161 | \$ 53,360,687 | \$ 800 | \$ (1,186,675) | \$ 81,330,373 |
| Facilities | \$ 71,725,211 | \$ - | \$ - | \$ - | \$ 71,725,211 |
| Projects | 33,410,412 | - | - | 1,186,675 | 34,597,087 |
| Equipment | 60,000 | - | - | - | 60,000 |
| Total Capital Assets, Being Depreciated | \$ 105,195,623 | \$ - | \$ - | \$ 1,186,675 | \$ 106,382,298 |
| Less Accumulated Depreciation for: | | | | | |
| Facilities | \$ 24,302,427 | \$ 1,434,504 | \$ - | \$ - | \$ 25,736,931 |
| Projects | 5,077,728 | 691,942 | - | - | 5,769,670 |
| Equipment | 40,000 | 1,000 | - | - | 41,000 |
| Total Accumulated Depreciation | \$ 29,420,155 | \$ 2,127,446 | \$ - | \$ - | \$ 31,547,601 |
| Total Capital Assets Being Depreciated, Net | \$ 75,775,468 | \$ (2,127,446) | \$ - | \$ 1,186,675 | \$ 74,834,697 |
| Governmental Activities Capital Assets, Net | \$ 104,932,629 | \$ 51,233,241 | \$ 800 | \$ - | \$ 156,165,069 |

Maple River Water Resource District

| | Balance 1/1/2015 | Increases | Transfers | Balance 12/31/2015 |
|--|----------------------|---------------------|-----------------------|-----------------------|
| Governmental Activities: | | | | |
| Capital Assets not being depreciated: | | | | |
| Land | \$ 2,625,232 | \$ 1,935 | \$ - | \$ 2,627,167 |
| Construction in Progress | 3,882,775 | 7,079,817 | (3,277,898) | 7,684,693 |
| Total Capital Assets Not Being Depreciated | \$ 6,508,007 | \$ 7,081,752 | \$ (3,277,898) | \$ 10,311,860 |
| Capital Assets Being Depreciated: | | | | |
| Facilities | \$ 10,550,637 | \$ - | \$ 3,015,594 | \$ 13,566,231 |
| Projects | 7,177,920 | - | 262,304 | 7,440,224 |
| Total Capital Assets, Being Depreciated | \$ 17,728,557 | \$ - | \$ 3,277,898 | \$ 21,006,455 |
| Less Accumulated Depreciation for: | | | | |
| Facilities | \$ 7,243,476 | \$ 247,325 | \$ - | \$ 7,490,800 |
| Projects | 869,388 | 146,022 | - | 1,015,410 |
| Total Accumulated Depreciation | \$ 8,112,864 | \$ 393,347 | \$ - | \$ 8,506,211 |
| Total Capital Assets Being Depreciated, Net | \$ 9,615,693 | \$ (393,347) | \$ 3,277,898 | \$ 12,500,245 |
| Governmental Activities Capital Assets, Net | \$ 16,123,700 | \$ 6,688,405 | \$ - | \$ 22,812,106 |

North Cass Water Resource District

| | Balance 1/1/2015 | Increases | Transfers | Balance 12/31/2015 |
|--|---------------------|---------------------|-------------|-----------------------|
| Governmental Activities: | | | | |
| Capital Assets not being depreciated: | | | | |
| Land | \$ 1,228,254 | \$ 12,200 | \$ - | \$ 1,240,454 |
| Construction in Progress | 21,065 | 150,993 | - | 172,058 |
| Total Capital Assets Not Being Depreciated | 1,249,319 | 163,193 | - | 1,412,512 |
| Capital Assets Being Depreciated: | | | | |
| Facilities | \$ 3,768,900 | \$ - | \$ - | \$ 3,768,900 |
| Projects | 3,943,777 | - | - | 3,943,777 |
| Total Capital Assets, Being Depreciated | \$ 7,712,677 | \$ - | \$ - | \$ 7,712,677 |
| Less Accumulated Depreciation for: | | | | |
| Facilities | \$ 2,552,540 | \$ 75,378 | \$ - | \$ 2,627,918 |
| Projects | 779,808 | 78,876 | - | 858,684 |
| Total Accumulated Depreciation | \$ 3,332,348 | \$ 154,254 | \$ - | \$ 3,486,602 |
| Total Capital Assets Being Depreciated, Net | \$ 4,380,328 | \$ (154,254) | \$ - | \$ 4,226,075 |
| Governmental Activities Capital Assets, Net | \$ 5,629,647 | \$ 8,939 | \$ - | \$ 5,638,587 |

Rush River Water Resource District

| | Balance 1/1/2015 | Increases | Transfers | Balance 12/31/2015 |
|--|----------------------|---------------------|-------------------|-----------------------|
| Governmental Activities: | | | | |
| Capital Assets not being depreciated: | | | | |
| Land | \$ 2,869,537 | \$ 51,480 | \$ - | \$ 2,921,017 |
| Construction in Progress | 494,455 | 270,347 | (576,992) | 187,810 |
| Total Capital Assets Not Being Depreciated | 3,363,992 | 321,827 | (576,992) | 3,108,827 |
| Capital Assets Being Depreciated: | | | | |
| Facilities | \$ 25,577,370 | \$ - | \$ - | \$ 25,577,370 |
| Projects | 449,400 | - | 576,992 | 1,026,392 |
| Total Capital Assets, Being Depreciated | \$ 26,026,770 | \$ - | \$ 576,992 | \$ 26,603,762 |
| Less Accumulated Depreciation for: | | | | |
| Facilities | \$ 18,445,616 | \$ 337,547 | \$ - | \$ 18,783,163 |
| Projects | 103,480 | 18,323 | - | 121,803 |
| Total Accumulated Depreciation | \$ 18,549,096 | \$ 355,870 | \$ - | \$ 18,904,966 |
| Total Capital Assets Being Depreciated, Net | \$ 7,477,673 | \$ (355,870) | \$ 576,992 | \$ 7,698,796 |
| Governmental Activities Capital Assets, Net | \$ 10,841,665 | \$ (34,043) | \$ - | \$ 10,807,623 |

| Noxious Weed Control | | | | |
|---|---------------------|------------------|------------------|-----------------------|
| | Balance 1/1/2015 | Increases | Decreases | Balance 12/31/2015 |
| Governmental Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Buildings | \$ 41,054 | \$ - | \$ - | \$ 41,054 |
| Machinery & Equipment | 75,038 | 15,225 | 11,709 | 78,554 |
| Total Capital Assets, Being Depreciated | \$ 116,092 | \$ 15,225 | \$ 11,709 | \$ 119,608 |
| Less Accumulated Depreciation: | | | | |
| Buildings | \$ 22,990 | \$ 821 | \$ - | \$ 23,811 |
| Machinery & Equipment | 61,206 | 10,742 | 11,709 | 60,239 |
| Total Accumulated Depreciation | \$ 84,195 | \$ 11,563 | \$ 11,709 | \$ 84,050 |
| Total Capital Assets Net of Depreciation | \$ 31,897 | \$ 3,662 | \$ 23,418 | \$ 35,559 |

| Vector Control | | | | |
|---|---------------------|-------------------|-----------------|-----------------------|
| | Balance 1/1/2015 | Increases | Decreases | Balance 12/31/2015 |
| Governmental Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Machinery & Equipment | \$ 456,972 | \$ 195,415 | \$ 49,955 | \$ 602,432 |
| Less Accumulated Depreciation | | | | |
| Machinery & Equipment | 328,159 | 63,205 | 44,255 | 347,110 |
| Total Capital Assets Net of Depreciation | \$ 128,813 | \$ 132,210 | \$ 5,700 | \$ 255,322 |

NOTE 8: LONG-TERM LIABILITIES**Special 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, 2015, the County had funds of \$54,060 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, 2015, 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%. | \$ 125,000 |
| \$365,000 Refunding Improvement Bonds of 2007 due in annual installments of \$25,000 through 2022 with interest at 4.20% to 4.45%. | 175,000 |
| \$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>8,024</u> |
| Total Special Assessment Bonds | <u>\$ 308,024</u> |

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

| Special Assessment Bonds | | |
|---------------------------------|-------------------|------------------|
| Year Ending December 31 | Principal | Interest |
| 2016 | \$ 58,024 | \$ 12,321 |
| 2017 | 50,000 | 9,875 |
| 2018 | 50,000 | 7,725 |
| 2019 | 50,000 | 5,544 |
| 2020 | 50,000 | 3,331 |
| 2021-2022 | 50,000 | 2,225 |
| Total | <u>\$ 308,024</u> | <u>\$ 41,021</u> |

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, 2015, 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 3.05 to 4.7%. | <u>\$5,440,000</u> |
|---|--------------------|

General Obligation Bonds

| Year Ending December 31 | Principal | Interest |
|----------------------------|---------------------|-------------------|
| 2016 | \$ 725,000 | \$ 205,361 |
| 2017 | 735,000 | 182,178 |
| 2018 | 755,000 | 156,083 |
| 2019 | 775,000 | 126,228 |
| 2020 | 795,000 | 93,248 |
| 2021-2022 | 1,655,000 | 77,558 |
| Total | \$ 5,440,000 | \$ 840,654 |

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 \$4,939,800 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, 2015, the following changes occurred in liabilities reported in noncurrent liabilities.

| | Balance 1/1/15 | Additions | Reductions | Balance 12/31/15 | Due Within One Year |
|--------------------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|
| Special Assessment Bonds | \$ 365,630 | \$ - | \$ (57,606) | \$ 308,024 | \$ 58,024 |
| Less Deferred: | | | | | |
| Bond Discount | \$ 4,902 | \$ - | \$ (745) | \$ 4,157 | \$ 745 |
| Total Deferred | \$ 4,902 | \$ - | \$ (745) | \$ 4,157 | \$ 745 |
| Total Special Assessment Bonds | \$ 360,728 | \$ - | \$ (56,861) | \$ 303,867 | \$ 57,279 |
| General Obligation Bonds | \$ 6,150,000 | \$ - | \$ (710,000) | \$ 5,440,000 | \$ 725,000 |
| Less Deferred: | | | | | |
| Bond Discount | \$ 44,357 | \$ - | \$ (5,914) | \$ 38,443 | \$ 5,914 |
| Total Deferred | \$ 44,357 | \$ - | \$ (5,914) | \$ 38,443 | \$ 5,914 |
| Total General Obligation Bonds | \$ 6,105,643 | \$ - | \$ (704,086) | \$ 5,401,557 | \$ 719,086 |
| Loan Payable | \$ 45,060,200 | \$ 4,939,800 | \$ - | \$ 50,000,000 | \$ - |
| Net Pension Liability | 15,310,961 | 435,565 | | 15,746,526 | |
| Compensated Absences | 1,658,729 | 1,802,648 | (1,752,619) | 1,708,758 | 1,708,758 |
| Total | \$ 68,496,261 | \$ 7,178,013 | \$ (2,513,565) | \$ 73,160,709 | \$ 2,485,125 |

The County is subject to a statutory limitation by the State of North Dakota for indebtedness payable principally from property taxes. At December 31, 2015, the statutory limit for the County was \$310,424,214. 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, 2015 were \$5,401,557 and \$50,000,000, respectively. The legal debt margin at December 31, 2015 is \$255,022,657. 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, 2015, the following changes occurred in the long-term liabilities of the Component Units:

| Southeast Cass Water Resource District | | | | | |
|---|---------------------|---------------------|-----------------------|---------------------|---------------------|
| | Balance | | | Balance | Due Within |
| | 1-1-15 | Increases | Decreases | 12-31-15 | One Year |
| Bonds Payable | \$ 4,190,000 | \$ 3,995,000 | \$ (1,490,000) | \$ 6,695,000 | \$ 1,560,000 |
| Less Deferred Amounts: | | | | | |
| Bond Discount | 44,460 | 49,937 | (14,956) | 79,441 | 19,712 |
| Bond Issuance Costs | - | (40,760) | 1,941 | (38,819) | (5,823) |
| Total Bonds Payable | \$ 4,145,540 | \$ 3,985,823 | \$ (1,476,985) | \$ 6,654,378 | \$ 1,546,111 |
| Loans Payable | 872,299 | - | (58,299) | 814,000 | 60,000 |
| Net Pension Liability | 85,238 | 6,780 | | 92,018 | |
| Compensated Absences | 15,280 | 8,042 | (7,564) | 15,758 | 15,758 |
| TOTAL | \$ 5,118,357 | \$ 4,000,645 | \$ (1,542,848) | \$ 7,576,154 | \$ 1,621,869 |

| Maple River Water Resource District | | | | | |
|--|---------------------|---------------------|---------------------|----------------------|-------------------|
| | Balance | | | Balance | Due Within |
| | 1-1-15 | Increases | Decreases | 12-31-15 | One Year |
| Bonds Payable | \$ 3,433,333 | \$ 8,955,000 | \$ (194,333) | \$ 12,194,000 | \$ 161,000 |
| Less Deferred Amounts: | | | | | |
| Bond Discount | 47,244 | 134,325 | (6,975) | 174,594 | 11,453 |
| Total Bonds Payable | \$ 3,386,089 | \$ 8,820,675 | \$ (187,358) | \$ 12,019,406 | \$ 149,547 |
| Loan Payable | 90,000 | - | (15,000) | 75,000 | 15,000 |
| Net Pension Liability | 28,413 | 2,260 | | 30,673 | |
| Compensated Absences | 4,366 | 3,710 | (2,823) | 5,253 | 5,253 |
| TOTAL | \$ 3,508,868 | \$ 8,826,645 | \$ (205,181) | \$ 12,130,332 | \$ 169,800 |

| North Cass Water Resource District | | | | | |
|---|---------------------|-------------------|---------------------|-------------------|-------------------|
| | Balance | | | Balance | Due Within |
| | 1-1-15 | Increases | Decreases | 12-31-15 | One Year |
| Bonds Payable | \$ 1,040,000 | \$ 240,000 | \$ (500,000) | \$ 780,000 | \$ 165,000 |
| Less Deferred Amounts: | | | | | |
| Bond Discount | 8,643 | 3,600 | (1,871) | 10,371 | 2,083 |
| Total Bonds Payable | \$ 1,031,357 | \$ 236,400 | \$ (498,129) | \$ 769,629 | \$ 162,917 |
| Net Pension Liability | \$ 11,365 | \$ 904 | | \$ 12,269 | |
| Compensated Absences | 1,940 | 1,484 | (1,323) | 2,101 | 2,101 |
| TOTAL | \$ 1,044,662 | \$ 238,788 | \$ (499,452) | \$ 783,999 | \$ 165,018 |

| Rush River Water Resource District | | | | | |
|---|---------------------|-------------------|---------------------|---------------------|-------------------|
| | Balance | | | Balance | Due Within |
| | 1-1-15 | Increases | Decreases | 12-31-15 | One Year |
| Bonds Payable | \$ 4,475,000 | \$ - | \$ (800,000) | \$ 3,675,000 | \$ 325,000 |
| Less Deferred Amounts: | | | | | |
| Bond Discount | 63,657 | - | (5,441) | 58,216 | 5,441 |
| Total Bonds Payable | \$ 4,411,343 | \$ - | \$ (794,559) | \$ 3,616,784 | \$ 319,559 |
| Loans Payable | - | 150,000 | - | 150,000 | 48,117 |
| Net Pension Liability | 17,048 | 1,356 | | 18,404 | |
| Compensated Absences | 2,668 | 2,226 | (1,743) | 3,151 | 3,151 |
| TOTAL | \$ 4,431,059 | \$ 153,582 | \$ (796,302) | \$ 3,788,339 | \$ 370,827 |

| Noxious Weed Control District | | | | | |
|--------------------------------------|------------------|------------------|-------------------|------------------|-------------------|
| | Balance | | | Balance | Due Within |
| | 1-1-15 | Increases | Decreases | 12-31-15 | One Year |
| Net Pension Liability | 47,783 | 1,359 | | 49,142 | |
| Compensated Absences | 2,229 | 5,211 | (2,817) | 4,623 | 4,623 |
| TOTAL | \$ 50,012 | \$ 6,570 | \$ (2,817) | \$ 53,765 | \$ 4,623 |

| Vector Control District | | | | | |
|--------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| | Balance | | | Balance | Due Within |
| | 1-1-15 | Increases | Decreases | 12-31-15 | One Year |
| Net Pension Liability | 92,824 | 2,640 | | 95,464 | |
| Compensated Absences | 16,890 | 13,562 | (9,144) | 21,309 | 21,309 |
| TOTAL | \$ 109,714 | \$ 16,202 | \$ (9,144) | \$ 116,773 | \$ 21,309 |

Long-term liabilities of the Water Resource Districts at December 31, 2015, 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 \$405,000 to \$525,000 through 2017; interest at 1.55% to 1.75%. | \$ 930,000 |
| \$780,000 2011 Improvement Bonds, Series A, due in annual installments of \$145,000 through 2017; interest at 1.60% to 1.75%. | 290,000 |
| \$910,000 2013 Refunding Improvement Bonds, due in annual installments of \$60,000 to \$250,000 through 2018; with interest at .65% to .85%. | 375,000 |
| \$3,995,000 2015 Improvement Bonds, due in annual installments of \$430,000 to \$740,000 through 2021; interest at .50% to 2.00%. | 3,995,000 |
| \$1,880,000 2011 Improvement Bonds due in annual installments of \$210,000 to \$235,000 through 2020; interest at 2.7%. | <u>1,105,000</u> |
| Total Southeast Cass Special Assessment Bonds Payable | \$ 6,695,000 |

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%.

\$ 360,000

\$214,000 1998 State Revolving Loan Fund Municipal Bond Bank, due in annual installments of \$14,000 to \$15,000 through 2018; interest at 2.5%.

44,000

\$443,299 State Revolving Loan Fund drawdown. Due in annual installments of \$30,000 to \$45,000 through 2026; with interest at 2.5%.

410,000

Total Loans Payable \$ 814,000

Total Southeast Cass Long-term Liabilities (excluding Compensated Absences and Net Pension Liability) \$7,509,000

Maple River Water Resource District:

\$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%.

\$3,175,000

\$7,960,000 Improvement Bonds of 2015, Series B, due in annual installments of \$605,000 to \$865,000 through 2030; interest at 3.25% to 4.00%.

7,960,000

\$995,000 Improvement Bonds of 2015, Series A, due in annual installments of \$60,000 to \$85,000 through 2030; interest at 1.50% to 3.50%.

995,000

\$228,000 Improvement Bonds of 2005, due in annual installments of \$16,000 through 2019; interest at 4.9%.

64,000

Total Maple River Special Assessment Bonds Payable \$12,194,000

Loans Payable:

\$225,000 2005 State Bank & Trust Loan, due in annual installments of \$15,000 through 2020; interest at 5.25%.

\$ 75,000

Total Maple River Long-Term Liabilities (excluding Compensated Absences and Net Pension Liability) \$12,269,000

Rush River Water Resource District:

| | |
|---|--------------------|
| \$800,000 2005 Improvement Bonds, due in annual installments of \$10,000 to \$70,000 through 2019; with interest at 4.1% to 4.35%. | \$ 205,000 |
| \$1,825,000 2012 Improvement Bonds, due in annual installments of \$80,000 to \$115,000 through 2032; interest at 1.25% to 3.10%. | 1,590,000 |
| \$1,620,000 2013 Improvement Bonds, due in annual installments of \$50,000 to \$75,000 through 2033; interest at .900% to 4.25%. | 1,050,000 |
| \$590,000 2014 Improvement Bonds, due in annual installments of \$95,000 to \$100,000 through 2020; interest at .75% to 1.55%. | 495,000 |
| \$560,000 2008 Improvement Bonds, due in annual installments of \$40,000 to \$45,000 through 2023; with interest at 4.00% to 4.65%. | <u>\$ 335,000</u> |
| Total Rush River Special Assessment Bonds Payable | <u>\$3,675,000</u> |

Loans Payable:

| | |
|--|---------------------|
| \$150,000 2015 Loan Payable, due in annual installments of \$48,117 to \$53,041 through 2018; interest at 2.26%. | <u>\$150,000</u> |
| Total Rush River Long-Term Liabilities (excluding Compensated Absences and Net Pension Liability) | <u>\$ 3,825,000</u> |

North Cass Water Resource District:

| | |
|--|-------------------|
| \$215,000 2003 Improvement Bonds, due in annual installments of \$15,000 through 2018; with interest at 5.0%. | \$ 45,000 |
| \$240,000 2015 Improvement Bonds, due in annual installments of \$30,000 to \$85,000 through 2021; interest at 1.50% to 2.00%. | 240,000 |
| \$1,100,000 2013 Improvement Bonds, due in annual installments of \$120,000 to \$130,000 through 2019; interest at 1.30% to 1.85%. | <u>495,000</u> |
| Total North Cass Special Assessment Bonds Payable | <u>\$ 780,000</u> |

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

Southeast Cass Water Resource Districts Bonds Payable:

| GOVERNMENTAL ACTIVITIES | | | | | |
|------------------------------------|-------------------------|-------------------|---------------------|-------------------|--|
| Year Ending December 31 | SA Bonds Payable | | Loan Payable | | |
| | Principal | Interest | Principal | Interest | |
| 2016 | \$ 1,560,000 | \$ 100,466 | \$ 65,000 | \$ 20,350 | |
| 2017 | 1,520,000 | 79,985 | 70,000 | 18,725 | |
| 2018 | 975,000 | 62,755 | 69,000 | 16,975 | |
| 2019 | 940,000 | 45,850 | 55,000 | 15,250 | |
| 2020 | 960,000 | 25,223 | 55,000 | 13,875 | |
| 2021 - 2025 | 740,000 | 7,400 | 305,000 | 47,875 | |
| 2026 - 2030 | | | 170,000 | 13,625 | |
| 2031 - 2035 | - | - | 25,000 | 625 | |
| Total | \$ 6,695,000 | \$ 321,679 | \$ 814,000 | \$ 147,300 | |

Maple River Water Resource Districts Bonds Payable:

| GOVERNMENTAL ACTIVITIES | | | | | |
|------------------------------------|-------------------------|---------------------|---------------------|-----------------|--|
| Year Ending December 31 | SA Bonds Payable | | Loan Payable | | |
| | Principal | Interest | Principal | Interest | |
| 2016 | \$ 161,000 | \$ 555,014 | \$ 15,000 | \$ 3,543 | |
| 2017 | 221,000 | 429,960 | 15,000 | 2,752 | |
| 2018 | 221,000 | 426,101 | 15,000 | 1,965 | |
| 2019 | 221,000 | 421,879 | 15,000 | 1,178 | |
| 2020 | 815,000 | 407,738 | 15,000 | 392 | |
| 2021 - 2025 | 4,485,000 | 1,621,035 | | | |
| 2026 - 2030 | 5,355,000 | 707,755 | | | |
| 2031 - 2035 | 715,000 | 48,593 | | | |
| Total | \$ 12,194,000 | \$ 4,618,075 | \$ 75,000 | \$ 9,830 | |

North Cass Water Resource Districts Bonds Payable:

| GOVERNMENTAL ACTIVITIES | | | |
|------------------------------------|------------------------------------|------------------|--|
| Year Ending December 31 | Spec. Assess. Bonds Payable | | |
| | Principal | Interest | |
| 2016 | \$ 165,000 | \$ 12,908 | |
| 2017 | 165,000 | 10,148 | |
| 2018 | 170,000 | 7,011 | |
| 2019 | 160,000 | 3,827 | |
| 2020 | 35,000 | 2,050 | |
| 2021-2025 | 85,000 | 850 | |
| Total | \$ 780,000 | \$ 36,794 | |

Rush River Water Resource Districts Bonds Payable:

| Year Ending December 31 | GOVERNMENTAL ACTIVITIES | | | |
|----------------------------|-----------------------------|------------|---------------|----------|
| | Spec. Assess. Bonds Payable | | Loans Payable | |
| | Principal | Interest | Principal | Interest |
| 2016 | \$ 325,000 | \$ 103,174 | \$ 48,117 | \$ 3,060 |
| 2017 | 335,000 | 95,980 | 48,842 | 1,770 |
| 2018 | 340,000 | 88,075 | 53,041 | 603 |
| 2019 | 280,000 | 80,855 | | |
| 2020 | 275,000 | 74,377 | | |
| 2021 - 2025 | 850,000 | 287,713 | | |
| 2026 - 2030 | 825,000 | 155,598 | | |
| 2031 - 2035 | 445,000 | 21,290 | | |
| Total | \$ 3,675,000 | \$ 907,062 | \$ 150,000 | \$ 5,433 |

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, 2015, there were 38 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$256,886,200.

NOTE 10: CHANGE IN ACCOUNTING PRINCIPLE

Net position as of January 1, 2015, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*.

The result of implementing GASB 68 resulted in a reduction to beginning net position.

Primary Government:

| Governmental Activities | Amounts |
|--|----------------|
| Beginning Net Position, as previously reported | \$ 149,954,392 |
| Adjustments to restate January 1, 2015 Net Position: | |
| Net Pension Liability | (15,310,961) |
| Deferred Outflows of Resources Related to Pensions | 1,392,892 |
| Deferred Inflows of Resources Related to Pensions | (2,988,762) |
| Net Position January 1, as restated | \$ 133,047,561 |

Component Units:

Southeast Cass Water Resource District

| Governmental Activities | Amounts |
|--|----------------|
| Beginning Net Position, as previously reported | \$ 108,675,835 |
| Adjustments to restate January 1, 2015 Net Position: | |
| Net Pension Liability | (85,238) |
| Deferred Outflows of Resources Related to Pensions | 10,007 |
| Deferred Inflows of Resources Related to Pensions | (16,639) |
| Net Position January 1, as restated | \$ 108,583,966 |

Maple River Water Resource District

| Governmental Activities | Amounts |
|--|----------------|
| Beginning Net Position, as previously reported | \$ 14,246,549 |
| Adjustments to restate January 1, 2015 Net Position: | |
| Net Pension Liability | (28,413) |
| Deferred Outflows of Resources Related to Pensions | 3,336 |
| Deferred Inflows of Resources Related to Pensions | (5,546) |
| Net Position January 1, as restated | \$ 14,215,926 |

North Cass Water Resource District

| Governmental Activities | Amounts |
|--|----------------|
| Beginning Net Position, as previously reported | \$ 5,555,603 |
| Adjustments to restate January 1, 2015 Net Position: | |
| Net Pension Liability | (11,365) |
| Deferred Outflows of Resources Related to Pensions | 1,334 |
| Deferred Inflows of Resources Related to Pensions | (2,218) |
| Net Position January 1, as restated | \$ 5,543,354 |

Rush River Cass Water Resource District

| Governmental Activities | Amounts |
|--|----------------|
| Beginning Net Position, as previously reported | \$ 10,216,048 |
| Adjustments to restate January 1, 2015 Net Position: | |
| Bond Discount | (3,966) |
| Net Pension Liability | (17,048) |
| Deferred Outflows of Resources Related to Pensions | 2,001 |
| Deferred Inflows of Resources Related to Pensions | (3,328) |
| Net Position January 1, as restated | \$ 10,193,709 |

Noxious Weed Control District

| Governmental Activities | Amounts |
|--|----------------|
| Beginning Net Position, as previously reported | \$ 297,274 |
| Adjustments to restate January 1, 2015 Net Position: | |
| Net Pension Liability | (47,783) |
| Deferred Outflows of Resources Related to Pensions | 4,300 |
| Deferred Inflows of Resources Related to Pensions | (9,327) |
| Net Position January 1, as restated | \$ 244,464 |

Vector Control District

| Governmental Activities | Amounts |
|--|----------------|
| Beginning Net Position, as previously reported | \$ 285,541 |
| Adjustments to restate January 1, 2015 Net Position: | |
| Net Pension Liability | (92,824) |
| Deferred Outflows of Resources Related to Pensions | 8,340 |
| Deferred Inflows of Resources Related to Pensions | (18,120) |
| Net Position January 1, as restated | \$ 182,938 |

NOTE 11: PENSION PLANS**General Information about the NDPERS Pension Plan****North Dakota Public Employees Retirement System (Main System)**

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is finance through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of seven members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system; and one member elected by the retired public employees.

Pension Benefits

Benefits are set by statute. NDPERS has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). The annual pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition of disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently re-employed, they have the option of repurchasing their previous service.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

| | |
|----------------------------------|--|
| 1 to 12 months of service | Greater of one percent of monthly salary or \$25 |
| 13 to 25 months of service | Greater of two percent of monthly salary or \$25 |
| 26 to 36 months of service | Greater of three percent of monthly salary or \$25 |
| Longer than 36 months of service | Greater of four percent of monthly salary or \$25 |

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of covered compensation. Member contribution rates are 7% and employer contributions rates are 7.12% of covered compensation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the county and its component units reported a liability for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on the share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers.

The table shows the primary government and the component units Net Pension Liability and the proportion share.

| | Net Pension Liability | Proportion Share |
|----------------------------|-----------------------|------------------|
| Primary Government: | | |
| County | \$15,746,526 | 2.315% |
| Component Units: | | |
| Southeast Cass WRD | 92,018 | .01353% |
| Maple River WRD | 30,673 | .00451% |
| North Cass WRD | 12,269 | .00180% |
| Rush River WRD | 18,404 | .00270% |
| Noxious Weed Control | 49,142 | .00722% |
| Vector Control | 95,464 | .01403% |

For the year ended December 31, 2015, the county and its component units recognized pension expense as follows:

| | Pension Expense |
|----------------------------|-----------------|
| Primary Government: | |
| County | \$1,380,213 |
| Component Units: | |
| Southeast Cass WRD | 8,871 |
| Maple River WRD | 2,957 |
| North Cass WRD | 1,183 |
| Rush River WRD | 1,774 |
| Noxious Weed Control | 4,307 |
| Vector Control | 8,368 |

At December 31, 2015, the county and its component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

Primary Government:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 456,827 | \$ - |
| Change of Assumptions | | 1,402,941 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | 332,406 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | | 601,750 |
| Contributions Subsequent to the Measurement Date | 906,356 | |
| Total | \$ 1,363,183 | \$ 2,337,097 |

Component Units:**Southeast Cass Water Resource District**

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 2,669 | \$ - |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 635 | |
| Change of Assumptions | | 8,198 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | 1,942 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | | 137 |
| Contributions Subsequent to the Measurement Date | 8,455 | |
| Total | \$ 11,759 | \$ 10,278 |

Maple River Water Resource District

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 890 | \$ - |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 212 | |
| Change of Assumptions | | 2,733 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | 647 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | | 46 |
| Contributions Subsequent to the Measurement Date | 2,818 | |
| Total | \$ 3,920 | \$ 3,426 |

North Cass Water Resource District

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 356 | \$ - |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 85 | |
| Change of Assumptions | | 1,093 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | 259 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | | 18 |
| Contributions Subsequent to the Measurement Date | 1,127 | |
| Total | \$ 1,568 | \$ 1,370 |

Rush River Water Resource District

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 534 | \$ - |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 127 | |
| Change of Assumptions | | 1,640 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | 388 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | | 27 |
| Contributions Subsequent to the Measurement Date | 1,691 | |
| Total | \$ 2,352 | \$ 2,056 |

Noxious Weed Control District

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 1,426 | \$ - |
| Change of Assumptions | | 4,378 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | 1,037 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | | 1,878 |
| Contributions Subsequent to the Measurement Date | 2,846 | |
| Total | \$ 4,271 | \$ 7,294 |

Vector Control District

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 2,770 | \$ - |
| Change of Assumptions | | 8,505 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | 2,015 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | | 3,649 |
| Contributions Subsequent to the Measurement Date | 5,574 | |
| Total | \$ 8,343 | \$ 14,169 |

The contributions subsequent to the measurement date for the primary government and its component units will be recognized as a reduction of the net pension liability in the year ended December 31, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expenses as follows.

Primary Government:

| | |
|-------|----------------|
| 2016 | \$ (547,181) |
| 2017 | (547,181) |
| 2018 | (547,181) |
| 2019 | 139,697 |
| 2020 | (378,425) |
| Total | \$ (1,880,270) |

Component Units:

Southeast Cass Water Resource District

| | |
|-------|------------|
| 2016 | \$ (2,392) |
| 2017 | (2,392) |
| 2018 | (2,392) |
| 2019 | 1,622 |
| 2020 | (1,421) |
| Total | \$ (6,974) |

Maple River Water Resource District

| | |
|-------|------------|
| 2016 | \$ (797) |
| 2017 | (797) |
| 2018 | (797) |
| 2019 | 541 |
| 2020 | (474) |
| Total | \$ (2,324) |

North Cass Water Resource District

| | |
|-------|----------|
| 2016 | \$ (319) |
| 2017 | (319) |
| 2018 | (319) |
| 2019 | 216 |
| 2020 | (189) |
| Total | \$ (930) |

Rush River Water Resource District

| | |
|-------|------------|
| 2016 | \$ (478) |
| 2017 | (478) |
| 2018 | (478) |
| 2019 | 324 |
| 2020 | (284) |
| Total | \$ (1,395) |

Noxious Weed Control District

| | |
|-------|------------|
| 2016 | \$ (1,708) |
| 2017 | (1,708) |
| 2018 | (1,708) |
| 2019 | 436 |
| 2020 | (1,181) |
| Total | \$ (5,868) |

Vector Control District

| | |
|-------|-------------|
| 2016 | \$ (3,317) |
| 2017 | (3,317) |
| 2018 | (3,317) |
| 2019 | 847 |
| 2020 | (2,294) |
| Total | \$ (11,399) |

Actuarial Assumptions

The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

| | |
|----------------------------|-----------------------------------|
| Inflation | 3.50% per annum |
| Salary Increase | 4.50% per annum |
| Investment Rate of Return | 8.00%, net of investment expenses |
| Cost-of-Living Adjustments | None |

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back 2 years for males and 3 years for females. For disabled retirees, mortality rates are based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

The actuarial assumptions used were based on the results of an actuarial experience study completed in May 2015. They are the same as the assumptions used in the June 30, 2015 funding actuarial valuation for NDPERS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------------|-------------------|--|
| Domestic Equity | 31% | 6.90% |
| International Equity | 21% | 7.55% |
| Private Equity | 5% | 11.30% |
| Domestic Fixed Income | 17% | 1.52% |
| International Fixed Income | 5% | .45% |
| Global Real Assets | 20% | 5.38% |
| Cash Equivalents | 1% | 0.00% |

Discount Rate

The discount rate used to measure the total pension liability was 8 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the July 1, 2015, Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate.

| | 1% | Current Discount Rate (8%) | 1% |
|--|---------------|----------------------------------|---------------|
| District's Proportionate Share of the Net Pension Liability | Decrease (7%) | | Increase (9%) |
| Primary Government | \$ 24,146,510 | \$ 15,746,526 | \$ 8,873,821 |
| Component Units: | | | |
| Southeast Cass Water Resource District | 141,105 | 92,018 | 51,856 |
| Maple River Water Resource District | 47,035 | 30,673 | 17,285 |
| North Cass Water Resource District | 18,814 | 12,269 | 6,914 |
| Rush River Water Resource District | 28,221 | 18,404 | 10,371 |
| Noxious Weed Control District | 75,357 | 49,142 | 27,694 |
| Vector Control District | 146,390 | 95,464 | 53,798 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued NDPERS financial report. It is located in the North Dakota Public Employees Retirement System Comprehensive Annual Financial report for the fiscal year ended June 30, 2015. The supporting actuarial information is included in the July 1, 2015, GASB Statements No. 67 and 68 Accounting and Financial Reporting for Pensions actuarial valuation for each retirement plan. Additional financial and actuarial information is available on their website, www.nd.gov/ndpers, or may be obtained by contacting the agency at: North Dakota Public Employees Retirement System, 400 E Broadway Ave Suite 505, P.O. Box 1657, Bismarck, ND, 58502-1657 or by calling (701) 328-3900.

NOTE 12: 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 (NDRIF), 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 NDRIF for its general liability, auto, and inland marine insurance coverage. The coverage by NDRIF 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 13: 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 biennium's. 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 14: CONSTRUCTION COMMITMENTS

The County has the following open construction contracts with balances owing at December 31, 2015:

| Project | Contract Amount | Total Completed | Retainage | Remaining Balance |
|---------------------------------------|----------------------|---------------------|-------------------|-------------------|
| C15 Grading | \$ 1,105,994 | \$ 1,103,773 | \$ 22,075 | \$ 24,296 |
| 2014 Bit Overlay | 5,650,825 | 5,065,269 | 101,305 | 686,862 |
| C3 & C4 Bit Overlay | 2,257,045 | 2,185,312 | 43,706 | 115,439 |
| Durbin Twp Bridge | 1,200,690 | 1,189,021 | 11,890 | 23,559 |
| Normanna Bridge | 151,690 | 96,218 | 1,924 | 57,397 |
| Total Construction Commitments | \$ 10,366,244 | \$ 9,639,593 | \$ 180,902 | \$ 907,553 |

Cass County Government

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
 ND Public Employees Retirement System
 Last Ten Fiscal Years

| <u>Year Ended *</u> | <u>Proportion of the Net Pension Liability</u> | <u>Proportionate Share of the Net Pension Liability(Asset)</u> | <u>Member Covered Payroll</u> | <u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u> | <u>Fiduciary Net Position as a Percentage of Total Pension Liability</u> |
|---|--|--|-------------------------------|---|--|
| Primary Government | | | | | |
| 12/31/2015 | 2.31570% | \$ 15,746,526 | \$ 20,630,293 | 76.33% | 77.15% |
| 12/31/2014 | 2.41223% | 15,310,961 | 20,320,152 | 75.35% | 77.70% |
| <u>Component Units:</u> | | | | | |
| Southeast Cass Water Resource District | | | | | |
| 12/31/2015 | 0.01353% | \$ 92,018 | \$ 120,559 | 76.33% | 77.15% |
| 12/31/2014 | 0.01343% | 85,238 | 113,123 | 75.35% | 77.70% |
| Maple River Water Resource District | | | | | |
| 12/31/2015 | 0.00451% | \$ 30,673 | \$ 40,186 | 76.33% | 77.15% |
| 12/31/2014 | 0.00448% | 28,413 | 37,708 | 75.35% | 77.70% |
| North Cass Water Resource District | | | | | |
| 12/31/2015 | 0.00180% | \$ 12,269 | \$ 16,074 | 76.33% | 77.15% |
| 12/31/2014 | 0.00179% | 11,365 | 15,083 | 75.35% | 77.70% |
| Rush River Water Resource District | | | | | |
| 12/31/2015 | 0.00271% | \$ 18,404 | \$ 24,112 | 76.33% | 77.15% |
| 12/31/2014 | 0.00269% | 17,048 | 22,625 | 75.35% | 77.70% |
| Noxious Weed Control District | | | | | |
| 12/31/2015 | 0.00723% | \$ 49,142 | \$ 64,384 | 76.33% | 77.15% |
| 12/31/2014 | 0.00753% | 47,783 | 63,416 | 75.35% | 77.70% |
| Vector Control District | | | | | |
| 12/31/2015 | 0.01404% | \$ 95,464 | \$ 125,072 | 76.33% | 77.15% |
| 12/31/2014 | 0.01462% | 92,824 | 123,192 | 75.35% | 77.70% |

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Cass County Government

Schedule of Employer Contributions
ND Public Employees Retirement System
Last Ten Fiscal Years

| Year Ended * | Statutorily Required Contributions | Actual Employer Contributions | Contribution Excess/ (Deficiency) | Actual Covered Member Payroll | Contributions as a Percentage of Covered Payroll |
|---|------------------------------------|-------------------------------|-----------------------------------|-------------------------------|--|
| Primary Government | | | | | |
| 12/31/2015 | \$ 1,468,877 | \$ 1,468,877 | \$ - | \$ 20,630,293 | 7.12% |
| 12/31/2014 | 1,446,795 | 1,446,795 | - | 20,320,152 | 7.12% |
| Component Units: | | | | | |
| Southeast Cass Water Resource District | | | | | |
| 12/31/2015 | \$ 8,584 | \$ 8,584 | \$ - | \$ 120,559 | 7.12% |
| 12/31/2014 | 8,054 | 8,054 | - | 113,123 | 7.12% |
| Maple River Water Resource District | | | | | |
| 12/31/2015 | \$ 2,861 | \$ 2,861 | \$ - | \$ 40,186 | 7.12% |
| 12/31/2014 | 2,865 | 2,865 | - | 37,708 | 7.12% |
| North Cass Water Resource District | | | | | |
| 12/31/2015 | \$ 1,145 | \$ 1,145 | \$ - | \$ 16,074 | 7.12% |
| 12/31/2014 | 1,074 | 1,074 | - | 15,083 | 7.12% |
| Rush River Water Resource District | | | | | |
| 12/31/2015 | \$ 1,717 | \$ 1,717 | \$ - | \$ 24,112 | 7.12% |
| 12/31/2014 | 1,611 | 1,611 | - | 22,625 | 7.12% |
| Noxious Weed Control District | | | | | |
| 12/31/2015 | \$ 4,584 | \$ 4,584 | \$ - | \$ 64,384 | 7.12% |
| 12/31/2014 | 4,515 | 4,515 | - | 63,416 | 7.12% |
| Vector Control District | | | | | |
| 12/31/2015 | \$ 8,905 | \$ 8,905 | \$ - | \$ 125,072 | 7.12% |
| 12/31/2014 | 8,771 | 8,771 | - | 123,192 | 7.12% |

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
December 31, 2015

| | Parenting Workshop | Sheriff Asset Forfeiture | JAIBG Fund | Jail Commissary |
|--|-----------------------|--------------------------------|------------------|--------------------|
| <u>Assets:</u> | | | | |
| Cash and cash equivalents | \$ 42,370 | \$ 157,586 | \$ 66,986 | \$ 492,933 |
| Receivables: | | | | |
| Taxes | - | - | - | - |
| Accounts | 665 | - | - | - |
| Due From Other Funds | - | - | - | - |
| Prepaid Items | - | - | - | 83 |
| Due From Other Governments | - | 18,765 | - | 10,480 |
| Total Assets | <u>43,035</u> | <u>176,350</u> | <u>66,986</u> | <u>503,496</u> |
| <u>Liabilities:</u> | | | | |
| Accounts Payable | - | 50,083 | 650 | 7,404 |
| Due to Other Funds | - | - | - | - |
| Due to Inmates/Permits/Drug Cases | - | 79,827 | - | 55,581 |
| Total Liabilities | <u>-</u> | <u>129,910</u> | <u>650</u> | <u>62,985</u> |
| <u>Deferred Inflows of Resources:</u> | | | | |
| Taxes Receivable | - | - | - | - |
| Property Taxes Levied for Subsequent Year | - | - | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Fund Balance:</u> | | | | |
| Nonspendable: | | | | |
| Prepaid Items | - | - | - | 83 |
| Restricted: | | | | |
| Public Safety | - | 46,440 | 66,336 | - |
| Senior Citizens | - | - | - | - |
| Flood Control Projects | - | - | - | - |
| Document Preservation | - | - | - | - |
| County Park | - | - | - | - |
| Committed: | | | | |
| Public Safety | - | - | - | 440,428 |
| Parenting Workshop | 43,035 | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | <u>43,035</u> | <u>46,440</u> | <u>66,336</u> | <u>440,511</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | <u>\$ 43,035</u> | <u>\$ 176,350</u> | <u>\$ 66,986</u> | <u>\$ 503,496</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> |
|---|------------------------------------|---|----------------------------|------------------------|---|
| \$ 35,001 | \$ 13,474 | \$ 177,280 | \$ 315,971 | \$ - | \$ 2,816,739 |
| - | - | - | 4,560 | - | 13,271 |
| - | - | - | - | 309,501 | - |
| - | - | - | - | - | 3,750 |
| - | - | - | - | - | - |
| - | - | 5,891 | - | - | - |
| <u>35,001</u> | <u>13,474</u> | <u>183,171</u> | <u>320,531</u> | <u>309,501</u> | <u>2,833,759</u> |
| - | 6,544 | - | - | 53,289 | - |
| - | - | - | - | 252,170 | - |
| - | - | - | - | - | - |
| - | 6,544 | - | - | 305,458 | - |
| - | - | - | 4,560 | - | 13,271 |
| - | - | - | 186,388 | - | 536,798 |
| - | - | - | 190,948 | - | 550,069 |
| - | - | - | - | - | - |
| 35,001 | - | 183,171 | - | - | - |
| - | - | - | 129,583 | - | - |
| - | - | - | - | - | 2,283,691 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 6,929 | - | - | 4,043 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>35,001</u> | <u>6,929</u> | <u>183,171</u> | <u>129,583</u> | <u>4,043</u> | <u>2,283,691</u> |
| <u>\$ 35,001</u> | <u>\$ 13,474</u> | <u>\$ 183,171</u> | <u>\$ 320,531</u> | <u>\$ 309,501</u> | <u>\$ 2,833,759</u> |

Continued on next page

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
December 31, 2015

| | NDRIN County Recorder Project | Document Preservation ROD | County Park | 24/7 Sobriety Program | Total Nonmajor Special Revenue Funds |
|--|-------------------------------------|---------------------------------|------------------|-----------------------------|--|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 1,553,886 | \$ 314,443 | \$ 85,482 | \$ 170,782 | \$ 6,242,931 |
| Receivables: | | | | | |
| Taxes | - | - | 223 | - | 18,054 |
| Accounts | 5,306 | - | - | - | 315,472 |
| Due From Other Funds | - | - | - | - | 3,750 |
| Prepaid Items | 550 | 131,149 | - | 681 | 132,463 |
| Due From Other Governments | - | 429 | 1,391 | - | 36,956 |
| Total Assets | 1,559,743 | 446,021 | 87,096 | 171,463 | 6,749,628 |
| Liabilities: | | | | | |
| Accounts Payable | 12,023 | - | 89 | 34,436 | 164,518 |
| Due to Other Funds | - | - | - | - | 252,170 |
| Due to Inmates/Permits/Drug Cases | - | - | - | - | 135,408 |
| Total Liabilities | 12,023 | - | 89 | 34,436 | 552,096 |
| Deferred Inflows of Resources: | | | | | |
| Taxes Receivable | - | - | 223 | - | 18,054 |
| Property Taxes Levied for Subsequent Year | - | - | - | - | 723,186 |
| Total Deferred Inflows of Resources | - | - | 223 | - | 741,240 |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | - |
| Prepaid Items | 550 | 131,149 | - | 681 | 132,463 |
| Restricted: | | | | | - |
| Public Safety | - | - | - | 136,346 | 467,294 |
| Senior Citizens | - | - | - | - | 129,583 |
| Flood Control Projects | - | - | - | - | 2,283,691 |
| Document Preservation | 1,547,170 | 314,872 | - | - | 1,862,042 |
| County Park | - | - | 86,784 | - | 86,784 |
| Committed: | | | | | - |
| Public Safety | - | - | - | - | 451,400 |
| Parenting Workshop | - | - | - | - | 43,035 |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | 1,547,720 | 446,021 | 86,784 | 137,027 | 5,456,292 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | \$ 1,559,743 | \$ 446,021 | \$ 87,096 | \$ 171,463 | \$ 6,749,628 |

Continued from previous page

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - All Debt Service Funds
December 31, 2015

| | Holmen's Third Subdivision | Greyhawk Estates Subdivision | Granberg Amber Plains | 2010 Bond S&I | Special Assessment Deficiency | Total Nonmajor Debt Service Funds |
|---|----------------------------------|------------------------------------|-----------------------------|---------------------|-------------------------------------|---|
| Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 1,808 | \$ 53,385 | \$ 23,236 | \$ 342,274 | \$ 11,190 | \$ 431,893 |
| Receivables: | | | | | | |
| Taxes | - | - | - | 6,781 | - | 6,781 |
| Total Assets | <u>1,808</u> | <u>53,385</u> | <u>23,236</u> | <u>349,055</u> | <u>11,190</u> | <u>438,674</u> |
| Deferred Inflows of Resources: | | | | | | |
| Taxes Receivable | - | - | - | 6,781 | - | 6,781 |
| Property Taxes Levied for Subsequent Year | - | - | - | 232,985 | - | 232,985 |
| Special Assessments Levied for Subsequent Year | 2,012 | 9,961 | 12,396 | - | - | 24,368 |
| Total Deferred Inflows of Resources | <u>2,012</u> | <u>9,961</u> | <u>12,396</u> | <u>239,767</u> | <u>-</u> | <u>264,135</u> |
| Fund Balances: | | | | | | |
| Restricted: | | | | | | |
| Special Assessment Debt | - | 43,425 | 10,839 | - | 11,190 | 65,454 |
| General Obligation Debt | - | - | - | 109,288 | - | 109,288 |
| Unassigned | (204) | - | - | - | - | (204) |
| Total Fund Balances | <u>(204)</u> | <u>43,425</u> | <u>10,839</u> | <u>109,288</u> | <u>11,190</u> | <u>174,539</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 1,808</u> | <u>\$ 53,385</u> | <u>\$ 23,236</u> | <u>\$ 349,055</u> | <u>\$ 11,190</u> | <u>\$ 438,674</u> |

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects Funds
December 31, 2015

| | Forest River Subdivision | Round Hill Subdivision | Greyhawk Estates Subdivision | Granberg Amber Plains | Total Nonmajor Capital Projects Funds |
|---|--------------------------------|------------------------------|------------------------------------|-----------------------------|---|
| <u>ASSETS</u> | | | | | |
| Cash and cash equivalents | \$ 29,613 | \$ 27,480 | \$ 30,980 | \$ 37,145 | \$ 125,218 |
| Accounts Receivable | - | - | - | - | - |
| Total Assets | <u>29,613</u> | <u>27,480</u> | <u>30,980</u> | <u>37,145</u> | <u>125,218</u> |
| <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 | 29,613 | 27,480 | 30,980 | 37,145 | 125,218 |
| Total Fund Balances | <u>29,613</u> | <u>27,480</u> | <u>30,980</u> | <u>37,145</u> | <u>125,218</u> |
| Total Liabilities and Fund Balances | <u>\$ 29,613</u> | <u>\$ 27,480</u> | <u>\$ 30,980</u> | <u>\$ 37,145</u> | <u>\$ 125,218</u> |

CASS COUNTY GOVERNMENT
Combining Balance Sheet
All Nonmajor Governmental Funds
December 31, 2015

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Funds | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|---|---|--|---|---|
| <u>Assets:</u> | | | | |
| Cash and cash equivalents | \$ 6,242,931 | \$ 431,893 | \$ 125,218 | \$ 6,800,041 |
| Receivables: | | | | |
| Taxes | 18,054 | 6,781 | - | 24,835 |
| Accounts | 315,472 | - | - | 315,472 |
| Due From Other Governments | 36,956 | - | - | 36,956 |
| Due From Other Funds | 3,750 | - | - | 3,750 |
| Prepaid Items | 132,463 | - | - | 132,463 |
| | <u>6,749,628</u> | <u>438,674</u> | <u>125,218</u> | <u>7,313,519</u> |
| Total Assets | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts Payable | 164,518 | - | - | 164,518 |
| Due to Other Funds | 252,170 | - | - | 252,170 |
| Due To Inmates/Permits/Drug Cases | 135,408 | - | - | 135,408 |
| | <u>552,096</u> | <u>-</u> | <u>-</u> | <u>552,096</u> |
| Total Liabilities | | | | |
| <u>Deferred Inflows of Resources:</u> | | | | |
| Taxes Receivable | 18,054 | 6,781 | - | 24,835 |
| Property Taxes Levied for Subsequent Year | 723,186 | 232,985 | - | 956,171 |
| Special Assessments Levied for Subsequent Year | - | 24,368 | - | 24,368 |
| | <u>741,240</u> | <u>264,135</u> | <u>-</u> | <u>1,005,375</u> |
| Total Deferred Inflows of Resources | | | | |
| <u>Fund Balances:</u> | | | | |
| Nonspendable: | | | | |
| Prepaid Items | 132,463 | - | - | 132,463 |
| Restricted: | | | | |
| Public Safety | 467,294 | - | - | 467,294 |
| Senior Citizens | 129,583 | - | - | 129,583 |
| Flood Control Projects | 2,283,691 | - | - | 2,283,691 |
| Document Preservation | 1,862,042 | - | - | 1,862,042 |
| County Park | 86,784 | - | - | 86,784 |
| Special Assessment Debt | - | 65,454 | - | 65,454 |
| General Obligation Debt | - | 109,288 | - | 109,288 |
| Committed: | | | | |
| Public Safety | 451,400 | - | - | 451,400 |
| Parenting Workshop | 43,035 | - | - | 43,035 |
| Special Assessment Projects | - | - | 125,218 | 125,218 |
| Unassigned | - | (204) | - | (204) |
| | <u>5,456,292</u> | <u>174,539</u> | <u>125,218</u> | <u>5,756,048</u> |
| Total Fund Balances | | | | |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 6,749,628</u> | <u>\$ 438,674</u> | <u>\$ 125,218</u> | <u>\$ 7,313,519</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, 2015

| | Parenting Workshop | Sheriff Asset Forfeiture | JAIBG Fund |
|--|------------------------|--------------------------------|------------------------|
| <u>Revenues:</u> | | | |
| Property Taxes | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | 132,382 | - |
| Charges for Services | 11,704 | - | - |
| Miscellaneous Revenues | 102 | 68,138 | 3,717 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | 11,806 | 200,520 | 3,717 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| General Government | - | - | - |
| Public Safety | - | 162,847 | 2,748 |
| Culture and Recreation | - | - | - |
| Conservation & Econ. Development | 12,400 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 12,400 | 162,847 | 2,748 |
| Excess (deficiency) of Revenues Over (Under) Expenditures | <hr/> (593) | <hr/> 37,673 | <hr/> 969 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers In | - | - | - |
| Transfers Out | <hr/> - | <hr/> - | <hr/> - |
| Total Other Financing Sources and (Uses) | <hr/> - | <hr/> - | <hr/> - |
| Net change in fund balances | <hr/> (593) | <hr/> 37,673 | <hr/> 969 |
| Fund Balance - Beginning | <hr/> 43,629 | <hr/> 8,767 | <hr/> 65,367 |
| Fund Balance - Ending | <hr/> <u>\$ 43,035</u> | <hr/> <u>\$ 46,440</u> | <hr/> <u>\$ 66,336</u> |

| Jail Commissary | Hazardous Plan/ Response | Valley Water Rescue | St. Atty Asset Forfeiture | Senior Citizens | 911 Service |
|--------------------|--------------------------------|---------------------------|------------------------------|--------------------|------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 585,525 | \$ - |
| - | - | - | - | 466,605 | - |
| 260,404 | - | - | - | - | 2,883,006 |
| 1,019 | 7,072 | 44,376 | 12,382 | 293 | - |
| <u>261,423</u> | <u>7,072</u> | <u>44,376</u> | <u>12,382</u> | <u>1,052,423</u> | <u>2,883,006</u> |
| - | - | - | - | - | - |
| 162,361 | 10,111 | 56,660 | - | - | 2,919,122 |
| - | - | - | - | 1,023,421 | - |
| - | - | - | - | - | - |
| <u>162,361</u> | <u>10,111</u> | <u>56,660</u> | <u>-</u> | <u>1,023,421</u> | <u>2,919,122</u> |
| <u>99,061</u> | <u>(3,039)</u> | <u>(12,284)</u> | <u>12,382</u> | <u>29,002</u> | <u>(36,116)</u> |
| - | - | - | - | - | 40,000 |
| - | - | - | (41,350) | - | - |
| - | - | - | (41,350) | - | 40,000 |
| <u>99,061</u> | <u>(3,039)</u> | <u>(12,284)</u> | <u>(28,968)</u> | <u>29,002</u> | <u>3,884</u> |
| <u>341,450</u> | <u>38,040</u> | <u>19,213</u> | <u>212,140</u> | <u>100,581</u> | <u>159</u> |
| <u>\$ 440,511</u> | <u>\$ 35,001</u> | <u>\$ 6,929</u> | <u>\$ 183,171</u> | <u>\$ 129,583</u> | <u>\$ 4,043</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, 2015

| | Emergency & Flood Mitigation | NDRIN - County Recorders | Document Preservation Fund |
|--|------------------------------------|--------------------------------|----------------------------------|
| <u>Revenues:</u> | | | |
| Property Taxes | \$ 1,686,975 | \$ - | \$ - |
| Intergovernmental Revenues | - | - | - |
| Charges for Services | - | 1,289,151 | 190,349 |
| Miscellaneous Revenues | 7,652 | 4,962 | 821 |
| Total Revenues | 1,694,627 | 1,294,113 | 191,170 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| General Government | - | 1,334,952 | 26,733 |
| Public Safety | - | - | - |
| Culture and Recreation | - | - | - |
| Conservation & Econ. Development | - | - | - |
| Total Expenditures | - | 1,334,952 | 26,733 |
| Excess (deficiency) of Revenues Over (Under) Expenditures | 1,694,627 | (40,839) | 164,437 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers In | - | - | - |
| Transfers Out | (1,274,812) | - | - |
| Total Other Financing Sources and (Uses) | (1,274,812) | - | - |
| Net change in fund balances | 419,815 | (40,839) | 164,437 |
| Fund Balance - Beginning | 1,863,876 | 1,588,559 | 281,583 |
| Fund Balance - Ending | \$ 2,283,691 | \$ 1,547,720 | \$ 446,021 |

Continued from previous page

| County Park | 24/7 Sobriety Program | Total Nonmajor Special Revenue Funds |
|------------------|-----------------------------|--|
| \$ 27,780 | \$ - | \$ 2,300,280 |
| 15,768 | - | 614,755 |
| 15,788 | 460,008 | 5,110,410 |
| 201 | 341 | 151,074 |
| <u>59,537</u> | <u>460,349</u> | <u>8,176,520</u> |
| - | - | 1,361,684 |
| - | 411,277 | 3,725,126 |
| 42,356 | - | 1,065,777 |
| - | - | 12,400 |
| <u>42,356</u> | <u>411,277</u> | <u>6,164,987</u> |
| <u>17,182</u> | <u>49,072</u> | <u>2,011,533</u> |
| - | - | 40,000 |
| - | - | (1,316,162) |
| - | - | (1,276,162) |
| <u>17,182</u> | <u>49,072</u> | <u>735,370</u> |
| <u>69,602</u> | <u>87,955</u> | <u>4,720,920</u> |
| <u>\$ 86,784</u> | <u>\$ 137,027</u> | <u>\$ 5,456,292</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, 2015

| | 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 | \$ 5,799 | \$ 30,964 | \$ 32,330 | \$ - | \$ 849,794 | \$ 918,888 |
| Intergovernmental Revenues | - | - | - | - | 94,446 | 94,446 |
| Miscellaneous Revenues | 9 | 113 | 48 | 26 | 635 | 831 |
| Total Revenues | 5,808 | 31,078 | 32,379 | 26 | 944,876 | 1,014,166 |
| <u>Expenditures:</u> | | | | | | |
| <u>Debt Service:</u> | | | | | | |
| Principal | 7,606 | 25,000 | 25,000 | - | 710,000 | 767,606 |
| Interest | 745 | 5,956 | 8,125 | - | 225,825 | 240,652 |
| Fiscal Charges | - | 1,167 | 1,215 | - | 400 | 2,782 |
| Total Expenditures | 8,351 | 32,123 | 34,340 | - | 936,225 | 1,011,040 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,544) | (1,045) | (1,961) | 26 | 8,651 | 3,126 |
| <u>Other Financing Sources (Uses):</u> | | | | | | |
| Transfers In | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - |
| Total Other Financing Sources and (Uses) | - | - | - | - | - | - |
| Net Change in Fund Balances | (2,544) | (1,045) | (1,961) | 26 | 8,651 | 3,126 |
| Fund Balance - Beginning | 2,340 | 44,470 | 12,801 | 11,165 | 100,637 | 171,413 |
| Fund Balance - Ending | \$ (204) | \$ 43,425 | \$ 10,839 | \$ 11,190 | \$ 109,288 | \$ 174,539 |

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, 2015

| | 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 | \$ 68 | \$ 63 | \$ 71 | \$ 85 | \$ 287 |
| Total Revenues | <u>68</u> | <u>63</u> | <u>71</u> | <u>85</u> | <u>287</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>68</u> | <u>63</u> | <u>71</u> | <u>85</u> | <u>287</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>68</u> | <u>63</u> | <u>71</u> | <u>85</u> | <u>287</u> |
| Fund Balance - Beginning | <u>29,545</u> | <u>27,417</u> | <u>30,909</u> | <u>37,060</u> | <u>124,931</u> |
| Fund Balance - Ending | <u>\$ 29,613</u> | <u>\$ 27,480</u> | <u>\$ 30,980</u> | <u>\$ 37,145</u> | <u>\$ 125,218</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, 2015

| | Special Revenue Funds | Debt Service Funds | Capital Project Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|--------------------------|-----------------------------|---|
| <u>Revenues</u> | | | | |
| Taxes: | | | | |
| Property | \$ 2,300,280 | \$ 918,888 | \$ - | \$ 3,219,168 |
| Intergovernmental Revenues | 614,755 | 94,446 | - | 709,201 |
| Charges for Services | 5,110,410 | - | - | 5,110,410 |
| Miscellaneous Revenues | 151,074 | 831 | 287 | 152,193 |
| Total Revenues | 8,176,520 | 1,014,166 | 287 | 9,190,972 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General Government | 1,361,684 | - | - | 1,361,684 |
| Public Safety | 3,725,126 | - | - | 3,725,126 |
| Culture and Recreation | 1,065,777 | - | - | 1,065,777 |
| Conservation & Economic Development | 12,400 | - | - | 12,400 |
| Debt service: | | | | |
| Principal Retirement | - | 767,606 | - | 767,606 |
| Interest | - | 240,652 | - | 240,652 |
| Fiscal Charges | - | 2,782 | - | 2,782 |
| Total Expenditures | 6,164,987 | 1,011,040 | - | 7,176,027 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,011,533 | 3,126 | 287 | 2,014,945 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | 40,000 | - | - | 40,000 |
| Transfers Out | (1,316,162) | - | - | (1,316,162) |
| Total of Other Financing Uses | (1,276,162) | - | - | (1,276,162) |
| Net Change in Fund Balances | 735,370 | 3,126 | 287 | 738,783 |
| Fund Balances - Beginning | 4,720,920 | 171,413 | 124,931 | 5,017,264 |
| Fund Balances - Ending | \$ 5,456,289 | \$ 174,539 | \$ 125,218 | \$ 5,756,047 |

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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, 2015

| | 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 | 11,704 | (3,796) |
| Miscellaneous Revenues | 30 | 30 | 102 | 72 |
| Total Revenues | <u>15,530</u> | <u>15,530</u> | <u>11,806</u> | <u>(3,724)</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Safety | - | - | - | - |
| Culture and Recreation | - | - | - | - |
| Conservation & Econ. Development | 20,000 | 20,000 | 12,400 | 7,600 |
| Total Expenditures | <u>20,000</u> | <u>20,000</u> | <u>12,400</u> | <u>7,600</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(4,470)</u> | <u>(4,470)</u> | <u>(594)</u> | <u>3,876</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(4,470)</u> | <u>(4,470)</u> | <u>(594)</u> | <u>3,876</u> |
| Fund Balance - Beginning | <u>43,629</u> | <u>43,629</u> | <u>43,629</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 39,159</u> | <u>\$ 39,159</u> | <u>\$ 43,035</u> | <u>\$ 3,876</u> |

| 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 | 113,617 | 132,382 | 18,765 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 50,200 | 71,878 | 68,138 | (3,740) | - | 3,478 | 3,717 | 239 |
| 100,200 | 185,495 | 200,520 | 15,025 | - | 3,478 | 3,717 | 239 |
| - | - | - | - | - | - | - | - |
| 56,110 | 79,863 | 162,847 | (82,984) | - | 2,300 | 2,748 | (448) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 56,110 | 79,863 | 162,847 | (82,984) | - | 2,300 | 2,748 | (448) |
| 44,090 | 105,632 | 37,673 | (67,959) | - | 1,178 | 969 | (208) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 44,090 | 105,632 | 37,673 | (67,959) | - | 1,178 | 969 | (208) |
| 8,767 | 8,767 | 8,767 | - | 65,367 | 65,367 | 65,367 | - |
| \$ 52,857 | \$ 114,399 | \$ 46,440 | \$ (67,959) | \$ 65,367 | \$ 66,545 | \$ 66,337 | \$ (208) |

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, 2015

| | Jail Commissary | | | Variance With Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | - | - | - |
| Charges for Services | 160,000 | 237,725 | 260,404 | 22,679 |
| Miscellaneous Revenues | 600 | 850 | 1,019 | 169 |
| Total Revenues | <u>160,600</u> | <u>238,575</u> | <u>261,423</u> | <u>22,848</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Safety | 138,116 | 157,016 | 162,361 | (5,345) |
| Culture and Recreation | - | - | - | - |
| Conservation & Econ. Development | - | - | - | - |
| Total Expenditures | <u>138,116</u> | <u>157,016</u> | <u>162,361</u> | <u>(5,345)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>22,484</u> | <u>81,559</u> | <u>99,062</u> | <u>17,504</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>22,484</u> | <u>81,559</u> | <u>99,062</u> | <u>17,504</u> |
| Fund Balance - Beginning | <u>341,450</u> | <u>341,450</u> | <u>341,450</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 363,934</u> | <u>\$ 423,009</u> | <u>\$ 440,511</u> | <u>\$ 17,504</u> |

Continued from previous page

| Hazardous Plan/Response | | | | Valley Water Rescue | | | |
|-------------------------|-----------|-----------|--|---------------------|----------|----------|--|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 6,000 | 6,664 | 7,072 | 408 | 42,706 | 44,387 | 44,376 | (11) |
| 6,000 | 6,664 | 7,072 | 408 | 42,706 | 44,387 | 44,376 | (11) |
| - | - | - | - | - | - | - | - |
| 6,000 | 12,588 | 10,111 | 2,477 | 43,500 | 54,240 | 56,660 | (2,420) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 6,000 | 12,588 | 10,111 | 2,477 | 43,500 | 54,240 | 56,660 | (2,420) |
| - | (5,924) | (3,039) | 2,885 | (794) | (9,853) | (12,284) | (2,431) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | (5,924) | (3,039) | 2,885 | (794) | (9,853) | (12,284) | (2,431) |
| 38,040 | 38,040 | 38,040 | - | 19,213 | 19,213 | 19,213 | - |
| \$ 38,040 | \$ 32,116 | \$ 35,001 | \$ 2,885 | \$ 18,419 | \$ 9,360 | \$ 6,929 | \$ (2,431) |

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, 2015

| | States Attorney Asset Forfeiture | | | Variance With Final Budget Positive (Negative) |
|--|----------------------------------|-------------------|-------------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | - | - | - |
| Charges for Services | - | - | - | - |
| Miscellaneous Revenues | 15,300 | 15,300 | 12,382 | (2,918) |
| Total Revenues | 15,300 | 15,300 | 12,382 | (2,918) |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Safety | 3,000 | 3,000 | - | 3,000 |
| Culture and Recreation | - | - | - | - |
| Conservation & Econ. Development | - | - | - | - |
| Total Expenditures | 3,000 | 3,000 | - | 3,000 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 12,300 | 12,300 | 12,382 | 82 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | (41,350) | (41,350) | (41,350) | - |
| Total Other Financing Sources (Uses) | (41,350) | (41,350) | (41,350) | - |
| | | | | |
| Net Change in Fund Balances | (29,050) | (29,050) | (28,968) | 82 |
| Fund Balance - Beginning | 212,140 | 212,140 | 212,140 | - |
| Fund Balance - Ending | <u>\$ 183,090</u> | <u>\$ 183,090</u> | <u>\$ 183,171</u> | <u>\$ 82</u> |

Continued from previous page

| Senior Citizens | | | | 911 Service | | | |
|-------------------|-------------------|-------------------|--|------------------|------------------|------------------|--|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ 579,853 | \$ 579,853 | \$ 585,525 | \$ 5,672 | \$ - | \$ - | \$ - | \$ - |
| 466,605 | 466,605 | 466,605 | - | - | - | - | - |
| - | - | - | - | 364,000 | 2,864,350 | 2,883,006 | 18,656 |
| 160 | 160 | 293 | 133 | - | - | - | - |
| <u>1,046,618</u> | <u>1,046,618</u> | <u>1,052,423</u> | <u>5,806</u> | <u>364,000</u> | <u>2,864,350</u> | <u>2,883,006</u> | <u>18,656</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 364,355 | 2,918,300 | 2,919,122 | (822) |
| 1,023,421 | 1,023,421 | 1,023,421 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>1,023,421</u> | <u>1,023,421</u> | <u>1,023,421</u> | <u>-</u> | <u>364,355</u> | <u>2,918,300</u> | <u>2,919,122</u> | <u>(822)</u> |
| <u>23,197</u> | <u>23,197</u> | <u>29,002</u> | <u>5,806</u> | <u>(355)</u> | <u>(53,950)</u> | <u>(36,116)</u> | <u>17,834</u> |
| - | - | - | - | 70,000 | 64,000 | 40,000 | (24,000) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 70,000 | 64,000 | 40,000 | (24,000) |
| <u>23,197</u> | <u>23,197</u> | <u>29,002</u> | <u>5,806</u> | <u>69,645</u> | <u>10,050</u> | <u>3,885</u> | <u>(6,166)</u> |
| <u>100,581</u> | <u>100,581</u> | <u>100,581</u> | <u>-</u> | <u>159</u> | <u>159</u> | <u>159</u> | <u>-</u> |
| <u>\$ 123,778</u> | <u>\$ 123,778</u> | <u>\$ 129,583</u> | <u>\$ 5,806</u> | <u>\$ 69,804</u> | <u>\$ 10,209</u> | <u>\$ 4,043</u> | <u>\$ (6,166)</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, 2015

| | Emergency /Flood Mitigation Fund | | | Variance With Final Budget Positive (Negative) |
|--|----------------------------------|--------------------|---------------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 1,668,918 | \$ 1,668,918 | \$ 1,686,975 | \$ 18,057 |
| Intergovernmental Revenues | - | - | - | - |
| Charges for Services | - | - | - | - |
| Miscellaneous Revenues | 4,367 | 4,367 | 7,652 | 3,285 |
| Total Revenues | <u>1,673,285</u> | <u>1,673,285</u> | <u>1,694,627</u> | <u>21,342</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Safety | - | - | - | - |
| Culture and Recreation | - | - | - | - |
| Conservation & Econ. Development | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,673,285</u> | <u>1,673,285</u> | <u>1,694,627</u> | <u>21,342</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | <u>(3,174,000)</u> | <u>(3,174,000)</u> | <u>(1,274,812)</u> | <u>1,899,188</u> |
| Total Other Financing Sources (Uses) | <u>(3,174,000)</u> | <u>(3,174,000)</u> | <u>(1,274,812)</u> | <u>1,899,188</u> |
| Net Change in Fund Balances | <u>(1,500,715)</u> | <u>(1,500,715)</u> | <u>419,815</u> | <u>1,920,530</u> |
| Fund Balance - Beginning | <u>1,863,876</u> | <u>1,863,876</u> | <u>1,863,876</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 363,161</u> | <u>\$ 363,161</u> | <u>\$ 2,283,691</u> | <u>\$ 1,920,530</u> |

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 | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| 1,440,000 | 1,440,000 | 1,289,151 | (150,849) | 125,000 | 125,000 | 190,349 | 65,349 |
| 2,000 | 2,000 | 4,962 | 2,962 | - | - | 821 | 821 |
| <u>1,442,000</u> | <u>1,442,000</u> | <u>1,294,113</u> | <u>(147,887)</u> | <u>125,000</u> | <u>125,000</u> | <u>191,170</u> | <u>66,170</u> |
| 1,300,000 | 1,400,000 | 1,334,952 | 65,048 | 56,956 | 56,956 | 26,733 | 30,223 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>1,300,000</u> | <u>1,400,000</u> | <u>1,334,952</u> | <u>65,048</u> | <u>56,956</u> | <u>56,956</u> | <u>26,733</u> | <u>30,223</u> |
| <u>142,000</u> | <u>42,000</u> | <u>(40,839)</u> | <u>(82,840)</u> | <u>68,044</u> | <u>68,044</u> | <u>164,437</u> | <u>96,393</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>142,000</u> | <u>42,000</u> | <u>(40,839)</u> | <u>(82,840)</u> | <u>68,044</u> | <u>68,044</u> | <u>164,437</u> | <u>96,393</u> |
| <u>1,588,559</u> | <u>1,588,559</u> | <u>1,588,559</u> | <u>-</u> | <u>281,583</u> | <u>281,583</u> | <u>281,583</u> | <u>-</u> |
| <u>\$ 1,730,559</u> | <u>\$ 1,630,559</u> | <u>\$ 1,547,720</u> | <u>\$ (82,840)</u> | <u>\$ 349,627</u> | <u>\$ 349,627</u> | <u>\$ 446,021</u> | <u>\$ 96,393</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, 2015

| | County Park | | | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 27,501 | \$ 27,501 | \$ 27,780 | \$ 279 |
| Intergovernmental Revenues | 13,273 | 13,273 | 15,768 | 2,495 |
| Charges for Services | 7,500 | 7,500 | 15,788 | 8,288 |
| Miscellaneous Revenues | 126 | 126 | 201 | 75 |
| Total Revenues | 48,400 | 48,400 | 59,537 | 11,137 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Safety | - | - | - | - |
| Culture and Recreation | 54,480 | 54,480 | 42,356 | 12,124 |
| Conservation & Econ. Development | - | - | - | - |
| Total Expenditures | 54,480 | 54,480 | 42,356 | 12,124 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (6,080) | (6,080) | 17,181 | 23,262 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| | | | | |
| Net Change in Fund Balances | (6,080) | (6,080) | 17,181 | 23,262 |
| Fund Balance - Beginning | 69,602 | 69,602 | 69,602 | - |
| Fund Balance - Ending | \$ 63,522 | \$ 63,522 | \$ 86,784 | \$ 23,262 |

Continued from previous page

| 24/7 Sobriety Program | | | | Total Nonmajor Budgeted Special Revenue Funds | | | |
|-----------------------|------------|------------|--|---|--------------|--------------|--|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ 2,276,272 | \$ 2,276,272 | \$ 2,300,280 | \$ 24,008 |
| - | - | - | - | 529,878 | 593,495 | 614,755 | 21,260 |
| 200,000 | 443,000 | 460,008 | 17,008 | 2,312,000 | 5,133,075 | 5,110,410 | (22,665) |
| 150 | 282 | 341 | 59 | 121,639 | 149,522 | 151,074 | 1,552 |
| 200,150 | 443,282 | 460,349 | 17,067 | 5,239,789 | 8,152,364 | 8,176,520 | 24,156 |
| - | - | - | - | 1,356,956 | 1,456,956 | 1,361,684 | 95,272 |
| 214,252 | 391,313 | 411,277 | (19,964) | 825,333 | 3,618,620 | 3,725,126 | (106,506) |
| - | - | - | - | 1,077,901 | 1,077,901 | 1,065,777 | 12,124 |
| - | - | - | - | 20,000 | 20,000 | 12,400 | 7,600 |
| 214,252 | 391,313 | 411,277 | (19,964) | 3,280,190 | 6,173,477 | 6,164,987 | 8,490 |
| (14,102) | 51,969 | 49,072 | (2,897) | 1,959,599 | 1,978,887 | 2,011,533 | 32,646 |
| - | - | - | - | 70,000 | 64,000 | 40,000 | (24,000) |
| - | - | - | - | (3,215,350) | (3,215,350) | (1,316,162) | 1,899,188 |
| - | - | - | - | (3,145,350) | (3,151,350) | (1,276,162) | 1,875,188 |
| (14,102) | 51,969 | 49,072 | (2,897) | (1,185,751) | (1,172,463) | 735,370 | 1,907,832 |
| 87,955 | 87,955 | 87,955 | - | 4,720,920 | 4,720,920 | 4,720,920 | - |
| \$ 73,853 | \$ 139,924 | \$ 137,027 | \$ (2,897) | \$ 3,535,169 | \$ 3,548,457 | \$ 5,456,292 | \$ 1,907,832 |

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, 2015

| | Holmen's Third Subdivision | | | Variance With Final Budget Positive (Negative) |
|--|-----------------------------------|-----------------|-----------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 5,769 | \$ 5,769 | \$ 5,799 | \$ 30 |
| Intergovernmental Revenues | - | - | - | - |
| Miscellaneous Revenues | - | - | 9 | 9 |
| | <u>5,769</u> | <u>5,769</u> | <u>5,808</u> | <u>39</u> |
| <u>Expenditures:</u> | | | | |
| Debt Service: | | | | |
| Principal | 7,606 | 7,606 | 7,606 | - |
| Interest | 746 | 746 | 745 | - |
| Fiscal Charges | - | - | - | - |
| | <u>8,352</u> | <u>8,352</u> | <u>8,351</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,583)</u> | <u>(2,583)</u> | <u>(2,544)</u> | <u>39</u> |
| Fund Balance - Beginning | <u>2,340</u> | <u>2,340</u> | <u>2,340</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ (243)</u> | <u>\$ (243)</u> | <u>\$ (204)</u> | <u>\$ 39</u> |

| Greyhawk Estates Subdivision | | | | Granberg Amber Plains | | | |
|-------------------------------------|------------------|-----------------|---|------------------------------|------------------|------------------|---|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ 27,686 | \$ 27,692 | \$30,964 | \$ 3,272 | \$ 32,311 | \$ 32,311 | \$ 32,330 | \$ 19 |
| - | - | - | - | - | - | - | - |
| 75 | 103 | 113 | 10 | - | - | 48 | 48 |
| <u>27,761</u> | <u>27,795</u> | <u>31,078</u> | <u>3,283</u> | <u>32,311</u> | <u>32,311</u> | <u>32,379</u> | <u>69</u> |
| 25,000 | 25,000 | 25,000 | - | 25,000 | 25,000 | 25,000 | - |
| 5,957 | 5,957 | 5,956 | 1 | 8,125 | 8,125 | 8,125 | - |
| 1,000 | 1,167 | 1,167 | - | 1,500 | 1,500 | 1,215 | 285 |
| <u>31,957</u> | <u>32,124</u> | <u>32,123</u> | <u>1</u> | <u>34,625</u> | <u>34,625</u> | <u>34,340</u> | <u>285</u> |
| <u>(4,196)</u> | <u>(4,329)</u> | <u>(1,045)</u> | <u>3,284</u> | <u>(2,314)</u> | <u>(2,314)</u> | <u>(1,961)</u> | <u>355</u> |
| 44,470 | 44,470 | 44,470 | - | 12,801 | 12,801 | 12,801 | - |
| <u>\$ 40,274</u> | <u>\$ 40,141</u> | <u>\$43,425</u> | <u>\$ 3,284</u> | <u>\$ 10,487</u> | <u>\$ 10,487</u> | <u>\$ 10,839</u> | <u>\$ 355</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, 2015

| | <u>Special Assessment Deficiency</u> | | | Variance With Final Budget Positive (Negative) |
|--|--------------------------------------|------------------|-----------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | - | - | - | - |
| Miscellaneous Revenues | - | - | 26 | 26 |
| Total Revenues | - | - | 26 | 26 |
| <u>Expenditures:</u> | | | | |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Fiscal Charges | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 26 | 26 |
| Fund Balance - Beginning | 11,165 | 11,165 | 11,165 | - |
| Fund Balance - Ending | <u>\$ 11,165</u> | <u>\$ 11,165</u> | <u>\$11,190</u> | <u>\$ 26</u> |

Continued from previous page

| 2010 Bond S&I | | | | Total Nonmajor Debt Service Funds | | | |
|--------------------------|------------------|-------------------|---|--|-------------------|-------------------|---|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ 840,870 | \$ 840,870 | \$ 849,794 | \$ 8,924 | \$ 906,636 | \$ 906,642 | \$ 918,888 | \$ 12,246 |
| 94,305 | 94,305 | 94,446 | 141 | 94,305 | 94,305 | 94,446 | 141 |
| 393 | 393 | 635 | 242 | 468 | 496 | 831 | 335 |
| <u>935,568</u> | <u>935,568</u> | <u>944,876</u> | <u>9,309</u> | <u>1,001,409</u> | <u>1,001,443</u> | <u>1,014,166</u> | <u>12,723</u> |
| 710,000 | 710,000 | 710,000 | - | 767,606 | 767,606 | 767,606 | - |
| 225,825 | 225,825 | 225,825 | - | 240,653 | 240,652 | 240,652 | - |
| 400 | 400 | 400 | - | 2,900 | 3,067 | 2,782 | 285 |
| <u>936,225</u> | <u>936,225</u> | <u>936,225</u> | <u>-</u> | <u>1,011,159</u> | <u>1,011,325</u> | <u>1,011,040</u> | <u>285</u> |
| <u>(657)</u> | <u>(657)</u> | <u>8,651</u> | <u>9,308</u> | <u>(9,750)</u> | <u>(9,882)</u> | <u>3,126</u> | <u>13,008</u> |
| 100,637 | 100,637 | 100,637 | - | 171,413 | 171,413 | 171,413 | - |
| <u>\$ 99,980</u> | <u>\$ 99,980</u> | <u>\$ 109,288</u> | <u>\$ 9,308</u> | <u>\$ 161,663</u> | <u>\$ 161,531</u> | <u>\$ 174,539</u> | <u>\$ 13,008</u> |

CASS COUNTY GOVERNMENT
Combining Statement of Net Position
Internal Service Funds
December 31, 2015

| | Health Insurance Trust | Dental Insurance Trust | Telephone Trust | Motor Pool Operating | Total |
|----------------------------------|------------------------------|------------------------------|--------------------------|----------------------------|----------------------------|
| <u>ASSETS</u> | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 3,083,659 | \$ 238,953 | \$ 114,274 | \$ 24,331 | \$ 3,461,218 |
| Accounts Receivable | - | - | 291 | - | 291 |
| Prepaid Items | - | - | 1,061 | - | 1,061 |
| Total Current Assets | <u>3,083,659</u> | <u>238,953</u> | <u>115,626</u> | <u>24,331</u> | <u>3,462,570</u> |
| Noncurrent Assets: | | | | | |
| Capital Assets | - | - | 207,151 | 170,481 | 377,631 |
| Less: Accumulated Depreciation | - | - | (144,473) | (117,633) | (262,105) |
| Total Noncurrent Assets | <u>-</u> | <u>-</u> | <u>62,678</u> | <u>52,848</u> | <u>115,526</u> |
| Total Assets | <u><u>3,083,659</u></u> | <u><u>238,953</u></u> | <u><u>178,304</u></u> | <u><u>77,179</u></u> | <u><u>3,578,096</u></u> |
| <u>LIABILITIES</u> | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | - | - | 12,316 | 30 | 12,346 |
| Premium Deposits | 406,562 | 33,301 | - | - | 439,863 |
| IBNR Claims | 321,126 | 13,962 | - | - | 335,088 |
| Total Liabilities | <u>727,688</u> | <u>47,263</u> | <u>12,316</u> | <u>30</u> | <u>787,297</u> |
| Net Position: | | | | | |
| Net Investment in Capital Assets | - | - | 62,678 | 52,848 | 115,526 |
| Unrestricted | 2,355,971 | 191,691 | 103,310 | 24,301 | 2,675,273 |
| Total Net Position | <u><u>\$ 2,355,971</u></u> | <u><u>\$ 191,691</u></u> | <u><u>\$ 165,988</u></u> | <u><u>\$ 77,149</u></u> | <u><u>\$ 2,790,799</u></u> |

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2015

| | Health Insurance Trust | Dental Insurance Trust | Telephone Trust | Motor Pool | Total |
|--|------------------------------|------------------------------|--------------------|------------------|---------------------|
| <u>Operating Revenues:</u> | | | | | |
| Premiums | \$ 4,603,229 | \$ 362,228 | \$ - | \$ - | \$ 4,965,457 |
| Charges for Services | - | - | 238,213 | 39,927 | 278,140 |
| Miscellaneous | 54,778 | - | 22,584 | - | 77,362 |
| Total Operating Revenues | <u>4,658,007</u> | <u>362,228</u> | <u>260,797</u> | <u>39,927</u> | <u>5,320,959</u> |
| <u>Operating Expenses:</u> | | | | | |
| Premiums | 775,570 | - | - | - | 775,570 |
| Medical Services | 10,398 | - | - | - | 10,398 |
| Telephone Service | - | - | 225,512 | - | 225,512 |
| Administrative Fees | 292,438 | 24,554 | - | - | 316,992 |
| Maintenance and Repairs | - | - | - | 21,882 | 21,882 |
| Benefit Payments | 2,571,288 | 317,846 | - | - | 2,889,133 |
| IBNR Claims | 321,126 | 13,962 | - | - | 335,088 |
| Depreciation Expense | - | - | 19,077 | 16,383 | 35,460 |
| Total Operating Expenses | <u>3,970,819</u> | <u>356,361</u> | <u>244,589</u> | <u>38,265</u> | <u>4,610,035</u> |
| Operating Income | <u>687,188</u> | <u>5,867</u> | <u>16,208</u> | <u>1,662</u> | <u>710,924</u> |
| <u>Nonoperating Revenues (Expenses):</u> | | | | | |
| Interest Income | 6,268 | 519 | 263 | 38 | 7,088 |
| Loss/Gain on Disposal of Capital Assets | - | - | (3,288) | 500 | (2,788) |
| Total Nonoperating Revenues (Expenses) | <u>6,268</u> | <u>519</u> | <u>(3,025)</u> | <u>538</u> | <u>4,300</u> |
| Change in Net Position | <u>693,456</u> | <u>6,386</u> | <u>13,183</u> | <u>2,200</u> | <u>715,224</u> |
| Total Net Position Beginning | <u>1,662,515</u> | <u>185,306</u> | <u>152,804</u> | <u>74,949</u> | <u>2,075,574</u> |
| Total Net Position Ending | <u>\$ 2,355,971</u> | <u>\$ 191,691</u> | <u>\$ 165,988</u> | <u>\$ 77,149</u> | <u>\$ 2,790,799</u> |

CASS COUNTY GOVERNMENT
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2015

| | Health Insurance Trust | Dental Insurance Trust | Telephone Trust | Motor Pool | Total |
|--|------------------------------|------------------------------|--------------------|------------------|-------------------|
| <u>Cash Flows From Operating Activities:</u> | | | | | |
| Receipts from customers | \$ 4,603,229 | \$ 362,228 | \$ 237,143 | \$ 42,977 | \$ 5,245,577 |
| Payments to Suppliers | (1,078,946) | (24,554) | (222,014) | (22,098) | (1,347,612) |
| Claims Paid | (2,921,595) | (328,459) | - | - | (3,250,054) |
| Other Receipts | 54,778 | - | 22,584 | - | 77,362 |
| Net Cash provided by operating activities | <u>657,466</u> | <u>9,215</u> | <u>37,714</u> | <u>20,879</u> | <u>725,274</u> |
| <u>Cash Flows From Capital and Related Financing Activities:</u> | | | | | |
| Purchase of Capital Assets | - | - | (45,751) | (40,971) | (86,722) |
| Proceeds on Sale of Capital Assets | - | - | - | 500 | 500 |
| Net Cash Used in Capital and Related Financing Activities | <u>-</u> | <u>-</u> | <u>(45,751)</u> | <u>(40,471)</u> | <u>(86,222)</u> |
| <u>Cash Flows From Investing Activities:</u> | | | | | |
| Interest Income | 6,268 | 519 | 263 | 38 | 7,088 |
| Net Increase in cash and cash equivalents | 663,735 | 9,734 | (7,775) | (19,554) | 646,140 |
| Balances -Beginning of the Year | 2,419,924 | 229,219 | 122,050 | 43,885 | 2,815,078 |
| Balances - End of the Year | <u>3,083,659</u> | <u>238,954</u> | <u>114,275</u> | <u>24,331</u> | <u>3,461,218</u> |
| <u>Reconciliation of Operating Income to net cash provided by operating activities:</u> | | | | | |
| Operating Income (Loss) | 687,188 | 5,867 | 16,208 | 1,662 | 710,924 |
| Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities: | | | | | |
| Depreciation | - | - | 19,077 | 16,383 | 35,460 |
| Changes in Assets and Liabilities: | | | | | |
| (Increase) Decrease in Accounts Receivable | - | - | (9) | 3,050 | 3,041 |
| (Increase)Decrease in Prepaid Items | - | - | (1,061) | - | (1,061) |
| Increase (Decrease) in Accounts Payable | (540) | - | 3,498 | (216) | 2,742 |
| Increase (Decrease) in Premium Deposit Funds | 25,593 | 3,349 | - | - | 28,942 |
| Increase (Decrease) in IBNR Claims | (54,774) | - | - | - | (54,774) |
| Net Cash Provided by Operating Activities | <u>\$ 657,467</u> | <u>\$ 9,216</u> | <u>\$ 37,713</u> | <u>\$ 20,879</u> | <u>\$ 725,274</u> |
| <u>Schedule of non-cash capital and related financing activities:</u> | | | | | |
| Disposal of Capital Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (3,288)</u> | <u>\$ -</u> | <u>\$ (3,288)</u> |

CASS COUNTY GOVERNMENT
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2015

| | County Funds | Tax Collection Funds | Funds of Other Governmental Units | Agency Funds |
|---------------------------|-------------------|----------------------------|--|----------------------|
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 405,360 | \$ 58,564,554 | \$ 799,033 | \$ 59,768,946 |
| Accounts Receivable | - | - | - | - |
| Total Assets | <u>\$ 405,360</u> | <u>\$ 58,564,554</u> | <u>\$ 799,033</u> | <u>\$ 59,768,946</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 332,935 | - | - | \$ 332,935 |
| Due to Component Units | - | 27,812 | - | 27,812 |
| Deposits | 72,424 | 58,536,742 | 799,033 | 59,408,199 |
| Total Liabilities | <u>\$ 405,360</u> | <u>\$ 58,564,554</u> | <u>\$ 799,033</u> | <u>\$ 59,768,946</u> |

CASS COUNTY GOVERNMENT
Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

| | Balance 1/1/2015 | Additions | Deductions | Balance 12/31/15 |
|---|----------------------|-----------------------|-----------------------|----------------------|
| <u>COUNTY FUNDS</u> | | | | |
| Assets | | | | |
| Cash and Investments | \$ 384,738 | \$ 991,634 | \$ 971,013 | \$ 405,359 |
| Accounts Receivable | - | - | - | - |
| Total Assets | <u>384,738</u> | <u>991,634</u> | <u>971,013</u> | <u>405,359</u> |
| Liabilities | | | | |
| Accounts Payable | 329,560 | 332,935 | 329,560 | 332,935 |
| Funds Held for County Departments | 55,177 | 658,699 | 641,453 | 72,422 |
| Total Liabilities | <u>384,737</u> | <u>991,634</u> | <u>971,013</u> | <u>405,358</u> |
| <u>TAX COLLECTION FUNDS</u> | | | | |
| Assets | | | | |
| Cash and Investments | 48,680,445 | 236,331,803 | 226,447,696 | 58,564,552 |
| Total Assets | <u>48,680,445</u> | <u>236,331,803</u> | <u>226,447,696</u> | <u>58,564,552</u> |
| Liabilities | | | | |
| Due to Component Units | 35,390 | 27,812 | 35,390 | 27,812 |
| Accounts Payable | - | - | - | - |
| Tax Collections Due to Other Governmental Units | 48,645,055 | 236,303,991 | 226,412,306 | 58,536,740 |
| Total Liabilities | <u>48,680,445</u> | <u>236,331,803</u> | <u>226,447,696</u> | <u>58,564,552</u> |
| <u>FUNDS OF OTHER GOVERNMENTAL UNITS</u> | | | | |
| Assets | | | | |
| Cash and Investments | 723,899 | 2,453,994 | 2,378,858 | 799,035 |
| Total Assets | <u>723,899</u> | <u>2,453,994</u> | <u>2,378,858</u> | <u>799,035</u> |
| Liabilities | | | | |
| Accounts Payable | - | - | - | - |
| Funds Held for Other Governmental Units | 723,899 | 2,453,994 | 2,378,858 | 799,035 |
| Total Liabilities | <u>723,899</u> | <u>2,453,994</u> | <u>2,378,858</u> | <u>799,035</u> |
| TOTALS: | | | | |
| Assets | | | | |
| Cash and Investments | 49,789,083 | 239,777,431 | 229,797,566 | 59,768,946 |
| Accounts Receivable | - | - | - | - |
| Total Assets | <u>49,789,082</u> | <u>239,777,431</u> | <u>229,797,568</u> | <u>59,768,946</u> |
| Liabilities | | | | |
| Accounts Payable | 329,560 | 332,935 | 329,560 | 332,935 |
| Due To Component Units | 35,390 | 27,812 | 35,390 | 27,812 |
| Funds Held for Other Governmental Units | 49,368,954 | 238,757,985 | 228,791,163 | 59,335,775 |
| Funds Held for County Government | 55,177 | 658,699 | 641,453 | 72,422 |
| Total Liabilities | <u>\$ 49,789,081</u> | <u>\$ 239,777,431</u> | <u>\$ 229,797,567</u> | <u>\$ 59,768,945</u> |

CASS COUNTY GOVERNMENT
 Fargo, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2015

| 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 | \$ 94,446 |
| <u>U.S. DEPARTMENT OF JUSTICE:</u> | | |
| <u>Direct Assistance:</u> | | |
| Joint Law Enforcement Operations Grant | 16.111 | \$ 13,094 |
| Edward Byrne Memorial Justice Assistane Grant | 16.803 | 83,918 |
| State Criminal Alien Assistance Program | 16.606 | 21,834 |
| <u>Passed Through State Penitentiary:</u> | | |
| Crime Victim Assistance | 16.575 | 23,622 |
| <u>Passed Through North Dakota Department of Health:</u> | | |
| Stop Violence Against Women Formula Grant | 16.588 | 7,918 |
| Total U.S. Department of Justice | | \$ 150,385 |
| 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 | \$ 722,415 |
| Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers | 93.044 | 18,001 |
| Maternal and Child Child Health Services Block Grant to the States | 93.994 | 9,205 |
| Adoption Assistance | 93.659 | 8,086 |
| Promoting Safe and Stable Families | 93.556 | 63,769 |
| Child Care and Development Block Grant | 93.575 | 95 |
| Children's Justice Grants | 93.643 | 1,439 |
| Child Welfare Services_State Grants | 93.645 | 14,257 |
| Temporary Assistance for Needy Families | 93.558 | ** 1,269,470 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | 109,942 |
| Total U.S. Department of Health and Human Services | | \$ 2,216,678 |

Continued on next page....

CASS COUNTY GOVERNMENT
 Fargo, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2015

| 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 | \$ 128,093 |
| Hazard Mitigation Grant | 97.039 | ** 4,145,766 |
| Emergency Management Performance Grants | 97.042 | <u>143,940</u> |
| Total U.S. Federal Management Agency | | <u>\$ 4,417,799</u> |
| <u>U.S. DEPARTMENT OF TRANSPORTATION:</u> | | |
| <u>Passed Through State Highway Department</u> | | |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 20.601 | \$ 776 |
| National Priority Safety Program | 20.616 | <u>12,195</u> |
| Total U.S. Department of Transportation | | <u>\$ 12,971</u> |
| Total Expenditures of Federal Awards | | <u><u>\$ 6,892,280</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, 2015.

The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of Cass County, it is not intended to be 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 Subpart E of the Uniform Guidance, wherein certain types of expenditures are allowable or are limited as to reimbursement.

STATE AUDITOR

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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, 2015, 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 6, 2016.

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 6, 2016

STATE AUDITOR

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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 THE UNIFORM GUIDANCE

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 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, 2015. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2015.

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 the Uniform Guidance - 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

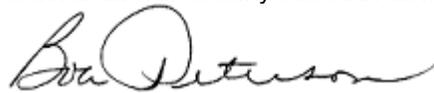
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Cass County as of and for the year ended December 31, 2015, and have issued our report thereon dated June 6, 2016, 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 the Uniform Guidance 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 6, 2016

CASS COUNTY
Fargo, North Dakota

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of Report Issued?

| | |
|--|------------|
| Governmental Activities | Unmodified |
| Aggregate 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 CFR §200.516 (Uniform Guidance) requirements? | _____ | Yes | _____ | <u>X</u> | None |

Identification of major programs:

| CFDA Numbers | Name of Federal Program Or Cluster |
|--------------|---|
| 93.558 | Temporary Assistance for Needy Families |
| 97.039 | Hazard Mitigation Grant |

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

\$750,000

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, 2015, and the related notes to the financial statements, and have issued our report thereon dated June 6, 2016. 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 UNIFORM GUIDANCE

As stated in our engagement letter dated April 20, 2016, 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 the Uniform Guidance.

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 the Uniform Guidance, we examined, on a test basis, evidence about Cass County's compliance with the types of compliance requirements described in the *OMB 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. Application of existing policies was not changed during the year ended December 31, 2015. GASB Statement 68 (Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27), and GASB Statement 71 (Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68) were adopted during the year ended December 31, 2015. 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 6, 2016.

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 6, 2016

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