

AUDIT REPORT

LOGAN COUNTY
Napoleon, North Dakota

For the Years Ended December 31, 2015 and 2014

RATH & MEHRER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

LOGAN COUNTY
Napoleon, North Dakota

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LOGAN COUNTY
Napoleon, North Dakota

COUNTY OFFICIALS

Dean Entzminger	Commission Chairman
John W. Wald	Commission Vice Chairman
Blanche A. Schumacher	Commissioner
Brenda Fischer	Auditor
Cynthia L. Doll	Treasurer
Dawne Marquart	County Recorder/Clerk of Court
Andrew Bartholomaus	Sheriff
Isaac Zimmerman	States Attorney

Rath & Mehrer

Certified Public Accountants

Specializing in Governmental Auditing

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Logan County
Napoleon, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Logan County, Napoleon, North Dakota, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 audits 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 judgement, 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 county'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 county's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Napoleon, North Dakota, as of December 31, 2015 and 2014, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, budgeting comparison information on pages 42 through 51 and the schedule of employer's share of net pension liability on page 52 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 audits 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the county's basic financial statements. The schedules of fund activity arising from cash transactions are presented for additional analysis and are not a required part of the basic financial statements.

The schedules of fund activity arising from cash transactions are 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 audits 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 schedules of fund activity arising from cash transactions 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 April 15, 2016 on our consideration of the 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 the county's internal control over financial reporting and compliance.

Rath and Mehrer

Rath and Mehrer, P.C.

Bismarck, North Dakota

April 15, 2016

LOGAN COUNTY

Management's Discussion and Analysis

December 31, 2015 and 2014

The Management's Discussion and Analysis (MD&A) of Logan County's financial performance provides an overall review of the county's financial activities for the fiscal years ended December 31, 2015 and 2014. The intent of the MD&A is to look at the county's financial performance as a whole. It should, therefore, be read in conjunction with the basic financial statements and related notes.

The MD&A is a new element of the Required Supplementary Information specified in the Government Accounting Standards Board's (GASB) Statement No. 34 "*Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*". Certain comparative information between the current fiscal year and the prior years is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2015 are as follows:

- * Net position of the county increased \$812,639 as a result of the current year's operations.
- * Governmental net position as of the end of the fiscal year totaled \$3,282,494.
- * Total revenues from all sources were \$5,207,900.
- * Total expenses were \$4,395,261.
- * The county's general fund had \$858,639 in total revenues and \$742,757 in total expenditures. There was a total of \$134,635 paid from other financing uses. Overall, the general fund balance decreased by \$18,753 for the year ended December 31, 2015.

Key financial highlights for the year ended December 31, 2014 are as follows:

- * Net position of the county decreased \$291,687 as a result of the current year's operations.
- * Governmental net position as of the end of the fiscal year totaled \$2,915,427.
- * Total revenues from all sources were \$3,076,205.
- * Total expenses were \$3,367,892.
- * The county's general fund had \$854,292 in total revenues and \$630,399 in total expenditures. There was a total of \$160,873 paid from other financing uses. Overall, the general fund balance increased by \$63,020 for the year ended December 31, 2014.

USING THIS ANNUAL REPORT

This annual financial report consists of a series of statements and related footnotes. These statements are organized so that the reader can understand the county as a financial whole. The statements then proceed to provide an increasingly detailed look at financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole county, presenting both an aggregate view of the county's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the county's general fund, highway fund, unorganized road fund and FAS/ER 2011 disaster loan fund with all other governmental funds presented in total in one column.

REPORTING ON THE COUNTY AS A WHOLE

Statement of Net Position and Statement of Activities

These statements are summaries of all the funds used by the county to provide programs and activities and attempt to answer the question "How did the county do financially during the years ended December 31, 2015 and 2014?"

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

The Statement of Activities presents information on how the county's net position changed during the fiscal year. This statement is presented using the accrual basis of accounting, which means that all changes in net position is 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 the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused sick leave and/or vacation leave).

These two statements report the county's net position and changes in that position. This change in net position is important because it tells the reader whether, for the county as a whole, the financial position of the county has improved or deteriorated. The causes of this change may be the result of many factors, some financial and some not.

In the Statement of Net Position and the Statement of Activities, the county reports governmental activities. Governmental activities are the activities where most of the county's programs and services are reported including, but not limited to, general government, public safety, highways and public improvement, health and welfare, culture and recreation, and conservation and economic development.

REPORTING ON THE COUNTY'S MOST SIGNIFICANT FUNDS

Balance Sheet - Governmental Funds

The county uses separate funds to account for and manage money dedicated for particular purposes (e.g. taxes collected from special mill levies and funds received from grants and donations). The fund basis financial statements allow the county to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. Fund financial statements provide detailed information about the county's major funds. Using the criteria established by GASB Statement No. 34, the county's general fund, highway fund, unorganized road fund and FAS/ER 2011 disaster loan fund are considered "major funds".

The county's other funds, which are used to account for a multitude of financial transactions, are summarized under the heading "Other Governmental Funds".

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Table I provides a summary of the county's net position as of December 31, 2015, 2014 and 2013. A comparative analysis of county-wide data is presented for both current and prior years.

As indicated in the financial highlights above, the county's net position increased by \$812,639 and decreased by \$291,687 for the years ended December 31, 2015 and 2014, respectively. Changes in net position may serve over time as a useful indicator of the county's financial position.

As of December 31, 2015 the county's net position of \$3,282,494 is segregated into three separate categories. Net investment in capital assets totals \$457,238 of the county's total net position. It should be noted that these assets are not available for future spending. The restricted component of net position is \$2,609,013 of the county's total net position and represents resources that are subject to external restrictions on how they must be spent. The remaining unrestricted component of net position is \$216,242, which includes (\$414,222) relating to the reporting of it's share of the unfunded liability for the North Dakota Public Employees Retirement System as required by GASB Statement No. 68. The net amount of \$630,464 is available to meet the county's ongoing obligations.

As of December 31, 2014 the county's net position of \$2,915,427 is segregated into three separate categories. Net investment in capital assets totals \$441,517 of the county's total net position. It should be noted that these assets are not available for future spending. The restricted component of net position is \$2,824,856 of the county's total net position and represents resources that are subject to external restrictions on how they must be spent. The remaining unrestricted component of net position is (\$350,946).

Table I
Net Position
As of December 31, 2015 and 2014
(With comparative totals for December 31, 2013)

	2015	2014	2013
Assets			
Current Assets	4,053,621	4,141,240	4,283,253
Capital Assets (net of accumulated depreciation)	673,043	492,196	569,442
Total Assets	4,726,664	4,633,436	4,852,695
Deferred Outflows of Resources	88,456		
Liabilities			
Current Liabilities	832,088	535,561	127,432
Long-Term Liabilities	197,860	1,182,448	1,518,150
Net Pension Liability	420,579		
Total Liabilities	1,450,527	1,718,009	1,645,581
Deferred Inflows of Resources	82,099		
Net Position			
Net Investment in Capital Assets	457,238	441,517	476,532
Restricted	2,609,013	2,824,856	3,503,790
Unrestricted	216,242	(350,946)	(773,208)
Total Net Position	3,282,494	2,915,427	3,207,114

Table II shows the changes in net position for the fiscal years ended December 31, 2015, 2014 and 2013. A comparative analysis of county-wide data is presented for both current and prior years.

Table II
Changes in Net Position
As of December 31, 2015 and 2014
(With comparative totals for December 31, 2013)

	2015	2014	2013
Revenues			
Program Revenues:			
Charges for Services	215,064	226,372	256,070
Operating Grants and Contributions	3,000,540	1,053,304	3,406,954
General Revenues:			
Property Taxes	1,198,361	1,065,596	1,249,060
Other Taxes	26,552	73,621	72,382
State Aid - Unrestricted	633,971	609,593	408,766
Interest Earnings and Other Revenue	133,412	47,720	96,726
Gain on Trade-in of Capital Assets			55,000
Total Revenues	5,207,900	3,076,205	5,544,958
Expenses			
General Government	846,234	843,729	832,017
Public Safety	281,912	183,214	245,821
Highways and Public Improve.	2,741,356	1,863,760	1,492,039
Health and Welfare	224,604	239,265	193,892
Culture and Recreation	3,241	2,857	2,702
Conser. and Economic Dvlpmt.	94,364	103,580	95,521
Urban and Econ. Development	51,850	45,605	42,978
Other	124,555	51,122	68,954
Interest on Long-Term Debt	27,146	34,761	53,297
Total Expenses	4,395,261	3,367,892	3,027,222
Net Change in Position	812,639	(291,687)	2,517,736

Property taxes constituted 23%, unrestricted state aid 12%, operating grants and contributions 58%, and charges for services made up 4% of the total revenues of governmental activities of the county for the fiscal year ended December 31, 2015.

General government constituted 19%, public safety 6%, highways and public improvement 62%, and health and welfare 5% of total expenses for governmental activities during the fiscal year ended December 31, 2015.

Property taxes constituted 35%, unrestricted state aid 20%, operating grants and contributions 34%, and charges for services made up 7% of the total revenues of governmental activities of the county for the fiscal year ended December 31, 2014.

General government constituted 25%, public safety 5%, highways and public improvement 55%, and health and welfare 7% of total expenses for governmental activities during the fiscal year ended December 31, 2014.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table III shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and other unrestricted revenues.

Table III

Total and Net Cost of Services
As of December 31, 2015

	Total Cost Year Ended December 31, 2015	Total Cost Year Ended December 31, 2015
General Government	846,234	766,248
Public Safety	281,912	231,054
Highways and Public Improvement	2,741,356	(304,114)
Health and Welfare	224,604	201,828
Urban and Economic Development	51,850	51,850
Culture and Recreation	3,241	3,241
Conservation and Economic Dvlpmnt.	94,364	87,775
Other	124,555	114,629
Interest on Long-Term Debt	27,146	27,146
Total Expenses	<u>4,395,261</u>	<u>1,179,657</u>

Total and Net Cost of Services
As of December 31, 2014

	Total Cost Year Ended December 31, 2014	Total Cost Year Ended December 31, 2014
General Government	843,729	779,423
Public Safety	183,214	139,274
Highways and Public Improvement	1,863,760	742,112
Health and Welfare	239,265	215,441
Urban and Economic Development	45,605	45,605
Culture and Recreation	2,857	2,857
Conservation and Economic Dvlpmnt.	103,580	86,981
Other	51,122	41,763
Interest on Long-Term Debt	34,761	34,761
Total Expenses	<u>3,367,892</u>	<u>2,088,217</u>

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The purpose of the county's governmental funds is to provide information on the near-term inflows, outflows and balances of available resources. Unassigned fund balance generally can be used as a measure of the county's net resources available for spending as of the end of the fiscal year. These funds are accounted for using the modified accrual basis of accounting. The county's governmental funds had total revenue of \$5,208,663 and expenditures of \$5,232,792 for the year ended December 31, 2015. As of December 31, 2015, the unassigned fund balance of the county's general fund was \$716,153. The county's governmental funds had total revenue of \$3,078,207 and expenditures of \$3,555,479 for the year ended December 31, 2014. As of December 31, 2014, the unassigned fund balance of the county's general fund was \$734,907 and total unassigned fund balances for all the county's governmental funds was \$575,920.

GENERAL FUND BUDGET HIGHLIGHTS

During the course of fiscal years 2015 and 2014, the county amended the general fund budgets. The gross effect of these amendments was to increase appropriations by \$7,135 and \$14,787, for the years ending December 31, 2015 and 2014, respectively.

Actual revenue for the year ended December 31, 2015 was \$20,582 more than budgeted. Actual expenditures for the year ended December 31, 2015 were under budget by \$118,616. This budget variance was the result of unspent budget for major repairs and maintenance and various line items under general government.

Actual revenue for the year ended December 31, 2014 was \$16,196 more than budgeted. Actual expenditures for the year ended December 31, 2014 were under budget by \$196,600. This budget variance was the result of unspent budget for major repairs and maintenance, various line items under general government and unspent budget for Public Safety/Homeland Security line item under public safety.

CAPITAL ASSETS

As of December 31, 2015 and 2014, the county had \$673,043 and \$492,196, respectively, invested in capital assets. Table IV shows the balances as of December 31, 2015, 2014 and 2013.

Table IV
Capital Assets
(Net of Accumulated Depreciation)
As of December 31, 2015 and 2014
(With comparative totals for December 31, 2013)

	2015	2014	2013
Land	13,350	13,350	13,350
Buildings	13,932	15,012	16,092
Machinery and Vehicles	645,761	463,834	540,000
Total (net of depreciation)	673,043	492,196	569,442
	=====	=====	=====

As of December 31, 2015, this total represents an increase of \$180,847 in capital assets from January 1, 2015. The increase in machinery and vehicles was due to the purchase of a John Deere motor grader and Dodge pickup. As of December 31, 2014, this total represents a decrease of \$77,246 in capital assets from January 1, 2014.

For a detailed breakdown of the additions and deletions to capital assets, readers are referred to Note 6 to the audited financial statements which follow this analysis.

DEBT ADMINISTRATION

As of December 31, 2015, the county had \$1,003,516 in outstanding debt of which \$805,656 was due within one year. As of December 31, 2014, the county had \$1,307,413 in outstanding debt of which \$124,964 was due within one year. During fiscal year 2015, the county issued one new long-term debt obligation:

General Obligation Bonds in the amount of 131,521. The county issued the General Obligation Bonds of 2011, original available funding of \$461,867, for the purpose of repairing county roads and infrastructure affected by flooding. These bonds will have a final payment on June 1, 2016.

For a detailed breakdown of the long-term debt, readers are referred to Note 11 to the audited financial statements which follow this analysis.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our taxpayers and creditors with a general overview of the county's finances and to show the county's accountability for the money it receives. Anyone who has questions about information contained in this report or who is interested in receiving additional information is encouraged to contact Brenda Fischer, County Auditor, Logan County, Napoleon, ND 58561.

LOGAN COUNTY
Napoleon, North Dakota

Statement of Net Position
December 31, 2015

	Primary Government	Component Unit
	Governmental Activities	Water Resource District
ASSETS:		
Cash and Investments	3,999,639.65	92,279.88
Accounts Receivable	17,374.11	
Taxes Receivable	36,607.25	1,041.50
Capital Assets (net of accumulated depreciation):		
Land	13,350.00	
Buildings	13,932.00	
Machinery and Vehicles	645,761.00	
Total Capital Assets	673,043.00	
Total Assets	4,726,664.01	93,321.38
DEFERRED OUTFLOWS OF RESOURCES:		
Changes in Resources Related to Pensions	88,456.00	
LIABILITIES:		
Accounts Payable	22,481.50	
Interest Payable	3,950.98	
Long-Term Liabilities:		
Due Within One Year:		
Capital Leases Payable	66,934.58	
General Obligation Bonds Payable	238,055.89	
Certificate of Indebtedness Payable	500,665.41	
Due After One Year:		
Capital Leases Payable	164,140.22	
Compensated Absences Payable	33,719.69	
Net Pension Liability	420,579.00	
Total Liabilities	1,450,527.27	
DEFERRED INFLOWS OF RESOURCES:		
Changes in Resources Related to Pensions	82,099.00	
NET POSITION:		
Net Investment in Capital Assets	457,238.20	
Restricted for:		
Debt Service	3,174.54	
Special Purposes	2,605,838.70	
Unrestricted	216,242.30	93,321.38
Total Net Position	3,282,493.74	93,321.38

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

LOGAN COUNTY
Napoleon, North Dakota

Statement of Net Position
December 31, 2014

	Primary Government	Component Unit
	Governmental Activities	Water Resource District
ASSETS:		
Cash and Investments	4,081,799.65	52,202.84
Accounts Receivable	22,070.86	
Taxes Receivable	37,369.66	370.70
Capital Assets (net of accumulated depreciation):		
Land	13,350.00	
Buildings	15,012.00	
Machinery and Vehicles	463,834.00	
Total Capital Assets	492,196.00	
Total Assets	4,633,436.17	52,573.54
LIABILITIES:		
Accounts Payable	406,729.24	
Interest Payable	3,867.03	
Long-Term Liabilities:		
Due Within One Year:		
Capital Leases Payable	29,964.48	
General Obligation Bonds Payable	95,000.00	
Due After One Year:		
Capital Leases Payable	41,074.60	
General Obligation Bonds Payable	106,535.04	
Certificate of Indebtedness Payable	1,000,665.41	
Compensated Absences Payable	34,173.30	
Total Liabilities	1,718,009.10	
NET POSITION:		
Net Investment in Capital Assets	441,516.92	
Restricted for:		
Debt Service	122,599.37	
Special Purposes	2,702,256.56	
Unrestricted	(350,945.78)	52,573.54
Total Net Position	2,915,427.07	52,573.54

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

LOGAN COUNTY
Napoleon, North Dakota

Statement of Activities
For the Year Ended December 31, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
				Primary Government	Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Water Resource District
Functions/Programs					
Primary Government:					
Governmental Activities:					
General Government	846,233.85	34,081.56	45,904.42	(766,247.87)	
Public Safety	281,911.56	40,648.00	10,209.13	(231,054.43)	
Highways and Public Improve.	2,741,355.98	136,529.39	2,908,940.60	304,114.01	
Health and Welfare	224,603.81		22,775.46	(201,828.35)	
Urban and Economic Development	51,849.64			(51,849.64)	
Culture and Recreation	3,241.46			(3,241.46)	
Conser. and Economic Dvlpmnt.	94,363.65	3,805.50	2,783.47	(87,774.68)	
Other	124,555.36		9,926.42	(114,628.94)	
Interest on Long-term Debt	27,146.13			(27,146.13)	
Total Governmental Activities	4,395,261.44	215,064.45	3,000,539.50	(1,179,657.49)	
=====					
Component Unit:					
Water Resource District	18,150.00				(18,150.00)
=====					
General Revenues:					
Taxes:					
Property taxes; levied for general purposes			278,423.29	58,747.79	
Property taxes; levied for special purposes			841,327.36		
Property taxes; levied for debt service			78,610.08		
Telecommunications taxes			16,307.28		
Mobile home taxes			3,290.87		
Homestead tax credit			6,243.77		
Veteran's tax credit			710.14		
State aid not restricted to specific program:					
State aid distribution			474,751.42		
Property tax relief			159,219.83		
Earnings on investments and other revenue			133,412.12	150.05	
Total General Revenues			1,992,296.16	58,897.84	
Change in Net Position			812,638.67	40,747.84	
Net Position - January 1			2,915,427.07	52,573.54	
Prior Period Adjustment, See Note 17			(445,572.00)		
Net Position - January 1, as restated			2,469,855.07	52,573.54	
Net Position - December 31			3,282,493.74	93,321.38	
=====					

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

LOGAN COUNTY
Napoleon, North Dakota

Statement of Activities
For the Year Ended December 31, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
				Primary Government	Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Water Resource District
<u>Functions/Programs</u>					
<u>Primary Government:</u>					
<u>Governmental Activities:</u>					
General Government	843,728.60	37,337.44	26,968.62	(779,422.54)	
Public Safety	183,214.45	40,281.67	3,658.86	(139,273.92)	
Highways and Public Improve.	1,863,759.72	143,478.64	978,168.65	(742,112.43)	
Health and Welfare	239,265.02		23,823.79	(215,441.23)	
Urban and Economic Development	45,604.81			(45,604.81)	
Culture and Recreation	2,856.82			(2,856.82)	
Conser. and Economic Dvlpmnt.	103,579.83	5,273.89	11,325.33	(86,980.61)	
Other	51,121.73		9,358.67	(41,763.06)	
Interest on Long-term Debt	34,761.48			(34,761.48)	
Total Governmental Activities	3,367,892.46	226,371.64	1,053,303.92	(2,088,216.90)	
<u>Component Unit:</u>					
Water Resource District	18,811.11				(18,811.11)
<u>General Revenues:</u>					
<u>Taxes:</u>					
Property taxes; levied for general purposes			256,801.99	20,078.28	
Property taxes; levied for special purposes			736,344.32		
Property taxes; levied for debt service			72,449.37		
Telecommunications taxes			16,251.86		
Financial Institution Taxes			34,261.92		
Mobile home taxes			17,658.43		
Homestead tax credit			4,755.00		
Veteran's tax credit			693.95		
State aid not restricted to specific program:					
State aid distribution			477,702.82		
Property tax relief			131,889.80		
Earnings on investments and other revenue			47,720.42	152.51	
Total General Revenues			1,796,529.88	20,230.79	
Change in Net Position			(291,687.02)	1,419.68	
Net Position - January 1			3,207,114.09	51,153.86	
Net Position - December 31			2,915,427.07	52,573.54	

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

LOGAN COUNTY
Napoleon, North Dakota

Balance Sheet
Governmental Funds
December 31, 2015

Major Funds

	General	Highway	Unorganized Road	FAS/ER 2011 Disaster Loan	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and Investments	708,888.41	1,235,238.82	614,115.98	356,803.13	1,084,593.31	3,999,639.65
Accounts Receivable	7,265.00	10,109.11				17,374.11
Taxes Receivable	8,150.75		4,158.63		24,297.87	36,607.25
Total Assets	724,304.16	1,245,347.93	618,274.61	356,803.13	1,108,891.18	4,053,621.01
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable			22,481.50			22,481.50
Deferred Inflows of Resources:						
Unavailable Revenue	8,150.75		4,158.63		24,297.87	36,607.25
Total Liabilities and Deferred Inflows of Resources	8,150.75		26,640.13		24,297.87	59,088.75
Fund Balances:						
Restricted for:						
General Government					84,470.28	84,470.28
Public Safety					70,029.23	70,029.23
Highways and Public Improvements		1,245,347.93	591,634.48	356,803.13	26,682.34	2,220,467.88
FEMA Disaster					111,004.23	111,004.23
Health and Welfare					113,285.96	113,285.96
Urban and Economic Development					134.46	134.46
Culture and Recreation					8.50	8.50
Conservation and Economic Development					154,758.95	154,758.95
Emergency Services					197,587.94	197,587.94
Other Purposes					6,471.63	6,471.63
Debt Service					708.04	708.04
Assigned to:						
General Government					62,474.54	62,474.54
Public Safety					14,460.29	14,460.29
Building Projects					171,324.08	171,324.08
Other Purposes					71,192.84	71,192.84
Unassigned	716,153.41					716,153.41
Total Fund Balances	716,153.41	1,245,347.93	591,634.48	356,803.13	1,084,593.31	3,994,532.26
Total Liabilities, Deferred Inflows of Resources and Fund Balances	724,304.16	1,245,347.93	618,274.61	356,803.13	1,108,891.18	4,053,621.01

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

LOGAN COUNTY
Napoleon, North Dakota

Balance Sheet
Governmental Funds
December 31, 2014

Major Funds

	General	Highway	Unorganized Road	FAS/ER 2011 Disaster Loan	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and Investments	725,939.95	1,234,661.96	698,402.42	33,724.03	1,389,071.29	4,081,799.65
Accounts Receivable	1,421.50	20,649.36				22,070.86
Taxes Receivable	8,454.48		4,207.93		24,707.25	37,369.66
Interfund Receivable	7,545.22					7,545.22
Total Assets	743,361.15	1,255,311.32	702,610.35	33,724.03	1,413,778.54	4,148,785.39
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Interfund Payable					7,545.22	7,545.22
Accounts Payable			221,563.42	185,165.82		406,729.24
Total Liabilities			221,563.42	185,165.82	7,545.22	414,274.46
Deferred Inflows of Resources:						
Unavailable Revenue	8,454.48		4,207.93		24,707.25	37,369.66
Total Liabilities and Deferred Inflows of Resources	8,454.48		225,771.35	185,165.82	32,252.47	451,644.12
Fund Balances:						
Restricted for:						
General Government					88,351.54	88,351.54
Public Safety					74,847.07	74,847.07
Highways and Public Improvements		1,255,311.32	476,839.00		28,556.11	1,760,706.43
FEMA Disaster					375,968.76	375,968.76
Health and Welfare					78,356.20	78,356.20
Urban and Economic Development					329.49	329.49
Culture and Recreation					20.84	20.84
Conservation and Economic Development					134,057.66	134,057.66
Emergency Services					177,931.40	177,931.40
Other Purposes					6,469.81	6,469.81
Debt Service					120,081.05	120,081.05
Assigned to:						
General Government					60,571.29	60,571.29
Public Safety					15,070.79	15,070.79
Building Projects					149,734.44	149,734.44
Other Purposes					78,724.84	78,724.84
Unassigned	734,906.67			(151,441.79)	(7,545.22)	575,919.66
Total Fund Balances	734,906.67	1,255,311.32	476,839.00	(151,441.79)	1,381,526.07	3,697,141.27
Total Liabilities, Deferred Inflows of Resources and Fund Balances	743,361.15	1,255,311.32	702,610.35	33,724.03	1,413,778.54	4,148,785.39

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

LOGAN COUNTY
Napoleon, North Dakota

Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
For the Year Ended December 31, 2015

Total Fund Balances for Governmental Funds		3,994,532.26
<p>Total net position reported for government activities in the statement of net position is different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.</p>		
Cost of Capital Assets	1,701,408.00	
Less Accumulated Depreciation	(1,028,365.00)	
Net Capital Assets		673,043.00
<p>Property taxes 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 unavailable revenue in the funds.</p>		
		36,607.25
<p>The deferred outflows and inflows of resources reported on the statement of net position are the result of changes in resources related to pensions and do not affect current financial resources.</p>		
Total Deferred Outflows of Resources	88,456.00	
Total Deferred Inflows of Resources	(82,099.00)	
Net Deferred Outflows/Inflows of Resources		6,357.00
<p>Long-term liabilities applicable to the county's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities -both current and long-term- are reported in the statement of net position. Balances at December 31, 2015 are:</p>		
Capital Leases Payable	(231,074.80)	
General Obligation Bonds Payable	(238,055.89)	
Certificate of Indebtednes Payable	(500,665.41)	
Interest Payable	(3,950.98)	
Compensated Absences Payable	(33,719.69)	
Net Pension Liability	(420,579.00)	
Total Long-Term Liabilities		(1,428,045.77)
Total Net Position of Governmental Activities		3,282,493.74

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

LOGAN COUNTY
Napoleon, North Dakota

Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
For the Year Ended December 31, 2014

Total Fund Balances for Governmental Funds		3,697,141.27
<p>Total net position reported for government activities in the statement of net position is different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.</p>		
Cost of Capital Assets	1,563,811.00	
Less Accumulated Depreciation	(1,071,615.00)	
Net Capital Assets	492,196.00	
<p>Property taxes 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 unavailable revenue in the funds.</p>		
		37,369.66
<p>Long-term liabilities applicable to the county's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities -both current and long-term- are reported in the statement of net position. Balances at December 31, 2014 are:</p>		
Capital Leases Payable	(71,039.08)	
General Obligation Bonds Payable	(201,535.04)	
Certificate of Indebtednes Payable	(1,000,665.41)	
Interest Payable	(3,867.03)	
Compensated Absences Payable	(34,173.30)	
Total Long-Term Liabilities	(1,311,279.86)	
Total Net Position of Governmental Activities		2,915,427.07

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

LOGAN COUNTY
Napoleon, North Dakota

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

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General	Highway	Unorganized Road	FAS/ER 2011 Disaster Loan		
Revenues:						
Taxes	292,376.17		135,099.06		791,246.06	1,218,721.29
Licenses, Permits and Fees	1,635.00				27,773.50	29,408.50
Intergovernmental	517,353.54	2,085,755.10	351,137.13	52,270.65	638,957.28	3,645,473.70
Charges for Services	40,447.06	111,698.99			33,509.90	185,655.95
Miscellaneous	6,826.87	6,628.18	599.00		115,349.03	129,403.08
Total Revenues	858,638.64	2,204,082.27	486,835.19	52,270.65	1,606,835.77	5,208,662.52
Expenditures:						
Current:						
General Government	524,565.82				347,968.94	872,534.76
Public Safety	213,101.23				60,089.29	273,190.52
Highways and Public Improve.		1,968,192.75	363,778.25	111,631.72	190,269.26	2,633,871.98
Health and Welfare					224,784.15	224,784.15
Urban and Economic Development					51,849.64	51,849.64
Culture and Recreation					3,241.46	3,241.46
Conser. and Economic Dvlpmnt.					93,628.05	93,628.05
Other					124,555.36	124,555.36
Capital Outlay		190,000.00			113,110.00	303,110.00
Debt Service:						
Principal	5,090.00	216,605.79		200,000.00	203,268.49	624,964.28
Interest					27,062.18	27,062.18
Total Expenditures	742,757.05	2,374,798.54	363,778.25	311,631.72	1,439,826.82	5,232,792.38
Excess (Deficiency) of Revenues Over Expenditures	115,881.59	(170,716.27)	123,056.94	(259,361.07)	167,008.95	(24,129.86)
Other Financing Sources (Uses):						
Transfers In	42,265.15		70,642.58	636,085.14	334,875.36	1,083,868.23
Transfers Out	(176,900.00)	(29,247.12)	(78,904.04)		(798,817.07)	(1,083,868.23)
Proceeds from Capital Lease		190,000.00				190,000.00
General Obligation Bonds Issued				131,520.85		131,520.85
Total Other Financing Sources (Uses)	(134,634.85)	160,752.88	(8,261.46)	767,605.99	(463,941.71)	321,520.85
Net Change in Fund Balances	(18,753.26)	(9,963.39)	114,795.48	508,244.92	(296,932.76)	297,390.99
Fund Balance - January 1	734,906.67	1,255,311.32	476,839.00	(151,441.79)	1,381,526.07	3,697,141.27
Fund Balance - December 31	716,153.41	1,245,347.93	591,634.48	356,803.13	1,084,593.31	3,994,532.26

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

LOGAN COUNTY
Napoleon, North Dakota

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General	Highway	Unorganized Road	FAS/ER 2011 Disaster Loan		
Revenues:						
Taxes	300,794.27		117,578.97		717,396.59	1,135,769.83
Licenses, Permits and Fees	2,695.70				27,141.34	29,837.04
Intergovernmental	497,391.86	611,625.22	135,734.89		428,455.83	1,673,207.80
Charges for Services	43,420.47	117,489.86			35,624.27	196,534.60
Miscellaneous	9,989.48	1,249.14	5,927.38		25,692.11	42,858.11
Total Revenues	854,291.78	730,364.22	259,241.24		1,234,310.14	3,078,207.38
Expenditures:						
Current:						
General Government	495,511.85				330,499.51	826,011.36
Public Safety	122,197.11				47,243.38	169,440.49
Highways and Public Improve.		571,362.75	660,178.66	438,813.09	99,648.22	1,770,002.72
Health and Welfare					227,612.92	227,612.92
Urban and Economic Development					45,604.81	45,604.81
Culture and Recreation					2,856.82	2,856.82
Conser. and Economic Dvlpmnt.					102,975.83	102,975.83
Other					51,121.73	51,121.73
Capital Outlay	7,600.00	13,285.00			5,200.00	26,085.00
Debt Service:						
Principal	5,090.00	263,755.61		4,500.00	23,975.41	297,321.02
Interest		971.74			35,474.06	36,445.80
Total Expenditures	630,398.96	849,375.10	660,178.66	443,313.09	972,212.69	3,555,478.50
Excess (Deficiency) of Revenues Over Expenditures	223,892.82	(119,010.88)	(400,937.42)	(443,313.09)	262,097.45	(477,271.12)
Other Financing Sources (Uses):						
Transfers In	38,907.10		436,958.19		311,116.00	786,981.29
Transfers Out	(199,780.00)	(9,760.00)	(145.80)		(577,295.49)	(786,981.29)
Total Other Financing Sources (Uses)	(160,872.90)	(9,760.00)	436,812.39		(266,179.49)	
Net Change in Fund Balances	63,019.92	(128,770.88)	35,874.97	(443,313.09)	(4,082.04)	(477,271.12)
Fund Balance - January 1	671,886.75	1,384,082.20	440,964.03	291,871.30	1,385,608.11	4,174,412.39
Fund Balance - December 31	734,906.67	1,255,311.32	476,839.00	(151,441.79)	1,381,526.07	3,697,141.27

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

LOGAN COUNTY
Napoleon, North Dakota

Reconciliation of Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2015

Net Change in Fund Balances - Total Governmental Funds 297,390.99

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

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

Current Year Capital Outlay	303,110.00	
Current Year Depreciation Expense	(122,263.00)	180,847.00

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

Debt Proceeds	(321,520.85)	
Repayment of Debt	624,964.28	303,443.43

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

Net Increase in Interest Payable	(83.95)	
Net Decrease in Compensated Absences	453.61	
Net Decrease to Pension Expense	31,350.00	31,719.66

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

Net Decrease in Taxes Receivable		(762.41)

Change in Net Position of Governmental Activities 812,638.67

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

LOGAN COUNTY
Napoleon, North Dakota

Reconciliation of Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2014

Net Change in Fund Balances - Total Governmental Funds (477,271.12)

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

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

Current Year Capital Outlay	26,085.00	
Current Year Depreciation Expense	(103,331.00)	(77,246.00)

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

Debt Proceeds	0.00	
Repayment of Debt	297,321.02	297,321.02

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

Net Decrease in Interest Payable	1,684.32	
Net Increase in Compensated Absences	(34,173.30)	(32,488.98)

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

Net Decrease in Taxes Receivable		(2,001.94)

Change in Net Position of Governmental Activities		(291,687.02)

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

LOGAN COUNTY
Napoleon, North Dakota

Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2015

	Agency Funds
<u>Assets:</u>	
Cash and Investments	940,506.13 =====
<u>Liabilities:</u>	
Due to Other Governments	940,506.13 =====

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

LOGAN COUNTY
Napoleon, North Dakota

Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2014

	Agency Funds
<u>Assets:</u>	
Cash and Investments	809,765.45 =====
<u>Liabilities:</u>	
Due to Other Governments	809,765.45 =====

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

LOGAN COUNTY
Napoleon, North Dakota

Notes to the Financial Statements
December 31, 2015 and 2014

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Logan County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government 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. Financial Reporting Entity

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

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

Discretely Presented Component Unit: The component unit's column in the basic financial statements include the financial data of the county's component unit. This unit is reported in a separate column to emphasize that it is legally separate from the county.

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

The financial statements of the discretely presented component unit are presented in the basic financial statements. Additional information may be obtained from the Logan County Auditor; 301 Broadway; Napoleon, ND 58561.

B. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the county's governmental activities. Direct expenses are those that are specifically associated with program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the county's funds including its fiduciary funds. Separate statements for each fund category - *governmental* and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The county reports the following major governmental funds:

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

Highway Fund. This fund accounts for the Highway Tax distribution from the State of North Dakota and other grants received from the state to be used for the maintenance and repair of roads within the county.

Unorganized Road. This is the county's primary road maintenance fund. It accounts for a special levy, various grants from the State of North Dakota and all financial resources related to highway maintenance, except those required to be accounted for in another fund.

FAS/ER 2011 Disaster Loan. This fund accounts for the proceeds from the General Obligation Bonds of 2011 and Certificate of Indebtedness of 2011 used by the county for the purpose of repairing county roads and infrastructure affected by flooding.

The county reports the following fund type:

Agency Funds. These funds account for assets held by the county in a custodial capacity as an agent on behalf of others. The county's agency funds are used to account for various deposits of other governments.

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

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

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

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

D. Cash and Investments

Cash include amounts in demand deposits and money market accounts.

Investments consist of certificates of deposit stated at cost.

E. Capital Assets

Capital assets include plant and equipment. Assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the county as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phase of capital assets is not capitalized.

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

Buildings	75 to 100 years
Machinery and Vehicles	5 to 30 years

F. Compensated Absences

Vested or accumulated vacation leave is reported in the government-wide statement of net position. Employees are allowed to accumulate a maximum of 30 days of vacation leave and compensation for unused leave will be granted to all full-time employees upon termination of employment with the county. Upon termination of employment, employees will be paid for unused vacation benefits that have accumulated through the last day of work at the employee's current rate of pay. Compensated absences represent the liability of the county for this employee benefit.

No liability is recorded for nonvesting accumulating rights to receive sick leave benefits.

G. Long-Term Obligations

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

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

H. Pension

For purposes of measuring 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); 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.

I. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund 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. Fund balances are classified as follows:

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash such as inventories or prepaid expenses) or (b) legally or contractually required to be maintained intact (i.e., endowment funds).

Restricted - Fund balances are 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, contributors, or laws or regulations of other governments (i.e., funds restricted by state statute, unspent bond proceeds, grants earned but not spent, debt covenants or taxes raised for a specific purpose).

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the governing board through the adoption of a resolution. The governing board also may modify or rescind the commitment.

Assigned - Fund balances are reported as assigned when amounts are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The county reports positive unassigned fund balance only in the general fund. Negative fund balances may be reported in all funds.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the county's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the county's policy to use fund balance in the following order:

- * Committed
- * Assigned
- * Unassigned

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the county has not spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

J. Interfund Transactions

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

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

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

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Note 2 DEPOSITS AND INVESTMENTS

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

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

Authorized collateral includes bills, notes or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal Land Bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investments 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 any other political subdivision of the State of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing body and bonds issued by another state of the United States or other securities approved by the banking board.

At December 31, 2015 the county's carrying amount of deposits was \$4,939,720 and the bank balance was \$5,080,866. Of the bank balance, \$807,641 was covered by Federal Depository Insurance. The remaining balance of \$4,273,225 was collateralized with securities held by the pledging financial institution's agent in the government's name.

At December 31, 2014 the county's carrying amount of deposits was \$4,891,123 and the bank balance was \$4,978,854. Of the bank balance, \$946,501 was covered by Federal Depository Insurance. The remaining balance of \$4,032,353 was collateralized with securities held by the pledging financial institution's agent in the government's name.

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 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.
- (4) Obligations of the State.

At December 31, 2015 the county held certificates of deposit in the amount of \$341,181, which are all considered deposits.

At December 31, 2014 the county held certificates of deposit in the amount of \$339,991, which are all considered deposits.

Concentration of Credit Risk

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

Note 3 ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due the county at December 31. No allowance has been established for estimated uncollectible accounts receivable.

Note 4 TAXES RECEIVABLE

Taxes receivable represents the past two years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes and special assessment receivables.

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

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

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

Note 5 INTERFUND RECEIVABLES/PAYABLES

The interfund receivable/payable is created by the negative cash balance in the farm to market fund. The amount shown as the interfund payable represent the amount of negative cash in this fund. The interfund receivable/payable for the year ended December 31, 2014 is as follows:

	<u>Receivable</u> <u>Fund</u>	<u>Payable</u> <u>Fund</u>
General Fund	7,545.22	
Farm to Market Roads		7,545.22

Note 6 CAPITAL ASSETS

The following is a summary of changes in capital assets for the years ended December 31, 2015 and 2014:

December 31, 2015

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	13,350			13,350
Capital assets being depreciated:				
Buildings	96,030			96,030
Machinery & Vehicles	1,454,431	303,110	165,513	1,592,028
Total	<u>1,550,461</u>	<u>303,110</u>	<u>165,513</u>	<u>1,688,058</u>
Less accumulated depreciation for:				
Buildings	81,018	1,080		82,098
Machinery & Vehicles	990,597	121,183	165,513	946,267
Total	<u>1,071,615</u>	<u>122,263</u>	<u>165,513</u>	<u>1,028,365</u>
Total capital assets being depreciated, net	<u>478,846</u>	<u>180,847</u>		<u>659,693</u>
Governmental Activities Capital Assets, Net	<u>492,196</u>	<u>180,847</u>	<u>-0-</u>	<u>673,043</u>

December 31, 2014

	<u>Balance January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	13,350			13,350
Capital assets being depreciated:				
Buildings	96,030			96,030
Machinery & Vehicles	1,491,446	26,085	63,100	1,454,431
Total	<u>1,587,476</u>	<u>26,085</u>	<u>63,100</u>	<u>1,550,461</u>
Less accumulated depreciation for:				
Buildings	79,938	1,080		81,018
Machinery & Vehicles	951,446	102,251	63,100	990,597
Total	<u>1,031,384</u>	<u>103,331</u>	<u>63,100</u>	<u>1,071,615</u>
Total capital assets being depreciated, net	<u>556,092</u>	<u>(77,246)</u>		<u>478,846</u>
Governmental Activities Capital Assets, Net	<u>569,442</u>	<u>(77,246)</u>	<u>-0-</u>	<u>492,196</u>

Depreciation expense was charged to functions/programs of the county as follows for the years ended December 31:

	<u>2015</u>	<u>2014</u>
General Government	4,024	4,024
Public Safety	11,320	11,175
Highways and Public Improve.	106,919	88,132
Total Depreciation Expense	<u>122,263</u>	<u>103,331</u>
	=====	=====

Note 7 ACCOUNTS PAYABLE

Accounts payable consist of amounts on open account for goods and services received prior to December 31 and chargeable to the appropriations for the periods then ended, but paid for subsequent to that date.

Note 8 INTEREST PAYABLE

Interest payable consists of interest on long-term liabilities accrued to December 31, 2015 and 2014.

Note 9 UNAVAILABLE REVENUE

Unavailable revenue on the fund financial statements consist of amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable but not available and include taxes receivable.

Note 10 CAPITAL LEASES PAYABLE

The county has entered into the following lease agreements.

Lease-purchase of JD 772D motor grader due in annual installments of \$26,774.95, which includes interest at 3.75% through April 13, 2016.	25,804.80
Lease-purchase of Vanguard Appraisals services agreement due in installments of \$5,090.00 through December 18, 2017.	15,270.00
Lease-purchase of JD 772GP motor grader due in annual installments of \$40,451.41, which includes interest at 2% through June 26, 2020.	190,000.00
Total Capital Leases	<u>231,074.80</u>
	=====

These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term). The following is a schedule of the future minimum lease payments under these capital leases, and the net present value of the minimum lease payments at December 31, 2015;

<u>Year Ending</u> <u>December 31</u>	<u>Payments</u>
2016	72,316.36
2017	45,541.41
2018	45,541.41
2019	40,451.41
2020	40,451.41
	<hr/>
Total minimum lease payments	244,302.00
Less: amount representing interest	(13,227.20)
	<hr/>
Present value of future minimum lease payments	231,074.80
	=====

Note 11 LONG TERM DEBT

Changes in Long-Term Liabilities. During the years ended December 31, 2015 and 2014, the following changes occurred in liabilities reported in the long-term liabilities - Governmental Activities:

December 31, 2015:

	<u>Balance</u> <u>January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31</u>	<u>Due Within</u> <u>One Year</u>
Capital Leases Payable	71,039	190,000	29,964	231,075	66,935
General Obligation Bonds Payable	201,535	131,521	95,000	238,056	238,056
Certificate of Indebt. Payable	1,000,665		500,000	500,665	500,665
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,273,239	321,521	624,964	969,796	805,656
	=====	=====	=====	=====	=====

December 31, 2014:

	<u>Balance</u> <u>January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31</u>	<u>Due Within</u> <u>One Year</u>
Capital Lease Payable	118,360		47,321	71,039	29,964
General Obligation Bonds Payable	330,346		128,811	201,535	95,000
Certificate of Indebt. Payable	1,121,854		121,189	1,000,665	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,570,560	-0-	297,321	1,273,239	124,964
	=====	=====	=====	=====	=====

Outstanding debt at December 31, 2015 consists of the following:

General Obligation Debt. General obligation debt is a direct obligation and pledges the full faith and credit of the government. General obligation debt outstanding at December 31, 2015, is as follows:

General Obligation Bonds/Certificate of Indebtedness. The county issued general obligation debt to provide funding for the purpose of repairing roads and infrastructure damaged by flooding during 2011.

\$461,867.00 General Obligation Bonds of 2011, due in a final payment of \$238,055.89 on June 1, 2016; interest is at 2.25%.	238,055.89
\$5,538,133.00 Certificate of Indebtedness of 2011, due in a final payment of \$500,665.41 on June 1, 2016; interest is at 2.25%.	500,665.41
Total General Obligation Debt	<u>738,721.30</u> =====

Note 12 TRANSFERS

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the years ended:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>December 31, 2015</u>		
County Agent	46,736.00	
General Fund		40,000.00
Weed Control		6,736.00
Farm to Market Roads	22,047.12	
Highway Tax Distribution		22,047.12
FAS/ER 2011 Disaster Loan	78,904.04	
Unorganized Road R&B		
Oil Revenue		78,904.04
To subsidize expenditures.		
General Fund	2,830.15	
Unorganized Road	70,642.58	
FAS/ER 2011 Disaster Loan	557,181.10	
FEMA Disaster Fund		630,653.83
To provide share of FEMA.		
Courthouse Building	100,000.00	
Patrol Car Replacement	15,000.00	
Vehicle Replacement	12,500.00	
General Fund		127,500.00
Automation and Telecom.	26,290.00	
General Fund	39,435.00	
Social Security		65,725.00
Annual budgeted transfers.		
Comprehensive Health Ins.	72,580.00	
General Fund		9,400.00
Highway Tax Distribution		7,200.00
County Human Services		3,400.00
Social Security		52,580.00
Annual transfers to fund health insurance expense.		
County Human Services	39,722.24	
Emergency Human Services		39,722.24
To close fund.		

December 31, 2014

County Agent	49,496.00	
General Fund		43,000.00
Weed Control		6,496.00

To subsidize expenditures.

General Fund	6,407.10	
Unorganized Road	436,812.39	
FEMA Disaster Fund		443,219.49

To provide share of FEMA.

Courthouse Building	128,750.00	
Patrol Car Replacement	12,500.00	
General Fund		141,250.00

General Fund	32,500.00	
Automation and Telecom.	45,000.00	
Social Security		77,500.00

Annual budgeted transfers.

Comprehensive Health Ins.	75,370.00	
General Fund		15,530.00
Highway Tax Distribution		9,760.00
County Human Services		5,080.00
Social Security		45,000.00

Annual transfers to fund health insurance expense.

Unorganized Road HB1012	145.80	
Unorganized Road		145.80

To subsidize expenditures and close fund.

Note 13 DEFICIT FUND BALANCES

The following funds had deficit balances at December 31, 2014:

Special Revenue Funds

FAS/ER 2011 Disaster Loan	(151,441.79)
Farm to Market Roads	(7,545.22)

The county plans to eliminate these deficits with future revenue collections and/or transfers from other funds.

Note 14 RELATED ORGANIZATIONS

The county is also responsible for levying a property tax for the Logan County Senior Citizens, Logan County Historical Society, Logan County Job Development Authority and Logan County Ambulance. However, the county's accountability for these entities does not extend beyond levying the tax. In 2015 and 2014, the county remitted \$37,106.00 and \$22,167.70 to the senior citizens, \$3,241.46 and \$2,856.82 to the historical society, \$51,849.64 and \$45,604.81 to the job development authority and \$559.73 and \$1,136.14 to the ambulance, respectively.

Note 15 RISK MANAGEMENT

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

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The county pays an annual premium to NDIRF for its general liability, automobile and public assets insurance coverage. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability and automobile; and \$1,563,940 for public assets.

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 buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of \$1,000,000 per occurrence during a 12 month period. The State Bonding Fund currently provides the county with a blanket fidelity bond coverage in the amount of \$1,283,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The county has worker's compensation with the Department of Workforce Safety and Insurance; and purchases commercial insurance for employee health and accident insurance.

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

Note 16 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 NDPERS plan is financed by investment income and contributions.

Responsibility for administration of the NDPERS benefits program 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 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 benefits 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 reemployed, 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
- 25 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 contribution 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, Logan County reported a liability of \$420,579 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The county's proportion of the net pension liability was based on the county's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2014 the county's proportion was .066262 percent.

For the year ended December 31, 2015 the county recognized pension expense of \$41,614. At December 31, 2015 the county reported deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	-----	-----
Differences between expected and actual experience	13,636	
Net difference between projected and actual earnings on pension plan investments		82,099
County contributions subsequent to the measurement date (see below)	74,820	
Total	<u>88,456</u>	<u>82,099</u>
	=====	=====

\$74,820 reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	

2016	(17,623)
2017	(17,623)
2018	(17,623)
2019	(17,623)
2020	2,031
Thereafter	0

Actuarial assumptions. The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary increases	3.85% per annum for four years, then 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 with ages set back three years. For disabled retirees, mortality rates were based on the RP-2000 Disabled Retiree Morality Table with ages set back one year for males (not set back for females).

The actuarial assumptions used were based on the results of an actuarial experience study completed in 2010. They are the same as the assumptions used in the July 1, 2014, 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 pension plan investment expense 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 by 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%	1.55%
International Equity Income	5%	0.90%
Global Real Assets	20%	5.38%
Cash Equivalents	5%	0.00%

Discount rate. The discount rate used to measure the total pension liability was 8 percent as of June 30, 2014. 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, 2014, 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, 2014. 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, 2014.

Sensitivity of the county's proportionate share of the net pension liability to changes in the discount rate. The following presents the county's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the county'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% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
	-----	-----	-----
The county's proportionate share of the net pension liability	648,657	420,579	229,874

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

Note 17 PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to the Governmental Activities. This adjustment was made to account for the county's net pension liability less it's deferred outflows of resources at December 31, 2014.

LOGAN COUNTY
Napoleon, North Dakota

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	323,125.00	323,125.00	292,376.17	(30,748.83)
Licenses, Permits and Fees	1,075.00	1,075.00	1,635.00	560.00
Intergovernmental	475,767.00	475,767.00	517,353.54	41,586.54
Charges for Services	26,340.00	26,340.00	40,447.06	14,107.06
Miscellaneous	11,750.00	11,750.00	6,826.87	(4,923.13)
Total Revenues	838,057.00	838,057.00	858,638.64	20,581.64
<u>Expenditures:</u>				
Current:				
General Government	562,854.00	568,599.90	524,565.82	44,034.08
Public Safety	231,384.00	232,773.45	213,101.23	19,672.22
Capital Outlay	60,000.00	60,000.00		60,000.00
Debt Service:				
Principal			5,090.00	(5,090.00)
Total Expenditures	854,238.00	861,373.35	742,757.05	118,616.30
Excess (Deficiency) of Revenues Over Expenditures	(16,181.00)	(23,316.35)	115,881.59	139,197.94
<u>Other Financing Sources (Uses):</u>				
Transfers In			42,265.15	42,265.15
Transfers Out			(176,900.00)	(176,900.00)
Total Other Financing Sources (Uses)			(134,634.85)	(134,634.85)
Net Change in Fund Balances	(16,181.00)	(23,316.35)	(18,753.26)	4,563.09
Fund Balance - January 1	734,906.67	734,906.67	734,906.67	
Fund Balance - December 31	718,725.67	711,590.32	716,153.41	4,563.09

LOGAN COUNTY
Napoleon, North Dakota

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	328,010.00	328,010.00	300,794.27	(27,215.73)
Licenses, Permits and Fees	1,500.00	1,500.00	2,695.70	1,195.70
Intergovernmental	470,646.00	470,646.00	497,391.86	26,745.86
Charges for Services	27,840.00	27,840.00	43,420.47	15,580.47
Miscellaneous	10,100.00	10,100.00	9,989.48	(110.52)
Total Revenues	838,096.00	838,096.00	854,291.78	16,195.78
Expenditures:				
Current:				
General Government	547,212.00	555,687.30	495,511.85	60,175.45
Public Safety	193,750.00	200,061.50	122,197.11	77,864.39
Capital Outlay	71,250.00	71,250.00	7,600.00	63,650.00
Debt Service:				
Principal			5,090.00	(5,090.00)
Total Expenditures	812,212.00	826,998.80	630,398.96	196,599.84
Excess (Deficiency) of Revenues Over Expenditures	25,884.00	11,097.20	223,892.82	212,795.62
Other Financing Sources (Uses):				
Transfers In			38,907.10	38,907.10
Transfers Out			(199,780.00)	(199,780.00)
Total Other Financing Sources (Uses)			(160,872.90)	(160,872.90)
Net Change in Fund Balances	25,884.00	11,097.20	63,019.92	51,922.72
Fund Balance - January 1	671,886.75	671,886.75	671,886.75	
Fund Balance - December 31	697,770.75	682,983.95	734,906.67	51,922.72

LOGAN COUNTY
Napoleon, North Dakota

Budgetary Comparison Schedule
Highway Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	1,804,000.00	1,804,000.00	2,085,755.10	281,755.10
Charges for Services	107,500.00	107,500.00	111,698.99	4,198.99
Miscellaneous	500.00	500.00	6,628.18	6,128.18
Total Revenues	1,912,000.00	1,912,000.00	2,204,082.27	292,082.27
Expenditures:				
Current:				
Highways and Public Improvement	2,466,139.29	2,466,139.29	1,968,192.75	497,946.54
Capital Outlay	200,000.00	200,000.00	190,000.00	10,000.00
Debt Service:				
Principal	100,000.00	100,000.00	216,605.79	(116,605.79)
Total Expenditures	2,766,139.29	2,766,139.29	2,374,798.54	391,340.75
Excess (Deficiency) of Revenues Over Expenditures	(854,139.29)	(854,139.29)	(170,716.27)	683,423.02
Other Financing Sources (Uses):				
Transfers Out			(29,247.12)	(29,247.12)
Proceeds from Capital Lease			190,000.00	190,000.00
Total Other Financing Sources (Uses)			160,752.88	160,752.88
Net Change in Fund Balances	(854,139.29)	(854,139.29)	(9,963.39)	844,175.90
Fund Balance - January 1	1,255,311.32	1,255,311.32	1,255,311.32	
Fund Balance - December 31	401,172.03	401,172.03	1,245,347.93	844,175.90

LOGAN COUNTY
Napoleon, North Dakota

Budgetary Comparison Schedule
Highway Fund
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	329,899.00	329,899.00	611,625.22	281,726.22
Charges for Services	61,500.00	61,500.00	117,489.86	55,989.86
Miscellaneous	700.00	700.00	1,249.14	549.14
Total Revenues	392,099.00	392,099.00	730,364.22	338,265.22
Expenditures:				
Current:				
Highways and Public Improvement	2,615,205.29	2,615,205.29	571,362.75	2,043,842.54
Capital Outlay			13,285.00	(13,285.00)
Debt Service:				
Principal			263,755.61	(263,755.61)
Interest			971.74	(971.74)
Total Expenditures	2,615,205.29	2,615,205.29	849,375.10	1,765,830.19
Excess (Deficiency) of Revenues Over Expenditures	(2,223,106.29)	(2,223,106.29)	(119,010.88)	2,104,095.41
Other Financing (Uses):				
Transfers Out	(68,210.00)	(68,210.00)	(9,760.00)	58,450.00
Net Change in Fund Balances	(2,291,316.29)	(2,291,316.29)	(128,770.88)	2,162,545.41
Fund Balance - January 1	1,384,082.20	1,384,082.20	1,384,082.20	
Fund Balance - December 31	(907,234.09)	(907,234.09)	1,255,311.32	2,162,545.41

LOGAN COUNTY
Napoleon, North Dakota

Budgetary Comparison Schedule
Unorganized Road Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	158,002.00	158,002.00	135,099.06	(22,902.94)
Intergovernmental	115,799.90	115,799.90	351,137.13	235,337.23
Miscellaneous			599.00	599.00
Total Revenues	273,801.90	273,801.90	486,835.19	213,033.29
<u>Expenditures:</u>				
Current:				
Highways and Public Improvement	763,500.00	763,500.00	363,778.25	399,721.75
Excess (Deficiency) of Revenues Over Expenditures	(489,698.10)	(489,698.10)	123,056.94	612,755.04
<u>Other Financing Sources (Uses):</u>				
Transfers In			70,642.58	70,642.58
Transfers Out			(78,904.04)	(78,904.04)
Total Other Financing Sources (Uses)			(8,261.46)	(8,261.46)
Net Change in Fund Balances	(489,698.10)	(489,698.10)	114,795.48	604,493.58
Fund Balance - January 1	476,839.00	476,839.00	476,839.00	
Fund Balance - December 31	(12,859.10)	(12,859.10)	591,634.48	604,493.58

LOGAN COUNTY
Napoleon, North Dakota

Budgetary Comparison Schedule
Unorganized Road Fund
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	138,087.00	138,087.00	117,578.97	(20,508.03)
Intergovernmental	99,550.80	99,550.80	135,734.89	36,184.09
Miscellaneous			5,927.38	5,927.38
Total Revenues	237,637.80	237,637.80	259,241.24	21,603.44
<u>Expenditures:</u>				
Current:				
Highways and Public Improvement	1,088,823.26	1,088,823.26	660,178.66	428,644.60
Excess (Deficiency) of Revenues Over Expenditures	(851,185.46)	(851,185.46)	(400,937.42)	450,248.04
<u>Other Financing Sources (Uses):</u>				
Transfers In			436,958.19	436,958.19
Transfers Out			(145.80)	(145.80)
Total Other Financing Sources (Uses)			436,812.39	436,812.39
Net Change in Fund Balances	(851,185.46)	(851,185.46)	35,874.97	887,060.43
Fund Balance - January 1	440,964.03	440,964.03	440,964.03	
Fund Balance - December 31	(410,221.43)	(410,221.43)	476,839.00	887,060.43

LOGAN COUNTY
Napoleon, North Dakota

Budgetary Comparison Schedule
FAS/ER 2011 Disaster Loan Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental			52,270.65	52,270.65
<u>Expenditures:</u>				
Current:				
Highways and Public Improvement	33,028.74	33,028.74	111,631.72	(78,602.98)
Debt Service:				
Principal			200,000.00	(200,000.00)
Total Expenditures	33,028.74	33,028.74	311,631.72	(278,602.98)
Excess (Deficiency) of Revenues Over Expenditures	(33,028.74)	(33,028.74)	(259,361.07)	(226,332.33)
<u>Other Financing Sources:</u>				
Transfers In			636,085.14	636,085.14
General Obligation Bonds Issued			131,520.85	131,520.85
Total Other Financing Sources			767,605.99	767,605.99
Net Change in Fund Balances	(33,028.74)	(33,028.74)	508,244.92	541,273.66
Fund Balance - January 1	(151,441.79)	(151,441.79)	(151,441.79)	
Fund Balance - December 31	(184,470.53)	(184,470.53)	356,803.13	541,273.66

LOGAN COUNTY
Napoleon, North Dakota

Budgetary Comparison Schedule
FAS/ER 2011 Disaster Loan Fund
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental			-0-	
<u>Expenditures:</u>				
Current:				
Highways and Public Improvement			438,813.09	(438,813.09)
Debt Service:				
Principal	90,018.00	90,018.00	4,500.00	85,518.00
Total Expenditures	90,018.00	90,018.00	443,313.09	(353,295.09)
Net Change in Fund Balances	(90,018.00)	(90,018.00)	(443,313.09)	(353,295.09)
Fund Balance - January 1	291,871.30	291,871.30	291,871.30	
Fund Balance - December 31	201,853.30	201,853.30	(151,441.79)	(353,295.09)

LOGAN COUNTY
Napoleon, North Dakota

Notes to the Budgetary Comparison Schedules
December 31, 2015 and 2014

Note 1 SUMMARY OF SIGNIFICANT BUDGET POLICIES

Annually, the board of county commissioners provides each office a department budget. The departments complete their budget and file it with the county auditor. Based upon the departmental budget requests and other financial information, the county auditor prepares the preliminary county budget. The budget is prepared for the general and special revenue funds on the modified accrual basis of accounting. The preliminary budget includes the proposed expenditures and the means of financing them. All annual appropriations lapse at year-end.

The board of county commissioners holds a public hearing where any taxpayer may testify in favor or against any proposed expenditures or tax levies requested in the preliminary budget. After the budget hearing and on or before the October meeting, the board adopts the final budget and shall determine the amount of taxes that shall be levied for county purposes and shall levy all such taxes in specific amounts. No expenditure shall be made or liability incurred in excess of the total appropriation by fund, except for transfers as authorized by the North Dakota Century Code Section 11-23-07. However, the board of county commissioners may amend the budget, except for property taxes, during the year for any revenues and appropriations not anticipated at the time the budget was prepared. The budget amendments must be approved by the board and the approval must be noted in the proceedings of the board.

Note 2 LEGAL COMPLIANCE

The governing board approved the following amendments to the county's budget for the years ending:

December 31, 2015

	Original Budget	Amendment	Amended Budget
		<u>Appropriations</u>	
General Fund	854,238	7,135	861,373
<u>Special Revenue Fund</u>			
Farm to Market Roads	72,513	6,702	79,215

December 31, 2014

	Original Budget	Amendment	Amended Budget
		<u>Appropriations</u>	
General Fund	812,212	14,787	826,999
<u>Special Revenue Funds</u>			
Farm to Market Roads	63,387	6,074	69,461
Veteran's Service Officer	7,610	341	7,951

Excess of Actual Expenditures Over Budget

Expenditures exceeded budget in the following funds for the years ending December 31:

	<u>2015</u>	<u>2014</u>
<u>Special Revenue Funds</u>		
FAS/ER 2011 Disaster Loan	278,602.98	353,295.09
Social Security	113.07	5,422.62
Veteran's Service Officer		60.00
Insurance Reserve	87,002.24	
Patrol Care Replacement	13,110.50	
Hazardous Chemical	55.50	
Senior Citizens		775.70
Heavy Equipment Replacement	100.00	1,774.95
Document Preservation	3,096.69	1,815.88
County Loan	49,884.59	

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

LOGAN COUNTY
Napoleon, North Dakota

Schedule of Employer's Share of Net Pension Liability
ND Public Employees Retirement System
Last 10 Fiscal Years*

	2015
County's proportion of the net pension liability	0.066262%
County's proportionate share of the net pension liability	420,579
County's covered-employee payroll	613,421
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	68.56%
Plan fiduciary net position as a percentage of the total pension liability	77.7%

Schedule of Employer Contributions
ND Public Employees Retirement System
Last 10 Fiscal Years*

	2015
Statutorily required contribution	40,866
Contributions in relation to the statutorily required contribution	(40,866)
Contribution deficiency (excess)	0
County's covered-employee payroll	613,421
Contributions as a percentage of covered-employee payroll	6.66%

* Complete data for this schedule is not available prior to 2015.

LOGAN COUNTY
Napoleon, North Dakota

Schedule of Fund Activity
Arising from Cash Transactions
For the Year Ended December 31, 2015

	Balance 1-1-15	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-15
Major Governmental Funds						
General Fund	733,485.17	852,795.14	42,265.15	176,900.00	742,757.05	708,888.41
Highway Fund:						
Highway Tax Distribution		440,886.83		29,247.12	524,295.75	976,972.23
Highway Oil Revenue	1,089,628.27	1,018.88			1,018.88	
Highway WR & SR Fund	163,639.29					163,639.29
HB 1358 State Aid Dixon/Red Lake	(19,624.48)	1,773,735.69			1,659,483.91	94,627.30
Unorganized Road Fund:						
Unorganized Road	284,071.29	276,835.19	70,642.58		487,941.42	143,607.64
Unorg. Road Township Oil Revenue	226,817.14				5,611.75	221,205.39
Unorg. Road R&B Oil Revenue	187,513.99			78,904.04	69,307.00	39,302.95
Unorg. Road Oil Revenue SB2103		210,000.00				210,000.00
FAS/ER 2011 Disaster Loan	33,724.03	183,791.50	636,085.14		496,797.54	356,803.13
Total Major Governmental Funds	2,700,273.58	3,738,044.35	748,992.87	285,051.16	3,987,213.30	2,915,046.34
Non-Major Governmental Funds						
Farm to Market Roads	(7,545.22)	64,883.63	22,047.12		79,214.75	170.78
County Human Services	38,633.96	263,113.91	39,722.24	3,400.00	224,784.15	113,285.96
Emergency Human Services	39,722.24			39,722.24		
Social Security	25,854.38	187,826.91		118,305.00	63,213.07	32,163.22
Emergency Fund	177,931.40	19,656.54				197,587.94
Veteran's Service Officer	4,062.71	8,409.35			8,120.55	4,351.51
County Agent	1,297.06	25,911.71	46,736.00		73,804.09	140.68
Weed Control/Leafy Spurge	132,760.60	48,417.63		6,736.00	19,823.96	154,618.27
Automation and Telecommunications	60,571.29		26,290.00		24,386.75	62,474.54
Courthouse Building	149,734.44		100,000.00		78,410.36	171,324.08
Insurance Reserve	34,633.08	127,896.38			128,389.24	34,140.22
Comprehensive Health Insurance	19,657.07	119,438.17	72,580.00		203,179.95	8,495.29
Emergency 911	50,225.82	27,136.00			27,015.71	50,346.11
County Jail	19,053.95	27,031.04			29,457.85	16,627.14
Patrol Car Replacement	15,070.79		15,000.00		28,110.50	1,960.29
Vehicle Replacement			12,500.00			12,500.00
Hazardous Chemical	5,473.98	637.50			3,055.50	3,055.98
Advertising	4,228.69	2,858.47			2,821.24	4,265.92
Senior Citizens	93.13	37,079.72			37,106.00	66.85
Historical Society	20.84	3,229.12			3,241.46	8.50
Job Development Authority	329.49	51,654.61			51,849.64	134.46
Ambulance	93.32	466.41			559.73	
Abandoned Cemeteries	2,313.97	657.75			918.45	2,053.27
Estate Tax	78,274.84				7,532.00	70,742.84
Heavy Equipment Replacement	28,556.11	24,830.40			26,874.95	26,511.56
Document Preservation	3,978.32	4,874.00			3,446.69	5,405.63
Computer Replacement	450.00					450.00
County Loan	51,845.43	38,741.76			90,284.59	302.60
FEMA Disaster Fund:						
FEMA DR 1907-2010	163,173.81			163,173.81		
FEMA DR 1981-2011	212,794.95	476,643.81		467,480.02	110,954.51	111,004.23
Interest and Sinking	68,235.62	45,440.95			113,271.13	405.44
Total Non-Major Governmental Funds	1,381,526.07	1,606,835.77	334,875.36	798,817.07	1,439,826.82	1,084,593.31
Total Governmental Funds	4,081,799.65	5,344,880.12	1,083,868.23	1,083,868.23	5,427,040.12	3,999,639.65

(continued)

LOGAN COUNTY
Napoleon, North Dakota

Schedule of Fund Activity
Arising from Cash Transactions
For the Year Ended December 31, 2015
(continued)

	Balance 1-1-15	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-15
<u>Agency Funds</u>						
South Central Area Library	247.68	41,925.77			42,080.24	93.21
4-H Donation	100.28					100.28
County Extension	1,889.50	1,028.81			252.59	2,665.72
State Medical Center	82.26	12,995.37			13,043.84	33.79
AG 24/7 Sobriety Program	2,311.64	2,380.00			2,360.00	2,331.64
Victim Witness Fees		835.00			710.00	125.00
Domestic Violence		350.00			315.00	35.00
Game and Fish	775.00	19,204.00			19,554.00	425.00
Logan County Soil Conservation	164.93	29,573.73			29,671.26	67.40
Central Valley Health Unit	399.24	66,020.89			66,270.14	149.99
Aid to County Fair	9.25	1,422.89			1,428.41	3.73
Water Resource District	88.35	57,389.94			57,357.23	121.06
Health Insurance Reimbursement	1,283.00	10,913.00			10,988.00	1,208.00
State Withholding Tax	2,831.64	14,156.10			13,278.93	3,708.81
General Expense		3,662.06			3,662.06	
Prepaid Taxes	787,686.22	921,797.30			787,686.22	921,797.30
Mobile Home Tax		387.94				387.94
Total Cities and Park Districts	2,938.59	311,339.93			310,407.04	3,871.48
Total School Districts	7,525.86	1,009,445.49			1,014,214.26	2,757.09
Total Townships and Fire Districts	1,432.01	454,157.40			454,965.72	623.69
Total Agency Funds	809,765.45	2,958,985.62			2,828,244.94	940,506.13
Total Primary Government	4,891,565.10	8,303,865.74	1,083,868.23	1,083,868.23	8,255,285.06	4,940,145.78
<u>Discretely Presented</u>						
<u>Component Unit</u>						
Water Resource District	52,202.84	58,227.04			18,150.00	92,279.88
Total Reporting Entity	4,943,767.94	8,362,092.78	1,083,868.23	1,083,868.23	8,273,435.06	5,032,425.66

LOGAN COUNTY
Napoleon, North Dakota

Schedule of Fund Activity
Arising from Cash Transactions
For the Year Ended December 31, 2014

	Balance 1-1-14	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-14
Major Governmental Funds						
General Fund	678,662.26	854,039.28	38,907.10	199,780.00	638,343.47	733,485.17
Highway Fund:						
Highway Tax Distribution	959,665.18	442,948.12		9,760.00	303,225.03	1,089,628.27
Highway Oil Revenue	246,518.88				245,500.00	1,018.88
Highway WR & SR Fund	163,639.29					163,639.29
HB 135B State Aid Dixon/Red Lake		284,220.00			303,844.48	(19,624.48)
Unorganized Road Fund:						
Unorganized Road	(54,165.81)	259,241.24	436,812.39	145.80	357,670.73	284,071.29
Unorg. Road Township Oil Revenue	314,999.90				88,182.76	226,817.14
Unorg. Road R&B Oil Revenue	201,204.62				13,690.63	187,513.99
Unorganized Road HB1012	4,677.32		145.80		4,823.12	
FAS/ER 2011 Disaster Loan	293,028.74				259,304.71	33,724.03
Total Major Governmental Funds	2,808,230.38	1,840,448.64	475,865.29	209,685.80	2,214,584.93	2,700,273.58
Non-Major Governmental Funds						
Farm to Market Roads	67.90	61,847.77			69,460.89	(7,545.22)
County Human Services	68,125.98	203,200.90		5,080.00	227,612.92	38,633.96
Emergency Human Services	39,722.24					39,722.24
Social Security	29,743.32	182,933.68		122,500.00	64,322.62	25,854.38
Emergency Fund	166,550.33	11,381.07				177,931.40
Veteran's Service Officer	4,008.44	8,065.22			8,010.95	4,062.71
County Agent	1,467.90	23,164.78	49,496.00		72,831.62	1,297.06
Weed Control/Leafy Spurge	107,425.76	61,975.05		6,496.00	30,144.21	132,760.60
Automation and Telecommunications	43,097.47		45,000.00		27,526.18	60,571.29
Courthouse Building	41,126.44		128,750.00		20,142.00	149,734.44
Insurance Reserve	26,476.91	45,760.92			37,604.75	34,633.08
Comprehensive Health Insurance	23,165.21	109,318.68	75,370.00		188,196.82	19,657.07
Emergency 911	46,868.99	26,403.84			23,047.01	50,225.82
County Jail	15,843.41	26,270.77			23,060.23	19,053.95
Patrol Car Replacement	2,570.79		12,500.00			15,070.79
Vehicle Replacement	5,200.00				5,200.00	
Hazardous Chemical	4,736.48	737.50				5,473.98
Advertising	4,012.70	2,884.25			2,668.26	4,228.69
Senior Citizens	68.06	22,192.77			22,167.70	93.13
Historical Society	14.78	2,862.88			2,856.82	20.84
Job Development Authority	224.69	45,709.61			45,604.81	329.49
Ambulance	253.94	975.52			1,136.14	93.32
Abandoned Cemeteries	2,520.29	594.76			801.08	2,313.97
Estate Tax	85,589.84				7,315.00	78,274.84
Heavy Equipment Replacement	29,342.28	25,988.78			26,774.95	28,556.11
Document Preservation	2,482.60	4,361.60			2,865.88	3,978.32
Computer Replacement	450.00					450.00
County Loan	17,561.16	34,284.27				51,845.43
FEMA Disaster Fund:						
FEMA DR 1829-2009	52,258.99			45,077.06	7,181.93	
FEMA DR 1907-2010	231,608.31	102,703.66		132,725.29	38,412.87	163,173.81
FEMA DR 1981-2011	313,351.90	180,873.85		265,417.14	16,013.66	212,794.95
Interest and Sinking	51,092.13	49,818.01			32,674.52	68,235.62
Total Non-Major Governmental Funds	1,417,029.24	1,234,310.14	311,116.00	577,295.49	1,003,633.82	1,381,526.07
Total Governmental Funds	4,225,259.62	3,074,758.78	786,981.29	786,981.29	3,218,218.75	4,081,799.65

(continued)

LOGAN COUNTY
Napoleon, North Dakota

Schedule of Fund Activity
Arising from Cash Transactions
For the Year Ended December 31, 2014
(continued)

	Balance 1-1-14	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-14
<u>Agency Funds</u>						
South Central Area Library	178.93	44,433.99			44,365.24	247.68
4-H Donation	1,854.28				1,754.00	100.28
County Extension	2,048.44				158.94	1,889.50
State Medical Center	56.34	11,872.62			11,846.70	82.26
AG 24/7 Sobriety Program	2,008.29	1,469.00			1,165.65	2,311.64
Victim Witness Fees	100.00	435.00			535.00	
Domestic Violence	91.00	175.00			266.00	
Game and Fish	566.00	14,422.00			14,213.00	775.00
Logan County Soil Conservation	111.85	26,779.39			26,726.31	164.93
Central Valley Health Unit	280.72	65,583.23			65,464.71	399.24
Aid to County Fair	7.25	1,374.19			1,372.19	9.25
Water Resource District	74.19	14,715.18			14,701.02	88.35
Health Insurance Reimbursement	1,283.00	9,228.00			9,228.00	1,283.00
State Withholding Tax	3,002.79	13,077.12			13,248.27	2,831.64
General Expense	151.23	3,752.97			3,904.20	
Prepaid Taxes	707,475.99	787,686.22			707,475.99	787,686.22
Total Cities and Park Districts	3,428.49	357,938.49			358,428.39	2,938.59
Total School Districts	6,127.72	940,120.40			938,722.26	7,525.86
Total Townships and Fire Districts	890.70	312,593.48			312,052.17	1,432.01
Total Agency Funds	729,737.21	2,605,656.28			2,525,628.04	809,765.45
Total Primary Government	4,954,996.83	5,680,415.06	786,981.29	786,981.29	5,743,846.79	4,891,565.10
<u>Discretely Presented</u>						
<u>Component Unit</u>						
Water Resource District	50,718.46	20,295.49			18,811.11	52,202.84
Total Reporting Entity	5,005,715.29	5,700,710.55	786,981.29	786,981.29	5,762,657.90	4,943,767.94

Rath & Mehler

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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

Governing Board
Logan County
Napoleon, 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 discretely presented component unit, each major fund and the aggregate remaining fund information of Logan County, Napoleon, North Dakota, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements, and have issued our report thereon dated April 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the 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 the county's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the county's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits 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 the 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the county's internal control or on compliance. This is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the county's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rath and Mehrer

Rath and Mehrer, P.C.

Bismarck, North Dakota

April 15, 2016

LOGAN COUNTY
Napoleon, North Dakota

Schedule of Findings and Responses
For the Years Ended December 31, 2015 and 2014

SECTION I - SUMMARY OF AUDIT RESULTS:

Financial Statements

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

Internal control over financial reporting:

* Material weakness(es) identified?	___ Yes	___ X ___ No
* Significant deficiency(ies) identified?	___ Yes	___ X ___ None Reported
Noncompliance Material to financial statements noted?	___ Yes	___ X ___ No

SECTION II - FINANCIAL STATEMENT FINDINGS:

No matters were reported