

# Cass County Government

Fargo, North Dakota

## Audit Report

For the Year Ended December 31, 2017

**JOSHUA C. GALLION**  
**STATE AUDITOR**

Office of the State Auditor  
Division of Local Government

**CASS COUNTY GOVERNMENT**  
**Fargo, North Dakota**  
  
**Audit Report**  
**For the Year Ended December 31, 2017**

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# **CASS COUNTY GOVERNMENT COUNTY OFFICIALS**

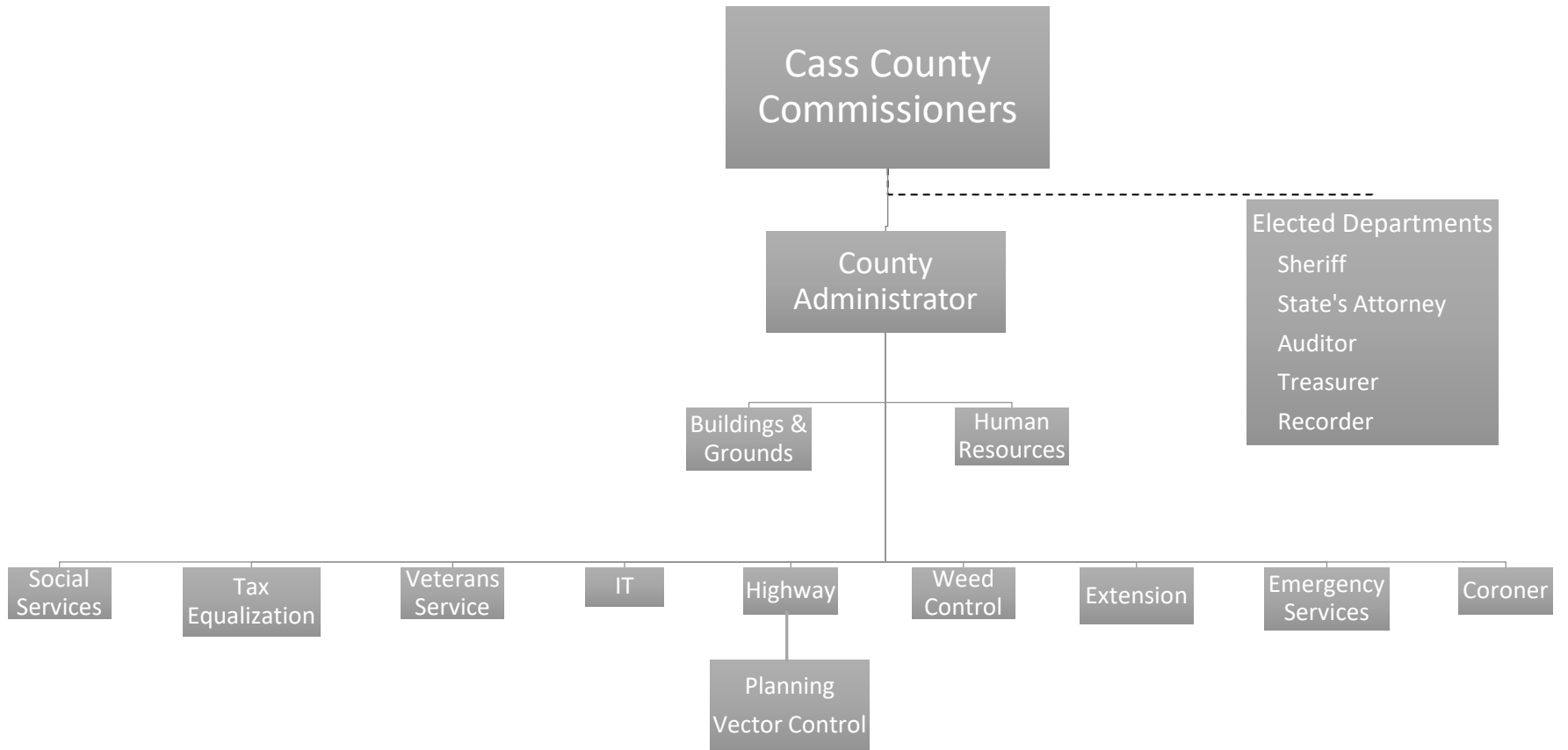
## **Current Officials**

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

## **2017 Officials**

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

**Cass County Government**  
**Organizational Chart**  
Adopted February 21, 2017





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

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**INDEPENDENT AUDITOR'S REPORT**

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Board of County Commissioners  
Cass County  
Fargo, North Dakota

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Fargo, North Dakota, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Fargo, North Dakota, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective statement of revenues, expenditures and changes in fund balance – budget and actual - for the general fund, the human service fund, the county road and bridge fund, and the emergency & flood mitigation fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of a Matter**

As discussed in Note 16 to the financial statements, Cass County adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pensions. Our opinion is not modified with respect to this matter

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, the schedules of the proportionate share of the net pension & OPEB liability, and schedules of employer pension & OPEB contributions* on pages 5-14 and 87-90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cass County's basic financial statements. The *combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balance – budget and actual – nonmajor governmental funds (special revenue and debt service funds), combining internal service fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balance – budget and actual – nonmajor governmental funds (special revenue and debt service funds), combining internal service fund financial statements, and schedule of expenditures of federal awards* is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balance – budget and actual – nonmajor governmental funds (special revenue and debt service funds), combining internal service fund statements, and schedule of expenditures of federal awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018 on our consideration of Cass County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cass County's internal control over financial reporting and compliance.

/s/  
Joshua C. Gallion  
State Auditor

Fargo, North Dakota  
June 26, 2018

**CASS COUNTY GOVERNMENT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The County's Management Discussion and Analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

- At December 31, 2017, the assets and deferred outflows of Cass County Government exceeded liabilities and deferred inflows by \$36,021,697 (net position). Net investment in capital assets (net of depreciation and related debt) was at \$131,170,862. Unrestricted net position increased by \$5.02 million from the prior year and ended at \$(104.8) million.
- A cumulative effect of change in accounting principal was necessary to properly recognize the provisions of GASB 75. Accordingly, beginning net position was reduced by \$1.7 million for the beginning 2017 net OPEB liability. See Note 16 for more detailed information related to this cumulative effect of change in accounting principal.
- At December 31, 2017, the County's governmental funds reported combined ending fund balances of \$22,353,688, for an increase of \$58,676 over the previous year.
- At December 31, 2017, the unassigned fund balance for the General Fund was \$4,692,103 or 15% of total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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



## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

The Statement of Activities presents information showing how the government's net position changed during fiscal year 2017. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Items such as uncollected taxes and earned but unused vacation leave will be included in the Statement of Activities as revenues and expenses, even though the cash associated with these items will not be received or distributed in 2017.

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

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

The government-wide financial statements can be found on pages 16-18 of this report.

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

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

## **FUND FINANCIAL STATEMENTS**

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

### **Governmental Funds**

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

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

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

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

The basic governmental fund financial statements can be found on pages 19-29 of this report. Combining component unit statements can be found on pages 35-38.

**Proprietary Funds**

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

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

The basic proprietary fund financial statements can be found on pages 30-32 of this report.

**Fiduciary Funds**

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

The basic fiduciary fund financial statement can be found on page 33 of this report.

**NOTES TO THE FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-86 of this report.

**OTHER INFORMATION**

The combining statements referred to on page 8 in connection with non-major governmental funds and internal service funds are presented in the supplementary information section of this report. Combining and individual fund schedules can be found on pages 91-121 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### STATEMENT OF NET POSITION

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. At the close of the fiscal year ended December 31, 2017, Cass County's assets and deferred outflows exceeded liabilities and deferred inflows by \$36,021,697.

#### Statement of Net Position December 31, 2017 and 2016

	Governmental Activities	
	2017	2016
Current and Other Assets	\$ 45,993,464	\$ 40,907,889
Capital Assets	135,150,862	137,908,190
Total Assets	<u>\$ 181,144,326</u>	<u>\$ 178,816,080</u>
 Deferred Outflows of Resources	 <u>\$ 17,266,741</u>	 <u>\$ 7,398,901</u>
 Long-Term Liabilities	 \$ 135,914,781	 \$ 71,650,377
Other Liabilities	9,369,878	56,904,500
Total Liabilities	<u>\$ 145,284,659</u>	<u>\$ 128,554,877</u>
 Deferred Inflows of Resources	 <u>\$ 17,104,711</u>	 <u>\$ 17,059,400</u>
 Net Position:		
Net Investment in Capital Assets	\$ 131,170,862	\$ 133,225,720
Restricted	9,671,740	17,217,641
Unrestricted	(104,820,905)	(109,842,657)
Total Net Position	<u>\$ 36,021,697</u>	<u>\$ 40,600,704</u>

The largest portion of the County's net position reflects its investment in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. Total net position decreased by over \$4.6 million. The main reason for the decrease was the result of OPEB Liability and the continued funding for the FM Diversion Authority.

## STATEMENT OF CHANGES IN NET POSITION

Governmental activities decreased the County's net position by \$3,041,586. Key elements in changes in net position are shown in the following table.

	Governmental Activities	
	2017	2016
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 10,953,560	\$ 9,606,030
Operating Grants and Contributions	15,174,096	17,200,455
Capital Grants and Contributions	190,000	26,585
General Revenues:		
Property Taxes	39,109,785	37,741,395
Sales Tax	15,302,921	16,112,224
State Share Revenues	5,602,372	5,664,187
Other	1,467,609	837,375
<b>Total Revenues</b>	<b>\$ 87,800,343</b>	<b>\$ 87,188,251</b>
<b>Expenses:</b>		
General Government	\$ 9,583,401	\$ 10,427,951
Public Safety	26,746,728	23,670,341
Highways and Streets	21,574,723	21,563,531
Relief and Charities	13,272,509	12,003,373
Conservation & Economic Development	16,894,004	94,618,770
Culture and Recreation	1,292,132	1,143,624
Interest on Long-Term Debt	1,478,432	812,755
<b>Total Expenses</b>	<b>\$ 90,841,929</b>	<b>\$ 164,240,346</b>
Special Item – Loss on Donated Assets	\$ -	\$ (6,346,790)
(Decrease)/Increase in Net Position	\$ (3,041,586)	\$ (83,398,886)
Net Position – January 1, as previously stated	40,600,704	123,999,587
Cumulative Effect of Change in Accounting Principal	(1,537,420)	-
Net Position – January 1, as restated	\$ 39,063,284	\$ 123,999,587
Net Position – December 31	\$ 36,021,697	\$ 40,600,704

Total revenues for 2017 were \$87,800,343 which is an increase of \$612,092 over 2016. Property tax revenue accounted for 45% of total revenues; the increase over 2016 was \$1.36 million as a result of increased property valuations. Sales tax accounted for 17%, a decrease of \$809,303 over 2016. Operating grants accounted for 17%, a decrease of \$2 million over 2016 as a result of decreased state and federal reimbursements for road projects. Capital grants accounted for less than 1%. The remaining 21% came from charges for services, state shared revenues and interest income. Total expense decreased by over \$73.4 million over 2016. The decrease was the result of decreased funding related to the county share of the diversion project.

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

### **GOVERNMENTAL FUNDS**

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

As of the end of fiscal year 2017, the County's governmental funds reported combined ending fund balances of \$22,353,688, an increase of \$58,676 compared with the previous year. The General, Human Services, County Road and Bridge, Emergency & Flood Mitigation, Flood Control Loan Fund, and Flood Control Sales Tax Fund are reported as major funds.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2017, unassigned fund balance of the General Fund was \$4,692,103, while total fund balance was \$5,002,288. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 15% of total General Fund expenditures.

The County's General Fund balance increased by \$2,058,040 during 2017. Property taxes increased by \$3.6 million as a result of increasing the general fund mill rate by 1.61 mills and increased property valuations. The general state aid funding decreased by \$62 thousand over 2016 as a result of the decrease in oil production in the western part of the state. The County received \$800 thousand from Morton County and the North Dakota Department of Emergency Services for reimbursements of overtime costs incurred in 2016 for the Dakota Access Pipeline Protest in western North Dakota. The County Commission has a policy of maintaining a cash reserve of approximately 10% of budgeted expenditures.

The Human Service Fund balance at December 31, 2017 was \$439,444 for a decrease of \$2 million over December 2016. The decrease was mainly due to reducing the property tax mill rate by 3.66 mills.

The fund balance of the County Road and Bridge Fund at December 31, 2017 was \$2,626,586. This was a decrease of \$1.2 million over 2016 and was the result of a decrease in state funding for road construction projects.

The fund balance of the Emergency & Flood Mitigation Fund at December 31, 2017 was \$4,408,839, an increase of \$250,515. This fund collects property taxes to be reserved for future emergency situations and to provide resources to various flood mitigation projects throughout the county not related to the F/M Diversion project.

The Flood Control Loan Fund was established to account for the Loan Proceeds for the F/M Diversion project. The county obtained a \$100 million loan of which \$100 million was used to repay the prior year loan.

The Flood Control Sales Tax Fund had an ending fund balance of \$5,633,394. This fund is used to account for the one-half cent sales tax approved by the voters of Cass County for flood control projects. The county is using 91% of the sales tax dollars to fund the F/M Diversion project. The remaining is being used on various county projects.

### **General Fund Budgetary Highlights**

Differences between the General Fund's original budget and the final amended budget were \$417,110 in revenues and \$462,085 in expenditures. The budgeted revenues and expenditures increased as a result state grants.

The General Fund's actual revenue was \$325,380 over the final budget. The actual expenditures were \$1,420,528 less than the final budget. The variance is a result of the departments under spending their budgets.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **CAPITAL ASSETS**

As of December 31, 2017, the County's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$135,150,862. This investment in capital assets includes, land, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total decrease in the County's investment in capital assets for the current fiscal year was \$2,757,329.

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

- Replacement of sheriff vehicles and heavy equipment for the Road Department
- Remodeling of the State's Attorney Office

The following is a schedule of capital assets net of accumulated depreciation as of December 31, 2017 and 2016:

	Governmental Activities	
	2017	2016
Land	\$ 38,413,261	\$ 38,324,994
Buildings	36,437,451	37,457,379
Improvements Other than Buildings	2,164,649	2,246,034
Machinery and Equipment	3,619,290	3,287,273
Infrastructure	54,516,211	56,592,510
Total	\$ 135,150,862	\$ 137,908,190

Additional information on the County's capital assets can be found in Note 7 on page 54-57 of this report.



## LONG-TERM LIABILITIES

At the end of fiscal year 2017, the County had total long-term liabilities outstanding of \$138,584,590. Of this amount, \$385,486 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The county issued \$8.9 million in general obligation bonds for the courthouse addition construction with a remaining balance of \$3.98 million. The county took out a \$100 million loan for funding the costs of the F/M Diversion project. The remainder of the County's long-term liabilities consists of net pension liability and compensated absences.

The following is a schedule of the outstanding long-term debt as of December 31, 2017 and 2016:

	Governmental Activities	
	2017	2016
Special Assessment Bonds	\$ 385,486	\$ 246,588
General Obligation Bonds	3,953,386	4,682,472
Loans Payable	100,000,000	100,000,000
Net Pension Liability	30,682,614	17,499,659
Net OPEB Liability	1,696,531	1,704,432
Compensated Absences	1,866,572	1,848,975
Total	<u>\$ 138,584,590</u>	<u>\$ 125,982,126</u>

Additional information on the County's long-term liabilities can be found in Note 8 on pages 57-65 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the County at December 31, 2017 was 2.1%.
- The taxable value of all property located in the County has increased by over 4.8% in each year for the last five years.
- The taxable sales in the County decreased by 4.26% from the prior fiscal year.

## REQUESTS FOR INFORMATION

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

**THIS PAGE HAS BEEN RESERVED FOR NOTES**

**CASS COUNTY GOVERNMENT**  
**Statement of Net Position**  
**December 31, 2017**

	Primary Government Governmental Activities	Component Units
<b>ASSETS</b>		
Cash and cash equivalents	\$ 37,592,923	\$ 21,776,888
Receivables (net of allowance for uncollectibles):		
Accounts	519,411	490,181
Due From Primary Government	-	18,242
Delinquent Tax	340,836	89,054
Due From Other Governments	6,400,178	3,943,301
Special Assessments	-	4,727
Loans	141,630	-
Inventories	257,249	55,246
Prepaid Items	380,850	7,689
Uncertified Special Assessments Receivable	360,386	6,133,380
Capital Assets Not Being Depreciated:		
Land	38,413,261	147,873,278
Construction in progress	-	16,005,575
Capital assets (net of accumulated depreciation):		
Buildings	36,437,451	15,601
Improvements other than buildings	2,164,649	-
Machinery and equipment	3,619,290	473,990
Infrastructure	54,516,211	106,822,979
Total assets	<u>\$ 181,144,326</u>	<u>\$ 303,710,128</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows of Resources Related to Pensions & OPEB	\$ 16,017,664	\$ 354,739
Pension & OPEB Contributions Made Subsequent to Measurement Date	1,249,077	10,380
Total Deferred Outflows of Resources	<u>\$ 17,266,741</u>	<u>\$ 365,119</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 5,710,259	\$ 883,991
Benefits Payable	-	17,961
Retainages Payable	34,950	81,492
Interest Payable	30,724	49,710
Premium Deposits	461,858	-
IBNR Claims	325,755	-
Due to Inmates/Permits/Drug Cases	136,524	-
Noncurrent liabilities:		
Due within one year	2,669,807	2,642,263
Due in more than one year	103,535,636	11,261,817
Net OPEB Liability	1,696,531	40,161
Net Pension Liability	30,682,614	714,699
Total liabilities	<u>\$ 145,284,659</u>	<u>\$ 15,692,094</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied for Subsequent Year- Property Taxes	\$ 11,829,672	\$ 395,966
Property Taxes Levied for Subsequent Year - Special Assessments	32,776	-
Deferred Inflows of Resources Related to Pensions & OPEB	5,242,263	90,951
Total Deferred Inflows of Resources	<u>\$ 17,104,711</u>	<u>\$ 486,917</u>
<b>NET POSITION</b>		
Net Investment in capital assets	\$ 131,170,862	\$ 257,339,758
Restricted for:		
General Government	6,630,006	-
Highway and Streets	2,284,945	-
Culture and Recreation	416,130	-
Conservation of Natural Resources	-	13,361,651
Debt Service	340,659	7,450,140
Capital Projects	-	1,280,951
Unrestricted	(104,820,905)	8,463,740
Total Net Position	<u>\$ 36,021,697</u>	<u>\$ 287,896,239</u>

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

**CASS COUNTY GOVERNMENT**  
**Statement of Activities**  
**For the Year Ended December 31, 2017**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 9,583,401	\$ 2,862,248	\$ 76,438	\$ 190,000
Public safety	26,746,728	7,074,473	1,537,143	-
Highways and streets	21,574,723	726,983	9,812,133	-
Relief and charities	13,272,509	256,650	3,066,627	-
Conservation & economic development	16,894,004	10,315	76,875	-
Culture and recreation	1,292,132	22,890	604,880	-
Interest on long-term debt	1,478,432	-	-	-
Total primary government	<u>\$ 90,841,929</u>	<u>\$ 10,953,560</u>	<u>\$ 15,174,096</u>	<u>\$ 190,000</u>
<b>Component units:</b>				
Southeast Cass Water Resource District	\$ 10,092,778	\$ -	\$ 677,312	\$ 35,729,633
North Cass Water Resource District	351,482	-	57,178	1,748
Maple River Water Resource District	1,799,004	-	1,084,209	134,206
Rush River Water Resource District	592,770	-	11,323	100,264
Noxious weed	473,611	8,562	50,000	-
Vector control	1,153,555	409,990	-	-
Total component units	<u>\$ 14,463,200</u>	<u>\$ 418,552</u>	<u>\$ 1,880,022</u>	<u>\$ 35,965,851</u>

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

Total general revenues

Changes in net position

Net position - January 1 as previously stated

Prior Period Adjustment

Net Position - January 1

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities		Component Units
\$ (6,454,715)	\$ -	
(18,135,111)	-	
(11,035,607)	-	
(9,949,232)	-	
(16,806,814)	-	
(664,362)	-	
(1,478,432)	-	
<u>\$ (64,524,273)</u>	<u>\$ -</u>	
\$ -	\$ 26,314,167	
-	(292,556)	
-	(580,590)	
-	(481,183)	
-	(415,049)	
-	(743,565)	
<u>\$ -</u>	<u>\$ 23,801,224</u>	
\$ 39,109,785	\$ 9,365,690	
15,302,921	-	
5,602,372	213,165	
120,658	54,744	
1,346,951	994,327	
<u>\$ 61,482,687</u>	<u>\$ 10,627,928</u>	
<u>\$ (3,041,586)</u>	<u>\$ 34,429,151</u>	
\$ 40,600,704	\$ 253,505,926	
(1,537,420)	(38,834)	
<u>\$ 39,063,284</u>	<u>\$ 253,467,087</u>	
<u>\$ 36,021,697</u>	<u>\$ 287,896,239</u>	

**CASS COUNTY GOVERNMENT**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	General	Human Services	County Road and Bridge
<b><u>Assets:</u></b>			
Cash and Cash Equivalents	\$ 12,006,486	\$ 102,904	\$ 3,975,504
Receivables:			
Taxes	190,079	68,400	63,003
Accounts	21,343	12,949	71,502
Loans	141,630	-	-
Due From Other Governments	1,941,472	349,523	1,153,453
Due From Other Funds	200,615	-	-
Inventory	-	-	240,947
Inventory of supplies, at cost	16,302	-	-
Prepaid Items	278,968	28,095	29,539
Total Assets	<u>14,796,896</u>	<u>561,872</u>	<u>5,533,947</u>
<b><u>Liabilities:</u></b>			
Accounts Payable	998,622	54,027	177,855
Retainages Payable	21,314	-	13,637
Unearned Revenues	141,630	-	-
Due to Inmates/Permits	-	-	7,000
Due to Other Funds	-	-	-
Total Liabilities	<u>1,161,566</u>	<u>54,027</u>	<u>198,492</u>
Deferred Inflows of Resources			
Taxes Receivable	190,079	68,400	63,003
Special Assessment Receivable	-	-	-
Property Taxes Levied for Subsequent Year	8,442,962	-	2,645,867
Special Assessments Levied for Subsequent Year	-	-	-
Total Deferred Inflows of Resources	<u>8,633,041</u>	<u>68,400</u>	<u>2,708,870</u>
<b><u>Fund Balances (Deficits):</u></b>			
<b><u>Nonspendable:</u></b>			
Inventory	16,302	-	240,947
Prepaid Items	278,968	28,095	29,539
<b><u>Restricted:</u></b>			
Sheriff Asset Forfeiture	-	-	-
JAIBG Funds			
Hazardous Planning			
State's Attorney Asset Forfeiture			
24/7 Sobriety			
Relief and Charities	-	411,349	-
Highways and Streets	-	-	2,356,100
Senior Citizens	-	-	-
Flood Control Projects	-	-	-
Document Preservation	-	-	-
County Park	-	-	-
Special Assessment Debt	-	-	-
General Obligation Debt	-	-	-
<b><u>Committed:</u></b>			
Jail Commissary	-	-	-
Valley Water Rescue			
Parenting Workshop	-	-	-
Flood Control Projects	-	-	-
Special Assessment Projects	-	-	-
<b><u>Assigned:</u></b>			
SWAT Vehicle Replacement	14,915	-	-
Unassigned	4,692,103	-	-
Total Fund Balances (Deficits)	<u>5,002,288</u>	<u>439,444</u>	<u>2,626,586</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 14,796,896</u>	<u>\$ 561,872</u>	<u>\$ 5,533,947</u>

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

Emergency & Flood Mitigation	Flood Control Loan Fund	Flood Control Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 4,474,986	\$ -	\$ 6,870,958	\$ 5,057,528	\$ 32,488,364
5,261	-	-	14,093	340,836
-	-	-	410,501	516,295
-	-	-	-	141,630
-	120,770	2,796,025	38,935	6,400,178
-	-	-	-	200,615
-	-	-	-	240,947
-	-	-	-	16,302
-	-	-	44,248	380,850
<u>4,480,247</u>	<u>120,770</u>	<u>9,666,982</u>	<u>5,565,305</u>	<u>40,726,020</u>
-	120,770	4,033,588	270,466	5,655,329
-	-	-	-	34,950
-	-	-	-	141,630
-	-	-	129,524	136,524
-	-	-	200,615	200,615
-	<u>120,770</u>	<u>4,033,588</u>	<u>600,605</u>	<u>6,169,048</u>
5,261	-	-	13,494	340,237
-	-	-	599	599
66,147	-	-	674,696	11,829,673
-	-	-	32,776	32,776
<u>71,408</u>	<u>-</u>	<u>-</u>	<u>721,565</u>	<u>12,203,285</u>
-	-	-	-	257,249
-	-	-	41,748	378,350
-	-	-	89,061	89,061
-	-	-	66,618	66,618
-	-	-	30,094	30,094
-	-	-	196,733	196,733
-	-	-	107,269	107,269
-	-	-	-	411,349
-	-	-	-	2,356,100
-	-	-	319,620	319,620
4,408,839	-	-	-	4,408,839
-	-	-	2,389,305	2,389,305
-	-	-	100,246	100,246
-	-	-	51,203	51,203
-	-	-	60,336	60,336
-	-	-	600,149	600,149
-	-	-	25,242	25,242
-	-	-	38,617	38,617
-	-	5,633,394	-	5,633,394
-	-	-	126,893	126,893
-	-	-	-	14,915
-	-	-	-	4,692,103
<u>4,408,839</u>	<u>-</u>	<u>5,633,394</u>	<u>4,243,135</u>	<u>22,353,688</u>
<u>\$ 4,480,247</u>	<u>\$ 120,770</u>	<u>\$ 9,666,982</u>	<u>\$ 5,565,305</u>	<u>\$ 40,726,020</u>

**CASS COUNTY GOVERNMENT**  
**Reconciliation of the Balance Sheet**  
**of Governmental Funds**  
**To the Statement of Net Position**  
**December 31, 2017**

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

Total fund balances - governmental funds (page 20)	\$ 22,353,688
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Add - Capital Assets	\$ 231,658,976	
Deduct - accumulated depreciation	(96,644,320)	
Net Capital Assets		135,014,656

Property taxes and special assessments receivable will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are reported as unearned revenues in the funds.	340,837
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Loans receivable will be collected over the next three years; thus they are not available to pay for the current period's expenditures and therefore, are reported as unearned revenues in the funds.	141,630
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Long-term uncertified special assessments receivable are not reported in the funds because they are unavailable to pay the current period's expenditures.	360,386
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Internal service funds are used by management to charge the costs of certain equipment usage and self-insurance to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Add - net position of governmental activities accounted for in the internal service funds	4,401,337

Net pension and OPEB obligations are not due and payable in the current period, and therefore are not reported in the governmental funds.	(32,379,145)
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Deferred outflows and inflows of resources related to pensions and OPEB are not due and payable in the current period and, therefore, are not reported in the funds.	
Deferred Outflows of Resources Related to Pensions and OPEB	16,017,664
Pension and OPEB Contributions made subsequent to the measurement date	1,249,077
Deferred Inflows of Resources Related to Pensions and OPEB	(5,242,263)
	12,024,478

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences payable	(1,866,572)
Special assessments bonds payable	(390,000)
GO Bonds Payable	(3,980,000)
Loan Payable	(100,000,000)
Unamortized Bond Discount	31,129
Interest Payable	(30,724)
Total long term liabilities	(106,236,167)

Net position of governmental activities	\$ 36,021,697
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The accompanying notes are an integral part of the financial statements.



**THIS PAGE HAS BEEN RESERVED FOR NOTES**

**CASS COUNTY GOVERNMENT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended December 31, 2017**

	General Fund	Human Services	County Road and Bridge	Emergency & Flood Mitigation
<b><u>REVENUES</u></b>				
Taxes:				
Property	\$ 22,499,785	\$ 7,412,950	\$ 7,388,236	\$ 196,004
Sales	-	-	-	-
Licenses, permits and fees	75,650	13,195	87,620	-
Intergovernmental revenues	7,020,751	3,066,627	9,812,133	41,120
Charges for services	4,005,278	243,445	639,363	-
Miscellaneous revenues	72,343	12,005	60,572	13,391
Total Revenues	33,673,806	10,748,222	17,987,924	250,515
<b><u>EXPENDITURES</u></b>				
Current:				
General government	7,809,632	-	-	-
Public Safety	21,308,504	-	-	-
Highways and streets	-	-	19,298,125	-
Relief and charities	-	12,834,366	-	-
Culture and recreation	-	-	-	-
Conservation & economic development	2,148,886	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Total Expenditures	31,267,023	12,834,366	19,298,125	-
Excess (deficiency) of revenues over (under) expenditures	2,406,783	(2,086,144)	(1,310,201)	250,515
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	(378,662)	-	-	-
Issuance of Debt	-	-	-	-
Sale of capital assets	29,918	-	57,608	-
Bond Discount	-	-	-	-
Total of other financing sources and uses	(348,743)	-	57,608	-
Net change in fund balances	2,058,040	(2,086,144)	(1,252,593)	250,515
Fund balances (deficit) - beginning	2,944,248	2,525,588	3,879,179	4,158,324
Prior Period Adjustment	-	-	-	-
Adjusted Fund balances - beginning	2,944,248	2,525,588	3,879,179	4,158,324
Fund balances (deficit) - ending	\$ 5,002,288	\$ 439,444	\$ 2,626,586	\$ 4,408,839

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

Flood Control Loan Fund	Flood Control Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,600,023	\$ 39,096,997
-	15,302,921	-	15,302,921
-	-	-	176,465
-	-	805,256	20,745,886
-	-	5,689,119	10,577,206
1,301,946	19,687	139,920	1,619,865
1,301,946	15,322,608	8,234,318	87,519,340
-	-	1,483,256	9,292,888
-	-	4,573,258	25,881,762
-	-	-	19,298,125
-	-	-	12,834,366
-	-	1,268,313	1,268,313
-	-	2,711	2,151,597
25,000	14,711,256	12,506	14,748,762
100,000,000	-	785,000	100,785,000
1,276,946	-	195,211	1,472,157
-	-	3,321	3,321
101,301,946	14,711,256	8,323,576	187,736,291
(100,000,000)	611,352	(89,258)	(100,216,951)
-	-	385,087	385,087
-	-	(6,425)	(385,087)
100,000,000	-	190,000	100,190,000
-	-	-	87,526
-	-	(1,900)	(1,900)
100,000,000	-	566,762	100,275,628
-	611,352	477,504	58,676
-	4,855,030	3,765,632	22,128,001
-	167,012	-	167,012
-	5,022,042	3,765,632	22,295,013
\$ -	\$ 5,633,394	\$ 4,243,135	\$ 22,353,688

**CASS COUNTY GOVERNMENT**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2017**

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

Net change in fund balances - total governmental funds (page 23-24) \$ 58,676

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 outlays in the current period.

Capital asset additions	\$ 1,270,007	
Current year depreciation expense	<u>(4,050,774)</u>	(2,780,767)

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

Retired assets	(349,105)	
Accumulated depreciation on retired assets	<u>329,231</u>	(19,874)

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

Increase in Taxes Receivable	59,741	
Increase in Uncertified Special Assessments	146,875	
Increase in Loans Receivable	<u>74,274</u>	280,890

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.

Issuance of Loan Payable	(100,000,000)	
Bond Discounts	1,900	
Issuance of Special Assessment Bonds	(190,000)	
Repayment of bonds	785,000	
Repayment of loans	<u>100,000,000</u>	596,900

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

Increase in Net Pension and OPEB Liability	(13,175,054)	
Increase in Deferred Outflows of Resources	9,867,841	
Decrease in Deferred Inflows of Resources	<u>1,105,532</u>	(2,201,681)

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

Net decrease in interest payable	3,758	
Amortization of Bond Issuance Costs	(6,712)	
Net increase in compensated absences	<u>(17,597)</u>	(20,551)

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

1,044,824

Change in net position of governmental activities	<u>\$ (3,041,586)</u>	
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The accompanying notes to the financial statements are an integral part of this statement.

**CASS COUNTY GOVERNMENT**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Fiscal Year Ended December 31, 2017**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 22,674,053	\$ 22,674,053	\$ 22,499,785	\$ (174,268)
Licenses, Permits and Fees	57,500	57,500	75,650	18,150
Intergovernmental Revenues	6,404,659	6,802,035	7,020,751	218,716
Charges for Services	3,748,724	3,748,724	4,005,278	256,554
Miscellaneous Revenues	46,381	66,115	72,343	6,228
<b>Total Revenues</b>	<b>32,931,317</b>	<b>33,348,427</b>	<b>33,673,806</b>	<b>325,380</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government:				
County Commission	982,420	982,420	835,030	147,390
County Administrator	3,056,307	3,056,307	2,766,833	289,474
Information Technology	1,436,407	1,436,407	1,367,822	68,585
Auditor	931,664	931,664	906,872	24,792
Treasurer	396,042	418,311	394,568	23,743
County Recorder	634,123	634,123	608,616	25,507
Director of Tax Equalization	538,448	538,448	538,352	96
Veterans Service	295,398	295,398	273,008	22,390
County Planning	108,799	121,239	118,533	2,706
Total General Government	8,379,608	8,414,317	7,809,632	604,683
Public Safety:				
Emergency Management	225,165	225,165	220,308	4,857
County Sheriff	17,770,175	17,800,175	17,283,636	516,539
States Attorney	3,313,856	3,711,232	3,532,705	178,527
County Coroner	272,338	272,338	261,074	11,264
Cemetery	13,460	13,460	10,781	2,679
Total Public Safety	21,594,994	22,022,370	21,308,504	713,866
Conservation & Econ. Development:				
County Extension Agent	517,043	517,043	469,629	47,414
Public Service Agencies	1,733,822	1,733,822	1,679,257	54,565
Total Conservation & Econ Dev	2,250,865	2,250,865	2,148,886	101,979
<b>Total Expenditures</b>	<b>32,225,467</b>	<b>32,687,552</b>	<b>31,267,023</b>	<b>1,420,528</b>
Excess (deficiency) of revenues over (under) expenditures	705,850	660,875	2,406,783	1,745,908
<b>Other Financing Sources (Uses):</b>				
Sale of Property	24,000	24,000	29,918	5,918
Transfers Out	(566,728)	(566,728)	(378,662)	188,066
<b>Total Other Financing Sources and (Uses)</b>	<b>(542,728)</b>	<b>(542,728)</b>	<b>(348,743)</b>	<b>193,984</b>
<b>Net change in fund balances</b>	<b>163,122</b>	<b>118,147</b>	<b>2,058,040</b>	<b>1,939,894</b>
<b>Fund Balance - Beginning</b>	<b>2,944,248</b>	<b>2,944,248</b>	<b>2,944,248</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 3,107,370</b>	<b>\$ 3,062,395</b>	<b>\$ 5,002,288</b>	<b>\$ 1,939,894</b>

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

**CASS COUNTY GOVERNMENT**  
**Human Service**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Fiscal Year Ended December 31, 2017**

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$ 7,460,879	\$ 7,460,879	\$ 7,412,950	\$ (47,929)
Licenses, Permits and Fees	13,000	13,000	13,195	195
Intergovernmental Revenues	3,062,612	3,062,612	3,066,627	4,015
Charges for Services	101,458	101,458	243,445	141,987
Miscellaneous Revenues	8,027	8,027	12,005	3,978
Total Revenues	10,645,976	10,645,976	10,748,222	102,246
<u>Expenditures:</u>				
Current:				
Relief and Charities	12,561,442	12,813,559	12,834,366	(20,807)
Total Expenditures	12,561,442	12,813,559	12,834,366	(20,807)
Excess (deficiency) of revenues over (under) expenditures	(1,915,466)	(2,167,583)	(2,086,144)	81,440
Fund Balance - Beginning	2,525,588	2,525,588	2,525,588	-
Fund Balance - Ending	\$ 610,122	\$ 358,005	\$ 439,444	\$ 81,440

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

**CASS COUNTY GOVERNMENT**  
**County Road and Bridge**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Fiscal Year Ended December 31, 2017**

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$ 7,454,625	\$ 7,454,625	\$ 7,388,236	\$ (66,389)
Licenses, Permits and Fees	59,500	59,500	87,620	28,120
Intergovernmental Revenues	9,346,448	9,346,448	9,812,133	465,685
Charges for Services	-	-	639,363	639,363
Miscellaneous Revenues	16,767	16,767	60,572	43,805
Total Revenues	16,877,340	16,877,340	17,987,924	1,110,584
<u>Expenditures:</u>				
Current:				
Highways and Streets	17,977,104	19,840,760	19,298,125	542,635
Total Expenditures	17,977,104	19,840,760	19,298,125	542,635
Excess (deficiency) of revenues over (under) expenditures	(1,099,764)	(2,963,420)	(1,310,201)	1,653,220
<u>Other Financing Sources (Uses):</u>				
Sale of Property	10,000	10,000	57,608	47,608
Transfers Out	-	-	-	-
Total Other Financing Sources and (Uses)	10,000	10,000	57,608	47,608
Net change in fund balances	(1,089,764)	(2,953,420)	(1,252,594)	1,700,827
Fund Balance - Beginning	3,879,179	3,879,179	3,879,179	-
Fund Balance - Ending	\$ 2,789,415	\$ 925,759	\$ 2,626,586	\$ 1,700,827

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

**CASS COUNTY GOVERNMENT**  
**Emergency & Flood Mitigation Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Fiscal Year Ended December 31, 2017**

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$ 186,438	\$ 186,438	\$ 196,004	\$ 9,566
Intergovernmental Revenues	-	-	41,120	41,120
Charges for Services	-	-	-	-
Miscellaneous Revenues	1,273	1,273	13,391	12,118
Total Revenues	187,711	187,711	250,515	62,804
<u>Expenditures:</u>				
Current:				
Highways and Streets	2,000,000	2,000,000	-	2,000,000
Total Expenditures	2,000,000	2,000,000	-	2,000,000
Excess (deficiency) of revenues over (under) expenditures	(1,812,289)	(1,812,289)	250,515	2,062,804
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Net change in fund balances	(1,812,289)	(1,812,289)	250,515	2,062,804
Fund Balance - Beginning	4,158,324	4,158,324	4,158,324	-
Fund Balance - Ending	\$ 2,346,035	\$ 2,346,035	\$ 4,408,839	\$ 2,062,804

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



**CASS COUNTY GOVERNMENT**  
**Proprietary Funds**  
**Statement of Net Position**  
**December 31, 2017**

	Governmental Activities <hr/> Internal Service Funds <hr/>
<u><b>ASSETS</b></u>	
Current Assets:	
Cash and Cash Equivalents	\$ 5,104,559
Accounts Receivable	<u>3,116</u>
Total Current Assets	<u>5,107,675</u>
Noncurrent Assets:	
Capital Assets	439,395
Less: Accumulated Depreciation	<u>(303,189)</u>
Total Noncurrent Assets	<u>136,206</u>
Total Assets	<u><u>\$ 5,243,881</u></u>
<u><b>LIABILITIES</b></u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ 54,930
Premium Deposits	461,858
IBNR Claims	<u>325,755</u>
Total Liabilities	<u>\$ 842,543</u>
<u>Net Position</u>	
Net Investment in Capital Assets	\$ 136,206
Unrestricted	<u>4,265,131</u>
Total Net Position	<u><u>\$ 4,401,337</u></u>

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

**CASS COUNTY GOVERNMENT**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Proprietary Fund Types**  
**For the Year Ended December 31, 2017**

	Governmental Activities
	Internal Service Funds
<u>Operating Revenues:</u>	
Premiums	\$ 5,385,071
Charges for Services	306,406
Miscellaneous	99,447
	<hr/>
Total Operating Revenues	5,790,924
	<hr/>
<u>Operating Expenses:</u>	
Premiums	924,281
Medical Services	27,628
Telephone Service	199,740
Administrative Fees	290,431
Collision Repair/Replacement	29,894
Benefit Payments	2,933,766
IBNR Claims	316,830
Depreciation Expense	45,363
	<hr/>
Total Operating Expenses	4,767,933
	<hr/>
Operating Income	1,022,991
	<hr/>
<u>Nonoperating Revenues (Expenses):</u>	
Interest Income	13,544
Gain on Disposal of Capital Assets	8,289
	<hr/>
Total Nonoperating Revenues (Expenses)	21,833
	<hr/>
Change in Net Position	1,044,824
	<hr/>
Total Net Position Beginning	3,356,514
	<hr/>
Total Net Position Ending	<u><u>\$ 4,401,337</u></u>

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

**CASS COUNTY GOVERNMENT**  
**Statement of Cash Flows**  
**Proprietary Fund Types**  
**For the Year Ended December 31, 2017**

	Governmental Activities
	Internal Service Funds
<u>Cash Flows From Operating Activities:</u>	
Receipts from customers	\$ 5,691,428
Payments to suppliers	(1,429,175)
Claims paid	(3,201,198)
Other receipts	96,566
	<hr/>
Net cash provided by operating activities	1,157,621
	<hr/>
<u>Cash Flows From Capital and Related Financing Activities:</u>	
Purchase of capital assets	(89,551)
Proceeds on Sale of Capital Assets	9,165
	<hr/>
Net Cash Used in Capital and Related Financing Activities	(80,386)
	<hr/>
<u>Cash Flows From Investing Activities:</u>	
Interest income	13,544
	<hr/>
Net Increase in cash and cash equivalents	1,090,778
Cash and cash equivalents - beginning of the year	4,013,782
	<hr/>
Cash and cash equivalents - end of the year	5,104,559
	<hr/>
<u>Reconciliation of Operating Income to net cash provided by operating activities:</u>	
Operating income	1,022,991
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation	45,363
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(2,931)
Increase (decrease) in accounts payable	42,799
Increase (decrease) in premium deposit funds	26,511
Increase (decrease) in IBNR claims	22,887
	<hr/>
Net cash provided by operating activities	\$ 1,157,621
	<hr/>
<b>Schedule of non-cash capital and related financing activities:</b>	
Disposal of Capital Assets	\$ (4,915)
	<hr/>

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

**CASS COUNTY GOVERNMENT**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2017**

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 80,593,638</u>
Total Assets	<u><u>\$ 80,593,638</u></u>
<u>LIABILITIES</u>	
Accounts Payable	360,513
Due to Component Units	18,242
Deposits	<u>80,214,883</u>
Total Liabilities	<u><u>\$ 80,593,638</u></u>

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

**THIS PAGE HAS BEEN RESERVED FOR NOTES**

**CASS COUNTY GOVERNMENT**  
**Statement of Net Position**  
**Component Units**  
**December 31, 2017**

	Southeast Cass WRD	North Cass WRD	Maple River WRD	Rush River WRD
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 12,212,690	\$ 1,322,622	\$ 5,605,134	\$ 1,870,562
Receivables:				
Accounts Receivable	476,455	-	-	-
Delinquent Tax	64,488	4,983	8,348	980
Due From Other Governments	3,936,742	1,471	3,659	1,429
Special Assessments	3,534	-	477	716
Due From Primary Government	13,044	328	2,628	2,242
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Long-Term Receivables:				
Uncertified Special Assessments Receivable	1,335,138	13,656	2,668,475	2,116,111
Capital Assets Not Being Depreciated:				
Land	140,799,534	1,265,494	2,887,233	2,921,017
Construction in Progress	14,687,350	-	1,290,816	27,409
Capital Assets (Net of Accumulated Depreciation)				
Buildings	-	-	-	-
Equipment	180,022	-	-	-
Infrastructure	74,452,246	4,347,901	20,771,227	7,251,605
Total Assets	<u>248,161,242</u>	<u>6,956,454</u>	<u>33,237,996</u>	<u>14,192,071</u>
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows of Resources Related to Pensions & OPEB	122,638	16,352	40,879	24,528
Pension Contributions Made Subsequent to Measurement Date	-	-	-	-
Total Deferred Outflows of Resources	<u>122,638</u>	<u>16,352</u>	<u>40,879</u>	<u>24,528</u>
<b>Liabilities:</b>				
Accounts Payable	513,986	108,813	228,318	30,735
Benefits Payable	11,933	2,059	1,723	2,246
Retainages Payable	54,187	-	27,305	-
Interest Payable	20,195	675	13,286	15,554
Noncurrent Liabilities:				
Due within one year	1,058,449	45,547	1,130,253	388,508
Due in more than one year	3,235,971	145,886	5,246,854	2,633,106
Net OPEB Liability	10,658	1,421	3,553	2,132
Net Pension Liability	229,517	30,602	76,506	45,903
Total Liabilities	<u>5,134,896</u>	<u>335,004</u>	<u>6,727,798</u>	<u>3,118,184</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes Levied for Subsequent Year	-	-	-	-
Deferred Inflows of Resources Related to Pensions & OPEB	15,143	2,019	5,048	3,029
Total Deferred Inflows of Resources	<u>15,143</u>	<u>2,019</u>	<u>5,048</u>	<u>3,029</u>
<b>Net Position</b>				
Net Investment in Capital Assets	225,844,476	5,424,596	18,578,752	7,182,366
Restricted For:				
Conservation of Natural Resources	7,215,912	1,162,664	4,475,521	507,554
Debt Service	1,435,743	16,002	2,667,922	3,330,473
Capital Projects	1,280,951	-	-	-
Unrestricted	7,356,757	32,523	823,837	74,992
Total Net Position	<u>\$ 243,133,839</u>	<u>\$ 6,635,785</u>	<u>\$ 26,546,032</u>	<u>\$ 11,095,385</u>

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

Weed Control	Vector Control	Totals
\$ 431,180	\$ 334,700	\$ 21,776,888
2,631	11,096	490,181
4,070	6,185	89,054
-	-	3,943,301
-	-	4,727
-	-	18,242
-	55,246	55,246
1,287	6,402	7,689
-	-	6,133,380
-	-	147,873,278
-	-	16,005,575
15,601	-	15,601
12,853	281,114	473,990
-	-	106,822,979
467,621	694,744	303,710,128
50,928	99,415	354,739
3,506	6,874	10,380
54,433	106,289	365,119
389	1,749	883,991
-	-	17,961
-	-	81,492
-	-	49,710
2,095	17,411	2,642,263
-	-	11,261,817
7,587	14,810	40,161
112,521	219,650	714,699
122,592	253,620	15,692,094
157,838	238,128	395,966
22,259	43,452	90,951
180,097	281,580	486,917
28,454	281,114	257,339,758
-	-	13,361,651
-	-	7,450,140
-	-	1,280,951
190,912	(15,282)	8,463,740
\$ 219,365	\$ 265,833	\$ 287,896,239

**CASS COUNTY GOVERNMENT**  
**Statement of Activities**  
**Component Units**  
**For the Year Ended December 31, 2017**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
<b>Component units:</b>				
Southeast Cass Water Resource District	\$ 10,092,778	\$ -	\$ 677,312	\$ 35,729,633
Maple River Water Resource District	1,799,004	-	1,084,209	134,206
North Cass Water Resource District	351,482	-	57,178	1,748
Rush River Water Resource District	592,770	-	11,323	100,264
Noxious weed	473,611	8,562	50,000	-
Vector control	1,153,555	409,990	-	-
Total component units	<u>\$ 14,463,200</u>	<u>\$ 418,552</u>	<u>\$ 1,880,022</u>	<u>\$ 35,965,851</u>

General revenues:  
Property taxes  
Unrestricted State Shared Revenue  
Unrestricted investment earnings  
Miscellaneous Revenue  
  
Total general revenues  
  
Changes in net position  
  
Net position - January 1 as previously stated  
  
Prior Period Adjustment  
  
Net Position - January 1 as restated  
  
Net position - ending

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



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

<b>Southeast Cass WRD</b>	<b>North Cass WRD</b>	<b>Maple River WRD</b>	<b>Rush River WRD</b>	<b>Weed Control</b>	<b>Vector Control</b>	<b>Total</b>
\$ 26,314,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,314,167
-	-	(580,590)	-	-	-	(580,590)
-	(292,556)	-	-	-	-	(292,556)
-	-	-	(481,183)	-	-	(481,183)
-	-	-	-	(415,049)	-	(415,049)
-	-	-	-	-	(743,565)	(743,565)
<u>\$ 26,314,167</u>	<u>\$ (292,556)</u>	<u>\$ (580,590)</u>	<u>\$ (481,183)</u>	<u>\$ (415,049)</u>	<u>\$ (743,565)</u>	<u>\$ 23,801,224</u>
\$ 5,861,502	\$ 613,383	\$ 1,434,842	\$ 337,404	\$ 378,013	\$ 740,547	\$ 9,365,690
138,735	4,983	17,885	6,288	12,889	32,385	213,165
28,890	3,211	16,043	4,232	1,521	848	54,744
952,673	-	11,542	-	967	29,146	994,327
<u>\$ 6,981,799</u>	<u>\$ 621,577</u>	<u>\$ 1,480,312</u>	<u>\$ 347,924</u>	<u>\$ 393,390</u>	<u>\$ 802,925</u>	<u>\$ 10,627,928</u>
\$ 33,295,967	\$ 329,021	\$ 899,722	\$ (133,258)	\$ (21,660)	\$ 59,360	\$ 34,429,151
209,848,571	6,308,190	25,649,876	11,230,784	248,145	220,355	253,505,926
(10,699)	(1,426)	(3,566)	(2,140)	(7,120)	(13,883)	(38,834)
\$ 209,837,872	\$ 6,306,764	\$ 25,646,309	\$ 11,228,645	\$ 241,025	\$ 206,472	\$ 253,467,087
<u>\$ 243,133,839</u>	<u>\$ 6,635,785</u>	<u>\$ 26,546,032</u>	<u>\$ 11,095,385</u>	<u>\$ 219,365</u>	<u>\$ 265,833</u>	<u>\$ 287,896,239</u>

**CASS COUNTY GOVERNMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cass County operates under a Home Rule Charter passed by the voters in 1994. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. The Financial Reporting Entity**

For financial reporting purposes, Cass County has included all funds and has considered all potential component units for which Cass County is financially accountable, and other organizations for which the nature and significance of their relationship with Cass County are such that exclusion would cause Cass County's financial statements to be misleading or incomplete. The Government Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of Cass County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on Cass County.

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

**B. Individual Component Unit Disclosures**

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

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

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

Complete financial statements of the individual Water Resource Districts can be obtained at Water Resource Districts, 1201 Main Avenue West, West Fargo, North Dakota 58078.

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

### C. Joint Ventures

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

The following is a summary of financial information on the joint venture as of and for the year ended December 31, 2017, which is the most current audited information available:

Total Assets	\$ 10,183,698
Total Liabilities	<u>117,178</u>
Total Net Position	<u>10,066,520</u>
Revenues	6,062,069
Expenses	<u>3,185,863</u>
Change in Net Position	<u>\$ 2,876,206</u>

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

D. Joint Powers AgreementsMetro Flood Diversion Authority

In June of 2010, the City of Fargo, ND, City of Moorhead, MN, Clay County of MN, Cass County of ND, the Cass County Joint Water Resource District, and the Buffalo Red River Watershed District entered into a joint powers agreement for the purpose of building and operating a flood diversion channel along the Red River of the North to reduce the flood risk of the stakeholder communities and counties. The Diversion Authority and its members worked with the United States Army Corps of Engineers on the FM Metro Flood Risk Management Feasibility Study to develop the flood diversion channel project plan.

In June of 2016, the joint powers agreement was revised to exclude the Buffalo Red River Watershed District.

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

E. Government-wide and Fund Financial Statements

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

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

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

#### F. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

##### **Government-wide Financial Statements**

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

##### **Fund Financial Statements**

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

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

The County reports the following major governmental funds:

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Human Service Fund** – This fund is used to account for the County Social Service operations; this department is designated by law to provide relief to the poor and related services to the citizens of the

County. The majority of the services/programs offered by the County are done in conjunction with state and federal agencies, mainly the North Dakota Department of Human Services.

- **County Road and Bridge Fund** – This fund is used for the normal maintenance of county roads and the operation of the road shops. Most of the revenues for this fund are derived from the highway tax distribution fund.
- **Emergency & Flood Mitigation** – This fund was established to account for the property tax collections which are designated to be reserved for the use in an emergency and/or to be used for various flood control mitigation projects other than the F/M Diversion project.
- **Flood Control Loan Fund** – This fund is used to provide for the construction cost incurred by the Flood Diversion Authority.
- **Flood Control Sales Tax Fund** – This fund is used to provide for the county share of costs incurred by the Flood Diversion Authority as well as any county costs for permanent flood control projects.

Additionally, the County reports the following fund types:

## PROPRIETARY FUNDS

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

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

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

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

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

**FIDUCIARY FUNDS**

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

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

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

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

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

**G. Budgets**

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

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

H. Cash and Cash Equivalents

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

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

I. Receivables

Receivables in the County's governmental funds consist primarily of tax revenues. Receivables also include amounts due for services to individuals performed by the County and not received by December 31, 2017.

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

J. Inventories

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items. Prepaid items are accounted for using the consumption method. Prepaid items are offset within the nonspendable classification of fund balance in the fund financial statements.

L. Uncertified Special Assessments

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

M. Capital Assets

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



historical records exist. Donated capital assets are valued at their acquisition value as of the date received.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

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

#### N. Accounts Payable

Accounts payable are liability accounts reflecting amounts on open accounts owing to private persons or organizations for goods and services received prior to December 31, 2017.

#### O. Retainages Payable

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

#### P. Interest Payable

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

#### Q. Compensated Absences

Vested or accumulated vacation leave are payable to employees upon separation from service. All vacation leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported. No liability is recorded for accumulated sick leave as this is a non-vesting benefit. The computed liability is in compliance with GASB Statement No. 16, Accounting for Compensated Absences. The entire portion of accumulated unpaid vacation is considered short term for the reason that historically, unpaid vacation is utilized within one year either through vacation payouts when

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

#### R. Deferred Outflows of Resources

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

#### S. Deferred Inflows of Resources

The statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has multiple items that qualifies for reporting in this category. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to pensions. See additional information regarding this item in Note 11 to the financial statements.

#### T. IBNR Claims - Self Insurance

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

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

#### Reconciliation of Claims Liability:

Employee Health	2017	2016
Balance January 1	\$ 286,758	\$ 321,126
Incurred Claims Including IBNR's and Changes in Estimates	2,619,834	2,988,817
Less Claims Payments	2,613,390	3,023,185
Balance December 31	\$ 293,202	\$ 286,758

Employee Dental	2017	2016
Balance January 1	\$ 16,110	\$ 13,962
Incurred Claims Including IBNR's and Changes in Estimates	327,894	325,399
Less Claims Payments	320,376	323,251
Balance December 31	\$ 23,628	\$ 16,110

#### U. Long-Term Obligations

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

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

#### V. Pension

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

#### W. Other Post-Employment Benefits (OPEB)

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

X. Fund Balances

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

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

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

balance. Unassigned fund balance is applied last.

#### Y. Net Position

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

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

#### Z. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other transactions, except reimbursements, are reported as transfers.

### **NOTE 2: LEGAL COMPLIANCE - BUDGETS**

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

Each department completes its budget and delivers it to the county auditor who then files it with the board of county commissioners. The county auditor prepares a preliminary county budget for the general, special revenue, and debt service funds on the modified accrual basis of accounting. The preliminary budget includes proposed expenditures and the means of financing them. The board of county commissioners holds a public hearing where any taxpayer may testify in favor of or against any proposed expenditure or tax levy. The board of county commissioners may not approve the budget until after the public budget hearing, but must adopt the final budget on or before October 1<sup>st</sup>. For the year ending December 31, 2017, the County complied with the applicable budget laws except as noted below:

Chapter 11-23 of the North Dakota Century Code sets the legal level of budgetary control at the fund level, no expenditure or commitment of funds may exceed the appropriation for the fund as a whole. In addition, it is the policy of Cass County to control budgets at the departmental level. In the General Fund,

departments consist of the various county offices. In the Special Revenue and Debt Service Funds, the departments are comprised of the various individual funds.

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

During 2017 expenditures exceeded appropriations in the following funds:

Special Revenue Funds:

Human Service	\$20,807
Jail Commissary	3,702
24/7 Sobriety Program	30,143

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

### **NOTE 3: DEPOSITS**

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

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

Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal land bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposits, shares of investment companies registered under the investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies or instrumentalities or by any county, city, township, school district, park district or other political subdivision of the State of North Dakota. Whether payable from special revenues or supported by the full faith and credit of the issuing body and bonds issued by any other state of the United States or such other securities approved by the banking board.

At December 31, 2017, the County's carrying amount of deposits was \$113,142,372 and the bank balance was \$113,645,516. Of the bank balances, \$4,411,295 was covered by federal depository insurance. Of the remaining bank balances, \$109,208,513 was collateralized with securities held by the pledging financial institution's agent in the government's name. Additionally, bank balances totaling \$25,709 are not collateralized since the funds are held at the Bank of North Dakota, which does not carry FDIC insurance and is not required to provide security pledges.

#### Credit Risk:

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

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

As of December 31, 2017, the County held certificates of deposit in the amount of \$875,000, which are all considered deposits.

#### Concentration of Credit Risk:

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

#### Component Units

Deposits: At December 31, 2017, the deposits of the Water Resource Districts were entirely covered by federal depository insurance or by collateral held by the district's custodial bank in the district's name. For the purpose of risk analysis, certificates of deposits are classified as deposits.

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

**NOTE 4: TAXES AND SPECIAL ASSESSMENTS RECEIVABLE**

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

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

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

Property taxes attach as an enforceable lien on property on January 1. The tax levy may be paid in two installments: the first installment includes one-half of the real estate taxes and all of the special assessments; the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A five percent discount is allowed if all taxes and special assessments are paid by February 15. Penalties of 3 percent on the first installment are assessed on March 2, May 1, July 1, and October 16. Penalties of 6 percent are assessed on the second installment on October 16.

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

**NOTE 5: DUE TO/ DUE FROM OTHER FUNDS**

The composition of inter-fund balances as of December 31, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
General	Valley Water Rescue	\$ 12,052
General	911 Fund	188,563
Total		\$ 200,615



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

**NOTE 6: TRANSFERS**

The following is the transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2017:

Transfers In	Transfers Out	Amount
911 Service	General Fund	358,662
County Park	General Fund	20,000
Wild Rice Estate – Debt Serv.	Wild Rice Estate – Capital Proj.	6,425
Total Transfers		\$ 385,087

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

**NOTE 7: CAPITAL ASSETS**

The following is a summary of changes in the capital assets during the year ended December 31, 2017:

**Primary Government Capital Assets**

	Balance 1/1/2017	Increases	Decreases	Balance 12/31/2017
Capital Assets, not being depreciated:				
Land	\$ 38,324,994	\$ 88,267	\$ -	\$ 38,413,261
Total Capital Assets not being depreciated	\$ 38,324,994	\$ 88,267	\$ -	\$ 38,413,261
Capital Assets, being depreciated:				
Buildings	\$ 53,090,180	\$ -	\$ -	\$ 53,090,180
Improvements other than buildings	3,464,771	-	-	3,464,771
Machinery and Equipment	10,901,518	1,271,291	387,954	11,784,855
Infrastructure	125,345,303	-	-	125,345,303
Total Capital Assets, being depreciated	\$ 192,801,772	\$ 1,271,291	\$ 387,954	\$ 193,685,109
Less accumulated depreciation for:				
Buildings	\$ 15,632,802	\$ 1,019,928	\$ -	\$ 16,652,730
Improvements other than buildings	1,218,737	81,385	-	1,300,122
Machinery and Equipment	7,614,245	918,524	367,204	8,165,565
Infrastructure	68,752,793	2,076,299	-	70,829,093
Total Accumulated Depreciation	\$ 93,218,576	\$ 4,096,137	\$ 367,204	\$ 96,947,509
Net Capital Assets, being Depreciated	\$ 99,583,196	\$ (2,824,846)	\$ 20,750	\$ 96,737,601
Net Governmental Activities Capital Assets	\$ 137,908,191	\$ (2,736,579)	\$ 20,750	\$ 135,150,862

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

<b>Governmental Activities:</b>	
General Government	\$ 461,291
Public Safety	873,503
Highways and Streets	2,622,505
Relief and Charities	81,027
Culture and Recreation	11,442
Conservation and Econ. Development	1,005
Total Depreciation Expense - Governmental Activities	\$ 4,050,774
Depreciation of Internal Service Funds	45,363
Total Depreciation Expense	\$ 4,096,137

### Component Units

During the year ended December 31, 2017, the following changes occurred in the capital assets of:

<b>Southeast Cass Water Resource District</b>				
	<b>Balance 1/1/2017</b>	<b>Increases</b>	<b>Transfers</b>	<b>Balance 12/31/2017</b>
<b>Governmental Activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 111,590,149	\$ 29,209,385	\$ -	\$ 140,799,534
Construction in Progress	14,853,072	2,776,062	(2,941,784)	14,687,350
Total Capital Assets Not Being Depreciated	\$ 126,443,221	\$ 31,985,447	\$ (2,941,784)	\$ 155,486,884
Facilities	\$ 71,725,211	\$ -	\$ 121,441	\$ 71,846,652
Projects	35,564,085	-	2,820,342	38,384,427
Equipment	241,135	-	-	241,135
Total Capital Assets, Being Depreciated	\$ 107,530,431	\$ -	\$ 2,941,784	\$ 110,472,214
Less Accumulated Depreciation for:				
Facilities	\$ 27,171,436	\$ 1,434,504	\$ -	\$ 28,605,940
Projects	6,461,611	711,282	-	7,172,893
Equipment	42,000	19,113	-	61,113
Total Accumulated Depreciation	\$ 33,675,047	\$ 2,164,899	\$ -	\$ 35,839,947
Total Capital Assets Being Depreciated, Net	\$ 73,855,384	\$ (2,164,899)	\$ 2,941,784	\$ 74,632,268
Governmental Activities Capital Assets, Net	\$ 200,298,605	\$ 29,820,548	\$ -	\$ 230,119,152

## Maple River Water Resource District

	Balance 1/1/2017	Increases	Transfers	Balance 12/31/2017
<b>Governmental Activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 2,691,293	\$ 195,940	\$ -	\$ 2,887,233
Construction in Progress	768,815	1,240,730	(718,729)	1,290,815
Total Capital Assets Not Being Depreciated	\$ 3,460,108	\$ 1,436,670	\$ (718,729)	\$ 4,178,048
Capital Assets Being Depreciated:				
Facilities	\$ 21,329,396	\$ 1,971	\$ -	\$ 21,331,367
Projects	8,125,881	-	718,729	8,844,610
Total Capital Assets, Being Depreciated	\$ 29,455,277	\$ 1,971	\$ 718,729	\$ 30,175,977
Less Accumulated Depreciation for:				
Facilities	\$ 7,677,814	\$ 402,667	\$ -	\$ 8,080,480
Projects	1,161,751	162,518		1,324,269
Total Accumulated Depreciation	\$ 8,839,565	\$ 565,185	\$ -	\$ 9,404,750
Total Capital Assets Being Depreciated, Net	\$ 20,615,712	\$ (563,214)	\$ 718,729	\$ 20,771,228
Governmental Activities Capital Assets, Net	\$ 24,075,820	\$ 873,456	\$ -	\$ 24,949,277

## North Cass Water Resource District

	Balance 1/1/2017	Increases	Transfers	Balance 12/31/2017
<b>Governmental Activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 1,265,494	\$ -	\$ -	\$ 1,265,494
Construction in Progress	179,358	84,459	(263,816)	-
Total Capital Assets Not Being Depreciated	\$ 1,444,852	\$ 84,459	\$ (263,816)	\$ 1,265,494
Capital Assets Being Depreciated:				
Facilities	\$ 3,768,900	\$ -	\$ -	\$ 3,768,900
Projects	4,113,692	-	263,816	4,377,508
Total Capital Assets, Being Depreciated	\$ 7,882,592	\$ -	\$ 263,816	\$ 8,146,408
Less Accumulated Depreciation for:				
Facilities	\$ 2,703,296	\$ 75,378	\$ -	\$ 2,778,674
Projects	937,559	82,274		1,019,833
Total Accumulated Depreciation	\$ 3,640,855	\$ 157,652	\$ -	\$ 3,798,507
Total Capital Assets Being Depreciated, Net	\$ 4,241,736	\$ (157,652)	\$ 263,816	\$ 4,347,901
Governmental Activities Capital Assets, Net	\$ 5,686,588	\$ (73,193)	\$ -	\$ 5,613,396

## Rush River Water Resource District

	Balance 1/1/2017	Increases	Transfers	Balance 12/31/2017
<b>Governmental Activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 2,921,017	\$ -	\$ -	\$ 2,921,017
Construction in Progress	81,387	58,157	(112,134)	27,410
Total Capital Assets Not Being Depreciated	\$ 3,002,404	\$ 58,157	\$ (112,134)	\$ 2,948,427
Capital Assets Being Depreciated:				
Facilities	\$ 25,577,370	\$ -	\$ -	\$ 25,577,370
Projects	1,186,418	-	112,134	1,298,552
Total Capital Assets, Being Depreciated	\$ 26,763,788	\$ -	\$ 112,134	\$ 26,875,922
Less Accumulated Depreciation for:				
Facilities	\$ 19,120,710	\$ 337,547	\$ -	\$ 19,458,258
Projects	142,331	23,728		166,059
Total Accumulated Depreciation	\$ 19,263,041	\$ 361,275	\$ -	\$ 19,624,317
Total Capital Assets Being Depreciated, Net	\$ 7,500,746	\$ (361,275)	\$ 112,134	\$ 7,251,605
Governmental Activities Capital Assets, Net	\$ 10,503,150	\$ (303,119)	\$ -	\$ 10,200,031

<b>Noxious Weed Control</b>				
	<b>Balance 1/1/2017</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 12/31/2017</b>
<b>Governmental Activities:</b>				
Capital Assets, Being Depreciated:				
Buildings	\$ 41,054	\$ -	\$ -	\$ 41,054
Machinery & Equipment	80,587	-	-	80,587
Total Capital Assets, Being Depreciated	\$ 121,641	\$ -	\$ -	\$ 121,641
Less Accumulated Depreciation:				
Buildings	\$ 24,632	\$ 821	\$ -	\$ 25,453
Machinery & Equipment	62,768	4,966	-	67,734
Total Accumulated Depreciation	\$ 87,400	\$ 5,787	\$ -	\$ 93,187
Total Capital Assets Net of Depreciation	\$ 34,241	\$ (5,787)	\$ -	\$ 28,454
<b>Vector Control</b>				
	<b>Balance 1/1/2017</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 12/31/2017</b>
<b>Governmental Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery & Equipment	\$ 702,165	\$ 125,114	\$ 128,063	\$ 699,216
Less Accumulated Depreciation				
Machinery & Equipment	420,891	89,716	92,506	418,102
Total Capital Assets Net of Depreciation	\$ 281,274	\$ 35,398	\$ 35,557	\$ 281,114

**NOTE 8: LONG-TERM LIABILITIES**Special Assessment Bonds

Cass County issues special assessment bonds for construction in various subdivisions. The original amount of special assessment bonds issued in prior years was \$935,000. These bonds will be repaid from the debt service funds by amounts levied against the property owners benefited by this construction. As of December 31, 2017, the County had funds of \$43,025 available for payment on the special assessment bonds. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds are received. The County may levy general taxes to make up deficiencies in special assessment funds. Special assessments on property must be paid at the same time property taxes are paid.

Special assessment bonds at December 31, 2017, are comprised of the following individual issues:

Special Assessment Bonds:

\$380,000 Refunding Improvement Bonds of 2005 for construction in the Greyhawks Estates Subdivision due in annual installments of \$25,000 through 2020 with interest at 4.40%.

\$ 75,000

\$190,000 Refunding Improvement Bonds of 2017 for construction in the Wild Rice River Estates Subdivision due in annual installments of \$5,000 to \$15,000 through 2035 with interest at 2.6% to 3.25%. 190,000

\$365,000 Refunding Improvement Bonds of 2007 due in annual installments of \$25,000 through 2022 with interest at 4.20% to 4.45%. 125,000

Total Special Assessment Bonds \$ 390,000

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

<b>Special Assessment Bonds</b>		
Year Ending December 31	Principal	Interest
2018	\$ 55,000	\$ 13,153
2019	60,000	10,776
2020	60,000	8,304
2021	35,000	6,381
2022	35,000	5,009
2023-2027	50,000	18,363
2028-2032	50,000	11,343
2033-2035	45,000	2,194
Total	\$ 390,000	\$ 75,521

### General Obligation Bonds

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

General Obligation bonds at December 31, 2017, are comprised of the following individual issues:

\$8,900,000 General Obligation Bonds of 2010 due in annual installments of \$755,000 to \$840,000 through 2022 with interest at 3.70 to 4.7%. \$3,980,000

**General Obligation Bonds**

Year Ending December 31	Principal	Interest
2018	\$ 755,000	\$ 156,083
2019	775,000	126,228
2020	795,000	93,248
2021	815,000	57,818
2022	840,000	19,740
Total	\$ 3,980,000	\$ 453,115

**Loan Payable**

During the year ended December 31, 2016 the County entered into a loan agreement with Wells Fargo for \$100,000,000. This loan was repaid in August 2017 with the issuance of \$100,000,000 from a Wells Fargo loan agreement. The loan is backed by 91% of the county's sales tax and has a maturity date of July 31, 2019. Interest is payable monthly at the LIBOR rate (a per annum rate of interest equal to .45% per annum plus the product of the LIBOR index multiplied by 70%). The interest rate will be subject to adjustment by a Margin Rate Factor. The Margin Rate Factor means the greater of (i) 1.0, and (ii) the product of (a) one minus the Maximum Federal Corporate Tax Rate multiplied by (b) 1.53846. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change. The Maximum Federal Corporate Tax Rate changed on January 1, 2018 from 35% to 21%.

During the year ended December 31, 2017, the following changes occurred in liabilities reported in noncurrent liabilities.

	Balance 1/1/17	Additions	Decrease	Balance 12/31/17	Due Within One Year
Special Assessment Bonds	\$ 250,000	\$ 190,000	\$ 50,000	\$ 390,000	\$ 55,000
Less Deferred:					
Bond Discount	\$ 3,412	\$ 1,900	\$ 798	\$ 4,514	\$ 851
Total Deferred	\$ 3,412	\$ 1,900	\$ 798	\$ 4,514	\$ 851
Total Special Assessment Bonds	\$ 246,588	\$ 188,100	\$ 49,202	\$ 385,486	\$ 54,149
General Obligation Bonds	\$ 4,715,000	\$ -	\$ 735,000	\$ 3,980,000	\$ 755,000
Less Deferred:					
Bond Discount	\$ 32,528	\$ -	\$ 5,914	\$ 26,614	\$ 5,914
Total Deferred	\$ 32,528	\$ -	\$ 5,914	\$ 26,614	\$ 5,914
Total General Obligation Bonds	\$ 4,682,472	\$ -	\$ 729,086	\$ 3,953,386	\$ 749,086
Loan Payable	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	
Net Pension Liability	17,499,659	13,182,955		30,682,614	
Net OPEB Liability	1,704,432		7,901	1,696,531	
Compensated Absences	1,848,975	1,876,716	1,859,118	1,866,572	1,866,572
Total	\$ 125,982,126	\$ 115,247,771	\$ 102,645,307	\$ 138,584,590	\$ 2,669,807

The County is subject to a statutory limitation by the State of North Dakota for indebtedness payable principally from property taxes. At December 31, 2017, the statutory limit for the County was \$395,453,623. The County has general obligation bonds payable and loan payable that are subject to this limitation. The general obligation bonds and loan payable at December 31, 2017 were

\$3,953,386 and \$100,000,000, respectively. The legal debt margin at December 31, 2017 is \$291,500,237. The compensated absences and net pension and OPEB liabilities are generally liquidated as follows: 55% from the General Fund, 35% from Human Service Fund, and 10% from County Road and Bridge Fund.

### Component Units

During the year ended December 31, 2017, the following changes occurred in the long-term liabilities of the Component Units:

<b>Southeast Cass Water Resource District</b>					
	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>1-1-17</b>	<b>Increases</b>	<b>Decreases</b>	<b>12-31-17</b>	<b>One Year</b>
Bonds Payable	\$ 5,135,000	\$ -	\$ 1,520,000	\$ 3,615,000	\$ 975,000
Less Deferred Amounts:					
Bond Discount	64,485	-	14,105	50,380	11,119
Bond Premium	(36,878)	-	(5,823)	(31,055)	(5,823)
Total Bonds Payable	\$ 5,107,393	\$ -	\$ 1,511,718	\$ 3,595,675	\$ 969,704
Loans Payable	749,000	-	70,000	679,000	69,000
Net Pension Liability	114,601	114,916		229,517	
Net OPEB Liability	10,698		40	10,738	
Compensated Absences	20,641	12,049	12,945	19,745	19,745
<b>TOTAL</b>	<b>\$ 6,002,333</b>	<b>\$ 126,965</b>	<b>\$ 1,594,703</b>	<b>\$ 4,534,675</b>	<b>\$ 1,058,449</b>
<b>Maple River Water Resource District</b>					
	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>1-1-17</b>	<b>Increases</b>	<b>Decreases</b>	<b>12-31-17</b>	<b>One Year</b>
Bonds Payable	\$ 11,353,000	\$ 3,510,000	\$ 8,331,000	\$ 6,532,000	\$ 1,121,000
Less Deferred Amounts:					
Bond Discount	176,558	52,650	17,633	211,575	13,753
Bond Premium		(5,694)	(593)	(5,101)	(1,424)
Total Bonds Payable	\$ 11,176,442	\$ 3,463,044	\$ 8,313,960	\$ 6,325,526	\$ 1,108,671
Loan Payable	60,000	-	15,000	45,000	15,000
Net Pension Liability	38,200	38,305		76,505	
Net OPEB Liability	3,566		13	3,553	
Compensated Absences	6,880	4,017	4,315	6,582	6,582
<b>TOTAL</b>	<b>\$ 11,285,088</b>	<b>\$ 3,505,366</b>	<b>\$ 8,333,288</b>	<b>\$ 6,457,166</b>	<b>\$ 1,130,253</b>
<b>North Cass Water Resource District</b>					
	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>1-1-17</b>	<b>Increases</b>	<b>Decreases</b>	<b>12-31-17</b>	<b>One Year</b>
Bonds Payable	\$ 615,000	\$ -	\$ 420,000	\$ 195,000	\$ 45,000
Less Deferred Amounts:					
Bond Discount	8,286	-	2,086	6,200	2,086
Total Bonds Payable	\$ 606,714	\$ -	\$ 417,914	\$ 188,800	\$ 42,914
Net Pension Liability	\$ 15,280	\$ 15,322		\$ 30,602	
Net OPEB Liability	\$ 1,426		\$ 5	\$ 1,421	
Compensated Absences	2,752	1,607	1,726	2,633	2,633
<b>TOTAL</b>	<b>\$ 626,172</b>	<b>\$ 16,929</b>	<b>\$ 419,645</b>	<b>\$ 223,456</b>	<b>\$ 45,547</b>

<b>Rush River Water Resource District</b>					
	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>1-1-17</b>	<b>Increases</b>	<b>Decreases</b>	<b>12-31-17</b>	<b>One Year</b>
Bonds Payable	\$ 3,350,000	\$ -	\$ 335,000	\$ 3,015,000	\$ 340,000
Less Deferred Amounts:					
Bond Discount	52,775	-	5,441	47,334	5,441
Total Bonds Payable	\$ 3,297,225	\$ -	\$ 329,559	\$ 2,967,666	\$ 334,559
Loans Payable	100,000	-	50,000	50,000	50,000
Net Pension Liability	22,920	22,983		45,903	
Net OPEB Liability	2,140		8	2,132	
Compensated Absences	4,128	2,410	2,589	3,949	3,949
<b>TOTAL</b>	<b>\$ 3,426,413</b>	<b>\$ 25,393</b>	<b>\$ 382,156</b>	<b>\$ 3,069,650</b>	<b>\$ 388,508</b>
<b>Noxious Weed Control District</b>					
	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>1-1-17</b>	<b>Increases</b>	<b>Decreases</b>	<b>12-31-17</b>	<b>One Year</b>
Net Pension Liability	61,006	51,514		112,521	
Net OPEB Liability	7,120	467		7,587	
Compensated Absences	2,053	5,465	5,422	2,095	2,095
<b>TOTAL</b>	<b>\$ 70,179</b>	<b>\$ 57,446</b>	<b>\$ 5,422</b>	<b>\$ 122,203</b>	<b>\$ 2,095</b>
<b>Vector Control District</b>					
	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>1-1-17</b>	<b>Increases</b>	<b>Decreases</b>	<b>12-31-17</b>	<b>One Year</b>
Net Pension Liability	118,948	100,702		219,650	
Net OPEB Liability	13,883	928		14,810	
Compensated Absences	23,154	14,354	20,097	17,411	17,411
<b>TOTAL</b>	<b>\$ 155,985</b>	<b>\$ 115,984</b>	<b>\$ 20,097</b>	<b>\$ 251,871</b>	<b>\$ 17,411</b>

Long-term liabilities of the Water Resource Districts at December 31, 2017, is comprised of the following special assessment bonds:

**Southeast Cass Water Resource District:**

\$910,000 2013 Refunding Improvement Bonds, due in annual installments of \$60,000 to \$250,000 through 2018; with interest at .65% to .85%. \$ 60,000

\$3,995,000 2015 Improvement Bonds, due in annual installments of \$430,000 to \$740,000 through 2021; interest at .50% to 2.00%. 2,870,000

\$1,880,000 2011 Improvement Bonds due in annual installments of \$210,000 to \$235,000 through 2020; interest at 2.7%. 685,000

Total Southeast Cass Special Assessment Bonds Payable \$ 3,615,000

**Loans Payable:**

\$408,755 State Revolving Loan Fund loan drawdown. Due in annual installments of \$15,000 to \$25,000 through 2031; interest at 2.5%. \$ 320,000

\$214,000 1998 State Revolving Loan Fund Municipal Bond Bank, due in annual installments of \$14,000 to \$15,000 \$ 14,000



through 2018; interest at 2.5%.

\$443,299 State Revolving Loan Fund drawdown. Due in annual installments of \$30,000 to \$45,000 through 2026; with interest at 2.5%.	<u>345,000</u>
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Total Loans Payable	<u>\$ 679,000</u>
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Total Southeast Cass Long-term Liabilities (excluding Compensated Absences and Net Pension Liability)	<u>\$4,294,000</u>
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Maple River Water Resource District:

\$3,330,000 Improvement Bonds of 2013, due in annual installments of \$145,000 to \$245,000 through 2033; interest at .85% to 4.5%.	\$1,285,000
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\$2,110,000 Improvement Bonds of 2017, due in annual installments of \$520,000 to \$540,000 through 2021; interest at 1.15% to 2.00%.	2,110,000
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\$1,400,000 Improvement Bonds of 2017, Series B, due in annual installments of \$225,000 to \$240,000; interest at 1.3% to 2.4%.	1,400,000
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\$995,000 Improvement Bonds of 2015, Series A, due in annual installments of \$60,000 to \$85,000 through 2030; interest at 1.50% to 3.50%.	935,000
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\$920,000 Improvement Bonds of 2016, due in annual installments of \$145,000 to \$160,000 through 2022; interest at .90% to 1.45%.	770,000
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\$228,000 Improvement Bonds of 2005, due in annual installments of \$16,000 through 2019; interest at 4.9%.	<u>32,000</u>
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Total Maple River Special Assessment Bonds Payable	<u>\$6,532,000</u>
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Loans Payable:

\$225,000 2005 State Bank & Trust Loan, due in annual installments of \$15,000 through 2020; interest at 5.25%.	<u>\$ 45,000</u>
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Total Maple River Long-Term Liabilities (excluding Compensated Absences and Net Pension Liability)	<u>\$ 6,577,000</u>
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Rush River Water Resource District:

\$800,000 2005 Improvement Bonds, due in annual installments of \$10,000 to \$70,000 through 2019; with interest at 4.1% to 4.35%.	\$ 80,000
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\$1,825,000 2012 Improvement Bonds, due in annual installments of \$80,000 to \$115,000 through 2032; interest at 1.25% to 3.10%.	1,430,000
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\$1,620,000 2013 Improvement Bonds, due in annual installments of \$50,000 to \$75,000 through 2033; interest at .900% to 4.25%.	950,000
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\$590,000 2014 Improvement Bonds, due in annual installments of \$95,000 to \$100,000 through 2020; interest at .75% to 1.55%.	300,000
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\$560,000 2008 Improvement Bonds, due in annual installments of \$40,000 to \$45,000 through 2023; with interest at 4.00% to 4.65%.	255,000
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Total Rush River Special Assessment Bonds Payable	<u>\$3,015,000</u>
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## Loans Payable:

\$150,000 2015 Loan Payable, due in annual installments of \$48,117 to \$53,041 through 2018; interest at 2.26%.	<u>\$50,000</u>
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Total Rush River Long-Term Liabilities (excluding Compensated Absences and Net Pension Liability)	<u><u>\$ 3,065,000</u></u>
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North Cass Water Resource District:

\$215,000 2003 Improvement Bonds, due in annual installments of \$15,000 through 2018; with interest at 5.0%.	\$ 15,000
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\$240,000 2015 Improvement Bonds, due in annual installments of \$30,000 to \$85,000 through 2021; interest at 1.50% to 2.00%.	<u>180,000</u>
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Total North Cass Special Assessment Bonds Payable	<u><u>\$ 195,000</u></u>
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Water Resource District's long-term debt service requirements to maturity are as follows:

Southeast Cass Water Resource District Bonds Payable:

<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Year Ending December 31</b>	<b>SA Bonds Payable</b>		<b>Loan Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2018	\$ 975,000	\$ 62,755	\$ 69,000	\$ 16,975	
2019	940,000	45,850	55,000	15,250	
2020	960,000	25,223	55,000	13,875	
2021	740,000	7,400	55,000	12,500	
2022	-	-	60,000	11,125	
2023 - 2027	-	-	285,000	32,250	
2028 - 2032	-	-	100,000	6,250	
<b>Total</b>	<b>\$ 3,615,000</b>	<b>\$ 141,228</b>	<b>\$ 679,000</b>	<b>\$ 108,225</b>	

Maple River Water Resource District Bonds Payable:

<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Year Ending December 31</b>	<b>SA Bonds Payable</b>		<b>Loan Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2018	\$ 1,121,000	\$ 136,906	\$ 15,000	\$ 1,965	
2019	1,116,000	111,870	15,000	1,178	
2020	1,125,000	92,510	15,000	392	
2021	1,155,000	72,208	-	-	
2022	615,000	53,538	-	-	
2023 - 2027	1,150,000	112,101	-	-	
2028 - 2032	250,000	13,300	-	-	
<b>Total</b>	<b>\$ 6,532,000</b>	<b>\$ 592,433</b>	<b>\$ 45,000</b>	<b>\$ 3,535</b>	

North Cass Water Resource District Bonds Payable:

<b>GOVERNMENTAL ACTIVITIES</b>			
<b>Year Ending December 31</b>	<b>Spec. Assess. Bonds Payable</b>		
	<b>Principal</b>	<b>Interest</b>	
2018	\$ 45,000	\$ 3,450	
2019	30,000	2,625	
2020	35,000	2,050	
2021	85,000	850	
<b>Total</b>	<b>\$ 195,000</b>	<b>\$ 8,975</b>	

Rush River Water Resource District Bonds Payable:

<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Year Ending December 31</b>	<b>Spec. Assess. Bonds Payable</b>		<b>Loans Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2018	\$ 340,000	\$ 88,075	\$ 50,000	\$ 600	
2019	280,000	80,855	-	-	
2020	275,000	74,377	-	-	
2021	180,000	68,426	-	-	
2022	185,000	62,889	-	-	
2023 - 2027	800,000	235,661	-	-	
2028 - 2032	880,000	96,031	-	-	
2033 - 2037	75,000	1,594	-	-	
Total	\$ 3,015,000	\$ 707,908	\$ 50,000	\$ 600	

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

**NOTE 9: CONDUIT DEBT OBLIGATIONS**

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

As of December 31, 2017, there were 38 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$244,569,107.

**NOTE 10: PENSION PLANS**

**General Information about the NDPERS Pension Plan (Main and Law Enforcement Systems).**

**North Dakota Public Employees Retirement System (Main & Law Enforcement Systems)**

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

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating

political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of seven members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system; and one member elected by the retired public employees. Effective July 1, 2015, the board was expanded to include two members of the legislative assembly appointed by the chairman of the legislative management.

### **Pension Benefits**

#### **Main System**

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). For members hired on or after January 1, 2016 the Rule of 85 will be replaced with the Rule of 90 with a minimum age of 60. The monthly 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.

#### **Law Enforcement System**

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 Law Enforcement 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 (55) with three or more years of service. The monthly 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 50-55 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 and Law Enforcement 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 and Law Enforcement System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible

employment and apply for benefits within one year of termination. The definition of disabled is set by the NDPERS in the North Dakota Administrative Code.

### **Refunds of Member Account Balance**

Upon termination, if a member is not vested (is not 65 for the Main System and is not 55 for the Law Enforcement System or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently re-employed, they have the option of repurchasing their previous service.

### **Member and Employer Contributions**

#### **Main System**

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

#### **Law Enforcement System**

Member and employer contributions paid to NDPERS are established as a percent of covered compensation. Member contribution rates are set by statute and employer contribution rates are set by the Board. Member contribution rates are 5.5% and employer contribution rates are 9.81% of covered compensation.

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

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

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

At December 31, 2017, the County and its component units reported a liability for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on the share of covered payroll in the Main System and the Law Enforcement System pension plan relative to the covered payroll of all participating employers.

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

### Main System

	Net Pension Liability	Proportion Share	Change in Proportion Share
<b>Primary Government:</b>			
County	\$25,161,404	1.56541%	.06786%
<b>Component Units:</b>			
Southeast Cass WRD	229,517	.014279%	.002521%
Maple River WRD	76,506	.00476%	.00084%
North Cass WRD	30,602	.001904%	.000336%
Rush River WRD	45,903	.002856%	.000504%
Noxious Weed Control	112,521	.007%	.00074%
Vector Control	219,650	.01367%	.00147%

### Law Enforcement System

	Net Pension Liability	Proportion Share	Change in Proportion Share
<b>Primary Government:</b>			
County	\$5,521,210	25.08%	(.192)%

For the year ended December 31, 2017, the county and its component units recognized pension expense as follows:

### Main System

	Pension Expense
<b>Primary Government:</b>	
County	\$2,795,163
<b>Component Units:</b>	
Southeast Cass WRD	36,482
Maple River WRD	12,161
North Cass WRD	4,864
Rush River WRD	7,296
Noxious Weed Control	12,500
Vector Control	24,401

### Law Enforcement System

	Pension Expense
<b>Primary Government:</b>	
County	\$1,534,766

At December 31, 2017, the county and its component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

### Main System

#### Primary Government:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 149,558	\$ 122,592
Change of Assumptions	10,317,874	567,505
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	338,401	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	418,053	4,176,969
Contributions Subsequent to the Measurement Date	677,993	-
Total	\$ 11,901,879	\$ 4,867,066

#### Component Units:

##### Southeast Cass Water Resource District

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,364	\$ 1,118
Change of Assumptions	94,117	5,177
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	3,087	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	17,100	8,185
Contributions Subsequent to the Measurement Date	5,050	-
Total	\$ 120,718	\$ 14,480

##### Maple River Water Resource District

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 455	\$ 373
Change of Assumptions	31,372	1,726
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	1,029	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,700	2,728
Contributions Subsequent to the Measurement Date	1,683	-
Total	\$ 40,240	\$ 4,827



**North Cass Water Resource District**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 182	\$ 149
Change of Assumptions	12,549	690
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	412	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,280	1,091
Contributions Subsequent to the Measurement Date	673	-
Total	\$ 16,096	\$ 1,931

**Rush River Water Resource District**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 273	\$ 224
Change of Assumptions	18,823	1,035
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	617	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,420	1,637
Contributions Subsequent to the Measurement Date	1,010	-
Total	\$ 24,144	\$ 2,896

**Noxious Weed Control District**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 669	\$ 548
Change of Assumptions	46,141	2,538
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	1,513	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	18,679
Contributions Subsequent to the Measurement Date	1,870	-
Total	\$ 53,215	\$ 21,765

**Vector Control District**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,306	\$ 1,070
Change of Assumptions	90,071	4,954
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2,954	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,649	36,463
Contributions Subsequent to the Measurement Date	5,925	-
Total	\$ 103,905	\$ 42,488

**Law Enforcement System****Primary Government:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 808,469	\$ 74,069
Change of Assumptions	2,952,274	143,644
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	14,324
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	868,717	32,665
Contributions Subsequent to the Measurement Date	414,376	-
Total	\$ 5,043,836	\$ 264,702

The contributions subsequent to the measurement date for the primary government and its component units will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

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

**Main System****Primary Government:**

2018	\$ 1,180,028
2019	1,644,354
2020	1,294,880
2021	1,149,105
2022	1,088,453
Total	\$ 6,356,819

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

2018	\$ 21,749
2019	25,985
2020	22,774
2021	19,281
2022	11,399
Total	\$ 101,188

**Maple River Water Resource District**

2018	\$ 7,250
2019	8,662
2020	7,591
2021	6,427
2022	3,800
Total	\$ 33,730

**North Cass Water Resource District**

2018	\$ 2,900
2019	3,465
2020	3,037
2021	2,571
2022	1,520
Total	\$ 13,493

**Rush River Water Resource District**

2018	\$ 4,350
2019	5,197
2020	4,555
2021	3,856
2022	2,280
Total	\$ 20,238

**Noxious Weed Control District**

2018	\$ 5,277
2019	7,353
2020	5,791
2021	5,139
2022	4,868
Total	\$ 28,428

**Vector Control District**

2018	\$ 10,301
2019	14,355
2020	11,304
2021	10,031
2022	9,502
Total	\$ 55,492

**Law Enforcement System****Primary Government:**

2018	\$ 977,126
2019	1,073,770
2020	1,018,010
2021	843,668
2022	452,184
Total	\$ 4,364,758

**Actuarial Assumptions**

The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.50% per annum	
Salary Increases	Service at Beginning of Year	Increase Rate
	0	15.00%
	1	10.00%
	2	8.00%
	Age*	
	Under 36	8.00%
	36-40	7.50%
	41-49	6.00%
	50+	5.00%

\*Age-based salary increase rates apply for employees with three or more years of service

Investment Rate of Return	7.75%, net of investment expenses
Cost-of-Living Adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back 2 years for males and 3 years for females, projected generationally using the SSA 2014 Intermediate Cost Scale from 2014. For disabled retirees, mortality rates are based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31%	6.05%
International Equity	21%	6.70%
Private Equity	5%	10.20%
Domestic Fixed Income	17%	1.43%
International Fixed Income	5%	-0.45%
Global Real Assets	20%	5.16%
Cash Equivalents	1%	0.00%

**Discount Rate**

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments

in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

The pension plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments through the year of 2061. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2061, and the municipal bond rate was applied to all benefit payments after that date. For the purpose of this valuation, the expected rate of return on pension plan investments is 7.75%; the municipal bond rate is 3.56%; and the resulting Single Discount Rate is 6.44%.

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

The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 6.44 percent, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.44 percent) or 1-percentage-point higher (7.44 percent) than the current rate.

##### **Main System**

District's Proportionate Share of the Net	1%	Current	1%
Pension Liability	Decrease (5.44%)	Discount Rate (6.44%)	Increase (7.44%)
Primary Government	\$ 34,157,376	\$ 25,161,404	\$ 17,677,131
Component Units:			
Southeast Cass Water Resource District	311,576	229,517	161,247
Maple River Water Resource District	103,859	76,506	53,749
North Cass Water Resource District	41,544	30,602	21,500
Rush River Water Resource District	62,315	45,903	32,249
Noxious Weed Control District	152,750	112,521	79,051
Vector Control District	298,182	219,650	154,315

##### **Law Enforcement System**

District's Proportionate Share of the Net	1%	Current	1%
Pension Liability	Decrease (5.44%)	Discount Rate (6.44%)	Increase (7.44%)
Primary Government	\$ 8,308,421	\$ 5,521,210	\$ 3,253,526

#### **Pension Plan Fiduciary Net Position**

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

**NOTE 11: OPEB PLANS****General Information about the OPEB Plan*****North Dakota Public Employees Retirement System***

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

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

**OPEB Benefits**

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "*prefunded credit applied*" on the Statement of Changes in Plan Net Position for the OPEB trust funds.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2017, the County and its component units reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was

based on the District's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers.

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

	Net OPEB Liability	Proportion Share
<b>Primary Government:</b>		
County	\$1,696,531	2.14476%
<b>Component Units:</b>		
Southeast Cass WRD	10,658	.013474%
Maple River WRD	3,553	.004491%
North Cass WRD	1,421	.0001797%
Rush River WRD	2,132	.002695%
Noxious Weed Control	7,587	.00959%
Vector Control	14,810	.01872%

For the year ended December 31, 2017, the county and its component units recognized OPEB expense as follows:

	OPEB Expense
<b>Primary Government:</b>	
County	\$203,720
<b>Component Units:</b>	
Southeast Cass WRD	2,161
Maple River WRD	432
North Cass WRD	173
Rush River WRD	259
Noxious Weed Control	911
Vector Control	1,778

At December 31, 2017, the county and its component units reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 41,377
Changes of Assumptions	164,319	-
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments		64,145
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		4,973
District Contributions Subsequent to the Measurement Date	156,709	
Total	\$ 321,028	\$ 110,495

## Component Units:

## Southeast Cass Water Resource District

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ 260
Changes of Assumptions	1,033	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	403
Changes in Proportion and Differences Between District		
Contributions and Proportionate Share of Contributions	78	-
District Contributions Subsequent to the Measurement Date	809	-
<b>Total</b>	<b>\$ 1,919</b>	<b>\$ 663</b>

## Maple River Water Resource District

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ 87
Changes of Assumptions	344	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	134
Changes in Proportion and Differences Between District		
Contributions and Proportionate Share of Contributions	26	-
District Contributions Subsequent to the Measurement Date	270	-
<b>Total</b>	<b>\$ 640</b>	<b>\$ 221</b>

## North Cass Water Resource District

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ 35
Changes of Assumptions	138	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	54
Changes in Proportion and Differences Between District		
Contributions and Proportionate Share of Contributions	10	-
District Contributions Subsequent to the Measurement Date	108	-
<b>Total</b>	<b>\$ 256</b>	<b>\$ 88</b>

## Rush River Water Resource District

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ 52
Changes of Assumptions	207	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	81
Changes in Proportion and Differences Between District		
Contributions and Proportionate Share of Contributions	16	-
District Contributions Subsequent to the Measurement Date	162	-
<b>Total</b>	<b>\$ 384</b>	<b>\$ 133</b>



## Noxious Weed Control District

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 185
Changes of Assumptions	735	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	287
Changes in Proportion and Differences Between District		
Contributions and Proportionate Share of Contributions		22
District Contributions Subsequent to the Measurement Date	484	-
Total	\$ 1,219	\$ 494

## Vector Control District

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 361
Changes of Assumptions	1,434	-
Net Difference Between Projected and Actual Investment		
Earnings on OPEB Plan Investments	-	560
Changes in Proportion and Differences Between District		
Contributions and Proportionate Share of Contributions		43
District Contributions Subsequent to the Measurement Date	949	-
Total	\$ 2,383	\$ 965

The contributions subsequent to the measurement date for the primary government and its component units will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2018.

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

## Primary Government

2018	\$ 2,431
2019	2,431
2020	2,431
2021	2,431
2022	18,467
2023	18,467
Thereafter	7,165

## Component Units:

## Southeast Cass Water Resource District

2018	\$ 32
2019	32
2020	32
2021	32
2022	133
2023	133
Thereafter	52

## Maple River Resource District

2018	\$	11
2019		11
2020		11
2021		11
2022		44
2023		44
Thereafter		17

## North Cass Resource District

2018	\$	4
2019		4
2020		4
2021		4
2022		18
2023		18
Thereafter		7

## Rush River Cass Resource District

2018	\$	6
2019		6
2020		6
2021		6
2022		27
2023		27
Thereafter		10

## Noxious Weed Control District

2018	\$	11
2019		11
2020		11
2021		11
2022		83
2023		83
Thereafter		32

## Vector Control District

2018	\$	21
2019		21
2020		21
2021		21
2022		161
2023		161
Thereafter		63

**Actuarial assumptions**

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Not applicable
Investment rate of return	7.50%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC 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. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	37%	5.80%
Small Cap Domestic Equities	9%	7.05%
International Equities	14%	6.20%
Core-Plus Fixed Income	40%	1.56%

**Discount rate**

The discount rate used to measure the total OPEB liability was 7.75%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2017, and July 1, 2016, HPRS actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate**

The following presents the net OPEB liability of the Plans as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

		Current	
District's Proportionate Share of the Net	1%	Discount	1%
Pension Liability	Decrease (6.5%)	Rate (7.5%)	Increase (8.5%)
Primary Government	\$ 2,123,851	\$ 1,696,531	\$ 1,330,243
Component Units:			
Southeast Cass Water Resource District	13,343	10,658	8,357
Maple River Water Resource District	4,448	3,553	2,786
North Cass Water Resource District	1,779	1,421	1,114
Rush River Water Resource District	2,669	2,132	1,671
Noxious Weed Control District	9,498	7,587	5,949
Vector Control District	18,540	14,810	11,613

**NOTE 12: RISK MANAGEMENT**

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

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

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

The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of one million dollars per occurrence during a 12-month period.

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

The County participates in the North Dakota Worker's Compensation Bureau. The County has retained risk for employee health and accident up to a maximum of \$65,000 per individual and up to 120% of actuarially expected claims. The County has purchased a stop loss policy for amounts in excess of \$65,000 per employee and 120% of actuarially expected claims. The County has sufficient reserves in the self-insurance fund to fund the retained risk. A liability for incurred but not reported claims is included on the balance sheet.

Settled claims resulting from these risks have not exceeded insurance coverage

in any of the past three fiscal years.

### **NOTE 13: CONTINGENT LIABILITIES**

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

#### **Metro Flood Diversion Authority Project**

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

WRRDA authorizes \$846 million in federal funding for the Diversion Project. The State of North Dakota has already committed \$304 million to the Project, in addition to legislative intent for an additional \$266 million over the next four biennium's. Voters in the City of Fargo and Cass County have overwhelmingly approved two dedicated local sales taxes to help fund the Project. With modest growth, the sales taxes are expected to jointly raise \$700 million over the life of the tax.

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

### **NOTE 14: CONSTRUCTION COMMITMENTS**

The County has the following open construction contracts with balances owing at December 31, 2017:

Project	Contract Amount	Total Completed	Retainage	Remaining Balance
C3 & C4 Bit Overlay	2,257,045	2,185,312	43,706	115,439
Durbin Twp Bridge	1,006,173	975,225	9,752	40,700
State's Attorney Remodeling	213,138	213,138	21,314	21,314

**NOTE 15: TAX ABATEMENTS**

Cass County and political subdivisions within the county can negotiate property tax abatement agreements with individuals and various commercial entities/businesses. Cass County and the political subdivisions within have the following types of tax abatement agreements with various individuals and commercial entities at December 31, 2017.

Cass County will state individually the parties whom received a benefit of the reduction in taxes of 20% or greater when compared to the total reduction of taxes for all tax abatement programs.

**New and Expanding Business:**

Businesses that are primarily industrial, commercial, retail or service are eligible for property tax incentives for new and expanding businesses if they meet state requirements (NDCC 40.57.1-03) and the guidelines stated below. The following criteria are only guidelines.

General criteria — The governing body of the city or county may grant a partial or complete exemption from ad valorem taxation on all buildings, structure, fixtures, and improvements used in or necessary to the operation of a project for period not exceeding five years from the date of commencement of project operations. The governing body may also grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures, and improvements used in or necessary to the operation of a project that produces or manufactures a product from agricultural commodities for all or part of the sixth year through the tenth year from the date of commencement of project operations.

**Exemption Criteria:**

The governing body must have received the certification of the department of commerce division of economic development and finance that the project is a primary sector business.

The governing body must have approval from a majority of the qualified electors to grant property tax exemptions. Additionally the governing body must require:

- Evaluation of the potential positive or adverse consequences for existing retail sector businesses.
- Evaluation of the short-term and long-term effects for other property taxpayers.
- A written agreement with the project operator, including performance requirements for which the exemption may be terminated.
- Evaluation of whether the project operator would locate the project within the boundaries without the exemption.

2017 Reduction in Taxes – Other Entities:

Total program reduction in taxes – \$188,193

**Public Charity Exemption:**

Public Charities are eligible for property tax incentives if they meet state requirements (NDCC 57-02-08(8)) and the guidelines stated below. The following criteria are only guidelines.

All buildings belonging to institutions of public charity, including public hospitals and nursing homes licensed pursuant to section 23-16-01 under the control of religious or charitable institutions, used wholly or in part for public charity, together with the land actually occupied by such institutions not leased or otherwise used with a view to profit. The exemption provided by this subsection includes any dormitory, dwelling, or residential-type structure, together with necessary land on which such structure is located, owned by a religious or charitable organization recognized as tax exempt under section 501(c)(3) of the United States Internal Revenue Code which is occupied by members of said organization who are subject to a religious vow of poverty and devote and donate substantially all of their time to the religious or charitable activities of the owner.

Exemption criteria:

Property exempt if the qualified facility is used wholly or in part for public charity, together with the land occupied by such institutions not leased or otherwise used with a view to profit.

2017 Reduction in Taxes – Other Entities:

Total program reduction in taxes – \$1,091,334

**Single Family Residence:**

Single Family property owners are eligible for property tax incentives for the specified property that meet state requirements (NDCC 57-02-08(35)).

General Criteria -- Up to one hundred fifty thousand dollars of the true and full value of all new single-family and condominium and townhouse residential property, exclusive of the land on which it is situated, is exempt from taxation for the first two taxable years after the taxable year in which construction is completed and the residence is owned and occupied for the first time if all the following conditions are met:

- a. The governing body of the city, for property within city limits, or the governing body of the county, for property outside city limits, has approved the exemption of the property by resolution. A resolution adopted under this subsection may be rescinded or amended at any time. The governing body of the city or county may limit or impose conditions upon exemptions under this subsection, including limitations on the time during which an exemption is allowed.

- b. Special assessments and taxes on the property upon which the residence is situated are not delinquent.

2017 Reduction in Taxes – Other Entities:

Total Program Reduction in taxes – \$462,697

**Childhood Service Exemption:**

A governing body may grant a property tax exemption for the portion of fixtures, buildings, and improvements, used primarily to provide early childhood services by a corporation, limited liability company, or organization licensed under NDCC 50-11.1 or used primarily as an adult day care center. (NDCC 57-02-08(36)).

This exemption is not available for property used as a residence.

2017 Reduction in Taxes – Other Entities:

Total Program Reduction in taxes – \$38,722

**Commercial and Residential:**

Commercial and Residential property are eligible for property tax incentives if they meet state requirements (NDCC 57-05.2-03) and the guidelines stated below. The following criteria are only guidelines.

Under NDCC 57-02.2-03 improvements to commercial and residential buildings and structures as defined in this chapter may be exempt from assessment and taxation for up to five years from the date of commencement of making the improvements, if the exemption is approved by the governing body of the city, for property within city limits, or the governing body of the county, for property outside city limits. The governing body of the city or county may limit or impose conditions upon exemptions under this section, including limitations on the time during which an exemption is allowed. A resolution adopted by the governing body of the city or county under this section may be rescinded or amended at any time. The exemption provided by this chapter shall apply only to that part of the valuation resulting from the improvements which is over and above the assessed valuation, exclusive of the land, placed upon the building or structure for the last assessment period immediately preceding the date of commencement of the improvements. Any person, corporation, limited liability company, association, or organization owning real property and seeking an exemption under this chapter shall file with the assessor a certificate setting out the facts upon which the claim for exemption is based. The assessor shall determine whether the improvements qualify for the exemption based on the resolution of the governing body of the city or county, and if the assessor determines that the exemption should apply, upon approval of the governing body, the exemption is valid for the prescribed period and shall not terminate upon the sale or exchange of the property but shall be



transferable to subsequent owners. If the certificate is not filed as herein provided, the assessor shall regard the improvements as nonexempt and shall assess them as such.

2017 Reduction in Taxes – Other Entities:

Total program reduction in taxes – \$34,373

**NOTE 16: PRIOR PERIOD ADJUSTMENT**

**Change in Accounting Principle – GASB 75 OPEB Liability:**

Net position as of January 1, 2017, has been restated as follows for the implementation of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The result of implementing GASB 75 resulted in a reduction to beginning net position. An adjustment was also made to the beginning net position and beginning fund balance for a change in the accrual of the sales tax revenue and the payment to the FM Division to properly match the sales tax collections reported to the North Dakota State Tax Commissioner who administers the collection of the county sales tax.

<b>Governmental Activities</b>	<b>Amounts</b>
Beginning Net Position, as previously reported	\$40,600,704
Adjustments to restate January 1, 2017 Net Position:	
Flood Control Sales Tax Fund Adjustment	167,012
Net OPEB Liability	(1,704,432)
Net Position January 1, as restated	\$39,063,284

<b>Governmental Activities</b>	<b>Amounts</b>
Beginning Fund Balance, as previously reported	\$22,128,001
Adjustments to restate January 1, 2017 Net Position:	
Flood Control Sales Tax Fund Adjustment	167,012
Fund Balance January 1, as restated	\$22,295,013

# Cass County Government

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

As of Measurement date of*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability(Asset)	Member Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>Primary Government - Main System</b>					
6/30/2017	1.56541%	\$ 25,161,404	\$ 15,980,464	157.45%	61.98%
6/30/2016	1.49755%	14,603,841	15,100,827	96.71%	70.46%
6/30/2015	2.31570%	15,746,526	20,630,293	76.33%	77.15%
6/30/2014	2.41223%	15,310,961	20,320,152	75.35%	77.70%
<b>Primary Government - Law Enforcement System</b>					
6/30/2017	25.07790%	\$ 5,521,210	\$ 7,213,845	76.54%	69.86%
6/30/2016	25.27232%	2,895,818	7,133,332	40.60%	78.73%
<b>Component Units:</b>					
<b>Southeast Cass Water Resource District</b>					
6/30/2017	0.01428%	\$ 229,517	\$ 145,771	157.45%	61.98%
6/30/2016	0.01176%	114,601	118,501	96.71%	70.46%
6/30/2015	0.01353%	92,018	120,559	76.33%	77.15%
6/30/2014	0.00141%	89,500	118,779	75.35%	77.70%
<b>Maple River Water Resource District</b>					
6/30/2017	0.00476%	\$ 76,506	\$ 48,590	157.45%	61.98%
6/30/2016	0.00392%	38,200	39,500	96.71%	70.46%
6/30/2015	0.00451%	30,673	40,186	76.33%	77.15%
6/30/2014	0.00403%	25,571	33,937	75.35%	77.70%
<b>North Cass Water Resource District</b>					
6/30/2017	0.00114%	\$ 18,361	\$ 11,662	157.45%	61.98%
6/30/2016	0.00094%	9,168	9,480	96.71%	70.46%
6/30/2015	0.00108%	7,361	9,645	76.33%	77.15%
6/30/2014	0.00113%	7,160	9,502	75.35%	77.70%
<b>Rush River Water Resource District</b>					
6/30/2017	0.00286%	\$ 45,903	\$ 29,154	157.45%	61.98%
6/30/2016	0.00235%	22,920	23,700	96.71%	70.46%
6/30/2015	0.00271%	18,404	24,112	76.33%	77.15%
6/30/2014	0.00246%	15,627	20,739	75.35%	77.70%
<b>Noxious Weed Control District</b>					
6/30/2017	0.00700%	\$ 112,521	\$ 71,464	157.45%	61.98%
6/30/2016	0.00626%	61,006	63,082	96.71%	70.46%
6/30/2015	0.00723%	49,142	64,384	76.33%	77.15%
6/30/2014	0.00753%	47,783	63,416	75.35%	77.70%
<b>Vector Control District</b>					
6/30/2017	0.01367%	\$ 219,650	\$ 139,504	157.45%	61.98%
6/30/2016	0.01220%	118,948	122,996	96.71%	70.46%
6/30/2015	0.01404%	95,464	125,072	76.33%	77.15%
6/30/2014	0.01462%	92,824	123,192	75.35%	77.70%

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

# Cass County Government

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

As of Measurement date of*	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability(Asset)	Member Covered Payroll	Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Positon as a Percentage of Total OPEB Liability
<b>Primary Government - Main System</b>					
6/30/2017	2.14476%	\$ 1,696,531	\$ 23,298,283	7.28%	59.78%
<b><u>Component Units:</u></b>					
<b>Southeast Cass Water Resource District</b>					
6/30/2017	0.01347%	\$ 10,658	\$ 145,771	7.31%	59.78%
<b>Maple River Water Resource District</b>					
6/30/2017	0.00449%	\$ 3,553	\$ 48,590	7.31%	59.78%
<b>North Cass Water Resource District</b>					
6/30/2017	0.00108%	\$ 853	\$ 11,662	7.31%	59.78%
<b>Rush River Water Resource District</b>					
6/30/2017	0.00270%	\$ 2,132	\$ 29,154	7.31%	59.78%
<b>Noxious Weed Control District</b>					
6/30/2017	0.00959%	\$ 7,587	\$ 71,464	10.62%	59.78%
<b>Vector Control District</b>					
6/30/2017	0.01872%	\$ 14,810	\$ 139,504	10.62%	59.78%

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

**Cass County Government**

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

Year Ended *	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
<b>Primary Government - Main System</b>					
12/31/2017	\$ 1,158,347	\$ 1,158,347	\$ -	\$ 16,268,918	7.12%
12/31/2016	1,128,509	1,128,509	-	15,849,842	7.12%
12/31/2015	1,571,640	1,571,640	-	22,073,591	7.12%
12/31/2014	1,544,334	1,544,334	-	21,690,084	7.12%
<b>Primary Government - Law Enforcement System</b>					
12/31/2017	\$ 720,556	\$ 720,556	\$ -	\$ 7,345,117	9.81%
12/31/2016	\$ 722,727	\$ 722,727	\$ -	\$ 7,367,250	9.81%
<b>Component Units:</b>					
<b>Southeast Cass Water Resource District</b>					
12/31/2017	\$ 10,570	\$ 11,144	\$ (574)	\$ 145,771	7.12%
12/31/2016	\$ 8,579	\$ 9,190	\$ (611)	\$ 118,501	7.12%
12/31/2015	9,157	8,992	165	120,559	7.12%
12/31/2014	8,457	8,457	-	118,779	7.12%
<b>Maple River Water Resource District</b>					
12/31/2017	\$ 3,523	\$ 3,715	\$ (192)	\$ 48,590	7.12%
12/31/2016	\$ 2,860	\$ 3,063	\$ (203)	\$ 39,500	7.12%
12/31/2015	3,052	2,997	55	40,186	7.12%
12/31/2014	2,416	2,416	-	33,937	7.12%
<b>North Cass Water Resource District</b>					
12/31/2017	\$ 846	\$ 892	\$ (46)	\$ 11,662	7.12%
12/31/2016	\$ 686	\$ 735	\$ (49)	\$ 9,480	7.12%
12/31/2015	733	719	14	9,645	7.12%
12/31/2014	677	677	-	9,502	7.12%
<b>Rush River Water Resource District</b>					
12/31/2017	\$ 2,114	\$ 2,229	\$ (115)	\$ 29,154	7.12%
12/31/2016	\$ 1,716	\$ 1,838	\$ (122)	\$ 23,700	7.12%
12/31/2015	1,831	1,798	33	24,112	7.12%
12/31/2014	1,477	1,477	-	20,739	7.12%
<b>Noxious Weed Control District</b>					
12/31/2017	\$ 5,180	\$ 5,180	\$ -	\$ 72,754	7.12%
12/31/2016	\$ 5,075	\$ 5,075	\$ -	\$ 71,271	7.12%
12/31/2015	4,906	4,906	-	68,902	7.12%
12/31/2014	4,742	4,742	-	66,608	7.12%
<b>Vector Control District</b>					
12/31/2017	\$ 10,112	\$ 10,112	\$ -	\$ 142,022	7.12%
12/31/2016	\$ 9,894	\$ 9,894	\$ -	\$ 138,962	7.12%
12/31/2015	\$ 9,530	\$ 9,530	\$ -	\$ 133,849	7.12%
12/31/2014	9,087	9,087	-	127,622	7.12%

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

# **Cass County Government**

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

<u>Year Ended *</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
<b>Primary Government - Main System</b>					
12/31/2017	\$ 269,200	\$ 269,200	\$ -	\$ 23,614,035	1.14%
<b>Component Units:</b>					
<b>Southeast Cass Water Resource District</b>					
12/31/2017	\$ 1,694	\$ 1,784	\$ (90)	\$ 145,771	1.22%
<b>Maple River Water Resource District</b>					
12/31/2017	\$ 565	\$ 595	\$ (30)	\$ 48,590	1.22%
<b>North Cass Water Resource District</b>					
12/31/2017	\$ 136	\$ 143	\$ (7)	\$ 11,662	1.22%
<b>Rush River Water Resource District</b>					
12/31/2017	\$ 339	\$ 357	\$ (18)	\$ 29,154	1.22%
<b>Noxious Weed Control District</b>					
12/31/2017	\$ 829	\$ 829	\$ -	\$ 72,754	1.14%
<b>Vector Control District</b>					
12/31/2017	\$ 1,619	\$ 1,619	\$ -	\$ 142,022	1.14%

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

**CASS COUNTY GOVERNMENT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**December 31, 2017**

	Parenting Workshop	Sheriff Asset Forfeiture	JAIBG Fund	Jail Commissary
<u>Assets:</u>				
Cash and cash equivalents	\$ 38,617	\$ 163,484	\$ 66,618	\$ 663,580
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Prepaid Items	-	-	-	51
Due From Other Governments	-	-	-	-
Total Assets	<u>38,617</u>	<u>163,484</u>	<u>66,618</u>	<u>663,631</u>
<u>Liabilities:</u>				
Accounts Payable	-	786	-	8,034
Due to Other Funds	-	-	-	-
Due to Inmates/Permits/Drug Cases	-	73,637	-	55,887
Total Liabilities	<u>-</u>	<u>74,423</u>	<u>-</u>	<u>63,921</u>
<u>Deferred Inflows of Resources:</u>				
Taxes Receivable	-	-	-	-
Property Taxes Levied for Subsequent Year	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balance:</u>				
<b>Nonspendable:</b>				
Prepaid Items	-	-	-	51
<b>Restricted:</b>				
Sheriff Asset Forfeiture	-	89,061	-	-
JAIBG Funds	-	-	66,618	-
Hazardous Planning	-	-	-	-
States Attorney Asset Forfeiture	-	-	-	-
24/7 Sobriety	-	-	-	-
Senior Citizens	-	-	-	-
Document Preservation	-	-	-	-
County Park	-	-	-	-
<b>Committed:</b>				
Jail Commissary	-	-	-	599,659
Valley Water Rescue	-	-	-	-
Parenting Workshop	38,617	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>38,617</u>	<u>89,061</u>	<u>66,618</u>	<u>599,710</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 38,617</u>	<u>\$ 163,484</u>	<u>\$ 66,618</u>	<u>\$ 663,631</u>

Hazardous Plan/ Response	Valley Water Rescue	St. Att'y Asset Forfeiture	Senior Citizens	911 Service
\$ 27,594	\$ -	\$ 196,733	\$ 584,207	\$ -
-	-	-	6,325	-
-	-	-	-	402,479
2,500	-	-	-	-
-	38,506	-	-	-
30,094	38,506	196,733	590,532	402,479
-	1,212	-	-	213,426
-	12,052	-	-	188,563
-	-	-	-	-
-	13,264	-	-	401,989
-	-	-	6,325	-
-	-	-	264,587	-
-	-	-	270,912	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
30,094	-	-	-	-
-	-	196,733	-	-
-	-	-	-	-
-	-	-	319,620	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	490
-	25,242	-	-	-
-	-	-	-	-
-	-	-	-	-
30,094	25,242	196,733	319,620	490
\$ 30,094	\$ 38,506	\$ 196,733	\$ 590,532	\$ 402,479

Continued on next page

**CASS COUNTY GOVERNMENT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**December 31, 2017**

	NDRIN County Recorder Project	Document Preservation ROD	County Park	24/7 Sobriety Program	Total Nonmajor Special Revenue Funds
<u>Assets:</u>					
Cash and cash equivalents	\$ 1,929,955	\$ 473,548	\$ 99,825	\$ 132,049	\$ 4,376,210
Receivables:					
Taxes	-	-	-	-	6,325
Accounts	7,512	-	510	-	410,501
Prepaid Items	10,510	30,647	-	540	44,248
Due From Other Governments	-	429	-	-	38,935
Total Assets	1,947,977	504,624	100,335	132,589	4,876,219
<u>Liabilities:</u>					
Accounts Payable	19,768	2,371	89	24,780	270,466
Due to Other Funds	-	-	-	-	200,615
Due to Inmates/Permits/Drug Cases	-	-	-	-	129,524
Total Liabilities	19,768	2,371	89	24,780	600,605
<u>Deferred Inflows of Resources:</u>					
Taxes Receivable	-	-	-	-	6,325
Property Taxes Levied for Subsequent Year	-	-	-	-	264,587
Total Deferred Inflows of Resources	-	-	-	-	270,912
<u>Fund Balances:</u>					
<b>Nonspendable:</b>					
Prepaid Items	10,510	30,647	-	540	41,748
<b>Restricted:</b>					
Sheriff Asset Forfeiture	-	-	-	-	89,061
JAIBG Funds	-	-	-	-	66,618
Hazardous Planning	-	-	-	-	30,094
States Attorney Asset Forfeiture	-	-	-	-	196,733
24/7 Sobriety	-	-	-	107,269	107,269
Senior Citizens	-	-	-	-	319,620
Document Preservation	1,917,700	471,606	-	-	2,389,305
County Park	-	-	100,246	-	100,246
<b>Committed:</b>					
Jail Commissary	-	-	-	-	600,149
Valley Water Rescue	-	-	-	-	25,242
Parenting Workshop	-	-	-	-	38,617
Unassigned	-	-	-	-	-
Total Fund Balances	1,928,209	502,252	100,246	107,809	4,004,702
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 1,947,977	\$ 504,624	\$ 100,335	\$ 132,589	\$ 4,876,219

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**CASS COUNTY GOVERNMENT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - All Debt Service Funds**  
**December 31, 2017**

	Wild Rice River Estates	Greyhawk Estates Subdivision	Granberg Amber Plains	2010 Bond S&I	Special Assessment Deficiency	Total Nonmajor Debt Service Funds
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 13,233	\$ 43,604	\$ 18,963	\$ 338,152	\$ 8,178	\$ 422,131
Receivables:						
Taxes	-	-	599	7,169	-	7,768
Total Assets	<u>13,233</u>	<u>43,604</u>	<u>19,563</u>	<u>345,321</u>	<u>8,178</u>	<u>429,899</u>
<b>Deferred Inflows of Resources:</b>						
Taxes Receivable	-	-	-	7,169	-	7,169
Special Assessments Receivable	-	-	599	-	-	599
Property Taxes Levied for Subsequent Year	-	-	-	277,816	-	277,816
Special Assessments Levied for Subsequent Year	<u>10,553</u>	<u>9,087</u>	<u>13,135</u>	<u>-</u>	<u>-</u>	<u>32,776</u>
Total Deferred Inflows of Resources	<u>10,553</u>	<u>9,087</u>	<u>13,735</u>	<u>284,985</u>	<u>-</u>	<u>318,360</u>
<b>Fund Balances:</b>						
<b>Restricted:</b>						
Special Assesment Debt	2,680	34,517	5,828	-	8,178	51,203
General Obligation Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,336</u>	<u>-</u>	<u>60,336</u>
Total Fund Balances	<u>2,680</u>	<u>34,517</u>	<u>5,828</u>	<u>60,336</u>	<u>8,178</u>	<u>111,539</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,233</u>	<u>\$ 43,604</u>	<u>\$ 19,563</u>	<u>\$ 345,321</u>	<u>\$ 8,178</u>	<u>\$ 429,899</u>

**CASS COUNTY GOVERNMENT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Capital Projects Funds**  
**December 31, 2017**

	Building Fund	Forest River Subdivision	Round Hill Subdivision	Greyhawk Estates Subdivision	Granberg Amber Plains	Wild Rice River Estates Subdivision	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 132,320	\$ 29,775	\$ 27,630	\$ 31,149	\$ 37,348	\$ 965	\$ 259,187
Accounts Receivable	-	-	-	-	-	-	-
Total Assets	<u>132,320</u>	<u>29,775</u>	<u>27,630</u>	<u>31,149</u>	<u>37,348</u>	<u>965</u>	<u>259,187</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<u>Liabilities:</u>							
Accounts Payable	-	-	-	-	-	-	-
Deferred Property Tax	132,293	-	-	-	-	-	132,293
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	<u>132,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,293</u>
<u>Fund Balances:</u>							
<u>Committed:</u>							
Special Assessment Projects	27	29,775	27,630	31,149	37,348	965	126,893
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>27</u>	<u>29,775</u>	<u>27,630</u>	<u>31,149</u>	<u>37,348</u>	<u>965</u>	<u>126,893</u>
Total Liabilities and Fund Balances	<u>\$ 132,320</u>	<u>\$ 29,775</u>	<u>\$ 27,630</u>	<u>\$ 31,149</u>	<u>\$ 37,348</u>	<u>\$ 965</u>	<u>\$ 259,187</u>

**CASS COUNTY GOVERNMENT**  
**Combining Balance Sheet**  
**All Nonmajor Governmental Funds**  
**December 31, 2017**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 4,376,210	\$ 422,131	\$ 259,187	\$ 5,057,528
Receivables:				
Taxes	6,325	7,768	-	14,093
Accounts	410,501	-	-	410,501
Due From Other Governments	38,935	-	-	38,935
Prepaid Items	44,248	-	-	44,248
<b>Total Assets</b>	<b>4,876,219</b>	<b>429,899</b>	<b>259,187</b>	<b>5,565,305</b>
<b>Liabilities:</b>				
Accounts Payable	270,466	-	-	270,466
Due to Other Funds	200,615	-	-	200,615
Due To Inmates/Permits/Drug Cases	129,524	-	-	129,524
<b>Total Liabilities</b>	<b>600,605</b>	<b>-</b>	<b>-</b>	<b>600,605</b>
<b>Deferred Inflows of Resources:</b>				
Taxes Receivable	6,325	7,169	-	13,494
Special Assessments Receivable	-	599	-	599
Property Taxes Levied for Subsequent Year	264,587	277,816	132,293	674,696
Special Assessments Levied for Subsequent Year	-	32,776	-	32,776
<b>Total Deferred Inflows of Resources</b>	<b>270,912</b>	<b>318,360</b>	<b>132,293</b>	<b>721,565</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid Items	41,748	-	-	41,748
<b>Restricted:</b>				
Sheriff Asset Forfeiture	89,061	-	-	89,061
JAIBG Funds	66,618	-	-	66,618
Hazardous Planning	30,094	-	-	30,094
State's Attorney Asset Forfeiture	196,733	-	-	196,733
24/7 Sobriety	107,269	-	-	107,269
Senior Citizens	319,620	-	-	319,620
Document Preservation	2,389,305	-	-	2,389,305
County Park	100,246	-	-	100,246
Special Assessment Debt	-	51,203	-	51,203
General Obligation Debt	-	60,336	-	60,336
<b>Committed:</b>				
Jail Commissary	600,149	-	-	600,149
Valley Water Rescue	25,242	-	-	25,242
Parenting Workshop	38,617	-	-	38,617
Special Assessment Projects	-	-	126,893	126,893
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>4,004,702</b>	<b>111,539</b>	<b>126,893</b>	<b>4,243,135</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,876,219</b>	<b>\$ 429,899</b>	<b>\$ 259,187</b>	<b>\$ 5,565,305</b>

**CASS COUNTY GOVERNMENT**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Nonmajor Governmental Funds - Special Revenue Funds**  
**For the Fiscal Year Ended December 31, 2017**

	Parenting Workshop	Sheriff Asset Forfeiture	JAIBG Fund	Jail Commissary
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	77,603	-	-
Charges for Services	1,370	-	-	264,736
Miscellaneous Revenues	120	46,843	3,102	1,885
Total Revenues	1,490	124,446	3,102	266,621
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	-
Public Safety	-	114,080	3,817	178,362
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	2,711	-	-	-
Total Expenditures	2,711	114,080	3,817	178,362
Excess (deficiency) of Revenues Over (Under) Expenditures	(1,220)	10,365	(715)	88,258
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Net change in fund balances	(1,220)	10,365	(715)	88,258
Fund Balance - Beginning	39,837	78,696	67,333	511,452
Fund Balance - Ending	\$ 38,617	\$ 89,061	\$ 66,618	\$ 599,710

Hazardous Plan/ Response	Valley Water Rescue	St. Atty Asset Forfeiture	Senior Citizens	911 Service	NDRIN - County Recorders
\$ -	\$ -	\$ -	\$ 739,113	\$ -	\$ -
-	38,506	-	584,689	-	-
6,095	-	-	-	3,335,740	1,424,910
8,316	42,818	26,459	1,023	-	5,949
14,411	81,324	26,459	1,324,824	3,335,740	1,430,859
-	-	-	-	-	1,315,109
5,572	65,161	82,255	-	3,693,912	-
-	-	-	1,207,790	-	-
-	-	-	-	-	-
5,572	65,161	82,255	1,207,790	3,693,912	1,315,109
8,839	16,163	(55,795)	117,034	(358,172)	115,750
-	-	-	-	358,662	-
-	-	-	-	-	-
-	-	-	-	358,662	-
8,839	16,163	(55,795)	117,034	490	115,750
21,256	9,079	252,527	202,586	-	1,812,459
\$ 30,094	\$ 25,242	\$ 196,733	\$ 319,620	\$ 490	\$ 1,928,209

Continued on next page

**CASS COUNTY GOVERNMENT**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Nonmajor Governmental Funds - Special Revenue Funds**  
**For the Fiscal Year Ended December 31, 2017**

	Document Preservation Fund	County Park	24/7 Sobriety Program	Total Nonmajor Special Revenue Funds
<u>Revenues:</u>				
Property Taxes	\$ -	\$ 44	\$ -	\$ 739,157
Intergovernmental Revenues	-	20,482	-	721,280
Charges for Services	221,672	22,890	411,706	5,689,119
Miscellaneous Revenues	1,303	315	441	138,574
<b>Total Revenues</b>	<b>222,975</b>	<b>43,731</b>	<b>412,147</b>	<b>7,288,130</b>
<u>Expenditures:</u>				
Current:				
General Government	168,147	-	-	1,483,256
Public Safety	-	-	430,099	4,573,258
Culture and Recreation	-	60,523	-	1,268,313
Conservation & Econ. Development	-	-	-	2,711
<b>Total Expenditures</b>	<b>168,147</b>	<b>60,523</b>	<b>430,099</b>	<b>7,327,538</b>
Excess (deficiency) of Revenues Over (Under) Expenditures	54,828	(16,792)	(17,953)	(39,409)
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	20,000	-	378,662
Transfers Out	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>378,662</b>
<b>Net change in fund balances</b>	<b>54,828</b>	<b>3,208</b>	<b>(17,953)</b>	<b>339,253</b>
<b>Fund Balance - Beginning</b>	<b>447,425</b>	<b>97,039</b>	<b>125,761</b>	<b>3,665,449</b>
<b>Fund Balance - Ending</b>	<b>\$ 502,252</b>	<b>\$ 100,246</b>	<b>\$ 107,809</b>	<b>\$ 4,004,702</b>

Continued from previous page

**CASS COUNTY GOVERNMENT**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Nonmajor Governmental Funds - Debt Service Funds**  
**For the Fiscal Year Ended December 31, 2017**

	Wild Rice River Estates	Greyhawk Estates Subdivision	Granberg Amber Plains	Special Assessment Deficiency	2010 Bond S&I	Total Nonmajor Debt Service Funds
<u>Revenues:</u>						
Property Taxes	\$ -	\$ 25,230	\$ 29,261	\$ -	\$ 806,375	\$ 860,866
Intergovernmental Revenues	-	-	-	-	83,976	83,976
Miscellaneous Revenues	14	129	47	26	697	913
Total Revenues	14	25,358	29,309	26	891,048	945,755
<u>Expenditures:</u>						
Debt Service:						
Principal	-	25,000	25,000	-	735,000	785,000
Interest	3,158	3,850	6,025	-	182,178	195,211
Fiscal Charges	601	1,153	1,167	-	400	3,321
Total Expenditures	3,759	30,003	32,192	-	917,578	983,532
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,745)	(4,645)	(2,883)	26	(26,530)	(37,777)
<u>Other Financing Sources (Uses):</u>						
Transfers In	6,425	-	-	-	-	6,425
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources and (Uses)	6,425	-	-	-	-	6,425
Net Change in Fund Balances	2,680	(4,645)	(2,883)	26	(26,530)	(31,351)
Fund Balance - Beginning	-	39,162	8,711	8,152	86,866	142,891
Fund Balance - Ending	\$ 2,680	\$ 34,517	\$ 5,828	\$ 8,178	\$ 60,336	\$ 111,539

**CASS COUNTY GOVERNMENT**  
**Combining Statement of Revenues , Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds - Capital Projects Funds**  
**For the Fiscal Year Ended December 31, 2017**

	Building Fund	Forest River Subdivision	Round Hill Subdivision	Greyhawk Estates Subdivision	Granberg Amber Plains	Wild Rice River Estates Subdivision	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>							
Intergovernmental Revenues	-	-	-	-	-	-	-
Miscellaneous Revenues	27	\$ 91	\$ 85	\$ 95	\$ 114	\$ 21	\$ 433
<b>Total Revenues</b>	<b>27</b>	<b>91</b>	<b>85</b>	<b>95</b>	<b>114</b>	<b>21</b>	<b>433</b>
<b>Expenditures:</b>							
Capital Outlay	-	-	-	-	-	12,506	12,506
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,506</b>	<b>12,506</b>
Excess (deficiency) of revenues over (under) expenditures	27	91	85	95	114	(12,485)	(12,073)
<b>Other Financing Sources:</b>							
Transfer In	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	(6,425)	(6,425)
Bond Discount	-	-	-	-	-	(1,900)	(1,900)
Bond/Lease Proceeds	-	-	-	-	-	190,000	190,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181,675</b>	<b>181,675</b>
<b>Revenues and Other Financing Sources over Expenditures</b>	<b>27</b>	<b>91</b>	<b>85</b>	<b>95</b>	<b>114</b>	<b>169,189</b>	<b>169,602</b>
Fund Balance - Beginning	-	29,683	27,545	31,054	37,234	(168,225)	(42,709)
<b>Fund Balance - Ending</b>	<b>\$ 27</b>	<b>\$ 29,775</b>	<b>\$ 27,630</b>	<b>\$ 31,149</b>	<b>\$ 37,348</b>	<b>\$ 965</b>	<b>\$ 126,893</b>



**CASS COUNTY GOVERNMENT**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Nonmajor Governmental Funds**  
**For the Fiscal Year Ended December 31, 2017**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b><u>Revenues</u></b>				
Taxes:				
Property	\$ 739,157	\$ 860,866	\$ -	\$ 1,600,023
Intergovernmental Revenues	721,280	83,976	-	805,256
Charges for Services	5,689,119	-	-	5,689,119
Miscellaneous Revenues	138,574	913	433	139,920
<b>Total Revenues</b>	<b>7,288,130</b>	<b>945,755</b>	<b>433</b>	<b>8,234,318</b>
<b><u>Expenditures</u></b>				
Current:				
General Government	1,483,256	-	-	1,483,256
Public Safety	4,573,258	-	-	4,573,258
Culture and Recreation	1,268,313	-	-	1,268,313
Conservation & Economic Development	2,711	-	-	2,711
Capital outlay	-	-	12,506	12,506
Debt Service:				
Principal Retirement	-	785,000	-	785,000
Interest	-	195,211	-	195,211
Fiscal Charges	-	3,321	-	3,321
<b>Total Expenditures</b>	<b>7,327,538</b>	<b>983,532</b>	<b>12,506</b>	<b>8,323,576</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,409)	(37,777)	(12,073)	(89,258)
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	378,662	6,425	-	385,087
Transfers Out	-	-	(6,425)	(6,425)
Bond Discounts	-	-	(1,900)	(1,900)
Bond Proceeds	-	-	190,000	190,000
<b>Total of Other Financing Uses</b>	<b>378,662</b>	<b>6,425</b>	<b>181,675</b>	<b>566,762</b>
<b>Net Change in Fund Balances</b>	<b>339,253</b>	<b>(31,352)</b>	<b>169,602</b>	<b>477,504</b>
<b>Fund Balances - Beginning</b>	<b>3,665,449</b>	<b>142,891</b>	<b>(42,709)</b>	<b>3,765,632</b>
<b>Fund Balances - Ending</b>	<b>\$ 4,004,702</b>	<b>\$ 111,539</b>	<b>\$ 126,892</b>	<b>\$ 4,243,135</b>

**CASS COUNTY GOVERNMENT**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Special Revenue Funds**  
**For the Fiscal Year Ended December 31, 2017**

	Parenting Workshop			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	14,500	14,500	1,370	(13,130)
Miscellaneous Revenues			120	120
Total Revenues	14,500	14,500	1,490	(13,010)
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	20,000	20,000	2,711	17,289
Total Expenditures	20,000	20,000	2,711	17,289
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,500)	(5,500)	(1,221)	4,279
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(5,500)	(5,500)	(1,221)	4,279
Fund Balance - Beginning	39,837	39,837	39,837	-
Fund Balance - Ending	\$ 34,337	\$ 34,337	\$ 38,617	\$ 4,279

Sheriff Asset Forfeiture				JAIBG Fund			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109,833	109,833	77,603	(32,230)	-	-	-	-
-	-	-	-	-	-	-	-
115,200	115,200	46,843	(68,357)	4,100	4,100	3,102	(998)
225,033	225,033	124,446	(100,587)	4,100	4,100	3,102	(998)
-	-	-	-	-	-	-	-
155,750	155,750	114,080	41,670	4,000	5,200	3,817	1,383
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
155,750	155,750	114,080	41,670	4,000	5,200	3,817	1,383
69,283	69,283	10,366	(58,917)	100	(1,100)	(715)	386
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
69,283	69,283	10,366	(58,917)	100	(1,100)	(715)	386
78,696	78,696	78,696	-	67,333	67,333	67,333	-
\$ 147,979	\$ 147,979	\$ 89,061	\$ (58,917)	\$ 67,433	\$ 66,233	\$ 66,618	\$ 386

Continued

**CASS COUNTY GOVERNMENT**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Special Revenue Funds**  
**For the Fiscal Year Ended December 31, 2017**

	Jail Commissary			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<u>Revenues:</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	160,000	160,000	264,736	104,736
Miscellaneous Revenues	850	850	1,885	1,035
Total Revenues	160,850	160,850	266,621	105,771
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	-
Public Safety	174,660	174,660	178,362	(3,702)
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	-	-	-	-
Total Expenditures	174,660	174,660	178,362	(3,702)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,810)	(13,810)	88,259	102,070
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(13,810)	(13,810)	88,259	102,070
Fund Balance - Beginning	511,452	511,452	511,452	-
Fund Balance - Ending	\$ 497,642	\$ 497,642	\$ 599,710	\$ 102,070

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Hazardous Plan/Response				Valley Water Rescue			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	38,506	38,506	-
-	6,095	6,095	0	-	-	-	-
7,000	8,375	8,316	(59)	42,706	42,706	42,818	112
7,000	14,470	14,411	(59)	42,706	81,212	81,324	112
-	-	-	-	-	-	-	-
6,000	10,500	5,572	4,928	43,500	82,006	65,161	16,845
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,000	10,500	5,572	4,928	43,500	82,006	65,161	16,845
1,000	3,970	8,839	4,869	(794)	(794)	16,163	16,957
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,000	3,970	8,839	4,869	(794)	(794)	16,163	16,957
21,256	21,256	21,256	-	9,079	9,079	9,079	-
\$ 22,256	\$ 25,226	\$ 30,094	\$ 4,869	\$ 8,285	\$ 8,285	\$ 25,242	\$ 16,957

Continued

**CASS COUNTY GOVERNMENT**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Special Revenue Funds**  
**For the Fiscal Year Ended December 31, 2017**

	States Attorney Asset Forfeiture			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous Revenues	7,800	7,800	26,459	18,659
Total Revenues	7,800	7,800	26,459	18,659
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	-
Public Safety	4,000	91,500	82,255	9,245
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	-	-	-	-
Total Expenditures	4,000	91,500	82,255	9,245
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,800	(83,700)	(55,796)	27,904
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	3,800	(83,700)	(55,796)	27,904
Fund Balance - Beginning	252,527	252,527	252,527	-
Fund Balance - Ending	\$ 256,327	\$ 168,827	\$ 196,733	\$ 27,904

Continued from previous page

Senior Citizens				911 Service			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 745,643	\$ 745,643	\$ 739,113	\$ (6,530)	\$ -	\$ -	\$ -	\$ -
581,348	581,348	584,689	3,341	-	-	-	-
-	-	-	-	2,900,000	3,186,200	3,335,740	149,540
688	688	1,023	335	-	-	-	-
<u>1,327,679</u>	<u>1,327,679</u>	<u>1,324,824</u>	<u>(2,853)</u>	<u>2,900,000</u>	<u>3,186,200</u>	<u>3,335,740</u>	<u>149,540</u>
-	-	-	-	-	-	-	-
-	-	-	-	3,446,728	3,837,228	3,693,912	143,316
1,207,790	1,207,790	1,207,790	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,207,790</u>	<u>1,207,790</u>	<u>1,207,790</u>	<u>-</u>	<u>3,446,728</u>	<u>3,837,228</u>	<u>3,693,912</u>	<u>143,316</u>
<u>119,889</u>	<u>119,889</u>	<u>117,034</u>	<u>(2,853)</u>	<u>(546,728)</u>	<u>(651,028)</u>	<u>(358,172)</u>	<u>292,856</u>
-	-	-	-	546,728	546,728	358,662	(188,066)
-	-	-	-	-	-	-	-
-	-	-	-	546,728	546,728	358,662	(188,066)
<u>119,889</u>	<u>119,889</u>	<u>117,034</u>	<u>(2,853)</u>	<u>-</u>	<u>(104,300)</u>	<u>489</u>	<u>104,789</u>
<u>202,586</u>	<u>202,586</u>	<u>202,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 322,475</u>	<u>\$ 322,475</u>	<u>\$ 319,620</u>	<u>\$ (2,853)</u>	<u>\$ -</u>	<u>\$ (104,300)</u>	<u>\$ 490</u>	<u>\$ 104,789</u>

Continued

**CASS COUNTY GOVERNMENT**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Special Revenue Funds**  
**For the Fiscal Year Ended December 31, 2017**

	NDRIN - County Recorder Project			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	1,380,000	1,380,000	1,424,910	44,910
Miscellaneous Revenues	3,000	3,000	5,949	2,949
<b>Total Revenues</b>	<b>1,383,000</b>	<b>1,383,000</b>	<b>1,430,859</b>	<b>47,859</b>
<b>Expenditures:</b>				
Current:				
General Government	1,318,500	1,389,000	1,315,109	73,891
Public Safety	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	-	-	-	-
<b>Total Expenditures</b>	<b>1,318,500</b>	<b>1,389,000</b>	<b>1,315,109</b>	<b>73,891</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,500	(6,000)	115,750	121,749
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>64,500</b>	<b>(6,000)</b>	<b>115,750</b>	<b>121,749</b>
Fund Balance - Beginning	1,812,459	1,812,459	1,812,459	-
Fund Balance - Ending	<u>\$ 1,876,959</u>	<u>\$ 1,806,459</u>	<u>\$ 1,928,209</u>	<u>\$ 121,749</u>

Continued from previous page



Document Preservation - ROD				County Park			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44	\$ 44
-	-	-	-	-	15,137	20,482	5,345
135,000	135,000	221,672	86,672	10,000	10,000	22,890	12,890
-	-	1,303	1,303	190	190	315	125
135,000	135,000	222,975	87,975	10,190	25,327	43,731	18,404
390,031	390,031	168,147	221,884	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	62,500	77,637	60,523	17,114
-	-	-	-	-	-	-	-
390,031	390,031	168,147	221,884	62,500	77,637	60,523	17,114
(255,031)	(255,031)	54,828	309,859	(52,310)	(52,310)	(16,792)	35,519
-	-	-	-	20,000	20,000	20,000	-
-	-	-	-	-	-	-	-
-	-	-	-	20,000	20,000	20,000	-
(255,031)	(255,031)	54,828	309,859	(32,310)	(32,310)	3,208	35,519
447,425	447,425	447,425	-	97,039	97,039	97,039	-
\$ 192,394	\$ 192,394	\$ 502,252	\$ 309,859	\$ 64,729	\$ 64,729	\$ 100,246	\$ 35,519

Continued

**CASS COUNTY GOVERNMENT**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Special Revenue Funds**  
**For the Fiscal Year Ended December 31, 2017**

	24/7 Sobriety Program			Variance With Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Charges for Services	350,000	410,000	411,706	1,706
Miscellaneous Revenues	200	400	441	41
Total Revenues	350,200	410,400	412,147	1,747
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	-
Public Safety	336,956	399,956	430,099	(30,143)
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	-	-	-	-
Total Expenditures	336,956	399,956	430,099	(30,143)
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,244	10,444	(17,952)	(28,396)
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	13,244	10,444	(17,952)	(28,396)
Fund Balance - Beginning	125,761	125,761	125,761	-
Fund Balance - Ending	\$ 139,005	\$ 136,205	\$ 107,809	\$ (28,396)

Continued from previous page

Total Nonmajor Budgeted Special Revenue Funds			
Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 745,643	\$ 745,643	\$ 739,157	\$ (6,486)
691,181	744,824	721,280	(23,544)
4,949,500	5,301,795	5,689,119	387,324
181,734	183,309	138,574	(44,735)
6,568,058	6,975,571	7,288,131	312,560
1,708,531	1,779,031	1,483,256	295,775
4,171,594	4,756,800	4,573,258	183,542
1,270,290	1,285,427	1,268,313	17,114
20,000	20,000	2,711	17,289
7,170,415	7,841,258	7,327,538	513,720
(602,357)	(865,687)	(39,407)	826,280
566,728	566,728	378,662	(188,066)
-	-	-	-
566,728	566,728	378,662	(188,066)
(35,629)	(298,959)	339,254	638,212
3,665,449	3,665,449	3,665,449	-
\$ 3,629,820	\$ 3,366,490	\$ 4,004,702	\$ 638,212

**CASS COUNTY GOVERNMENT**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Debt Service Funds**  
**For the Fiscal Year Ended December 31, 2017**

	<b>Wild Rice River Estates</b>			Variance With
	Budget		Actual	Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Miscellaneous Revenues	-	-	14	14
Total Revenues	-	-	14	14
<u>Expenditures:</u>				
Debt Service:				
Principal			-	-
Interest	-	3,858	3,158	700
Fiscal Charges	-	-	601	(601)
Total Expenditures	-	3,858	3,759	99
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,858)	(3,745)	113
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	6,476	6,425	(51)
Transfers Out	-	-	-	-
Total Other Financing Sources and (Uses)	-	6,476	6,425	(51)
Net Change in Fund Balances	-	2,618	2,680	62
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ 2,618	\$ 2,680	\$ 62

Greyhawk Estates Subdivision				Granberg Amber Plains			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 24,296	\$ 24,396	\$25,230	\$ 834	\$ 29,843	\$ 29,843	\$ 29,261	\$ (582)
-	-	-	-	-	-	-	-
75	120	129	9	50	50	47	(3)
24,371	24,516	25,358	842	29,893	29,893	29,309	(584)
25,000	25,000	25,000	-	25,000	25,000	25,000	-
3,850	3,850	3,850	-	6,025	6,025	6,025	-
1,000	1,153	1,153	-	1,500	1,500	1,167	333
29,850	30,003	30,003	-	32,525	32,525	32,192	333
(5,479)	(5,487)	(4,645)	842	(2,632)	(2,632)	(2,883)	(251)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(5,479)	(5,487)	(4,645)	842	(2,632)	(2,632)	(2,883)	(251)
39,162	39,162	39,162	-	8,711	8,711	8,711	-
\$ 33,683	\$ 33,675	\$34,517	\$ 842	\$ 6,079	\$ 6,079	\$ 5,828	\$ (251)

Continued

**CASS COUNTY GOVERNMENT**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Debt Service Funds**  
**For the Fiscal Year Ended December 31, 2017**

	<b>Special Assessment Deficiency</b>			Variance With
	Budget		Actual	Final Budget
	Original	Final		Positive
				(Negative)
<b><u>Revenues:</u></b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-
Miscellaneous Revenues	-	-	26	26
<b>Total Revenues</b>	-	-	26	26
<b><u>Expenditures:</u></b>				
<b>Debt Service:</b>				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	26	26
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In		-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	-	-	26	26
<b>Fund Balance - Beginning</b>	8,152	8,152	8,152	-
<b>Fund Balance - Ending</b>	<u>\$ 8,152</u>	<u>\$ 8,152</u>	<u>\$ 8,178</u>	<u>\$ 26</u>

Continued from previous page

2010 Bond S&I				Total Nonmajor Debt Service Funds			
Budget		Actual	Variance With Final Budget Positive (Negative)	Budget		Actual	Variance With Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 813,980	\$ 813,980	\$ 806,375	\$ (7,605)	\$ 868,119	\$ 868,219	\$ 860,866	\$ (7,353)
82,996	82,996	83,976	980	82,996	82,996	83,976	980
483	483	697	214	608	653	913	260
897,459	897,459	891,048	(6,411)	951,723	951,868	945,755	(6,113)
735,000	735,000	735,000	-	785,000	785,000	785,000	-
182,178	182,178	182,178	-	192,053	195,910	195,211	-
400	400	400	-	2,900	3,053	3,321	(268)
917,578	917,578	917,578	-	979,953	983,963	983,532	(268)
(20,119)	(20,119)	(26,530)	(6,411)	(28,230)	(32,095)	(37,777)	(6,381)
-	-	-	-	-	6,476	6,425	(51)
-	-	-	-	-	-	-	-
-	-	-	-	-	6,476	6,425	(51)
(20,119)	(20,119)	(26,530)	(6,411)	(28,230)	(25,619)	(31,351)	(6,432)
86,866	86,866	86,866	-	142,891	142,891	142,891	-
\$ 66,747	\$ 66,747	\$ 60,336	\$ (6,411)	\$ 114,661	\$ 117,272	\$ 111,539	\$ (6,432)

**CASS COUNTY GOVERNMENT**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2017**

	Health Insurance Trust	Dental Insurance Trust	Telephone Trust	Motor Pool Operating	Total
<u>ASSETS</u>					
Current Assets:					
Cash and cash equivalents	\$ 4,599,502	\$ 279,703	\$ 191,292	\$ 34,061	\$ 5,104,559
Accounts Receivable	1,982	-	571	563	3,116
Prepaid Items	-	-	-	-	-
Total Current Assets	4,601,484	279,703	191,863	34,624	5,107,675
Noncurrent Assets:					
Capital Assets	-	-	257,528	181,867	439,395
Less: Accumulated Depreciation	-	-	(177,661)	(125,528)	(303,189)
Total Noncurrent Assets	-	-	79,867	56,339	136,206
Total Assets	4,601,484	279,703	271,730	90,963	5,243,881
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts Payable	1,108	-	53,619	204	54,930
Premium Deposits	438,230	23,628	-	-	461,858
IBNR Claims	293,202	32,553	-	-	325,755
Total Liabilities	732,540	56,181	53,619	204	842,543
Net Position:					
Net Investment in Capital Assets	-	-	79,867	56,339	136,206
Unrestricted	3,868,944	223,522	138,244	34,421	4,265,131
Total Net Position	\$ 3,868,944	\$ 223,522	\$ 218,111	\$ 90,760	\$ 4,401,337



**CASS COUNTY GOVERNMENT**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2017**

	Health Insurance Trust	Dental Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Operating Revenues:</u>					
Premiums	\$ 5,026,537	\$ 358,534	\$ -	\$ -	\$ 5,385,071
Charges for Services	-	-	260,236	46,170	306,406
Miscellaneous	96,566			2,882	99,447
Total Operating Revenues	5,123,103	358,534	260,236	49,051	5,790,924
<u>Operating Expenses:</u>					
Premiums	924,281	-	-	-	924,281
Medical Services	27,628	-	-	-	27,628
Telephone Service	-	-	199,740	-	199,740
Administrative Fees	264,975	25,456	-	-	290,431
Maintenance and Repairs	-	-	-	29,894	29,894
Benefit Payments	2,613,390	320,376	-	-	2,933,766
IBNR Claims	293,202	23,628	-	-	316,830
Depreciation Expense	-	-	19,916	25,447	45,363
Total Operating Expenses	4,123,476	369,460	219,656	55,340	4,767,933
Operating Income	999,627	(10,926)	40,580	(6,289)	1,022,991
<u>Nonoperating Revenues (Expenses):</u>					
Interest Income	12,244	822	351	127	13,544
Loss/Gain on Disposal of Capital Assets	-	-	(876)	9,165	8,289
Total Nonoperating Revenues (Expenses)	12,244	822	(525)	9,292	21,833
Change in Net Position	1,011,871	(10,104)	40,055	3,003	1,044,824
Total Net Position Beginning	2,857,074	233,626	178,056	87,757	3,356,514
Total Net Position Ending	\$ 3,868,944	\$ 223,522	\$ 218,111	\$ 90,760	\$ 4,401,337

**CASS COUNTY GOVERNMENT**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2017**

	Health Insurance Trust	Dental Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from customers	\$ 5,024,555	\$ 358,534	\$ 259,850	\$ 48,488	\$ 5,691,428
Payments to Suppliers	(1,215,776)	(25,456)	(158,221)	(29,722)	(1,429,175)
Claims Paid	(2,867,469)	(333,729)	-	-	(3,201,198)
Other Receipts	96,566	-	-	-	96,566
Net Cash provided by operating activities	1,037,876	(651)	101,629	18,766	1,157,621
<u>Cash Flows From Capital and Related Financing Activities:</u>					
Purchase of Capital Assets	-	-	(44,231)	(45,321)	(89,551)
Proceeds on Sale of Capital Assets	-	-	-	9,165	9,165
Net Cash Used in Capital and Related Financing Activities	-	-	(44,231)	(36,156)	(80,386)
<u>Cash Flows From Investing Activities:</u>					
Interest Income	12,244	822	351	127	13,544
Net Increase in cash and cash equivalents	1,050,119	171	57,750	(17,263)	1,090,778
Balances - Beginning of the Year	3,549,383	279,533	133,542	51,324	4,013,782
Balances - End of the Year	4,599,502	279,703	191,292	34,061	5,104,559
<u>Reconciliation of Operating Income to net cash provided by operating activities:</u>					
Operating Income (Loss)	999,627	(10,926)	40,580	(6,289)	1,022,991
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation	-	-	19,916	25,447	45,363
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(1,982)	-	(386)	(563)	(2,931)
(Increase)Decrease in Prepaid Items	-	-	-	-	-
Increase (Decrease) in Accounts Payable	1,108	-	41,519	172	42,799
Increase (Decrease) in Premium Deposit Funds	32,679	(6,168)	-	-	26,511
Increase (Decrease) in IBNR Claims	6,444	16,443	-	-	22,887
Net Cash Provided by Operating Activities	\$ 1,037,876	\$ (651)	\$ 101,629	\$ 18,767	\$ 1,157,621
<u>Schedule of non-cash capital and related financing activities:</u>					
Disposal of Capital Assets	\$ -	\$ -	\$ (4,915)	\$ -	\$ (4,915)

**CASS COUNTY GOVERNMENT**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2017**

	County Funds	Tax Collection Funds	Funds of Other Governmental Units	Agency Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 444,024	\$ 80,130,612	\$ 19,002	\$ 80,593,638
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 444,024</u>	<u>\$ 80,130,612</u>	<u>\$ 19,002</u>	<u>\$ 80,593,638</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 360,513	\$ -	\$ -	\$ 360,513
Due to Component Units	-	18,242	-	18,242
Deposits	83,511	80,112,371	19,002	80,214,883
Total Liabilities	<u>\$ 444,024</u>	<u>\$ 80,130,612</u>	<u>\$ 19,002</u>	<u>\$ 80,593,638</u>

**CASS COUNTY GOVERNMENT**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended December 31, 2017**

	Balance 1/1/2017	Additions	Deductions	Balance 12/31/17
<b><u>COUNTY FUNDS</u></b>				
<b>Assets</b>				
Cash and Investments	\$ 440,781	\$ 1,910,736	\$ 1,907,493	\$ 444,024
Accounts Receivable	-	-	-	-
Total Assets	<u>440,781</u>	<u>1,910,736</u>	<u>1,907,493</u>	<u>444,024</u>
<b>Liabilities</b>				
Accounts Payable	357,802	360,513	357,802	360,513
Funds Held for County Departments	82,977	1,550,223	1,549,691	83,509
Total Liabilities	<u>440,779</u>	<u>1,910,736</u>	<u>1,907,493</u>	<u>444,024</u>
<b><u>TAX COLLECTION FUNDS</u></b>				
<b>Assets</b>				
Cash and Investments	62,143,072	283,878,224	265,890,685	80,130,612
Total Assets	<u>62,143,072</u>	<u>283,878,224</u>	<u>265,890,685</u>	<u>80,130,612</u>
<b>Liabilities</b>				
Due to Component Units	23,093	18,242	23,093	18,242
Accounts Payable	-	-	-	-
Tax Collections Due to Other Governmental Units	62,119,980	283,859,982	265,867,592	80,112,370
Total Liabilities	<u>62,143,072</u>	<u>283,878,224</u>	<u>265,890,685</u>	<u>80,130,612</u>
<b><u>FUNDS OF OTHER GOVERNMENTAL UNITS</u></b>				
<b>Assets</b>				
Cash and Investments	14,579	1,519,399	1,514,975	19,002
Total Assets	<u>14,579</u>	<u>1,519,399</u>	<u>1,514,975</u>	<u>19,002</u>
<b>Liabilities</b>				
Accounts Payable	1,200	-	1,200	-
Funds Held for Other Governmental Units	13,379	1,519,399	1,513,775	19,002
Total Liabilities	<u>14,579</u>	<u>1,519,399</u>	<u>1,514,975</u>	<u>19,002</u>
<b>TOTALS:</b>				
<b>Assets</b>				
Cash and Investments	62,598,433	287,308,358	269,313,152	80,593,638
Accounts Receivable	-	-	-	-
Total Assets	<u>62,598,432</u>	<u>287,308,358</u>	<u>269,313,153</u>	<u>80,593,638</u>
<b>Liabilities</b>				
Accounts Payable	359,002	360,513	359,002	360,513
Due To Component Units	23,093	18,242	23,093	18,242
Funds Held for Other Governmental Units	62,133,359	285,379,381	267,381,367	80,131,372
Funds Held for County Government	82,977	1,550,223	1,549,691	83,509
Total Liabilities	<u>\$ 62,598,430</u>	<u>\$ 287,308,359</u>	<u>\$ 269,313,153</u>	<u>\$ 80,593,638</u>

CASS COUNTY GOVERNMENT  
 Fargo, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2017

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<b><u>U.S. DEPARTMENT OF THE TREASURY:</u></b>		
<u>Direct Assistance:</u>		
Community Development Financial Institutions Program	21.020	\$ 76,438
<b><u>U.S. DEPARTMENT OF JUSTICE:</u></b>		
<u>Direct Assistance:</u>		
Joint Law Enforcement Operations Grant	16.111	9,729
Edward Byrne Memorial Justice Assistance Grant	16.803	51,552
<u>Passed Through State Department of Corrections and Rehabilitations:</u>		
Crime Victim Assistance	16.575	9,096
<u>Passed Through North Dakota Department of Health:</u>		
Stop Violence Against Women Formula Grant	16.588	9,816
Total U.S. Department of Justice		\$ 80,193
<b><u>U.S. DEPARTMENT OF INTERIOR:</u></b>		
<u>Passed Through State Game and Fish:</u>		
Sport Fish Restoration	15.605	\$ 17,327
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>		
<u>Passed Through State Department of Human Services:</u>		
Foster Care Title IV-E	93.658	\$ 737,408
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	113,873
Maternal and Child Health Services Block Grant to the States	93.994	13,232
Adoption Assistance	93.659	10,041
Promoting Safe and Stable Families	93.556	65,892
Child Care and Development Block Grant	93.575	
Children's Justice Grants	93.643	334
Child Welfare Services State Grants	93.645	15,684
Temporary Assistance for Needy Families	93.558	993,715
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	81,355
Total U.S. Department of Health and Human Services		\$ 2,031,535

Continued on next page....

CASS COUNTY GOVERNMENT  
Fargo, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2017

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
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**CONTINUED**

**U.S. DEPARTMENT OF HOMELAND SECURITY:**

Passed Through State Department of Emergency Services:

Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	41,120
Emergency Management Performance Grants	97.042	135,380
Homeland Security Grant	97.067	38,506

Total U.S. Federal Management Agency \$ 215,006

**U.S. DEPARTMENT OF TRANSPORTATION:**

Passed Through State Highway Department

National Priority Safety Program	20.616	17,314
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Total U.S. Department of Transportation \$ 17,314

Total Expenditures of Federal Awards \$ 2,437,813

\*\* - major program

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cass County under programs of the federal government for the year ended December 31, 2017.

The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of Cass County, it is not intended to be and does not present the financial position or changes in net position of Cass County.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the Uniform Guidance, wherein certain types of expenditures are allowable or are limited as to reimbursement.

## STATE AUDITOR

JOSHUA C. GALLION  
Phone (701) 328-2241



Local Government Division:

FARGO OFFICE  
MANAGER – DAVID MIX  
Phone: (701) 239-7252

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

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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***

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#### Independent Auditor's Report

Board of County Commissioners  
Cass County  
Fargo, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Fargo, North Dakota as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Cass County's basic financial statements, and have issued our report thereon dated June 26, 2018.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cass County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cass County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cass County's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cass County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

## **CASS COUNTY GOVERNMENT**

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

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### **Purpose of this Report**

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

/s/

Joshua C. Gallion  
State Auditor

Fargo, North Dakota  
June 26, 2018



**STATE AUDITOR**

JOSHUA C. GALLION  
Phone (701) 328-2241



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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Independent Auditor's Report

Board of County Commissioners  
Cass County  
Fargo, North Dakota

**Report on Compliance for Each Major Federal Program**

We have audited Cass County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cass County's major federal programs for the year ended December 31, 2017. Cass County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Cass County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cass County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, Cass County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

## **CASS COUNTY GOVERNMENT**

Report on Compliance for Each Major Federal Programs; Report on Internal Control Over Compliance; and  
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance - Continued

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### **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the financial statements of Cass County as of and for the year ended December 31, 2017, and have issued our report thereon dated June 26, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

/s/

Joshua C. Gallion  
State Auditor

Fargo, North Dakota  
June 26, 2018

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CASS COUNTY  
Fargo, North Dakota

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2017

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**Section I - Summary of Auditor's Results**

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Financial Statements

Type of Report Issued?

Governmental Activities

Unmodified

Discretely Presented Component Unit

Unmodified

Major Funds

Unmodified

Aggregate Remaining Fund Information

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_\_\_ Yes

  X   None noted

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_\_\_ Yes

  X   None noted

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes

  X   None noted

Federal Awards:

Internal control over major programs:

Material weaknesses identified?

\_\_\_\_\_ Yes

  X   None noted

Significant deficiencies identified?

\_\_\_\_\_ Yes

  X   None noted

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with CFR §200.516?

\_\_\_\_\_ Yes

  X   No

Identification of major programs:

CFDA Numbers

Name of Federal Program Or Cluster

93.558

Temporary Assistance for Needy Families

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

\$750,000

Auditee qualified as low-risk auditee?

  X   Yes

\_\_\_\_\_ No

**CASS COUNTY**

Schedule of Findings and Questioned Costs - Continued

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**Section II – Financial Statement Findings**

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No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

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No matters were reported.

## STATE AUDITOR

JOSHUA C. GALLION  
Phone (701) 328-2241



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### GOVERNANCE COMMUNICATION

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Board of County Commissioners  
Cass County  
Fargo, North Dakota

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2018. Professional standards require that we provide you with the following information related to our audit.

#### **Our Responsibility Under Auditing Standards Generally Accepted in the United States of America, Government Auditing Standards and Uniform Guidance**

As stated in our engagement letter dated April 26, 2018, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

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

As part of obtaining reasonable assurance about whether Cass County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about Cass County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Cass County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Cass County's compliance with those requirements.

#### **Significant Accounting Policies/Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Cass County are described in Note 1 to the financial statements. Application of existing policies was not changed during the year ended December 31, 2017. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

#### **Corrected and Uncorrected Misstatements**

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

#### **Disagreements with Management**

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

#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated June 26, 2018.

#### **Management Consultations with Other Independent Accountants**

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

#### **Difficulties Encountered in Performing the Audit**

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

#### **Other Audit Findings or Issues**

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

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

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

/s/  
Joshua C. Gallion  
State Auditor

Fargo, North Dakota  
June 26, 2018

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[www.nd.gov/auditor/](http://www.nd.gov/auditor/)

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