



ROBERT R. PETERSON
STATE AUDITOR

Dickinson Law Enforcement Center
Dickinson, North Dakota

Audit Report

For the Years Ended
December 31, 2014 and 2013

Office of the State Auditor

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

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DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

OFFICIALS

December 31, 2014

Doris Songer	Chairperson
Pete Kuntz	Vice Chairperson
Dustin Dassinger	Board Member
Duane Wolf	Board Member
Kay Haag	Board Member
Matt Kolling	Board Member
Connie Monson	Financial Administrator

December 31, 2013

Doris Songer	Chairperson
Pete Kuntz	Vice Chairperson
Dustin Dassinger	Board Member
Duane Wolf	Board Member
Kay Haag	Board Member
Matt Kolling	Board Member
Connie Monson	Financial Administrator

STATE AUDITOR

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



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

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

INDEPENDENT AUDITOR'S REPORT

Governing Board
Dickinson Law Enforcement Center
Dickinson, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Dickinson Law Enforcement Center, Dickinson, North Dakota, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Law Enforcement Center'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, and the major fund of the Dickinson Law Enforcement Center, Dickinson, North Dakota, as of December 31, 2014 and 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the *management's discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the *budgetary comparison information* on pages 17-18 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2016 on our consideration of the Dickinson Law Enforcement Center'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 Dickinson Law Enforcement Center's internal control over financial reporting and compliance.



Robert R. Peterson
State Auditor

Fargo, North Dakota
January 7, 2016

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

STATEMENT OF NET POSITION
December 31, 2014

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and Investments	\$ 103,309
Accounts Receivable	<u>28,853</u>
Total Assets	<u>\$ 132,162</u>
<u>LIABILITIES:</u>	
Accounts Payable	<u>\$ 93,686</u>
<u>NET POSITION:</u>	
Unrestricted	<u>\$ 38,476</u>
Total Net Position	<u><u>\$ 38,476</u></u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues	Charges for Services	Net (Expense) Revenue and Changes in Net Position
<u>Governmental Activities:</u>				
Public Safety	\$ 536,084	\$ 512,723		\$ (23,361)
Total Governmental Activities	<u>\$ 536,084</u>	<u>\$ 512,723</u>		<u>\$ (23,361)</u>
<u>General Revenues:</u>				
Interest Income				\$ 29
Miscellaneous Income				<u>626</u>
Total General Revenues				<u>\$ 655</u>
Change in Net Position				<u>\$ (22,706)</u>
Net Position - January 1				<u>\$ 61,182</u>
Net Position - December 31				<u><u>\$ 38,476</u></u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	<u>ASSETS</u>	<u>General</u>
Cash and Investments		\$ 103,309
Accounts Receivable		<u>28,853</u>
Total Assets		<u>\$ 132,162</u>
	<u>LIABILITIES AND FUND BALANCES</u>	
<u>Liabilities:</u>		
Accounts Payable		<u>\$ 93,686</u>
<u>Fund Balances:</u>		
Unassigned		<u>\$ 38,476</u>
Total Fund Balances		<u>\$ 38,476</u>
Total Liabilities and Fund Balances		<u>\$ 132,162</u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	<u>General</u>
<u>Revenues:</u>	
Charge for Services	\$ 512,723
Interest	29
Miscellaneous	<u>626</u>
Total Revenues	<u>\$ 513,378</u>
<u>Expenditures:</u>	
Current:	
Public Safety	<u>\$ 536,084</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (22,706)</u>
Fund Balance - January 1	<u>\$ 61,182</u>
Fund Balance - December 31	<u><u>\$ 38,476</u></u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

STATEMENT OF NET POSITION
December 31, 2013

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and Investments	\$ 59,310
Accounts Receivable	<u>30,418</u>
Total Assets	<u>\$ 89,728</u>
<u>LIABILITIES:</u>	
Accounts Payable	<u>\$ 28,546</u>
<u>NET POSITION:</u>	
Unrestricted	<u>\$ 61,182</u>
Total Net Position	<u><u>\$ 61,182</u></u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position
<u>Governmental Activities:</u>			
Public Safety	\$ 538,926	\$ 476,963	\$ (61,963)
Total Governmental Activities	<u>\$ 538,926</u>	<u>\$ 476,963</u>	<u>\$ (61,963)</u>
		<u>General Revenues:</u>	
		Interest Income	\$ 56
		Miscellaneous Income	<u>277</u>
		Total General Revenues	<u>\$ 333</u>
		Change in Net Position	<u>\$ (61,630)</u>
		Net Position - January 1	<u>\$ 122,812</u>
		Net Position - December 31	<u>\$ 61,182</u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	<u>General</u>
<u>ASSETS</u>	
Cash and Investments	\$ 59,310
Accounts Receivable	<u>30,418</u>
Total Assets	<u>\$ 89,728</u>
<u>LIABILITIES AND FUND BALANCES</u>	
<u>Liabilities:</u>	
Accounts Payable	<u>\$ 28,546</u>
<u>Fund Balances:</u>	
Unassigned	<u>\$ 61,182</u>
Total Fund Balances	<u>\$ 61,182</u>
Total Liabilities and Fund Balances	<u>\$ 89,728</u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	<u>General</u>
<u>Revenues:</u>	
Charge for Services	\$ 476,963
Interest	56
Miscellaneous	<u>277</u>
Total Revenues	<u>\$ 477,296</u>
<u>Expenditures:</u>	
Current:	
Public Safety	<u>\$ 538,926</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (61,630)</u>
Fund Balance - January 1	<u>\$ 122,812</u>
Fund Balance - December 31	<u><u>\$ 61,182</u></u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Dickinson Law Enforcement Center, Dickinson, North Dakota, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. 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. Reporting Entity

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

As required by generally accepted accounting principles, the financial statements of the reporting entity include only the Dickinson Law Enforcement Center (the primary government), as there are no component units. The Dickinson Law Enforcement Center is a joint venture of Southwest Multi-County Correctional Center, Stark County and the City of Dickinson.

B. Basis of Presentation

Government-wide statements: The statement of net position and the statement of activities display information about the primary government, Dickinson Law Enforcement Center. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through charges for services and intergovernmental revenues.

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

Fund Financial Statements: Separate financial statements are provided for the governmental fund. The emphasis of fund financial statements is on the major governmental fund.

The Law Enforcement Center reports the following major governmental fund:

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

When both restricted and unrestricted resources are available for use, it is the Center's policy to use restricted resources first, then unrestricted resources as they are needed.

C. 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. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Law Enforcement Center gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

D. Deposits and Investments

Cash and cash equivalents include amounts in demand deposits, money market accounts and highly liquid short-term investments with original maturities of 3 months or less.

Investments of the Law Enforcement Center consist of certificates of deposit and are stated at cost.

E. Fund Balances and Net Position

Prior to GASB Statement No. 54, in the fund financial statements, the governmental funds reported reservations of fund balances for amounts that were not available for appropriation or were legally restricted by outside parties for use for a specific purpose. Designations of fund balances represented tentative management plans that were subject to change. GASB Statement No. 54 established new fund balance classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints (restrictions or limitations) imposed upon the use of the resources reported in governmental funds.

Fund Balance Spending Policy:

It is the policy of the Law Enforcement Center to spend restricted resources first, followed by unrestricted resources.

Fund Balance Reporting and Governmental Fund Type Definitions

On March 11, 2009 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal periods that begin after June 15, 2010. This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

CLASSIFICATION	DEFINITION	EXAMPLES
Non-spendable	Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.	Inventories, prepaid amounts (expenses), long-term receivables (loans), endowment funds.
Restricted	Fund balance is reported as restricted when constraints are placed on the use of resources that are either (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments. (b) Imposed by law through constitutional provisions or enabling legislation.	Funds restricted by State Statute, unspent bond proceeds, grants earned but not spent, debt covenants, taxes raised for a specific purpose.
Committed	A committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the governing board. Formal action is required to be taken to establish, modify or rescind a fund balance commitment.	By board action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Assigned	Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes, but are under the direction of the board and the business manager.	By board action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Unassigned	Unassigned fund balance is the lowest classification for the General Fund. This is fund balance that has not been reported in any other classification. (a) The General Fund is the only fund that can report a positive unassigned fund balance; (b) A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes report a positive unassigned fund balance.	Available for any remaining general fund expenditure.

Dickinson Law Enforcement Center did not have any non-spendable balances, assigned fund balances, or committed balances reported in the balance sheet at December 31, 2014 and 2013.

Unassigned Fund Balances – consist of the following item at December 31, 2014 and 2013:

Unassigned fund balance consists entirely of unassigned amounts related to the general fund. The unassigned fund balance is available to meet the entity's ongoing obligations.

Net Position:

When both unrestricted and restricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

The entity reports only unrestricted net position consisting of unrestricted amounts related to the governmental activities of the general fund. The unrestricted net position is available to meet the entity's ongoing obligations.

NOTE 2: DEPOSITS AND INVESTMENTS

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

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

Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal land bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of 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 Water Resource Law Enforcement Center, city, township, school Law Enforcement Center, park Law Enforcement Center, 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 year ended December 31, 2014, the Dickinson Law Enforcement Center's carrying amount of deposits was \$103,309 and the bank balances totaled \$104,510 all of which was covered by Federal Depository Insurance.

At year ended December 31, 2013, the Dickinson Law Enforcement Center's carrying amount of deposits was \$59,310 and the bank balances totaled \$61,177, all of which was covered by Federal Depository Insurance.

Credit Risk:

The Law Enforcement Center may invest idle funds as authorized in North Dakota Statutes, as follows:

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

Concentration of Credit Risk:

The Law Enforcement Center does not have a limit on the amount it may invest in any one issuer. The Center did not have certificates of deposit as of December 31, 2014 and 2013.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable consists of amounts due from other entities for services performed during the years ending December 31, 2014 and 2013.

NOTE 4: ACCOUNTS PAYABLE

Accounts payable consists of amounts on open account for goods and services received prior to December 31, 2014 and 2013 and chargeable to appropriations for the years then ended, but paid subsequent to that date.

NOTE 5: RISK MANAGEMENT

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

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDRIF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The Law Enforcement Center pays an annual premium to NDRIF for its general liability which is the same coverage plan as the Southwest Multi-County Correctional Center. Dickinson Law Enforcement Center reimburses the Southwest Multi-County Correctional Center for their portion of the premium. The coverage by NDRIF is limited to losses of two million dollars per occurrence for general liability.

The Dickinson Law Enforcement Center also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The Law Enforcement Center pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property through the Southwest Multi-County Correctional Center. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of one million dollars per occurrence during a 12 month period.

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Charge for Services	\$ 481,623	\$ 481,623	\$ 512,723	\$ 31,100
Interest	100	100	29	(71)
Miscellaneous	-	-	626	626
Total Revenues	<u>\$ 481,723</u>	<u>\$ 481,723</u>	<u>\$ 513,378</u>	<u>\$ 31,655</u>
<u>Expenditures:</u>				
Current:				
Public Safety	<u>\$ 356,623</u>	<u>\$ 356,623</u>	<u>\$ 536,084</u>	<u>\$ (179,461)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 125,100</u>	<u>\$ 125,100</u>	<u>\$ (22,706)</u>	<u>\$ (147,806)</u>
Fund Balance - January 1	<u>\$ 61,182</u>	<u>\$ 61,182</u>	<u>\$ 61,182</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 186,282</u>	<u>\$ 186,282</u>	<u>\$ 38,476</u>	<u>\$ (147,806)</u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Charge for Services	\$ 355,362	\$ 355,362	\$ 476,963	\$ 121,601
Interest	100	100	56	(44)
Miscellaneous	-	-	277	277
Total Revenues	<u>\$ 355,462</u>	<u>\$ 355,462</u>	<u>\$ 477,296</u>	<u>\$ 121,834</u>
<u>Expenditures:</u>				
Current:				
Public Safety	<u>\$ 355,462</u>	<u>\$ 355,462</u>	<u>\$ 538,926</u>	<u>\$ (183,464)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,630)</u>	<u>\$ (61,630)</u>
Fund Balance - January 1	<u>\$ 122,812</u>	<u>\$ 122,812</u>	<u>\$ 122,812</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 122,812</u>	<u>\$ 122,812</u>	<u>\$ 61,182</u>	<u>\$ (61,630)</u>

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

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014 and 2013

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) and in state law for the general fund. A budgetary comparison schedule is presented for the general fund.

- The law enforcement center board adopts an “appropriated budget” on the modified accrual basis of accounting.
- Each budget is controlled by the law enforcement center financial administrator at the revenue and expenditure function/object level.
- All appropriations lapse at year-end.

STATE AUDITOR

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



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

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Governing Board
Dickinson Law Enforcement Center
Dickinson, 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, and the major fund of the Dickinson Law Enforcement Center, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Dickinson Law Enforcement Center's basic financial statements, and have issued our report thereon dated January 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Dickinson Law Enforcement Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Dickinson Law Enforcement Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Dickinson Law Enforcement Center'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 the Dickinson Law Enforcement Center's financial statements are free from 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 are required to be reported under *Government Auditing Standards*.

DICKINSON LAW ENFORCEMENT CENTER

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

Purpose of this Report

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



Robert R. Peterson
State Auditor

Fargo, North Dakota
January 7, 2016

STATE AUDITOR

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



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

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

Governing Board
Dickinson Law Enforcement Center
Dickinson, North Dakota

We have audited the financial statements of the governmental activities and the major fund of the Dickinson Law Enforcement Center, Dickinson, North Dakota, for the years ended December 31, 2014 and 2013, which collectively comprise the Law Enforcement Center’s basic financial statements, and have issued our report thereon dated January 7, 2016. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, GOVERNMENT AUDITING STANDARDS

As stated in our engagement letter dated December 14, 2015, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

In planning and performing our audit, we considered Dickinson Law Enforcement Center’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 Dickinson Law Enforcement Center’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Dickinson Law Enforcement Center’s internal control over financial reporting.

As part of obtaining reasonable assurance about whether Dickinson Law Enforcement Center’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. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Dickinson Law Enforcement Center’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 Dickinson Law Enforcement Center are described in Note 1 to the financial statements. Application of existing policies was not changed during the years ended December 31, 2014 and 2013. We noted no transactions entered into by the governmental unit during the years 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 January 7, 2016.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental center'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 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 Governing Board and management of the Law Enforcement Center and 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 the Law Enforcement Center 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 the Law Enforcement Center.



Robert R. Peterson
State Auditor

Fargo, North Dakota
January 7, 2016

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Office of the State Auditor
600 East Boulevard Avenue – Department 117
Bismarck, ND 58505-0060

(701) 328-2220