



Dickinson Law Enforcement Center

Dickinson, North Dakota

Audit Report

For the Years Ended
December 31, 2016 and 2015

JOSHUA C. GALLION
STATE AUDITOR

Office of the State Auditor
Division of Local Government

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

TABLE OF CONTENTS
For the Years Ended December 31, 2016 and 2015

	<u>Page(s)</u>
Center Officials	1
Independent Auditor's Report	2 - 3
BASIC FINANCIAL STATEMENTS	
<u>2016</u>	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet - Governmental Funds	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
<u>2015</u>	
Statement of Net Position	8
Statement of Activities	9
Balance Sheet - Governmental Funds	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	11
Notes to the Financial Statements	12 - 16
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	17 - 18
Notes to the Required Supplementary Information	19
SUPPLEMENTARY INFORMATION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards	20 - 21
Schedule of Findings and Questioned Costs	22

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

December 31, 2016 and 2015

OFFICIALS

December 31, 2016

Doris Songer	Chairperson
Pete Kuntz	Vice Chairperson
Donna Scott	Board Member
Duane Wolf	Board Member
Kay Haag	Board Member
Terry Oestrich	Board Member
Connie Monson	Financial Administrator

December 31, 2015

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 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, 2016 and 2015, 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, 2016 and 2015, 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 and notes to the required supplementary information* on pages 17-19 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 18, 2018 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.

/s/
Joshua C. Gallion
State Auditor

Fargo, North Dakota
January 18, 2018

DICKINSON LAW ENFORCEMENT CENTER
Dickinson, North Dakota

STATEMENT OF NET POSITION
December 31, 2016

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and Investments	\$ 146,854
Accounts Receivable	<u>85,462</u>
Total Assets	<u>\$ 232,316</u>
<u>LIABILITIES:</u>	
Accounts Payable	<u>\$ 140,228</u>
<u>NET POSITION:</u>	
Unrestricted	<u>\$ 92,088</u>
Total Net Position	<u><u>\$ 92,088</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, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
<u>Governmental Activities:</u>			
Public Safety	<u>\$ 661,616</u>	<u>\$ 632,185</u>	<u>\$ (29,431)</u>
		<u>General Revenues:</u>	
		Interest Income	\$ 62
		Miscellaneous Income	<u>328</u>
		Total General Revenues	<u>\$ 390</u>
		Change in Net Position	<u>\$ (29,041)</u>
		Net Position - January 1	<u>\$ 121,129</u>
		Net Position - December 31	<u>\$ 92,088</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, 2016

	<u>General</u>
<u>ASSETS</u>	
Cash and Investments	\$ 146,854
Accounts Receivable	<u>85,462</u>
Total Assets	<u>\$ 232,316</u>
<u>LIABILITIES AND FUND BALANCES</u>	
<u>Liabilities:</u>	
Accounts Payable	<u>\$ 140,228</u>
<u>Fund Balances:</u>	
Unassigned	<u>\$ 92,088</u>
Total Fund Balances	<u>\$ 92,088</u>
Total Liabilities and Fund Balances	<u>\$ 232,316</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, 2016

	<u>General</u>
<u>Revenues:</u>	
Charge for Services	\$ 632,185
Interest	62
Miscellaneous	<u>328</u>
Total Revenues	<u>\$ 632,575</u>
<u>Expenditures:</u>	
Current:	
Public Safety	<u>\$ 661,616</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (29,041)</u>
Fund Balance - January 1	<u>\$ 121,129</u>
Fund Balance - December 31	<u><u>\$ 92,088</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, 2015

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and Investments	\$ 93,056
Accounts Receivable	<u>57,488</u>
Total Assets	<u>\$ 150,544</u>
<u>LIABILITIES:</u>	
Accounts Payable	<u>\$ 29,415</u>
<u>NET POSITION:</u>	
Unrestricted	<u>\$ 121,129</u>
Total Net Position	<u><u>\$ 121,129</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, 2015

Functions/Programs	Expenses	Program Revenues <u>Charges for Services</u>	Net (Expense) Revenue and Changes in Net Position
<u>Governmental Activities:</u>			
Public Safety	<u>\$ 490,574</u>	<u>\$ 573,174</u>	\$ 82,600
		<u>General Revenues:</u>	
		Interest Income	\$ 26
		Miscellaneous Income	<u>27</u>
		Total General Revenues	<u>\$ 53</u>
		Change in Net Position	<u>\$ 82,653</u>
		Net Position - January 1	<u>\$ 38,476</u>
		Net Position - December 31	<u>\$ 121,129</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, 2015

	<u>ASSETS</u>	<u>General</u>
Cash and Investments		\$ 93,056
Accounts Receivable		<u>57,488</u>
Total Assets		<u>\$ 150,544</u>
	<u>LIABILITIES AND FUND BALANCES</u>	
<u>Liabilities:</u>		
Accounts Payable		<u>\$ 29,415</u>
<u>Fund Balances:</u>		
Unassigned		<u>\$ 121,129</u>
Total Fund Balances		<u>\$ 121,129</u>
Total Liabilities and Fund Balances		<u>\$ 150,544</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, 2015

	<u>General</u>
<u>Revenues:</u>	
Charge for Services	\$ 573,174
Interest	26
Miscellaneous	<u>27</u>
Total Revenues	<u>\$ 573,227</u>
<u>Expenditures:</u>	
Current:	
Public Safety	<u>\$ 490,574</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 82,653</u>
Fund Balance - January 1	<u>\$ 38,476</u>
Fund Balance - December 31	<u><u>\$ 121,129</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, 2016 and 2015

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 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: The fund financial statements provide information about the entity's funds. 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

Fund Balance

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. It is also the policy of the Board to spend unrestricted resources of funds in the following order: committed, assigned and then unassigned.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions

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, 2016 and 2015.

Unassigned Fund Balances – consist of the following items at December 31, 2016 and 2015

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, 2016, the Dickinson Law Enforcement Center's carrying amount of deposits was \$146,854 and the bank balances totaled \$146,854 all of which was covered by Federal Depository Insurance.

At year ended December 31, 2015, the Dickinson Law Enforcement Center's carrying amount of deposits was \$93,056 and the bank balances totaled \$93,056, 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, 2016 and 2015.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable consists of amounts due from other entities for services performed during the years ending December 31, 2016 and 2015.

NOTE 4: ACCOUNTS PAYABLE

Accounts payable consists of amounts on open account for goods and services received prior to December 31, 2016 and 2015 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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues:</u>				
Charge for Services	\$ 388,418	\$ 388,418	\$ 632,185	\$ 243,767
Interest	25	25	62	37
Miscellaneous	-	-	328	328
Total Revenues	<u>\$ 388,443</u>	<u>\$ 388,443</u>	<u>\$ 632,575</u>	<u>\$ 244,132</u>
<u>Expenditures:</u>				
Current:				
Public Safety	<u>\$ 388,443</u>	<u>\$ 388,443</u>	<u>\$ 661,616</u>	<u>\$ (273,173)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,041)</u>	<u>\$ (29,041)</u>
Fund Balance - January 1	<u>\$ 121,129</u>	<u>\$ 121,129</u>	<u>\$ 121,129</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 121,129</u>	<u>\$ 121,129</u>	<u>\$ 92,088</u>	<u>\$ (29,041)</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Charge for Services	\$ 393,033	\$ 393,033	\$ 573,174	\$ 180,141
Interest	75	75	26	(49)
Miscellaneous	-	-	27	27
Total Revenues	<u>\$ 393,108</u>	<u>\$ 393,108</u>	<u>\$ 573,227</u>	<u>\$ 180,119</u>
<u>Expenditures:</u>				
Current:				
Public Safety	<u>\$ 393,108</u>	<u>\$ 393,108</u>	<u>\$ 490,574</u>	<u>\$ (97,466)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,653</u>	<u>\$ 82,653</u>
Fund Balance - January 1	<u>\$ 38,476</u>	<u>\$ 38,476</u>	<u>\$ 38,476</u>	<u>\$ -</u>
Fund Balance - December 31	<u><u>\$ 38,476</u></u>	<u><u>\$ 38,476</u></u>	<u><u>\$ 121,129</u></u>	<u><u>\$ 82,653</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 REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016 and 2015

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

JOSHUA C. GALLION
Phone (701) 328-2241



Local Government Division:

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

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, 2016 and 2015, 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 18, 2018.

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.

/s/

Joshua C. Gallion
State Auditor

Fargo, North Dakota
January 18, 2018

You may obtain audit reports on the internet at:

www.nd.gov/auditor/

or by contacting the
Division of Local Government Audit

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

(701) 328-2220