Cass County
North Dakota

2013 Popular Report
A Financial Summary for its Citizens

Citizens of Cass County

It is with pleasure we present Cass County's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2013. This report is intended to present an accessible overview of the County's financial position and policies and its commitment to providing responsive services and programs in a fiscally responsible manner.

The Cass County Auditor's Office has generated this report using information from the 2013 Cass County Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with General Accepted Accounting Principles (GAAP) and was audited by the North Dakota State Auditor's Office. The CAFR is available at the Cass County Auditor's Office or on our web site, casscountynd.gov, for the reader who wants a more detailed look at county finances including the notes to the financial statements.

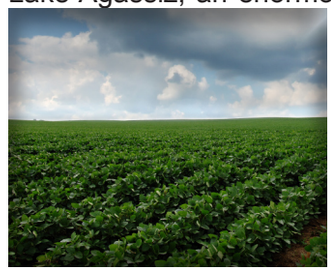
This report is not intended to replace the CAFR, but instead be presented to increase the public confidence in County government through easier, more user-friendly financial reporting. Unlike the CAFR, the PAFR was not prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was not audited.

As you review this report, I invite you to share your comments, concerns, questions, and recommendations on how we may better serve the needs of the citizens of Cass County.

Michael Montplaisir, CPA
Cass County Auditor

Cass County

On the eastern border of North Dakota lies the Red River Valley, a valley that has its origin in Glacial Lake Agassiz, an enormous ice dammed lake



that developed at the end of the last ice age. As Glacial Lake Agassiz drained, it deposited clay rich soils that are among the richest in the world, supporting wheat, barley, sugar beets and sunflowers. Encompassing 1,765 square miles in land and 3 square miles in water, ***Cass County*** is located in the heart of this valley.

National surveys have consistently ranked Cass County and Fargo as a good place to live and raise a family.

According to the 2010 census, 149,778 people call this valley home, an increase of over 20% since 2000; and, although agriculture is an important part of the economy, most of this increase is due to the growth in the metropolitan areas. The Fargo Cass County metro area is a thriving business area and a vital part of the economy of the county. The county seat and largest city in the county and state is Fargo.

National surveys have consistently ranked Cass County and Fargo as a good place to live and raise a family. The air and water are clean, the economy is active and the crime and unemployment rates are some of the lowest in the nation. This area, which includes our neighbor across the river in Minnesota, is home to two universities, a private college, a business school, a technical college and a skills and technology center providing higher education, so its citizens are well educated, with strong mid-western work ethics. Sanford Health, Essentia Health, Veterans Administration Medical Center and numerous other clinics in Cass County provide top quality medical care. There is a symphony and the opera, the Plains Art Museum, Fargo Theater, and Bonanzaville, big name entertainment in the Fargo Dome and a thriving, 'trendy' downtown area, college sports teams and the Red Hawks minor league baseball team.

The taxable valuation in the county continues to increase, more than 4% in 2013. The growth in the tax base over the past five years has been over 16 percent. The unemployment rate is low at 3.0% in 2013, the average unemployment rate over the last ten years was 3.1%.

Governmental operations are those primarily supported by tax dollars for services such as law enforcement, social welfare and highways and bridges. The governmental category can be further subdivided between operations and capital activities. Capital project activities are dollars spent to construct, acquire or improve major facilities of the government.

This report includes a condensed statement of net position, condensed statements of revenues and expenditures, an overview of county functions and historical data. This report also includes financial information about the county's component units. The component units are the four Water Resource Districts – Southeast Cass, North Cass, Maple River and Rush River; and the Cass County Vector Control District and Noxious Weed District. The financial information for the component units includes a condensed statement of net assets and condensed statements of revenues and expenditures.

Complete financial information on the individual Water Resource District's can be obtained at the Water Resource Districts Office, 1201 Main Avenue West, West Fargo, ND 58078. Complete financial information for the Cass County Vector Control and Noxious Weed District can be obtained at the Cass County Auditor's Office, P.O. Box 2806, Fargo, ND 58108.

Financial Position Statement

Summary
The Financial Position Statement, known in accounting terms as the "Statement of Net Position", is designed to provide a picture of the County's financial position as of the end of the year. The Primary Government is made up of all departments within the Cass County Government. The Component Units consist of the four Water Resource Districts (Southeast Cass, North Cass, Maple River and Rush River), Cass County Vector Control District and Noxious Weed District.

Assets
Assets are the items owned by the County that will provide a benefit in the future. Cash is comprised of cash and investments held in County Treasury. Receivables are amounts owed to the county. Capital Assets are property and equipment that represent the furniture, equipment, vehicles, land, buildings, roads, bridges, and infrastructure. Capital assets increased by $1.8 million as a result of the county purchasing properties for flood mitigation.

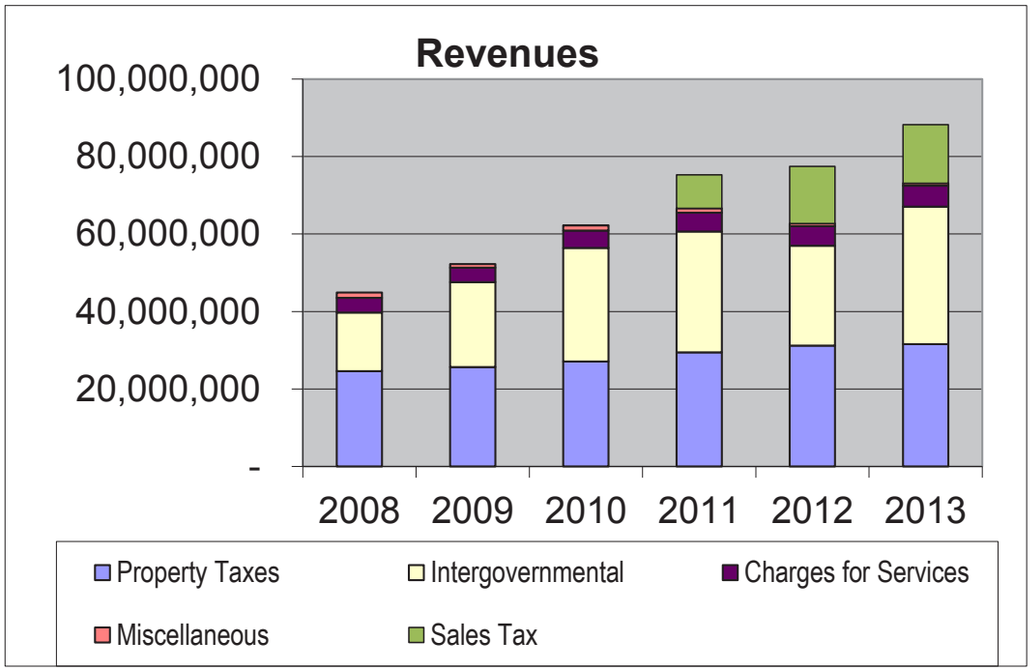
Liabilities
Liabilities are amounts the county owes to individuals, companies, other governments and lenders. Non-current liabilities otherwise known as long-term debt, represents the amount of debt which the County has issued and still owes. This debt does not have to be paid off in one year, but the County makes yearly payments on these amounts. The county has a bond rating of Aa2. This bond rating indicates the county has a very strong capacity to meet its financial commitments. This bond rating also allowed the county to issue the general obligation bonds for the courthouse addition at a favorable interest rate.

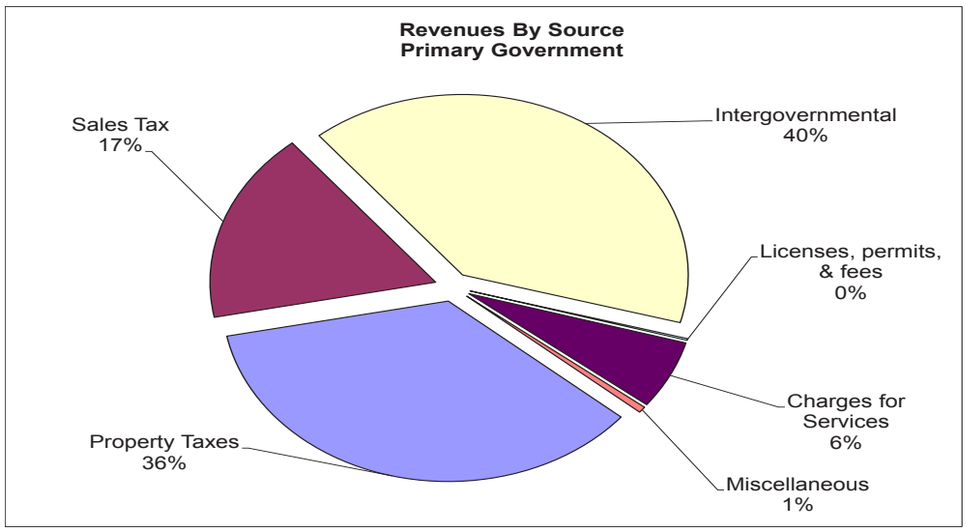
Deferred Inflows of Resources
The deferred inflows of resources represent the property taxes and special assessments collected for the 2013 tax year in December 2013. These amounts are deferred and recognized as an inflow of resources in the 2014 fiscal year.

Assets over Liabilities
This amount is assets exceeding liabilities, also known as "Net Position". Net position increased by $13 million and $5.3 million for both the Primary Government and Component Units respectively over the prior year. These increases are the result of state and federal grants for flood mitigation and reimbursements received for flood recovery. The increase was also a result of the increase in the sales tax for future flood control.

Cass County Financial Position Statement

	Primary Government		Component Units	
	2013	2012	2013	2012
Financial Assets				
Cash & Cash Equivalents	$ 39,195,065	$ 33,358,714	$ 10,208,464	$ 4,606,022
Receivables	6,162,452	5,437,533	2,229,067	2,529,123
Other Assets	753,421	903,536	8,929,810	6,526,372
Capital Assets	140,335,161	138,444,811	116,405,054	113,746,334
Total Financial Assets	**$ 186,446,100**	**$ 178,144,594**	**$ 137,772,395**	**$ 127,407,846**
Financial Liabilities				
Current payables	$ 3,429,277	$ 4,888,874	$ 1,095,306	$ 590,358
Non-current liabilities	8,866,869	9,745,278	14,968,815	10,412,155
Total Financial Liabilities	**$ 12,296,147**	**$ 14,634,153**	**$ 16,064,121**	**$ 11,002,513**
Deferred Inflows of Resources				
Unavailable Revenue	**$ 7,272,978**	**$ 9,675,057**	**$ 203,461**	**$ 277,328**
Total Financial Assets Over Financial Liabilities and Deferred Inflows	**$ 166,876,975**	**$ 153,835,385**	**$ 121,504,816**	**$ 116,128,007**





Revenues
Modified Accrual Basis

Primary Government	2013	2012	Change
Property Taxes	$ 31,572,698	$ 31,217,265	$ 355,433
Sales Tax	15,135,193	14,812,160	323,033
Intergovernmental	35,501,698	25,762,129	9,739,569
Licenses, permits, & fees	133,469	127,947	5,522
Charges for Services	5,423,907	5,056,253	367,654
Miscellaneous	490,744	516,079	(25,335)
Total Primary Government	$ 88,257,709	$ 77,491,831	$ 10,765,876
Component Units			
Southeast Cass Water Resource	$ 8,431,949	$ 8,776,525	$ (344,576)
Maple River Water Resource	1,405,140	900,792	504,348
North Cass Water Resource	381,390	545,967	(164,577)
Rush River Water Resource	866,258	892,383	(26,125)
Vector Control	833,351	773,742	59,609
Weed Control	408,670	388,475	20,195
Total Component Units	$ 12,326,758	$ 12,277,884	$ 48,874

Revenues are the amounts the County receives from a plethora of sources in order to pay for the services it provides. The chart depicts revenues by source as a percentage of the total revenues of the Primary Government for the year ended December 31, 2013.

Property taxes continue to be one of the main sources of revenue for Cass County. The Primary Government's revenues increased in 2013 mainly due to an increase in property taxes as a result of increased property tax valuations.

Sales tax is the collection of a half-cent sales tax which is designated for flood control projects.

Intergovernmental revenues are also a main source of county funding. Intergovernmental revenues are the combined resources received from grants and from the State of North Dakota. Intergovernmental revenues increased by $9.7 million in 2013. The cost share reimbursements for the home buyout program for flood mitigation increased by $5 million over 2012 due to more home purchases in 2013. The reimbursements from the Federal Emergency Management Agency (FEMA) increased by almost $2 million as road and bridge repairs from prior year floods were completed. The remaining increase was a result of increased funding from the ND State Department of Transportation.

Charges for Services are the revenues of various County departments and Agencies for fees paid to them by the public. Some examples are fees for recording deeds and transferring property.

Licenses, Permits, & Fees are the revenues from selling licenses and other items.

Expenditures

Expenditures are the amounts spent in order to provide services to citizens. The chart depicts expenditures by function as a percentage of the total expenditures of the Primary Government for the year ended December 31, 2013. The decrease in expenditures was $951,112.

Public Safety is a large county expense and includes the sheriff's department, county jail operations, states attorney's office and emergency management.

Public Works is also a large county expense and is made up of the county road and bridge operations. This decreased by over $5 million due to reduced road and bridge repairs in 2013.

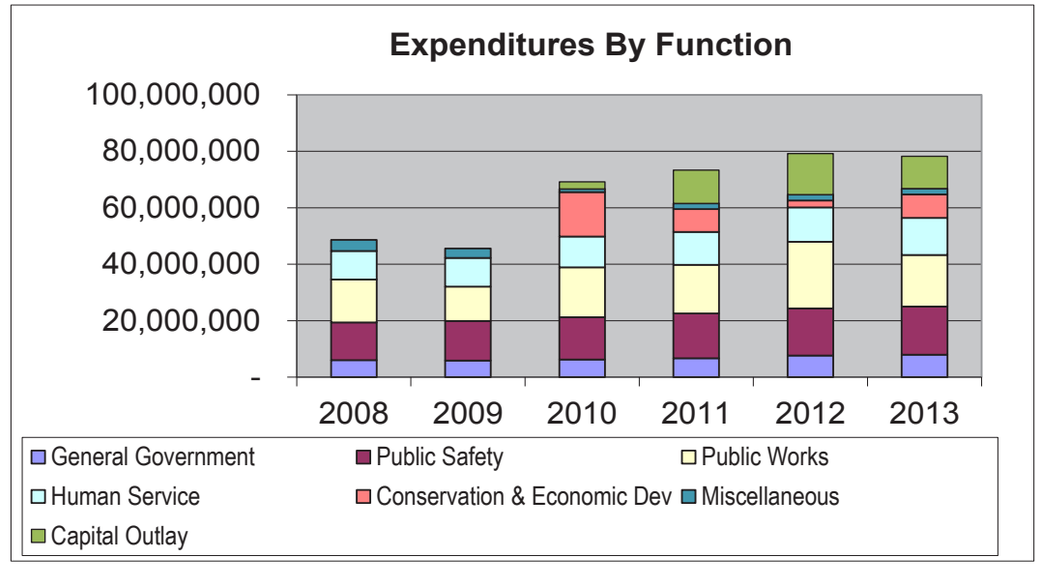
Conservation and economic development expenditures reflect the work that is done to stimulate the economic development in Cass County. The increase of over $5 million was for the purchase of 26 homes in 2013 to make way for future permanent flood control projects.

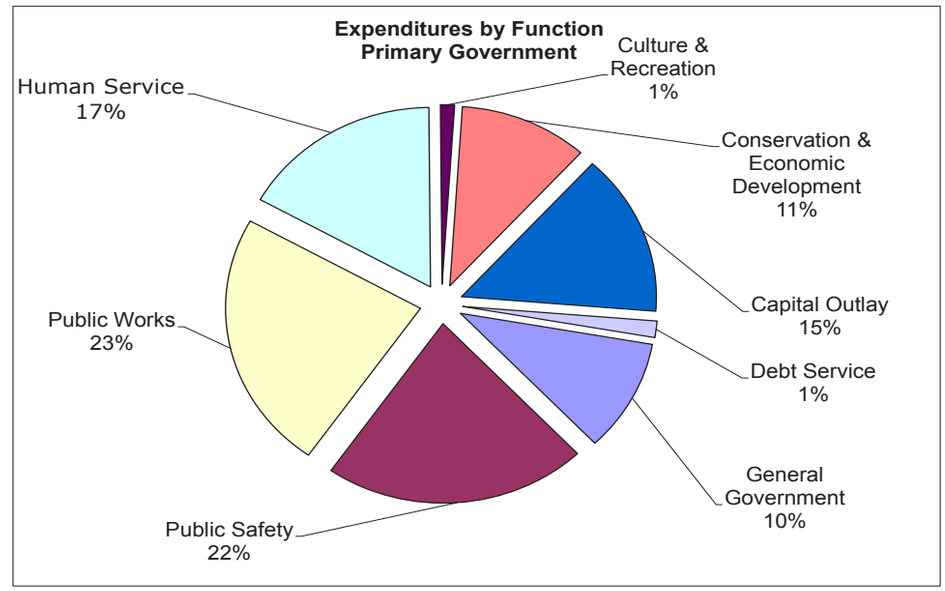
Human Service expenditures are combined program and administrative costs to provide assistance to the county's most vulnerable residents.

Capital Outlay expenditures decreased by $3 million in 2013. The major projects include the planning and design for the FM Diversion project this project increased by $2.2 million. In 2012 the county completed the courthouse addition project for a decrease in 2013 of $5 million.

Debt Service expenditures are costs of paying interest and principal on county debt.

General Government includes the county commission and constitutional offices of the county auditor, county treasurer and county recorder. Also included in this category are other offices concerned with general operations of the county, such as tax equalization, information services, county administrator, and veteran's service.





Expenditures By Function
Modified Accrual Basis

Primary Government	2013	2012	Change
General Government	$ 7,911,266	$ 7,631,349	$ 279,917
Public Safety	17,107,862	16,719,600	388,262
Public Works	18,262,385	23,578,843	(5,316,458)
Human Service	13,125,256	12,207,748	917,508
Culture & Recreation	909,785	859,916	49,869
Conservation & Economic Development	8,364,271	2,462,144	5,902,127
Capital Outlay	11,407,367	14,546,103	(3,138,736)
Debt Service	1,160,118	1,193,719	(33,601)
Total Primary Government	$ 78,248,310	$ 79,199,421	$ (951,112)
Component Units			
Southeast Cass Water Resource	$ 7,093,242	$ 6,566,696	$ 526,546
Maple River Water Resource	2,303,821	1,075,276	1,228,545
North Cass Water Resource	1,069,694	529,296	540,398
Rush River Water Resource	2,443,701	2,056,471	387,230
Vector Control	805,768	766,806	38,962
Weed Control	390,917	457,233	(66,316)
Total Component Units	$ 14,107,143	$ 11,451,778	$ 2,655,365

Expenditures by Fund
Primary Government

Fund	2013	2012	2011
General Fund	25,123,336	24,295,969	22,662,702
Special Revenue Funds:			
Human Service Fund	13,125,256	12,207,748	11,665,664
County Road & Bridge	17,344,493	20,991,422	10,175,180
Asset Forfeiture - Sheriff	60,136	258,260	211,143
Senior Citizens	867,852	811,834	774,819
911 Service	336,462	443,739	396,328
Asset Forfeiture - States Att	9,376	8,777	1,975
Justice Mental Health	-	-	18,190
Emergency & Flood Mitigation	11,222	157,402	-
JAIBG Fund	9,612	3,545	4,844
24/7 Sobriety	53,353	16,798	1,630
Jail Commissary	131,113	184,682	231,696
Hazard Plan/Response	730	7,844	14,368
Valley Water Rescue	42,011	24,038	61,593
NDRIN	1,206,920	1,060,156	878,855
Document Preservation	192,959	45,900	73,847
Parenting Workshop	23,942	26,483	33,067
County Park	41,933	48,082	25,230
2009 Flood Fighting Fund	-	423,501	9,660
2009 Flood Recovery	-	740,842	523,912
Flood Mitigation	6,288,777	386,243	6,125,801
2010 Flood Fighting Fund	-	-	2,579
2010 Flood Recovery	99,380	471,332	285,214
2011 Flood Fighting Fund		29,789	3,054,127
2011 Flood Recovery	185,420	948,643	3,203,282
2013 Flood Emergency	659,777	-	-
BNSF Train Derailment	190	-	-
Debt Service Funds:			
Greyhawk Estates Subdivision	34,006	34,798	35,739
Round Hill Subdivision	-	26,242	27,621
Holmen's Subdivision	8,351	8,351	8,351
Borderud's Subdivision	-	-	7,490
Windsor Green Subdivision	-	-	5,453
Sleepy Hollow Subdivision	-	-	12,397
Grandberg/Amber Plains	36,221	37,125	38,104
2010 Bond Issue S&I	948,115	953,779	951,098
Capital Project Funds:			
Granberg Amber Plains	-	-	23,913
Courthouse Addition	211,261	5,558,916	7,810,323
Flood Control Sales Tax	11,196,106	8,987,187	4,008,074
Total Primary Government	78,248,310	79,199,422	73,364,266

FTE'S By Department

	2013	2012	2011
County Commissioners	5.50	5.50	5.50
Administrator/Personnel	8.00	7.00	7.00
Information Technology	9.60	8.60	7.60
Auditor	8.25	8.25	8.25
Treasurer	4.00	4.00	4.00
Recorder	10.00	10.00	10.00
Tax Equalization	2.00	2.00	2.00
Veteran's Service	4.00	4.00	4.00
County Planning	1.00	1.00	1.00
Emergency Management	2.00	2.00	2.00
Sheriff	151.90	147.90	142.90
States Attorney	29.00	29.00	30.00
Extension	5.50	5.50	5.50
Human Service	138.00	135.00	139.00
Road & Bridge	30.25	30.25	30.25
Total	409.00	400.00	399.00

General Fund
Expenditures by Department

	2013	2012	2011
General Government:			
County Commission	748,345	684,281	627,352
County Administrator	2,328,380	2,308,160	1,804,798
Information Technology	1,104,976	1,043,385	1,074,253
Auditor	877,092	1,070,551	844,145
Treasurer	343,748	323,543	322,453
County Recorder	606,496	565,091	545,446
Director of Tax Equalization	220,658	192,992	180,938
Veterans Service	211,289	251,534	253,446
County Planning	70,403	85,757	77,941
Total General Government	6,511,387	6,525,293	5,730,772
Public Safety:			
Emergency Management	335,012	356,478	253,178
County Sheriff	13,485,434	12,920,453	12,309,503
States Attorney	2,614,043	2,482,802	2,351,098
County Coroner	20,460	-	-
Cemetery	9,930	12,186	9,332
Total Public Safety	16,464,880	15,771,918	14,923,111
Conservation & Econ. Dev:			
County Extension Agent	477,237	467,740	464,927
Public Service Agencies	1,563,093	1,424,277	1,437,151
Total Conservation & Econ Dev	2,040,330	1,892,017	1,902,078
Debt Service:			
Principal	102,350	98,139	94,102
Interest	4,391	8,601	12,638
Total Debt Service	106,741	106,740	106,740
Total Expenditures	25,123,336	24,295,969	22,662,702

Property Tax

Property taxes have been going down in Cass County. Thanks to legislative initiatives in recent years, Cass County taxpayers have seen real savings in their property taxes. Increased school district funding, increases in state aid to cities and counties, and growth in new properties have all combined to bring down the effective tax rate. From 2012 to 2013, the effective tax rate (consolidated tax divided by true and full value of the property) decreased for City of Fargo residential properties from 1.72% to 1.29% and commercial properties from 1.91% to 1.43%. Effective tax rates in the City of West Fargo during that period also decreased for residential properties from 1.76% to 1.34% and 1.95% to 1.49% for commercial properties.

The property tax relief taxpayers received on their 2013 taxes follows actions taken by the North Dakota Legislature in every session since 2009. The effective tax rate on residential property in 2008 was 2.05% in Fargo and 1.99% in West Fargo. For commercial property in 2008, the effective tax rate in Fargo was 2.28% and in West Fargo was 2.21%.

In addition to wide-based property tax reductions, legislative initiatives also funded tax relief through the Homestead Credit program that targets property taxes for senior citizens and disabled persons. The household income limit was raised from $26,000 to $42,000, and the asset test was raised from $75,000 (excluding the first $100,000 of unencumbered market value of the homestead) to $500,000 including the market value of your homestead. This has increased the dollar amount of homestead credits in Cass County from $500 thousand to $783 thousand in tax relief in 2013 to 2014. Veteran's Credit for veterans with service-connected disabilities saw an increase from $599 thousand in 2013 to $668 thousand in 2014.

Elections

Work began in 2013 to prepare for the 2014 election cycle. Part of the preparation included identifying ways to inform our voters of the change in Voter ID law made by the 2013 Legislature. NDCC § 16.1-05-07 changed the forms of identification that can be used both at the polling locations and when voting absentee or by mail.

Acceptable forms of ID – Polling Place Voting

A Valid North Dakota:
- Driver's license
- Non-driver's identification card
- Tribal government issued identification card
- Student identification certificate (provided by a ND college or university)
- Long Term care identification certificate (provided by a ND facility)

Acceptable forms of ID – Absentee/Mail Voting
- North Dakota form of identification listed above
- Passport or Military ID – Only for North Dakota residents living outside the United States who do not possess one of the other forms of identification.
- Attester – An applicant without an acceptable form of identification may use an attester. The attester must provide his or her name, North Dakota driver's license, non-driver's, or tribal identification number, and sign the absentee/mail ballot application form to attest to the applicant's North Dakota residency and voting eligibility.

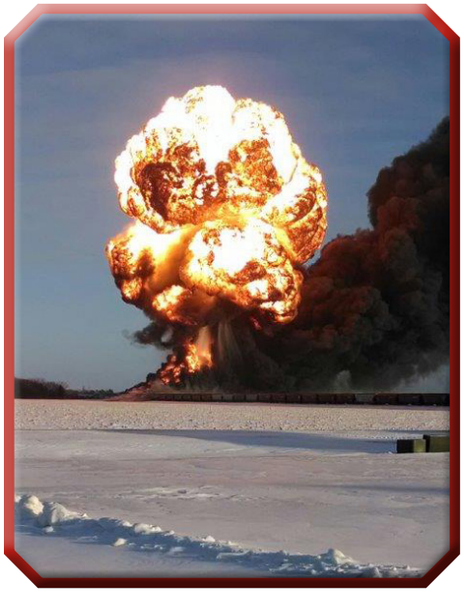
Identification must include the voter's:
- Name
- Residential Address
- Date of Birth

CASSELTON, ND TRAIN DERAILMENT

On December 30, 2013 at approximately 2:13pm, a westbound grain train derailed 1/4 mile west of Casselton, ND. An eastbound oil train struck the derailed grain train causing the oil train to also derail, thus releasing approximately 450,000 gallons of Bakken crude oil. The rupture of 18 tank of the 20 cars carrying the oil resulted in fire and numerous explosions.

Thankfully, there were no injuries as a result of this incident due to the combined efforts of BNSF employees, local first responders, local, state and federal assistance/resources and the citizens of Casselton, ND.

- First responders arrived on the scene of the wreckage within minutes.
- The intense heat and explosions prohibited first responders from battling the flames.
- Incident command was set up at the Casselton School with Cass County Sheriff Paul Laney in command.
- A recommended evacuation of Casselton was issued due to the health hazards created from the burning oil.
- Burlington Northern Santa Fe Railway representatives assisted in strategizing a response.
- The extremely cold temperatures and the engulfed, unstable wreckage limited fire fighting options. The fire was ultimately monitored and allowed to burn out.
- Clean up from this incident continued well into the spring of 2014.
- N.T.S.B. investigated the derailment and deemed the initial derailment was caused by a broken axel.



**These pictures were obtained from law enforcement and emergency agencies responding to the disaster.*