The image shows the front facade of the Cass County Courthouse. It features a prominent pediment with a central decorative element and a small white dome on top. Below the pediment, the words "CASS COUNTY." are carved into the stone. The main entrance is framed by a large archway supported by two massive columns with ornate capitals. The entire scene is set against a clear blue sky.

CASS COUNTY.

2014
CASS
COUNTY
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, 2014. 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 2014 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



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.

According to the 2010 census, 149,778 people call this valley home. In 2014, the U.S. Census Bureau estimates the county population at 167,005. And while 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.



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

The taxable valuation in the county continues to increase, more than 5% in 2014. The growth in the tax base over the past five years has been over 18%. The unemployment rate is low at 2.5% in 2014. 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 Districts can be obtained at the Water Resource Districts Office, 1201 Main Ave 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 \$4.5 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 2014 tax year in December 2014. These amounts are deferred and recognized as an inflow of resources in the 2015 fiscal year.

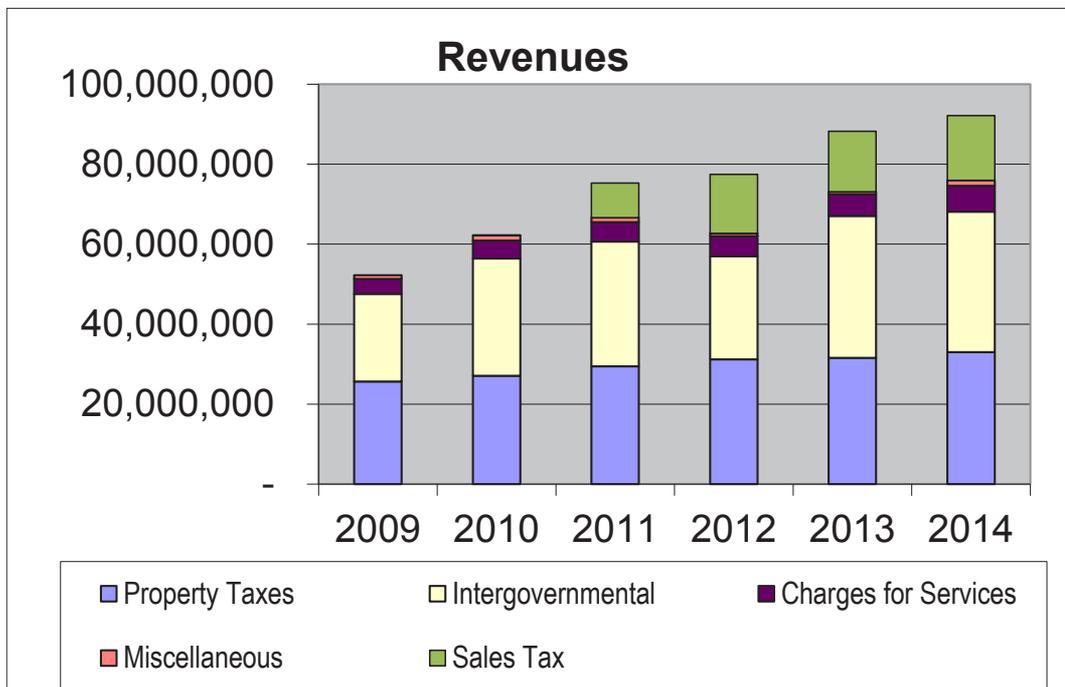
Assets over Liabilities

This amount is assets exceeding liabilities, also known as “Net Position”. Net position decreased by \$16.9 million and increased by \$17.7 million for both the Primary Government and Component Units respectively over the prior year. The decrease in Primary Government is mainly due to the costs incurred for the Fargo Moorhead Diversion Authority. The increase in Component Units is due to the purchase of properties needed for the construction of the Fargo Moorhead Diversion Authority.

Cass County Financial Position Statement

	Primary Government		Component Units	
	2014	2013	2014	2013
Financial Assets				
Cash & Cash Equivalents	\$ 67,151,897	\$ 39,195,065	\$ 10,383,906	\$ 10,208,464
Receivables	6,451,318	6,162,452	542,665	2,229,067
Other Assets	825,202	753,421	7,449,931	8,929,810
Capital Assets	144,882,362	140,335,161	137,688,352	116,405,054
Total Financial Assets	\$ 219,310,779	\$ 186,446,100	\$ 156,064,851	\$ 137,772,395
Financial Liabilities				
Current payables	\$ 7,017,365	\$ 3,429,277	\$ 2,552,706	\$ 1,095,306
Non-current liabilities	53,185,300	8,866,869	13,976,037	14,968,815
Total Financial Liabilities	\$ 60,202,664	\$ 12,296,147	\$ 16,528,743	\$ 16,064,121
Deferred Inflows of Resources				
Unavailable Revenue	\$ 9,153,723	\$ 7,272,978	\$ 259,259	\$ 203,461
Total Financial Assets Over Financial Liabilities and Deferred Inflows	\$ 149,954,392	\$ 166,876,975	\$ 139,276,855	\$ 121,504,816





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, 2014.

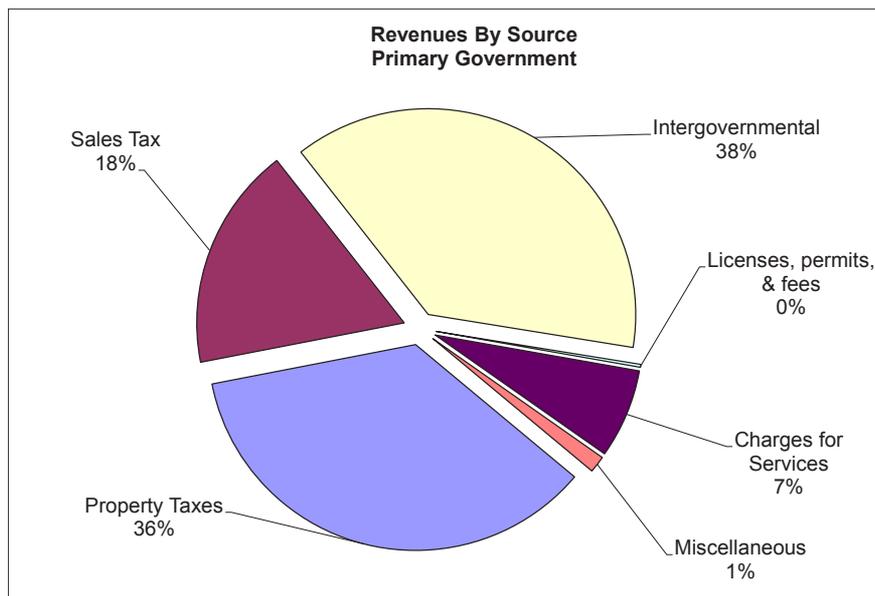
Property taxes continue to be one of the main sources of revenue for Cass County. The Primary Government's revenues increased in 2014 mainly due to an increase in property taxes as a result of increased property tax valuations.

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

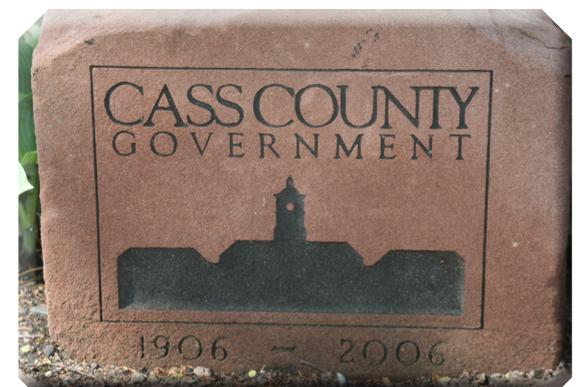
Intergovernmental revenues are also a main source of county funding. Intergovernmental revenues are the combined resources received from grants and from the State of North Dakota. The main grants include the cost share reimbursements for the home buyout program for flood mitigation and reimbursements from the Federal Emergency Management Agency (FEMA) for road and bridge repairs from prior year floods.

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.



Revenues Modified Accrual Basis			
	2014	2013	Change
Primary Government			
Property Taxes	\$ 33,011,508	\$ 31,572,698	\$ 1,438,810
Sales Tax	16,164,464	15,135,193	1,029,271
Intergovernmental	35,102,540	35,501,698	(399,158)
Licenses, permits, & fees	211,419	133,469	77,950
Charges for Services	6,453,308	5,423,907	1,029,401
Miscellaneous	1,211,108	490,744	720,364
Total Primary Government	\$ 92,154,347	\$ 88,257,707	\$ 3,896,638
Component Units			
Southeast Cass Water Resource	\$ 25,346,435	\$ 8,431,949	\$ 16,914,486
Maple River Water Resource	1,352,668	1,405,140	(52,472)
North Cass Water Resource	731,900	381,390	350,510
Rush River Water Resource	795,103	866,258	(71,155)
Vector Control	915,728	833,351	82,377
Weed Control	410,967	408,670	2,297
Total Component Units	\$ 29,552,801	\$ 12,326,758	\$ 17,226,043





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, 2014. The increase in expenditures was \$36,272,493.

Public Safety is a large county expense and includes the sheriff's department, county jail operations, states attorney's office and emergency management. This increased by \$2.1 million as a result of increased employee costs and vehicle purchases.

Public Works is also a large county expense and is made up of the county road and bridge operations. This increased by over \$3 million due to increased road and bridge repairs in 2014.

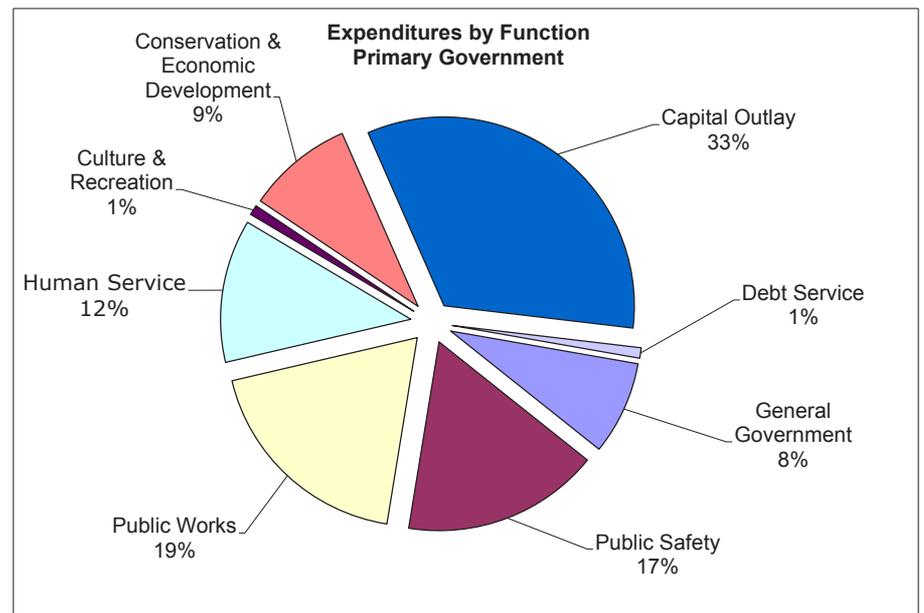
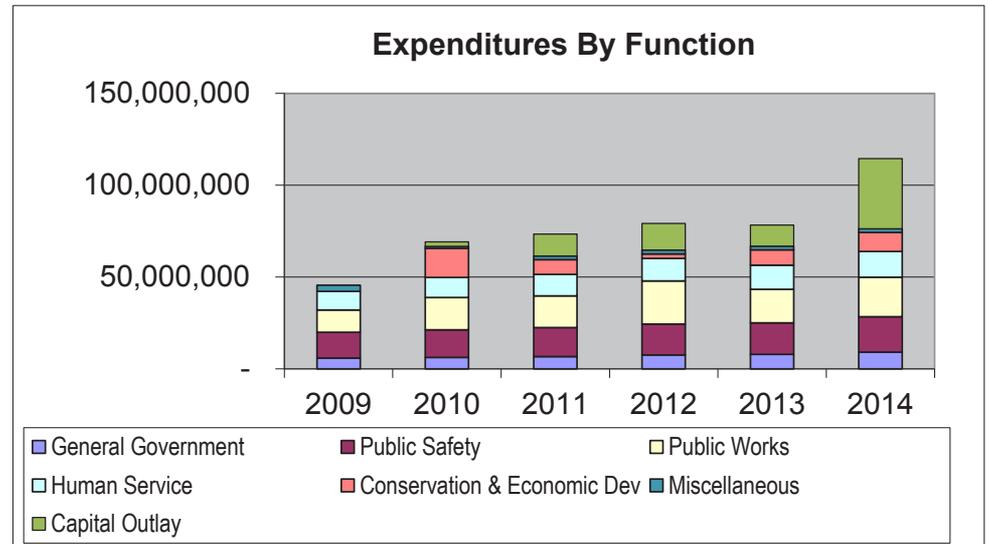
Conservation and economic development expenditures reflect the work that is done to stimulate the economic development in Cass County. The increase of over \$1 million was for the purchase of 30 homes in 2014 to make way for future permanent flood control projects.

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

Capital Outlay expenditures increased by \$26 million in 2014. The major projects include the planning and design for the FM Diversion project.

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.



Primary Government	2014	2013	Change
General Government	\$ 9,151,938	\$ 7,911,266	\$ 1,240,672
Public Safety	19,220,676	17,107,862	2,112,814
Public Works	21,505,559	18,262,385	3,243,174
Human Service	14,030,665	13,125,256	905,409
Culture & Recreation	983,675	909,785	73,890
Conservation & Economic Development	10,326,277	8,364,271	1,962,006
Capital Outlay	38,281,498	11,407,367	26,874,131
Debt Service	1,020,515	1,160,118	(139,603)
Total Primary Government	\$ 114,520,803	\$ 78,248,310	\$ 36,272,493
Component Units			
Southeast Cass Water Resource	\$ 26,182,118	\$ 7,093,242	\$ 19,088,876
Maple River Water Resource	3,653,475	2,303,821	1,349,654
North Cass Water Resource	585,400	1,069,694	(484,294)
Rush River Water Resource	1,207,570	2,443,701	(1,236,131)
Vector Control	937,323	805,768	131,555
Weed Control	444,550	390,917	53,633
Total Component Units	\$ 33,010,436	\$ 14,107,143	\$ 18,903,293

Expenditures by Fund Primary Government

Fund	2014	2013	2012
General Fund	\$ 27,926,330	\$ 25,123,336	\$ 24,295,969
Special Revenue Funds:			
Human Service Fund	14,030,665	13,125,256	12,207,748
County Road & Bridge	21,256,711	17,344,493	20,991,422
Asset Forfeiture - Sheriff	244,613	60,136	258,260
Senior Citizens	947,596	867,852	811,834
911 Service	359,624	336,462	443,739
Asset Forfeiture - States Attorney	1,223	9,376	8,777
Emergency & Flood Mitigation	50,140	11,222	157,402
JAIBG Fund	3,723	9,612	3,545
24/7 Sobriety	265,129	53,353	16,798
Jail Commissary	146,960	131,113	184,682
Hazard Plan/Response	-	730	7,844
Valley Water Rescue	23,313	42,011	24,038
NDRIN	1,250,123	1,206,920	1,060,156
Document Preservation	200,121	192,959	45,900
Parenting Workshop	11,565	23,942	26,483
County Park	36,079	41,933	48,082
2009 Flood Fighting Fund	-	-	423,501
2009 Flood Recovery	80,278	-	740,842
Flood Mitigation	8,216,006	6,288,777	386,243
2010 Flood Recovery	103,243	99,380	471,332
2011 Flood Fighting Fund	-	-	29,789
2011 Flood Recovery	57,065	185,420	948,643
2013 Flood Emergency	8,262	659,777	-
BNSF Train Derailment	22	190	-
Debt Service Funds:			
Greyhawk Estates Subdivision	33,165	34,006	34,798
Round Hill Subdivision	-	-	26,242
Holmen's Subdivision	8,351	8,351	8,351
Grandberg/Amber Plains	35,317	36,221	37,125
2010 Bond Issue S&I	943,683	948,115	953,779
Capital Project Funds:			
Granberg Amber Plains	-	-	-
Courthouse Addition	35,371	211,261	5,558,916
Flood Control Loan Fund	21,846,868	-	-
Flood Control Sales Tax	16,399,260	11,196,106	8,987,187
Total Primary Government	\$ 114,520,803	\$ 78,248,310	\$ 79,199,422

FTE'S By Department

	<u>2014</u>	<u>2013</u>	<u>2012</u>
County Commissioners	5.50	5.50	5.50
Administrator/Personnel	8.00	8.00	7.00
Information Technology	9.60	9.60	8.60
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	166.90	151.90	147.90
States Attorney	29.00	29.00	29.00
Extension	5.50	5.50	5.50
Human Service	144.00	138.00	135.00
Road & Bridge	30.25	30.25	30.25
Total	430.00	409.00	400.00

General Fund Expenditures by Department

	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government:			
County Commission	769,849	748,345	684,281
County Administrator	2,857,947	2,328,380	2,308,160
Information Technology	1,316,368	1,104,976	1,043,385
Auditor	1,194,454	877,092	1,070,551
Treasurer	356,802	343,748	323,543
County Recorder	611,350	606,496	565,091
Director of Tax Equalization	273,596	220,658	192,992
Veterans Service	251,860	211,289	251,534
County Planning	69,467	70,403	85,757
Total General Government	7,701,693	6,511,387	6,525,293
Public Safety:			
Emergency Management	209,643	335,012	356,478
County Sheriff	14,872,725	13,485,434	12,920,453
States Attorney	2,646,785	2,614,043	2,482,802
County Coroner	434,460	20,460	-
Cemetery	12,455	9,930	12,186
Total Public Safety	18,176,069	16,464,880	15,771,918
Conservation & Econ. Dev:			
County Extension Agent	461,182	477,237	467,740
Public Service Agencies	1,587,385	1,563,093	1,424,277
Total Conservation & Econ Dev	2,048,567	2,040,330	1,892,017
Debt Service:			
Principal	-	102,350	98,139
Interest	-	4,391	8,601
Total Debt Service	-	106,741	106,740
Total Expenditures	27,926,330	25,123,336	24,295,969



Cass County Highway and Bridge Projects



2014 HIGHWAY AND BRIDGE PROJECTS:

The Cass County highway system consists of 628 miles of roadway (316 miles paved) covering more than 1,700 square miles as well as responsibility of over 518 bridges of which 241 bridges span a distance of 20 feet in length or greater. Cass County prepares a Comprehensive Transportation Plan annually to effectively plan future projects and the plan can be found on the Cass County website. This plan assists staff and decision makers in managing the significant costs to maintain our infrastructure. It is important to continue a proactive road maintenance policy that reduces the need for major reconstruction. This includes completing asphalt overlays every 15-20 years. In Cass County the average age of a bridge is 40 years old. Of the 518 structures, nearly 40% were built before 1960. Designed to the standards of their time, many of these bridges have reached the end of their design life or cannot handle the truck traffic of today.

Fortunately the 2013 ND Legislative Session provided additional one time funding to the County for 2014. With this funding, in 2014 Cass County was able to complete a large number of bridge and highway projects, as well as routine maintenance operations. This one time State funding has allowed us to nearly double the projects we can complete in a year.

In 2014 Cass County completed twelve separate bridge projects at a total cost of \$6.1 million. These projects focused in three areas by first replacing two larger County road bridges located north east of Kindred and west of Amenia. These bridges deficient and load restricted which impeded heavier loads. We also prioritized nine deficient bridges on Township roads that provide critical access to rural residents and agricultural producers. Finally, working with FEMA, we completed a large bridge structure over Drain 45 at Lake Shure. During past floods, residents had been cut off from their homes for over 40 days causing serious safety risks. This new bridge now provides rural residents year around access to their homes.



We also completed a significant number of highway projects including 29 miles of asphalt overlays, one mile of gravel road reconstruction and paving, and seven miles of gravel road repair. These highway projects totaled more than \$9.1 million.

Including gravel road maintenance, chip seals, crack seal, and culvert repair along with our highway and bridge projects, in 2014 Cass County completed over \$18 million in construction and maintenance work.

2015 HIGHWAY AND BRIDGE PROJECTS:

Once again additional one time funding was made available in the 2015 Legislative Session. With over \$6 million in additional funding, Cass County is moving forward with numerous projects. Based on the Comprehensive Transportation Plan, several planned projects were pulled down from future years to be completed in the 2015 construction season.

Our 2015 highway projects include 30 miles of asphalt overlays and eight miles of gravel road repair. These projects total nearly than \$12 million. In addition, we will spend nearly \$2 million to complete five bridge replacements. With the additional State funding, Cass County is maintaining a high quality highway and bridge network that is safe and efficient for the travelling public.



NDSU Extension/Cass County

Extending Knowledge, Changing Lives for 100 Years

The North Dakota State University Extension Service celebrated a major milestone in 2014: 100 years of extending knowledge and changing lives.

The Smith-Lever Act, signed May 8, 1914, created the Cooperative Extension Service, a state-by-state network of educators to deliver information from land-grant universities such as NDSU to the people in the states. NDSU Extension has agents who serve all 53 North Dakota counties, as well as the Fort Berthold Reservation.

NDSU Extension focuses its efforts in four primary areas:

- Agriculture and natural resources (ANR)
- Community vitality
- Family and consumer sciences
- 4-H youth development

AGRICULTURE AND NATURAL RESOURCES

The ANR program helps producers stay on the cutting edge of crop production through technology, such as in-field sensing to determine when and where to apply fertilizer, and new methods for water management, such as tile drainage.

Other ANR efforts include:

- Consumer outreach such as BBQ Boot Camp
- Master Gardener and Junior Master Gardener programs
- Educate pesticide applicators about safety and usage
- Assist livestock producers to expand their operations
- NDSU crop variety seed increase and distribution
- Home and garden horticulture information
- Provide analysis assistance to producers to make decisions about 2014 Farm Bill Program enrollment

COMMUNITY VITALITY

The community vitality program provides initiatives such as Rural Leadership North Dakota (RLND). It's a leadership development program in which participants make use of the skills they learn by developing and implementing projects to improve their organization, community or region.

The community vitality program also provides small-business and manufacturing development assistance, and aids communities through revitalization programs such as Marketing Hometown America.

FAMILY AND CONSUMER SCIENCES

Family and consumer sciences provides information on:

- Eating healthfully and being physically active
- Preventing diseases such as macular degeneration and diabetes
- Managing money and reaching financial goals
- Improving 4-year-olds' school readiness and increasing parents' involvement in their children's educational development
- Avoiding credit card or identity theft
- Helping low-income families eat nutritious meals and stretch their food dollars
- Showing middle school youth the consequences of risky behaviors such as drinking and driving
- Helping families in transition because of separation and divorce to learn to parent separately in a positive and healthy manner.
- Provide support for academic success and parent education through school newsletters.
- Reduce the risk of child abuse by teaching and modeling healthy, nurturing parental attitudes that develop positive parenting skills.
- Providing parenting resource library available to all parents in Cass County
- Teaching new and young parents about child development so they can begin the parenting journey building positive, caring relationships.

4-H YOUTH DEVELOPMENT

4-H is the largest and only research-based youth organization in North Dakota. More than 5,500 youth were 4-H members in 2013-2014, and more than 23,000 youth participated in Extension youth development activities through school enrichment, afterschool and camping programs. 4-H Youth Development offers age-appropriate, hands-on learning projects and activities in areas such as:

- Science, Engineering & Technology
- Citizenship & Leadership
- Communication & Arts
- Healthy Living
- Outdoor Education

This unique, learn-by-doing model teaches kids essential, transferrable skills that they'll use throughout their lives, such as problem solving, decision making, coping, communicating and responding to the needs of others. A recent national study by Tufts University found that youth who participate in 4-H:

- Excel in School and the Sciences
- Make More Healthful Choices, and
- Are Committed to Improving Their Communities

These are just some of the examples of what NDSU Extension/Cass County offers. In 2014, Cass County Extension staff provided 46,025 face-to-face or other direct contacts with residents of Cass County.

FOR MORE INFORMATION: (701) 241-5700 <http://www.ag.ndsu.edu/casscountyextension/> E-mail us: NDSU.Cass.Extension@ndsu.edu