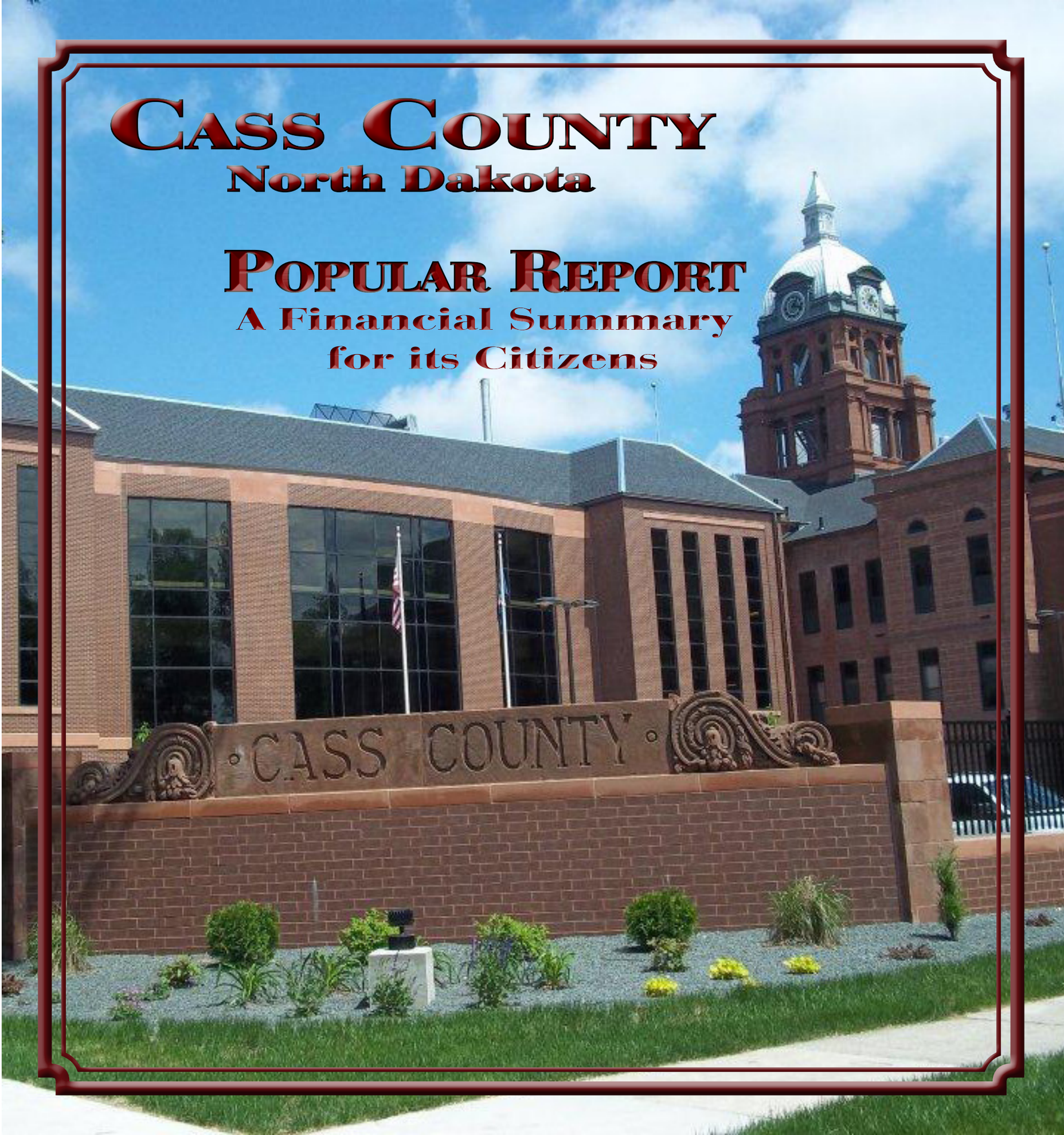
# Cass County
## North Dakota

# 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, 2012. 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 2012 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 midwestern 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 Cass County Sheriff Paul D. Laney was selected as the recipient of the 2012 Ferris E. Lucas Award for Sheriff of the Year.

The taxable valuation in the county continues to increase, more than 3% in 2012. The growth in the tax base over the past five years has been over 30 percent. The unemployment rate is low at 3.3% in 2012 which is slightly lower than in 2011.

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 $5 million due to completing the construction on the west addition of the county courthouse.

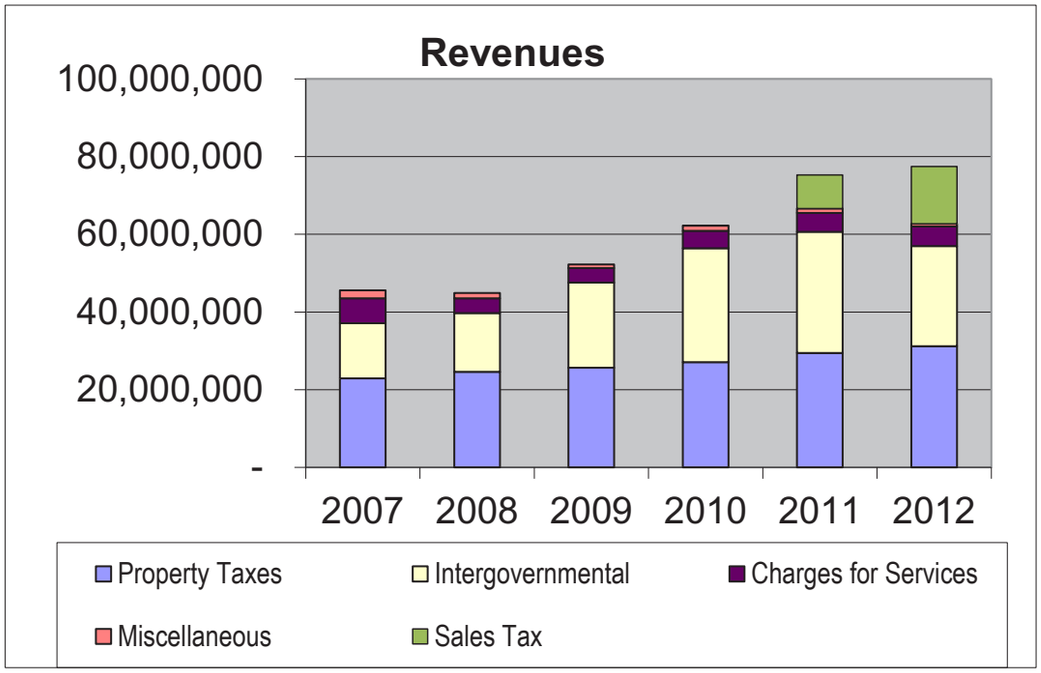
**Liabilities**
Liabilities are amounts the county owes to individuals, companies, other governments and lenders. Non-current liabilities otherwise known as long-term debt, represents the amount of debt which the County has issued and still owes. This debt does not have to be paid off in one year, but 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.

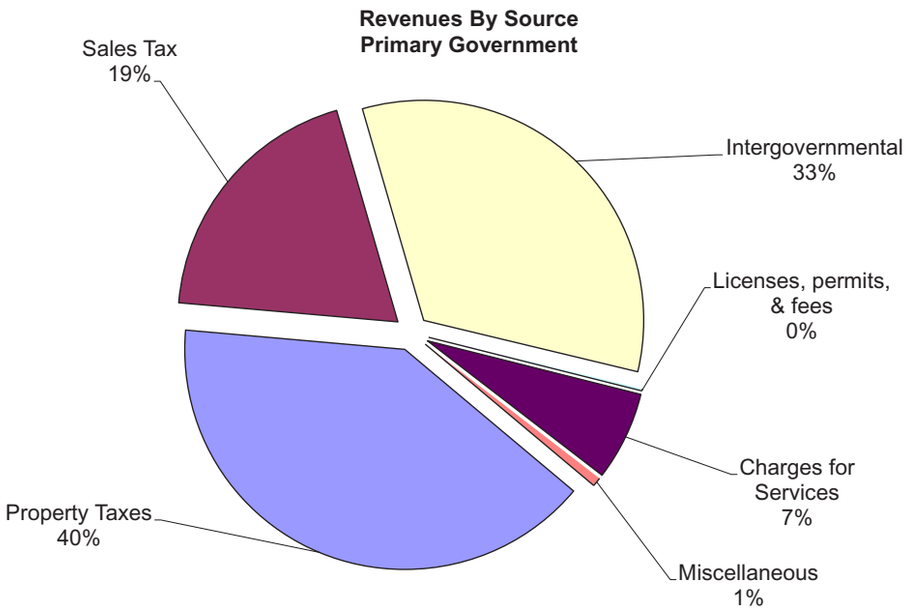
**Deferred Inflows of Resources**
The deferred inflows of resources represent the unavailable revenue for property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Assets over Liabilities**
This amount is assets exceeding liabilities and are also known as "Net Position". Net position increased by $4.9 million and $4.6 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 county implementing a half cent sales tax for future flood control.

## Cass County Financial Position Statement

| | Primary Government | | Component Units | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| **Financial Assets** | | | | |
| Cash & Cash Equivalents | $ 33,358,714 | $ 32,906,940 | $ 4,606,022 | $ 7,136,296 |
| Receivables | 5,437,533 | 6,409,920 | 2,529,123 | 1,072,707 |
| Other Assets | 903,536 | 1,105,975 | 6,526,372 | 5,739,707 |
| Capital Assets | 138,444,811 | 132,548,359 | 113,746,334 | 111,928,213 |
| ***Total Financial Assets*** | **$ 178,144,594** | **$ 172,971,195** | **$ 127,407,846** | **$ 125,876,922** |
| **Financial Liabilities** | | | | |
| Current payables | $ 4,888,874 | $ 13,746,830 | $ 590,358 | $ 4,654,966 |
| Non-current liabilities | 9,745,278 | 10,540,778 | 10,412,155 | 9,843,101 |
| ***Total Financial Liabilities*** | **$ 14,634,153** | **$ 24,287,609** | **$ 11,002,513** | **$ 14,498,067** |
| ***Deferred Inflows of Resources*** | | | | |
| ***Unavailable Revenue*** | **$ 9,675,057** | | **$ 277,328** | |
| ***Total Financial Assets Over Financial Liabilities and Deferred Inflows*** | **$ 153,835,385** | **$ 148,683,587** | **$ 116,128,007** | **$ 111,378,858** |




**Revenues**

| **Primary Government** | 2012 | 2011 | Change |
|---|---|---|---|
| Property Taxes | $ 31,217,265 | $ 29,485,640 | $ 1,731,625 |
| Sales Tax | 14,812,160 | 8,663,697 | 6,148,463 |
| Intergovernmental | 25,762,129 | 31,139,975 | (5,377,846) |
| Licenses, permits, & fees | 127,947 | 128,026 | (79) |
| Charges for Services | 5,056,253 | 4,897,135 | 159,118 |
| Miscellaneous | 516,079 | 992,804 | (476,725) |
| Total Primary Government | $ 77,491,833 | $ 75,307,275 | $ 2,184,556 |
| | | | |
| **Component Units** | | | |
| Southeast Cass Water Resource | $ 8,776,525 | $ 8,253,870 | $ 522,655 |
| Maple River Water Resource | 900,792 | 1,620,922 | (720,130) |
| North Cass Water Resource | 545,967 | 408,091 | 137,876 |
| Rush River Water Resource | 892,383 | 405,874 | 486,509 |
| Vector Control | 773,742 | 882,199 | (108,457) |
| Weed Control | 388,475 | 372,522 | 15,953 |
| Total Component Units | $ 12,277,884 | $ 11,943,478 | $ 334,406 |

Revenues are the amounts the County receives from a plethra 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, 2012.

Property taxes continue to be one of the main sources of revenue for Cass County. The primary government's revenues increased in 2012 mainly due to an increase in property taxes as a result of increased property tax valuations.

Sales tax is a result of the county adding 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. This revenue source decreased in 2012 as a result of decreased reimbursements for county roads and bridges damaged in the 2009 and the 2010 spring floods. The cost share reimbursements for the home buyout program for flood mitigation decreased from 2011 due to fewer home purchases in 2012. These reimbursements were from the Federal Emergency Management Agency (FEMA) and the North Dakota State Department of Emergency Services.

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, 2012. The increase in expenditures was $5.8 million.

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.

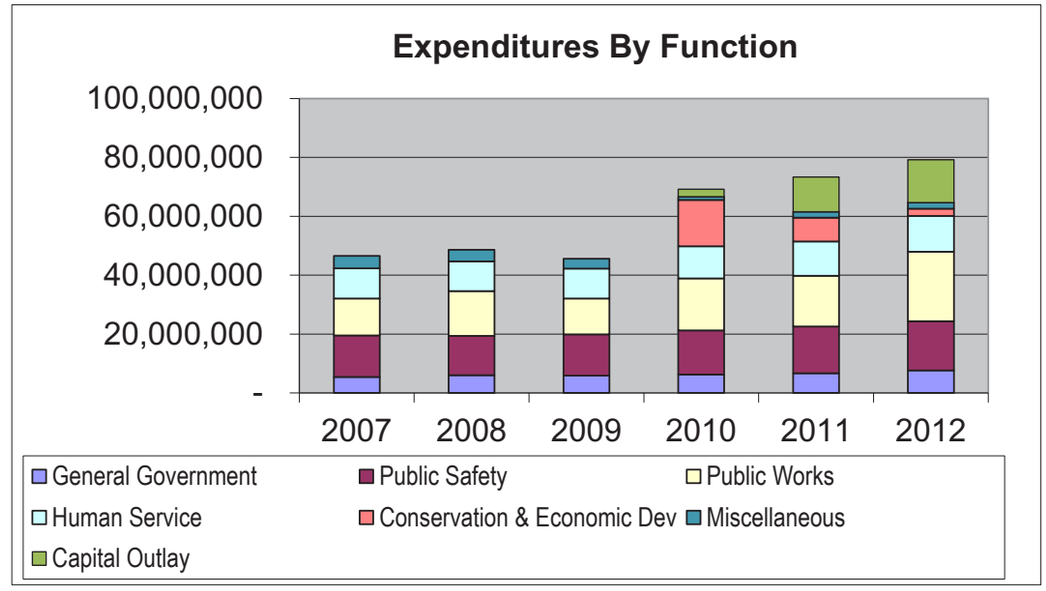
Conservation & economic development expenditures reflect the work that is done to simulate the economic development for Cass County. The decrease of over $5 million was for the purchase of 15 homes in 2011 to make way for future permanent flood control projects.

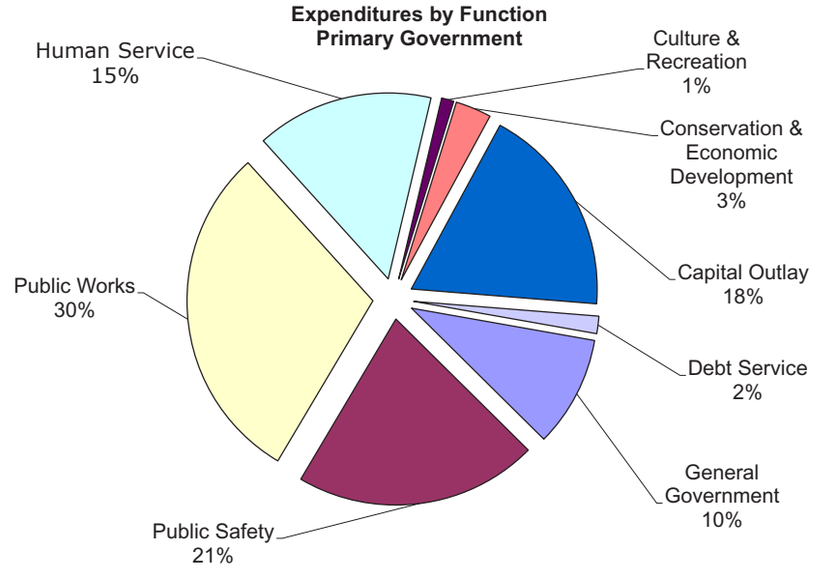
Human Service expenditures are combined program and administrative costs to provide assistance to the county's most vulnerable residents.

Capital Outlay expenditures include the cost of construction for the west addition to the county courthouse. The new addition was completed and opened in October of 2012.

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

| Primary Government | 2012 | 2011 | Change |
|---|---|---|---|
| General Government | $ 7,631,349 | $ 6,683,474 | $ 947,875 |
| Public Safety | 16,719,600 | 15,864,877 | 854,723 |
| Public Works | 23,578,843 | 17,227,269 | 6,351,574 |
| Human Service | 12,207,748 | 11,665,664 | 542,084 |
| Culture & Recreation | 859,916 | 800,049 | 59,867 |
| Conservation & Economic Development | 2,462,144 | 8,060,946 | (5,598,802) |
| Capital Outlay | 14,546,103 | 11,842,310 | 2,703,793 |
| Debt Service | 1,193,719 | 1,219,677 | (25,958) |
| Total Primary Government | $ 79,199,422 | $ 73,364,265 | $ 5,835,156 |
| **Component Units** | | | |
| Southeast Cass Water Resource | $ 6,566,696 | $ 17,365,515 | $ (10,798,819) |
| Maple River Water Resource | 1,075,276 | 1,088,893 | (13,617) |
| North Cass Water Resource | 529,296 | 437,885 | 91,411 |
| Rush River Water Resource | 2,056,471 | 771,824 | 1,284,647 |
| Vector Control | 766,806 | 871,536 | (104,730) |
| Weed Control | 457,233 | 426,722 | 30,511 |
| Total Component Units | $ 11,451,778 | $ 20,962,375 | $ (9,510,597) |

## Expenditures by Fund
## Primary Government

| Fund | 2012 | 2011 | 2010 |
|---|---|---|---|
| General Fund | 24,295,969 | 22,662,702 | 21,590,731 |
| **Special Revenue Funds:** | | | |
| Human Service Fund | 12,207,748 | 11,665,664 | 10,926,268 |
| County Road & Bridge | 20,991,422 | 10,175,180 | 13,287,912 |
| Asset Forfeiture - Sheriff | 258,260 | 211,143 | 144,880 |
| Senior Citizens | 811,834 | 774,819 | 747,292 |
| 911 Service | 443,739 | 396,328 | 462,669 |
| Asset Forfeiture - States Att | 8,777 | 1,975 | 2,404 |
| Justice Mental Health | - | 18,190 | 108,424 |
| Emergency & Flood Mitigation | 157,402 | | |
| JAIBG Fund | 3,545 | 4,844 | 6,178 |
| 24/7 Sobriety | 16,798 | 1,630 | 29 |
| Jail Commissary | 184,682 | 231,696 | 197,264 |
| Hazard Plan/Response | 7,844 | 14,368 | 29,021 |
| Valley Water Rescue | 24,038 | 61,593 | 25,564 |
| NDRIN | 1,060,156 | 878,855 | 594,496 |
| Document Preservation | 45,900 | 73,847 | 53,832 |
| Parenting Workshop | 26,483 | 33,067 | 43,867 |
| County Park | 48,082 | 25,230 | 57,502 |
| 2009 Flood Fighting Fund | 423,501 | 9,660 | 15 |
| 2009 Flood Recovery | 740,842 | 523,912 | 980,381 |
| Flood Mitigation | 386,243 | 6,125,801 | 13,810,729 |
| 2010 Flood Fighting Fund | | 2,579 | 909,556 |
| 2010 Flood Recovery | 471,332 | 285,214 | 2,497,231 |
| 2011 Flood Fighting Fund | 29,789 | 3,054,127 | |
| 2011 Flood Recovery | 948,643 | 3,203,282 | |
| **Debt Service Funds:** | | | |
| Greyhawk Estates Subdivision | 34,798 | 35,739 | 41,775 |
| Round Hill Subdivision | 26,242 | 27,621 | 28,925 |
| Holmen's Subdivision | 8,351 | 8,351 | 8,351 |
| Borderud's Subdivision | | 7,490 | 10,689 |
| Windsor Green Subdivision | | 5,453 | |
| Sleepy Hollow Subdivision | | 12,397 | |
| Grandberg/Amber Plains | 37,125 | 38,104 | 39,051 |
| 2010 Bond Issue S&I | 953,779 | 951,098 | 93,462 |
| **Capital Project Funds:** | | | |
| Granberg Amber Plains | | 23,913 | |
| Courthouse Addition | 5,558,916 | 7,810,323 | 2,455,931 |
| Flood Control Sales Tax | 8,987,187 | 4,008,074 | |
| **Total Primary Governement** | 79,199,422 | 73,364,266 | 69,154,428 |

## FTE'S By Department

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| County Commissioners | 5.50 | 5.50 | 5.50 |
| Administrator/Personnel | 7.00 | 7.00 | 7.00 |
| Information Technology | 8.60 | 7.60 | 6.60 |
| 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 | 148.90 | 142.90 | 141.90 |
| States Attorney | 30.00 | 30.00 | 30.00 |
| Extension | 5.50 | 5.50 | 5.50 |
| Human Service | 135.10 | 139.10 | 137.10 |
| Road & Bridge | 30.25 | 30.25 | 30.25 |
| Total | 402.10 | 399.10 | 395.10 |

### General Fund
**Expenditures by Department**

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| General Government: | | | |
| County Commission | 684,281 | 627,352 | 610,726 |
| County Administrator | 2,308,160 | 1,804,798 | 1,772,640 |
| Information Technology | 1,043,385 | 1,074,253 | 912,520 |
| Auditor | 1,070,551 | 844,145 | 922,799 |
| Treasurer | 323,543 | 322,453 | 332,301 |
| County Recorder | 565,091 | 545,446 | 524,911 |
| Director of Tax Equalization | 192,992 | 180,938 | 227,112 |
| Veterans Service | 251,534 | 253,446 | 234,366 |
| County Planning | 85,757 | 77,941 | 75,288 |
| Total General Government | 6,525,293 | 5,730,772 | 5,612,664 |
| Public Safety: | | | |
| Emergency Management | 356,478 | 253,178 | 265,450 |
| County Sheriff | 12,920,453 | 12,309,503 | 11,544,863 |
| States Attorney | 2,482,802 | 2,351,098 | 2,190,940 |
| Cemetery | 12,186 | 9,332 | 12,323 |
| Total Public Safety | 15,771,918 | 14,923,111 | 14,013,576 |
| Conservation & Econ. Development: | | | |
| County Extension Agent | 467,740 | 464,927 | 464,159 |
| Public Service Agencies | 1,424,277 | 1,437,151 | 1,393,591 |
| Total Conservation & Econ Dev | 1,892,017 | 1,902,078 | 1,857,750 |
| Debt Service: | | | |
| Principal | 98,139 | 94,102 | 90,231 |
| Interest | 8,601 | 12,638 | 16,509 |
| Total Debt Service | 106,740 | 106,740 | 106,740 |
| Total Expenditures | 24,295,969 | 22,662,702 | 21,590,731 |

# CASS COUNTY YOUTH COMMISSION

Each school year the Cass County Youth Commission has the option of raising money for a charity of their choice by hosting event(s) and the students chose HOPE, Inc. as their charity for 2012-2013. The students held three fundraising events: a raffle, charity concert with talent from local high schools and a dance. Of the eight years that the Youth Commission has been operating, this year's students raised the most money for their charity totaling $8,120.00. Dakota Medical Foundation also matched $500.00 so HOPE, Inc. is receiving a total donation of $8,620.00.

# 2013 FLOOD

The National Weather Service first forecast the Red River level at a 50% chance of reaching 40.3 feet. The county made the decision that in order to provide the most protection, levees needed to be built at a 43 foot level in some locations. The Red River gauge at Fargo is considered major flood stage at 30 feet. The river crest wasn't expected for another week or two; the County had some time before they needed to start constructing levees. A week later, the forecast changed from 40.3 feet down to 38 feet. A few days later the forecast changed again – to 35 feet. Based on past experiences with three floods in the last 4 years, the County's efforts in flood fighting were really challenged during 2013 due to the changing forecasts received from the National Weather Service who was dealing with a prolonged melt and lower than expected precipitation. As the forecast changed, the county quickly acted to adjust plans on levee construction, sheriff operations, and sandbag operations. Because the ending forecast level was predicted at 35 feet, Cass County was able to minimize spending, and federal assets were not needed for emergency operations.

In 2013 the county and city combined sandbag efforts in one location using the counties one Spider and the two Spiders the city owns. This provided for a more effective operation and more focused effort on getting volunteers to man the Spiders. Full speed operation of a Spider requires almost 100 volunteers to bag, tie, and stack sandbags. In addition, city staff is needed to load sand, haul away pallets of filled bags, and to manage the volunteers. Using the one location allowed the volunteers to produce over one million sandbags in less than two weeks. All costs associated with sandbag operations were shared between Cass County and the City of Fargo. Cass County received 550,000 filled bags which were delivered to the new warehouse built at the Cass County Highway Department. 200,000 filled bags were hauled to residents whose homes were outside of levee protections. Additionally 14,000 empty bags and sand were delivered to residents who were in imminent danger from flooding.

Historical photo from 2011. Cass County volunteers at work filling sandbags using the spider purchased by Cass County in 2011. In the spring of 2013, this machine was able to produce 7,000 sandbags an hour when operating with the full 96 volunteers.

Installation of a trap bag levee at Stockman's Subdivision in 2013.

A total of 400,000 filled bags were brought from the City of Fargo's sandbag central and stored in the new building at the Cass County Highway Department. The remaining 150,000 filled bags were stored outside on the grounds.

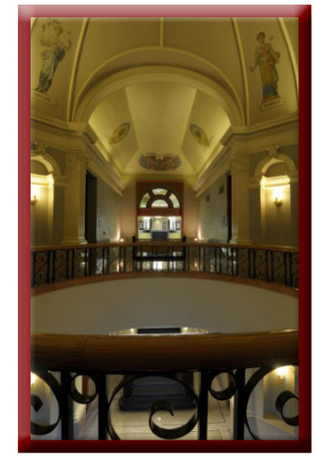
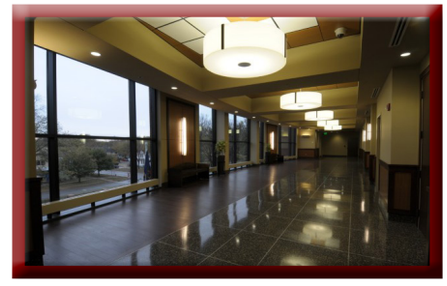
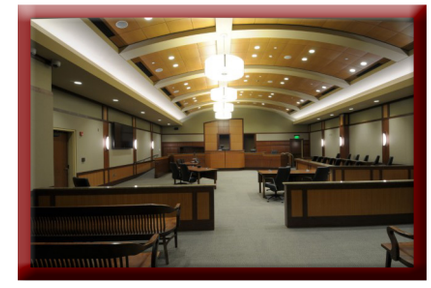
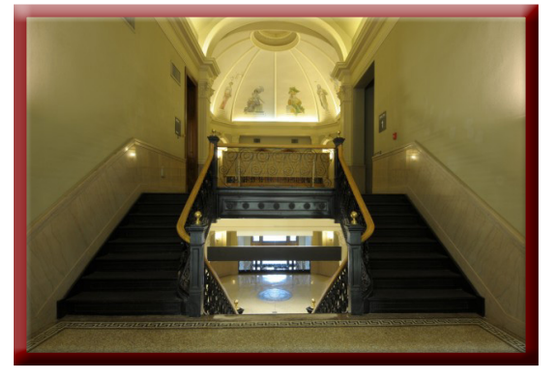
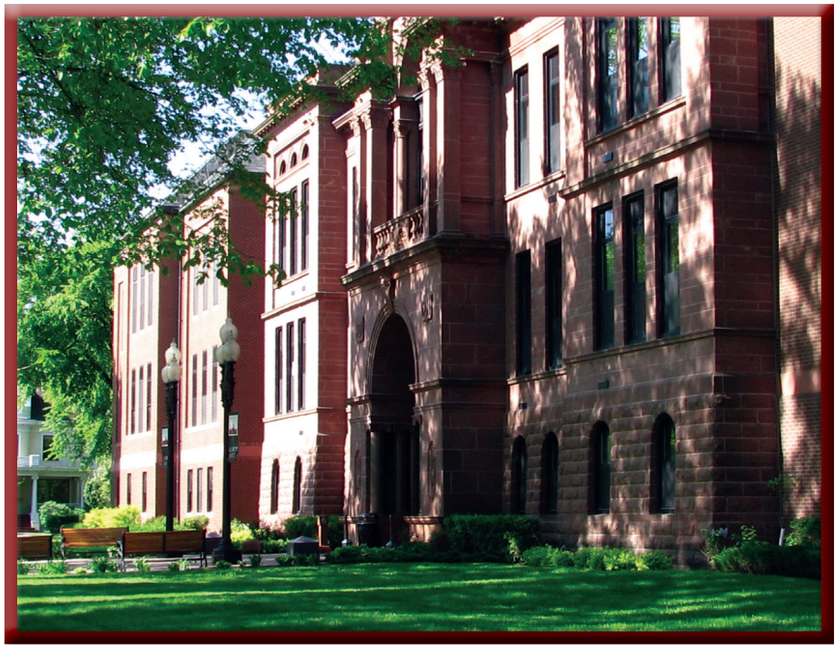
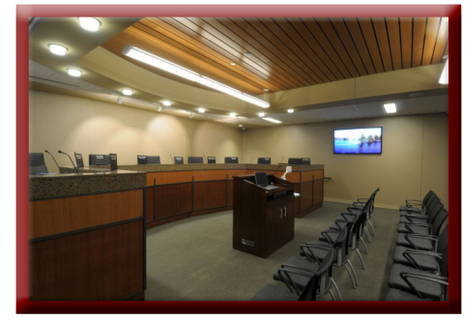
Clay levees were constructed in the Chrisan and Forest River neighborhoods. Six walkovers were built so residents could get in and out of their homes safely.

Sandbag dike installed at a residence in Butch R Block.

Sandbags being hauled to Highland Park

# COURTHOUSE WEST ADDITION

The Cass County Courthouse was built in 1906 at a cost of $142,291, and is the third courthouse to be built since the county's inception. Since that time, the population of Cass County has increased significantly, and additional space was needed in order to provide essential services to its residents. Construction on the North Addition began in 1981, took several years to complete, and cost $1.4 million. In 1985, the South Addition was built for $2.3 million.

Over the years, the county conducted studies on department space needs, and the West Addition was built with the future in mind. A ground breaking was held in August, 2010, and construction took two years to complete with a ribbon cutting ceremony held in October, 2012. The new building is located on the site of the former county jail and sheriff's residence, and cost $16 million. The addition includes 72,000 square feet of space that houses three new state-of-the art courtrooms, county offices, commission room, underground parking garage, and secure inmate holding for prisoners awaiting court hearings and trials. Another significant part of the addition is a skyway constructed over 10th Street South that connects the Cass County Courthouse and Annex to allow employees and the public to easily maneuver between the two buildings.

The county incorporated the old with the new and used sandstone from the former jail in the exterior fence pillars, and woodwork from the sheriff's residence in artwork within the new addition. When the building was designed, county officials and staff wanted to ensure the architecture of the new building paid homage to the history of the original courthouse.