

CASS COUNTY GOVERNMENT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 1997
Fargo, North Dakota

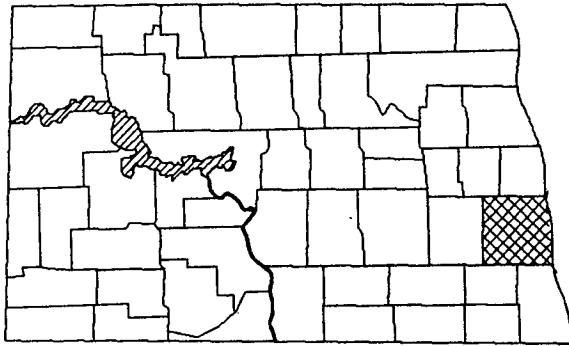
CASS COUNTY, NORTH DAKOTA

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

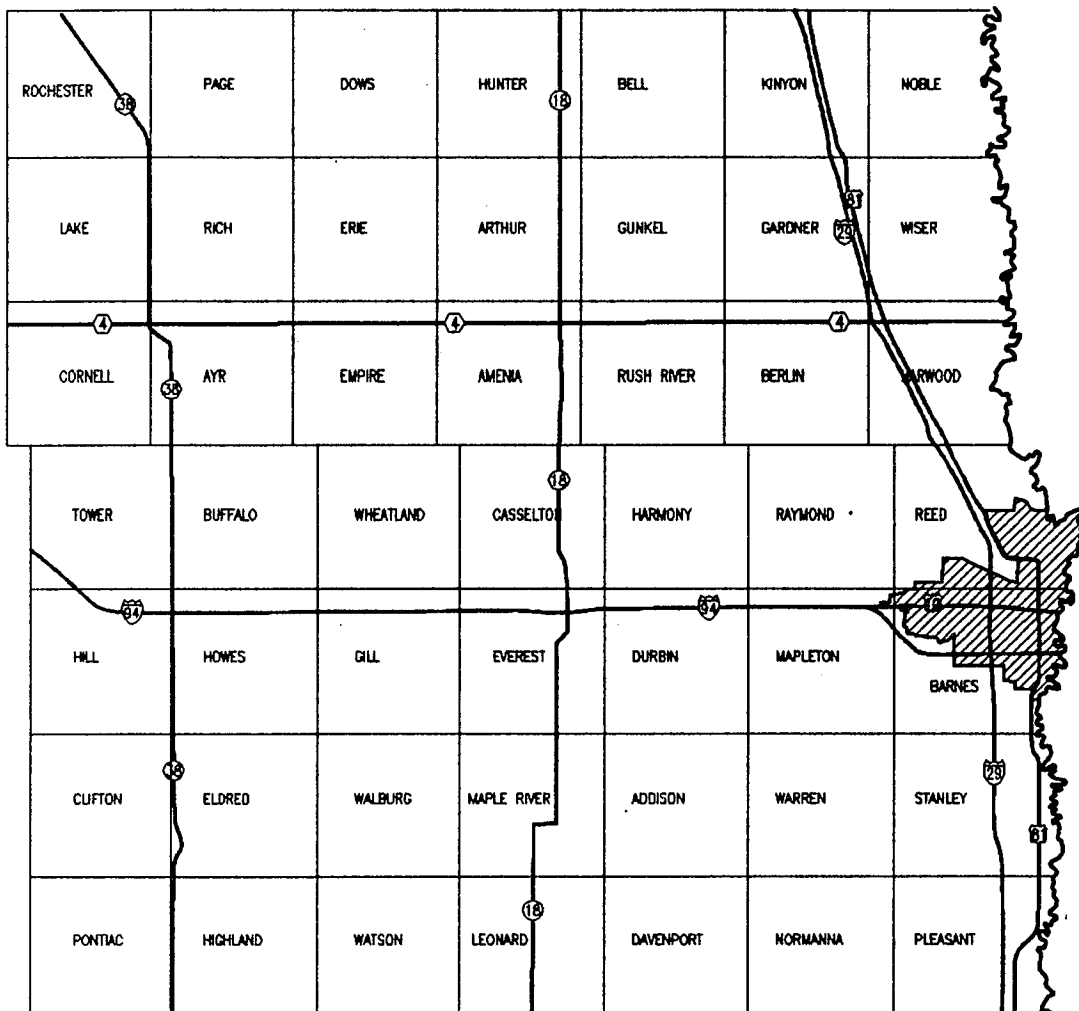
**For the Year Ended December 31,
1997**

Prepared by the County Auditor's Office

North Dakota



Cass County



**CASS COUNTY GOVERNMENT
Comprehensive Annual Financial Report
For the Year Ended December 31, 1997**

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	8
Organizational Chart	9
County Officials	10

FINANCIAL SECTION

Independent Auditor's Report	11
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units	14
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Units	16
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds	18
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	20
Combined Statement of Cash Flows - All Proprietary Fund Types	21
Combining Balance Sheet - Component Units	22
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Component Units	24
Notes to the Financial Statements	27
Combining, Individual Fund and Account Group Statements and Schedules:	
General Fund:	
Balance Sheet	49
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	50

	Page
Special Revenue Funds:	
Description of Special Revenue Funds	51
Combining Balance Sheet	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	56
Debt Service Funds:	
Description of Debt Service Funds	61
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	64
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual	66
Capital Projects Funds:	
Description of Capital Projects Funds	71
Combining Balance Sheet	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	73
Internal Service Funds:	
Description of Internal Service Funds	75
Combining Balance Sheet	76
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	77
Combining Statement of Cash Flows	78
Agency Funds:	
Description of Agency Funds	79
Combining Balance Sheet	80
Combining Statement of Changes in Assets and Liabilities	81
General Fixed Assets Account Group:	
Schedule of General Fixed Assets by Source	83
Schedule of General Fixed Assets by Function and Activity	84
Schedule of Changes in General Fixed Assets by Function and Activity	85

STATISTICAL SECTION

	Page
Statistical Section Schedules That Are Not Applicable	87
General Governmental Expenditures by Function	88
General Governmental Revenues by Source	90
Property Tax Levies and Collections	92
Estimated Market, Assessed and Taxable Value of Taxable Property	94
Special Assessment Billings and Collections	96
Property Tax Rates and Distribution of General Levy Property Taxes	98
Computation of Legal Debt Margin	100
Percent of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	101
Percent of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures	102
Computation of Direct and Overlapping Debt	103
Ten Largest Property Taxpayers Ranked by Taxable Value	104
Construction	105
Demographic Statistics and Miscellaneous Statistical Data:	
Demographic Statistics	106
1990 Census Data	107
Miscellaneous Statistics	108
Ten Largest Employers	109
Elected Officials and Full-Time Employees by Function	110
County Mill Levies	111
Taxable Sales and Purchases	112



May 19, 1998

Honorable Chairman and Commissioners
Cass County Board of Commissioners
211 South 9th Street
Fargo ND 58103

Commissioners:

Auditor

Michael Montplaisir, CPA
701-241-5601

Treasurer

Charlotte Sandvik
701-241-5611

Director of Equalization

Frank Klein
701-241-5616

The Comprehensive Annual Financial Report of Cass County is hereby submitted for the fiscal year ended December 31, 1997. This report was prepared by the County Auditor's Office. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes this transmittal letter, a Certificate of Achievement, the County organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Notes to the Financial Statements are considered an integral and essential part of adequate disclosure and fair presentation of the general purpose financial statements. They include the summary of significant accounting policies applied to the matters relating to the financial position and results of operations of the County. The notes provide significant insight and are necessary to understand the financial statements.

This report includes all funds and account groups of the County. The County provides a full range of services. These services include tax assessment and collection; judicial, law enforcement and jail services; social services and public health services; the construction and maintenance of highways; and general administrative services.

Box 2806
211 Ninth Street South
Fargo, North Dakota 58103

FAX 701-241-5728

The County is also accountable to the citizens of the county for the decisions and financial obligations of boards that are appointed by the governing body of the county. The County Commission appoints all of the board members for the Vector, Noxious Weed, and the four water resource districts located in the county. In addition to appointing the governing boards of these districts, the county is responsible for approving their budgets and tax levies. The activities of the the Vector, Noxious Weed, and the four water resource districts are combined and shown in the component unit column of the financial statements.

The County supports, through grants, various senior citizen boards, ambulance and rescue squad boards, the fair board, and the historical society board. The County is not responsible for the activities of these boards and accordingly their financial information has not been included in this report. Note 1 of the Notes to the Financial Statements defines the reporting entity.

Readers of this report are reminded that certain assets reported in agency funds are held in the name of the County and represent funds held for others in a fiduciary capacity and, as such, are not available for the general use of the County.

ECONOMIC CONDITIONS AND OUTLOOK

Cass County is located on the eastern edge of North Dakota, bordering along the Red River, the boundary between North Dakota and Minnesota. The Red River Valley is one of the most fertile agricultural areas in the world. The economic condition and outlook of the County have remained strong; the County is one of the few areas in the state with a growing population. The County Courthouse and administrative offices are located in Fargo, the largest and fastest growing city in the state.

Over the past ten years, the taxable valuation of the County has been growing at an average rate of 4.1 percent, and the population has been growing at an average rate of 1.4 percent. The taxable valuation growth has occurred mainly in the service industry and also in new home construction. These growth trends are expected to continue, with the shift in population from the rural areas of the state to the urban areas.

Cass County is home to the state's second largest university, North Dakota State University, with a student body of over 9,600. Also serving the region are another state university and a private college, both located across the river in Moorhead, Minnesota.

The area is well-known for quality health care services, with two major medical facilities, Meritcare Health System and Dakota-Heartland Health System. These facilities serve a large area in both North Dakota and Minnesota, and have a combined daily patient volume of approximately 400 patients.

Cass County is a regional trade center which draws from eastern North Dakota, western Minnesota, and central Canada. Taxable sales and purchases thru the fourth quarter of 1997 were \$1.55 billion and have been increasing at an average annual rate of 8.4 percent

over the last ten years.

MAJOR INITIATIVES

In 1997 Cass County suffered from both record snowfall and record flooding. The County spent the first few months of 1997 keeping transportation and other services available to its residents. Following the flood, the County has been active in reducing the potential damages from future floods. The County has initiated a long range planning committee for flood mitigation. With the help of federal funding, the County is purchasing flood damaged and flood prone homes, raising roads where necessary, and building dikes.

Cass County is taking the first steps towards replacing the County jail, which was built in 1913. An advisory committee was appointed in 1997 and recommended replacing the structure. The County is proceeding with planning for a new corrections facility and will likely take the funding question to citizens in 1999 or 2000. The County is working with the National Institute of Corrections in the planning phase of the structure and programs for the facility.

FINANCIAL INFORMATION

Internal Control

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the County also is responsible for ensuring that an adequate internal control structure is in place to comply with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of the government's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. There were no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budget Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Commission and also to give County departments definite guidelines for operations. The County is legally required to maintain budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) at the fund level. The County's budgetary policy includes

provisions for maintaining reserves at an adequate level (10%) for each separate fund. The County also requires officials to maintain budgetary control at the department level.

As demonstrated by the statements and schedules included in the financial section of this report, the County meets its responsibility for sound financial management.

General Government Functions

The following schedule presents a summary of general, special revenue, debt service, and capital project funds revenues for the fiscal year ended December 31, 1997 and the amount and percentage of increases and decreases in relation to prior year revenues.

General Government Revenues

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1995</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$11,646,909	39.0%	\$ 177,673	1.5 %
Intergovernmental	15,809,754	52.9%	6,353,291	67.2 %
Licenses, Permits and Fees	20,853	0.1%	(9,408)	(31.1)%
Charges for Service	1,483,951	5.0%	(174,617)	(10.5)%
Miscellaneous	<u>904,160</u>	<u>3.0%</u>	<u>131,647</u>	<u>17.0 %</u>
Total Revenues	<u>\$29,865,627</u>	<u>100.0%</u>	<u>\$6,478,586</u>	<u>27.7 %</u>

Increases in taxes were due mainly to the increased taxable valuation of property in the County. Tax collections remain strong with over 94 percent of the current taxes being collected by December 31, 1997. Increases in intergovernmental revenues were due mainly to Federal Emergency Management Agency funding to assist in flood recovery after the flood in the Spring of 1997. Changes in Licenses, Permits and Fees are the result of fewer new subdivisions being approved in 1997. The decrease in the Charges for Services are a result of decreased contract work done for other entities by the County Highway Department and changes in the funding methods for Human Services - the County General Fund is no longer paid rent for space used by the Human Service administrative department. Miscellaneous revenues have increased due mainly to increased interest earnings.

The following schedule presents a summary of general fund and special revenue funds expenditures for the fiscal year ended December 31, 1997 and the amount and percentage of increases and decreases in relation to prior year expenditures.

General Government Expenditures

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1995</u>	<u>Percent of Increase (Decrease)</u>
General Government	\$ 2,843,991	9.8%	\$ (323,570)	(10.2)%
Public Safety	6,339,354	21.9%	400,818	6.7 %
Public Works	9,743,459	33.6%	4,678,361)	92.4 %
Human Services	6,355,987	21.9%	485,683	8.3 %
Culture and Recreation	299,284	1.0%	16,096	5.7 %
Conservation and Economic Development	<u>3,393,069</u>	<u>11.7%</u>	<u>1,987,550</u>	<u>141.4 %</u>
Total Expenditures	<u>\$ 28,975,144</u>	<u>100.0%</u>	<u>\$ 7,244,938</u>	<u>33.3 %</u>

The 33.3 percent increase in total expenditures for the year ended December 31, 1997 is primarily due to the expenses incurred in flood recovery efforts in 1997, most flood recovery costs were reimbursed by the Federal Emergency Management Agency.

General Fund Balance

The County had a \$944,981 unreserved fund balance in the General Fund as of December 31, 1997 - a \$701,374 decrease from December 31, 1996. This decrease was a result of a planned reduction of reserves to the target of 10% of the budgeted expenditures. As the December 31, 1997 fund balance is at the level desired by county policy, revenues will more closely match expenditures in 1998 and future years. The County has a policy of budgeting to maintain approximately 10% of expenditures as the ending fund balance.

Proprietary operations

The County's proprietary operations are accounted for within the following Internal Service Funds: Health Insurance, Telephone, and Motor Pool.

Total operating revenues for the year ended December 31, 1997 were \$1,028,667. This represents a \$218,259 increase (26.9%) from 1996. Total operating expenses were \$1,139,686 - a \$172,862 increase (17.9%) from the previous year. Operating revenue increases were due to increased health insurance premiums and a payment from the company that provides the county with a reinsurance policy. The county carries reinsurance on health claims in excess of 120% of the expected claims for the policy year. Operating expenses were increased due to the health insurance claims in the self-funded health insurance program as noted above. The County policy is to maintain reserves equaling at least twenty-five percent of expected expense in the Health Insurance Trust Fund. The fund currently has reserves of thirty-four percent of annual expected expenses. Overall, the proprietary operations had an operating loss for 1997 of \$111,019. The County has increased premiums for the health insurance for 1998 to more closely match revenues and expenditures.

Debt Administration

The County has a favorable level of general obligation debt, with only two issues outstanding for a total of \$1,470,000. Both of these issues are to finance the addition for the Human Services department. The percent of net bonded debt to assessed value, the amount of net bonded debt per capita and the legal debt limit are useful indicators of the County's debt position. The following relates to the bonded indebtedness of the County as of December 31, 1997:

<u>Bond Issue</u>	<u>Net Bonded Debt at December 31, 1997</u>	<u>Percent of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>	<u>Legal Debt Limit</u>
Cass County General Obligation Bond	\$1,470,000	0.07%	\$12	\$102,834,592

In addition to the general obligation debt, the County has special assessment bonds outstanding for a number of road projects within subdivisions located outside of incorporated cities in the County.

As of December 31, 1997 the total outstanding special assessment bonds were \$665,000.

The four water resource districts located in the County had \$8,644,730 of special assessment bonds outstanding as of December 31, 1997. The level terrain in the region, with few natural drains, has prompted the water resource districts to construct drains for proper water management. Special assessments are charged to property owners within the district to fund these projects.

Cash Management

Cash is pooled for the purpose of increasing interest income through investment activities. Cash is primarily invested in demand deposits, money market accounts, certificates of deposit, and treasury bills. These amounts must be deposited in a financial institution situated and doing business within the state. The average yield on investments for 1997 was slightly over five percent, which appears in line with national averages. The majority of County investments are short term.

Risk Management

The County is self-insured for various types of risk including group medical employee benefits and unemployment insurance. Insurance liability reserves as of December 31, 1997 are considered adequate by management to cover the ultimate cost to defend or settle claims arising from these risks.

OTHER INFORMATION

Independent Audit

The general purpose financial statements have been audited by the Office of the State Auditor. The County's independent auditors have reviewed the adequacy of internal accounting controls and the supplementary financial information included in the Comprehensive Annual Financial Report, as they relate to the fairness of presentation of the County's general purpose financial statements. The auditor's report is included in the Financial Section of this report.

Federal funds received by the County are also subject to an annual program compliance audit under the requirements of the Single Audit Act and Office of Management and Budget Circular A-128. The results of this examination for the fiscal year ended December 31, 1997 are incorporated in a separate report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to Cass County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 1996. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government

unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Cass County has received a Certificate of Achievement for the last four consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting to GFOA.

Acknowledgments

The preparation of this report could not have been completed if it had not been for the commitment of the County Commission in improving the accounting, budgeting, and financial operation of the County. The Commission has provided the support and fiscal resources necessary to make this report possible. I would also like to acknowledge the professional expertise of Debra Ness, Accountant, and Heather Worden, Administrative Secretary, who assisted in the preparation of this report.

Respectfully submitted,



Michael Montplaisir, CPA
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cass County Government,
North Dakota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1996

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

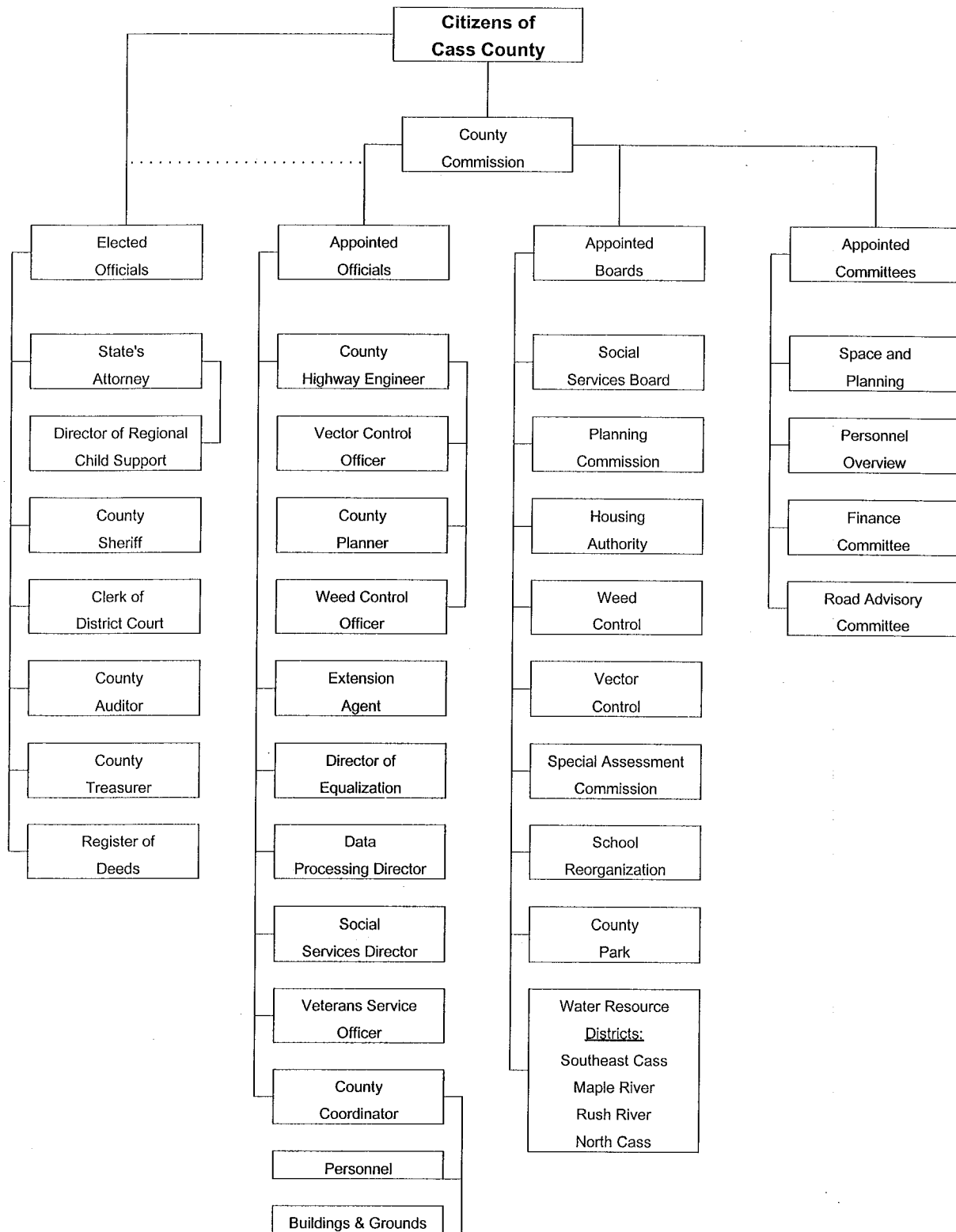


Linda K. Savitsky
President

Jeffrey L. Esser
Executive Director

CASS COUNTY GOVERNMENT

1998 Organizational Chart



CASS COUNTY GOVERNMENT
COUNTY OFFICIALS

Officials December 31, 1997

Commissioners:	Alon Wieland - Chairman Donna Schneider John Meyer Roberta Quick Paul Koenig
Auditor:	Michael Montplaisir
Treasurer:	Charlotte Sandvik
Sheriff:	Donald Rudnick
Register of Deeds:	Deanna Kensrud
Clerk of District Court:	Dorothy Howard
States Attorney:	John Goff

Officials - December 31, 1996

Commissioners:	Bernie Ness- Chairman Alon Wieland Donna Schneider Sharon Toussaint Don Eckert
Auditor:	Michael Montplaisir
Treasurer:	Charlotte Sandvik
Sheriff:	Donald Rudnick
Register of Deeds:	Deanna Kensrud
Clerk of District Court:	Dorothy Howard
States Attorney:	John Goff

STATE AUDITOR
ROBERT R. PETERSON
PHONE
(701) 328-2241



LOCAL GOVERNMENT DIVISION:
MANAGER - WAYNE HOKENSON
328-9504
MANAGER - AUGIE TERNES
328-9505
FAX 328-9503

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
925 BASIN AVENUE
BISMARCK, ND 58504-6647

INDEPENDENT AUDITOR'S REPORT

County Commission
Cass County
Fargo, North Dakota

We have audited the accompanying general purpose financial statements of Cass County, as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of Cass County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Cass County, as of December 31, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 7, 1998 on our consideration of Cass County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Cass County taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Cass County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory or statistical sections of this report and, accordingly, we express no opinion on such data.

A handwritten signature in cursive script that reads "Robert R. Peterson".

Robert R. Peterson
State Auditor

May 7, 1998

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CASS COUNTY GOVERNMENT

Combined Balance Sheet -- All Fund Types, Account Groups,
and Discretely Presented Component Units
December 31, 1997

	Governmental Funds			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
<u>Assets:</u>				
Cash and Investments	\$2,063,038	\$3,295,405	\$257,002	\$1,469,262
Cash - County Offices	1,330	200		
Investments with Fiscal Agents				
Receivables:				
Taxes	119,701	142,507	11,328	
Accounts	48,850	4,312		
Special Assessments			491	
Due From Other Governments	299,947	1,759,190		43,748
Due From Other Fund	10,000		6,150	
Inventory		223,304		
Inventory of supplies, at cost	3,923			
Prepaid Expenses	3,431			
Fixed Assets				
Accumulated Depreciation				
<u>Other Debits:</u>				
Amount Available for Retirement of General Long-Term Debt				
Amount to be Provided for Retirement of General Long-Term Debt				
Amount to be Provided for Compensated Absences				
TOTAL ASSETS AND OTHER DEBITS	<u>2,550,220</u>	<u>5,424,918</u>	<u>274,971</u>	<u>1,513,010</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
<u>Liabilities:</u>				
Accounts Payable	223,385	456,468		9,461
Contract Payable				
Compensated Absences				
Deposits				
Deferred Compensation				
Deferred Revenues	1,374,500	1,496,727	143,727	
IBNR Claims				
Due to Other Funds			6,150	
Uncertified Special Assessments				
General Obligation Bonds Payable				
Special Assessment Debt with Governmental Commitment				
Total Liabilities	<u>1,597,885</u>	<u>1,953,195</u>	<u>149,877</u>	<u>9,461</u>
<u>Equity and Other Credits:</u>				
Investment in General Fixed Assets				
Retained Earnings:				
Unreserved				
Fund Balances:				
Reserved for Inventory of Supplies	3,923			
Reserved for Prepaid Expenses	3,431			
Unreserved				
Designated for Debt Service			125,092	
Undesignated	944,981	3,471,723		1,503,549
Total Equity and Other Credits	<u>952,335</u>	<u>3,471,723</u>	<u>125,092</u>	<u>1,503,549</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$2,550,220</u>	<u>5,424,918</u>	<u>\$274,971</u>	<u>\$1,513,010</u>

The accompanying notes are an integral part of the financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals		Totals	
		General Fixed Assets	General Long-Term Debt	Primary Government (Memorandum Only)	Component Units	Reporting Entity (Memorandum Only)	
\$316,198	\$19,960,540	\$	\$	\$27,361,445 \$1,530	\$6,054,856 856,679	\$33,416,301 1,530 856,679	
201,464				\$273,536 \$254,626 \$491 \$2,102,885 \$16,150 \$223,304 \$3,923 \$3,431	23,126 166,457 350,663 121,236	296,662 254,626 166,948 2,453,548 137,386 223,304 3,923 3,431	
360,008 (262,372)		16,168,591		\$16,528,599 (\$262,372)	3,115,793	19,644,392 (262,372)	
			125,092	125,092	2,868,889	2,993,981	
			2,246,931	2,246,931	5,775,841	8,022,772	
			610,246	610,246		610,246	
<u>615,298</u>	<u>19,960,540</u>	<u>16,168,591</u>	<u>2,982,269</u>	<u>49,489,817</u>	<u>19,333,540</u>	<u>68,823,357</u>	
5,403	7,755			702,472	30,745 365,830	733,217 365,830	
60,358	19,952,785		610,246	610,246		610,246	
				20,013,143		20,013,143	
				3,014,954	222,705	3,237,659	
66,884				66,884		66,884	
10,000				16,150	121,236	137,386	
			237,023	237,023		237,023	
			1,470,000	1,470,000		1,470,000	
			665,000	665,000	8,594,600	9,259,600	
<u>142,645</u>	<u>19,960,540</u>		<u>2,982,269</u>	<u>26,795,872</u>	<u>9,335,116</u>	<u>36,130,988</u>	
		16,168,591		16,168,591	3,115,793	19,284,384	
472,653				472,653		472,653	
				3,923		3,923	
				3,431		3,431	
				125,092	2,868,889	2,993,981	
				5,920,253	4,013,742	9,933,995	
<u>472,653</u>		<u>16,168,591</u>		<u>22,693,943</u>	<u>9,998,424</u>	<u>32,692,367</u>	
<u>\$615,298</u>	<u>\$19,960,540</u>	<u>\$16,168,591</u>	<u>\$2,982,269</u>	<u>\$49,489,817</u>	<u>\$19,333,540</u>	<u>\$68,823,357</u>	

CASS COUNTY GOVERNMENT

Combined Statement of Revenues, Expenditures and Changes in Fund Balances --
All Governmental Fund Types and Discretely Presented Component Units
For the Fiscal Year Ended December 31, 1997

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
<u>Revenues:</u>				
Taxes	\$5,163,294	\$5,900,589	\$583,026	\$
Licenses, Permits and Fees	20,853			
Intergovernmental Revenues	2,122,950	13,324,131	\$34,421	328,252
Charges for Services	1,397,608	86,343		
Miscellaneous Revenues	408,971	382,838	\$18,425	93,926
Total Revenues	9,113,676	19,693,901	635,872	422,178
<u>Expenditures:</u>				
Current:				
General Government	2,766,554	77,437		
Public Safety	6,324,337	15,017		
Highways and Streets		9,743,459		
Relief and Charities		6,355,987		
Culture and Recreation		299,284		
Conservation & Econ. Development	871,102	2,521,967		
Capital Outlay				310,764
Debt Service:				
Principal Retirement			480,000	
Interest			98,352	
Fiscal Charges			2,654	
Discount on Bond Sale				5,490
Total Expenditures	9,961,993	19,013,151	581,006	316,254
Excess of Revenues Over (Under) Expenditures	(848,317)	680,750	54,866	105,924
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	120,000			
Operating Transfers Out		(120,000)		
Sale of Property	17,747	46,117		
Proceeds of General Obligation Bonds				305,000
Total Other Financing Sources (Uses)	137,747	(73,883)		305,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(710,570)	606,867	54,866	410,924
Fund Balance - January 1	1,662,904	2,864,856	185,634	1,098,133
Prior Period Adjustment				
Adjusted Balance - January 1	1,662,904	2,864,856	185,634	1,098,133
Residual Equity Transfers	1		(115,408)	(5,509)
Fund Balance - December 31	\$952,335	\$3,471,723	\$125,092	\$1,503,548

The accompanying notes are an integral part of the financial statements.

Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
\$11,646,909	\$2,876,325	\$14,523,234
20,853		20,853
15,809,754	826,978	16,636,732
1,483,951	17,880	1,501,831
904,160	606,861	1,511,021
<u>29,865,627</u>	<u>4,328,044</u>	<u>34,193,671</u>
2,843,991		2,843,991
6,339,354		6,339,354
9,743,459		9,743,459
6,355,987		6,355,987
299,284		299,284
3,393,069	2,038,346	5,431,415
310,764	415,796	726,560
480,000	7,078,155	7,558,155
98,352	633,885	732,237
2,654		2,654
5,490		5,490
<u>29,872,404</u>	<u>10,166,182</u>	<u>40,038,586</u>
<u>(6,777)</u>	<u>(5,838,138)</u>	<u>(5,844,915)</u>
120,000	553,428	673,428
(120,000)	(553,428)	(673,428)
63,864	8,452	72,316
<u>305,000</u>	<u>1,017,640</u>	<u>1,322,640</u>
<u>368,864</u>	<u>1,026,092</u>	<u>1,394,956</u>
<u>362,087</u>	<u>(4,812,046)</u>	<u>(4,449,959)</u>
5,811,527	11,827,627	17,639,154
	(132,953)	(132,953)
<u>5,811,527</u>	<u>11,694,674</u>	<u>17,506,201</u>
<u>(120,916)</u>		<u>(120,916)</u>
<u>\$6,052,698</u>	<u>\$6,882,628</u>	<u>\$12,935,326</u>

CASS COUNTY GOVERNMENT

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General, Special Revenue, and Debt Service Funds
For the Fiscal Year Ended December 31, 1997

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Taxes	\$5,147,143	\$5,163,294	\$16,151	\$5,853,634	\$5,900,589	\$46,955
Licenses, Permits and Fees	9,500	20,853	11,353			
Intergovernmental Revenues	2,398,590	2,122,950	(275,640)	10,898,222	11,360,516	462,294
Charges for Services	1,368,810	1,397,608	28,798	68,300	86,343	18,043
Miscellaneous Revenues	273,191	408,971	135,780	356,250	382,838	26,588
Total Revenues	9,197,234	9,113,676	(83,558)	17,176,406	17,730,286	553,880
Expenditures:						
Current:						
General Government	2,868,679	2,766,554	102,125	129,783	77,437	52,346
Public Safety	6,420,948	6,324,337	96,611	15,000	15,017	(17)
Highways and Streets				9,889,627	9,743,459	146,168
Relief and Charities				6,861,847	6,355,987	505,860
Culture and Recreation				299,000	299,284	(284)
Conservation & Econ. Development	882,683	871,102	11,581	632,850	632,850	
Debt Service:						
Principal, Int. and Fiscal Charges						
Total Expenditures	10,172,310	9,961,993	210,317	17,828,107	17,124,034	704,073
Revenues Over (Under) Expenditures	(975,076)	(848,317)	126,759	(651,701)	606,252	1,257,953
Other Financing Sources (Uses):						
Operating Transfers In	120,000	120,000				
Sale of Property	50,000	17,747	(32,253)	28,500	46,117	17,617
Operating Transfers Out				(120,000)	(120,000)	
Total Other Financing Sources (Uses)	170,000	137,747	(32,253)	(91,500)	(73,883)	17,617
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(805,076)	(710,570)	94,506	(743,201)	532,369	1,275,570
Fund Balance - January 1	1,662,904	1,662,904		2,864,857	2,864,857	
Residual Equity Transfers		1	1			
Fund Balance - December 31	\$657,828	\$952,335	\$94,507	\$2,121,656	\$3,397,226	\$1,275,570

See Note 14 - Reconciliation of Budget to Actual

The accompanying notes are an integral part of the financial statements.

Debt Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$566,314	\$583,026	\$16,712
30,835	34,421	3,586
14,000	18,425	4,425
611,149	635,872	24,723
583,856	581,006	2,850
583,856	581,006	2,850
27,293	54,866	27,573
27,293	54,866	27,573
185,634	185,634	
	(115,408)	(115,408)
\$212,927	\$125,092	(\$87,835)

CASS COUNTY GOVERNMENT
 Combined Statement of Revenues, Expenses and
 Changes in Retained Earnings
 All Proprietary Fund Types
 For the Year Ended December 31, 1997

	Internal Service
<u>Operating Revenues:</u>	
Premiums	\$716,611
Charges for Services	110,592
Miscellaneous	201,464
Total Operating Revenues	1,028,667
<u>Operating Expenses:</u>	
Premiums	56,308
Dues	30
Education Seminars	1,680
Telephone Service	60,387
Maintenance Agreements	21,310
Equipment Repair	4,341
Uncapitalized Equipment	14,446
Wellness Health Fair	1,261
Administrative Fees	71,119
Collision Repair/Replacement	5,939
Benefit Payments	811,199
IBNR Claims	66,884
Depreciation Expense	24,782
Total Operating Expenses	1,139,686
Operating Income	(111,019)
<u>Nonoperating Revenues (Expenses):</u>	
Interest Income	26,247
Gain (Loss) on disposal of Fixed Assets	(605)
Total Nonoperating Revenues (Expenses)	25,642
Net Income	(85,377)
Retained Earnings - January 1	558,032
Residual Equity Transfers: Transfers Out	
Retained Earnings - December 31	\$472,655

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 For the Year Ended December 31, 1997

	Internal Service
<u>Cash Flows from Operating Activities:</u>	
Operating Income	(\$111,019)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	24,782
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(199,802)
Decrease in Accounts Payable	(4,874)
Increase in Due to Other Funds	10,000
Increase in Premium Deposit Funds	1,331
Decrease in IBNR Claims	(84,541)
	(364,123)
<u>Cash flows from noncapital financing activities:</u>	
Operating transfers-out to other funds	0
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition of Fixed Assets	(35,749)
Proceeds on Sale of Fixed Assets	10,405
Net Cash Used in Capital and Related Financing Activities	(25,344)
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	26,247
Net Cash Provided by Investing Activities	26,247
Net Increase in Cash and Cash Equivalents	(363,220)
Cash and Cash Equivalents at January 1	679,411
Cash and Cash Equivalents at December 31	\$316,191

The accompanying notes are an integral part of the financial statements.

CASS COUNTY GOVERNMENT

Combining Balance Sheet-Component Units
December 31, 1997

	Southeast Cass WRD	North Cass WRD	Maple River WRD	Rush River WRD
<u>ASSETS AND OTHER DEBITS</u>				
<u>Assets:</u>				
Cash and Investments	\$4,565,483	\$643,514	\$561,591	\$46,444
Investments with Fiscal Agents	856,679			
<u>Receivables:</u>				
Due from Special Revenue Fund	65,000			56,236
Taxes	10,083	8,212	2,415	2,416
Intergovernmental Receivable	171,123	107,749		71,791
Special Assessments	156,071		10,386	
Fixed Assets	2,859,295			
<u>Other Debits:</u>				
Amount Available for Retirement of General Long-Term Debt	2,831,068		37,821	
Amount to be Provided for Retirement of General Long-Term Debt	5,706,262		69,579	
TOTAL ASSETS AND OTHER DEBITS	<u><u>17,221,064</u></u>	<u><u>759,475</u></u>	<u><u>681,792</u></u>	<u><u>176,887</u></u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>				
<u>Liabilities:</u>				
Accounts Payable	7,361			21,702
Benefits Payable	1,510			172
Due to General Fund	65,000			56,236
Contract Payable	365,830			
Deferred Revenues	166,154	8,212	12,802	2,416
Bonds and Warrants Payable	8,487,200		107,400	
Total Liabilities	<u><u>9,093,055</u></u>	<u><u>8,212</u></u>	<u><u>120,202</u></u>	<u><u>80,526</u></u>
<u>Equity and Other Credits:</u>				
Investment in General Fixed Assets	2,859,295			
<u>Fund Balances:</u>				
<u>Unreserved</u>				
Designated for Debt Service	2,831,068		37,821	
Undesignated	2,437,646	751,263	523,770	96,360
Total Equity and Other Credits	<u><u>8,128,009</u></u>	<u><u>751,263</u></u>	<u><u>561,591</u></u>	<u><u>96,360</u></u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u><u>\$17,221,064</u></u>	<u><u>\$759,475</u></u>	<u><u>\$681,793</u></u>	<u><u>\$176,886</u></u>

The accompanying notes are an integral part of the financial statements.

Weed Control	Vector Control	Totals
\$135,966	\$101,858	\$6,054,856 856,679
		121,236 23,126 350,663 166,457
137,204	119,294	3,115,793
		2,868,889
		5,775,841
<u>273,170</u>	<u>221,152</u>	<u>19,333,540</u>
		29,063 1,682 121,236 365,830
12,014	21,107	222,705
<u>12,014</u>	<u>21,107</u>	<u>8,594,600</u>
		9,335,116
137,204	119,294	3,115,793
		2,868,889
123,952	80,751	4,013,742
<u>261,156</u>	<u>200,045</u>	<u>9,998,424</u>
<u>\$273,170</u>	<u>\$221,152</u>	<u>\$19,333,540</u>

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances-Component Units
For the Year Ended December 31, 1997

	Southeast Cass WRD	North Cass WRD	Maple River WRD	Rush River WRD
<u>Revenues:</u>				
Taxes	\$2,211,487	\$137,966	\$234,435	\$69,462
Intergovernmental Revenues	526,293	150,840	60,886	73,654
Charges for Services				
Miscellaneous Revenues	478,262	38,473	61,358	8,274
Total Revenues	<u>3,216,042</u>	<u>327,279</u>	<u>356,679</u>	<u>151,390</u>
<u>Expenditures:</u>				
Current:				
Conservation & Econ. Development	1,255,257	249,379	197,669	145,031
Capital Outlay	367,594			
Debt Service:				
Principal Retirement	7,049,655		28,500	
Interest and Fiscal Charges	625,940		7,945	
Total Expenditures	<u>9,298,446</u>	<u>249,379</u>	<u>234,114</u>	<u>145,031</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,082,404)</u>	<u>77,900</u>	<u>122,565</u>	<u>6,359</u>
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	484,028	16,000	39,600	13,800
Sale of Property				
Proceeds From Bonds	1,017,640			
Operating Transfers Out	(484,028)	(16,000)	(39,600)	(13,800)
Total Other Financing Sources (Uses)	<u>1,017,640</u>			
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(5,064,764)</u>	<u>77,900</u>	<u>122,565</u>	<u>6,359</u>
Fund Balance - January 1	10,363,497	708,398	471,844	125,080
Prior Period Adjustment	(30,020)	(35,036)	(32,818)	(35,079)
Adjusted Balance - January 1	<u>10,333,477</u>	<u>673,362</u>	<u>439,026</u>	<u>90,001</u>
Fund Balance - December 31	<u>\$5,268,713</u>	<u>\$751,262</u>	<u>\$561,591</u>	<u>\$96,360</u>

The accompanying notes are an integral part of the financial statements.

Weed Control	Vector Control	Totals
\$120,115	\$102,860	\$2,876,325
7,729	7,576	826,978
	17,880	17,880
11,092	9,402	606,861
<u>138,936</u>	<u>137,718</u>	<u>4,328,044</u>
67,816	123,194	2,038,346
32,575	15,627	415,796
		7,078,155
		633,885
<u>100,391</u>	<u>138,821</u>	<u>10,166,182</u>
38,545	(1,103)	(5,838,138)
		553,428
7,852	600	8,452
		1,017,640
		(553,428)
<u>7,852</u>	<u>600</u>	<u>1,026,092</u>
46,397	(503)	(4,812,046)
77,555	81,253	11,827,627
		(132,953)
<u>77,555</u>	<u>81,253</u>	<u>11,694,674</u>
<u>\$123,952</u>	<u>\$80,750</u>	<u>\$6,882,628</u>

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1997

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cass County operates under a Home Rule Charter passed by the voters in 1994. The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP), as applicable to governments. 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. The Financial Reporting Entity

For financial reporting purposes, Cass County has included all funds and account groups, and has considered all potential component units for which Cass County is financially accountable, and other organizations for which the nature and significance of their relationship with Cass County are such that exclusion would cause the Cass County's financial statements to be misleading or incomplete. The Government Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of Cass County 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 Cass County.

Based on these criteria, Cass County has included six discretely presented component units within Cass County's reporting entity.

B. Individual Component Unit Disclosures

Discretely Presented Component Units. The component units columns in the combined financial statements include the financial data of the county's other component units. They are reported in a separate column to emphasize that they are legally separate from the county. The governing bodies of all of these component units are appointed by the county board.

The component units consist of the four Water Resource Districts which are Southeast Cass, North Cass, Maple River, and Rush River, Cass County Vector Control District and the Cass County Noxious Weed District.

The Water Resource Districts have jurisdiction over the management of the water resources within their respective boundaries. The County's governing body has the authority to modify or approve the budgets of these units. Complete financial statements of the individual Water Resource Districts can be obtained at Water Resource Districts, P.O. Box 5012, West Fargo, North Dakota 58078-5012.

Cass County Vector Control District and Cass County Noxious Weed District are both governed by a three-member board appointed by the county board. The district's primary responsibilities are to provide vector and weed control on public land. Management responsibilities for both districts are provided by the Cass County Engineer, a county

department head and the districts are located at the Cass County Highway Department. Complete financial statements of the Cass County Noxious Weed District and Cass County Vector Control District can be obtained at Cass County Auditor's Office, Box 2806, Fargo, ND 58108.

C. Joint Ventures

Under authorization of state statutes, the Cass County Water Resource Districts have joined the water resource districts of Richland County, Grand Forks County, Pembina County, Traill County, Steele County, Walsh County, Nelson County, Ransom County, and Sargent County to establish and operate a joint exercise of powers agreement for water management within the Red River Valley. Known as the Red River Valley Joint Water Resource Board, the agreement was established for mutual advantage of the governments. One member of the board of directors for the joint venture is appointed by each government. The operating and capital expenses are funded by contributions from each government. Each government's share of assets, liabilities, and fund equity cannot be determined due to lack of provision being made for this in the joint venture agreement and the fact that each government's contribution each year depends on where the Red River Joint Water Resource Board projects are being undertaken.

The following is summary financial information on the joint venture as of and for the year ended December 31, 1996, which is the most current audited information available:

<u>Red River Joint Water Resource Board</u>	
Total Assets	\$4,358,947
Total Liabilities	<u>408,996</u>
Total Equity	<u>3,949,951</u>
Revenues	619,983
Expenditures	<u>211,193</u>
Net Increase in Fund Balance	<u>\$ 408,790</u>

Complete financial statements can be obtained at Red River Joint Water Resource Board, Box 10, Hillsboro, North Dakota, 58045.

D. Fund Accounting

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following fund types and account groups are used by the government:

GOVERNMENTAL FUNDS

General Fund - The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

PROPRIETARY FUNDS

Internal Service Funds - Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Agency Funds - Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

General Fixed Asset Account Group - The General Fixed Asset Account Group is used to account for property and equipment of governmental funds.

General Long-Term Obligations Account Group - The General Long-Term Obligations Account Group is used to account for the unmatured principal of general obligation and special assessment bonds and other long-term liabilities of governmental funds.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund are determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property tax as available when they are collected. Property taxes collected within 60 days after year end are not material. A 60 day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, special assessments, intergovernmental revenue, licenses, interest revenue, and charges for services. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The County applies all GASB (Governmental Accounting Standards Board) pronouncements as well as the FASB (Financial Accounting Standards Board) pronouncements issued before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurring of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The food stamps distributed by Social Services are not included in the County's financial statements, as this is assistance to individuals. However, the Schedule of Federal Financial Assistance does include food stamps, as required by federal regulations.

F. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the

general, special revenue and debt service funds. All annual appropriations lapse at year end.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting--under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is not utilized in the governmental funds.

G. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits, money market accounts and highly liquid investments with an original maturity of three months or less. Deposits must be deposited either with the Bank of North Dakota or in other financial institutions situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or secured with pledges of securities equal to 110% of the uninsured balance.

State statutes authorize the County to invest in:

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

Investments are stated at cost.

H. Cash - County Offices

These amounts represent currency on hand in the county offices for exchange purposes.

I. Receivables

Receivables in the County's governmental funds consist primarily of tax and special assessment revenues. Receivables in all other funds include amounts due for services to individuals performed by the County and not received by December 31, 1997.

J. Due from Other Governments

Due from other governments consist primarily of receivables due from state government for revenue sharing and reimbursements from various state departments, and from the federal and other local governments for grants and prisoner board fees.

K. Inventories

Inventories are valued at cost, which approximates market, using the

first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 1997, are recorded as prepaid items.

M. Fixed Assets

Fixed assets are valued at historical cost. Assets acquired from gifts or contributions are recorded at fair market value on the date of donation.

Equipment with a cost of \$500 or more is capitalized and reported in the accompanying general purpose financial statements. Fixed asset costs include the purchase price or construction cost, plus those costs necessary to place the asset in its intended location and condition for use. Interest incurred during construction is capitalized on general fixed assets. Normal maintenance and repairs are not capitalized. Major improvements that add to the value of the assets or materially extend the useful lives of the assets are capitalized.

Expenditures for infrastructure (roads, bridges, etc.) are not capitalized in the financial statements.

Acquisitions of fixed assets are recorded as expenditures in the governmental fund types at the time of purchase. The related assets are reported in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets.

Fixed assets used in the proprietary fund type are accounted for in the fund in which they are utilized. Depreciation of all exhaustible fixed assets used by the internal service funds are charged as an operating expense, and accumulated depreciation is reported on the balance sheet. Assets depreciated are telephone equipment in the Telephone Trust and automobiles in the Motor Pool Trust. In the Telephone Trust, depreciation has been provided using the straight-line method over a seven-year useful life. In the Motor Pool Trust, depreciation is provided using the straight line method over a five-year useful life.

Assets leased under capital leases are included in the General Fixed Assets Account Group or the appropriate proprietary fund type. The related capital lease obligations are recorded in the General Long-Term Obligations Account Group. No assets are currently being acquired through capital lease arrangements.

N. Accounts Payable

Accounts payable are liability accounts reflecting amounts on open accounts owing to private persons or organizations for goods and services received prior to December 31, 1997.

O. Compensated Absences

Vested or accumulated vacation leave for governmental funds that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. The cost of such benefits is recognized when payments are made to employees, therefore, no expenditure is reported for these amounts.

The balance included in the general long-term debt account group are the total unpaid vacation and the related social security and Medicare taxes. No liability is recorded for accumulated sick leave as this is a non-vesting benefit in accordance with GASB Statement 16, Accounting for Compensated Absences.

P. Deferred Revenues

Deferred revenues arise when resources are received by the County before it has a legal claim to them, as when property tax monies are received before they are due. In subsequent periods, when the County has a legal claim to the resources, the deferred revenue is recognized as revenue.

Q. IBNR Claims - Self Insurance

The IBNR (Incurred But Not Reported) claims are an estimate of the health insurance claims, for which the County is liable, incurred prior to December 31, but not processed and paid until the following year.

The County is self-insured for a comprehensive group health insurance plan. The County records estimated liabilities for such claims filed or estimated to be filed for incidents which have occurred in the related Internal Service Fund. Premiums are collected from county departments and employees, and claims are paid in the related Internal Service Fund.

Reconciliation of Claims Liability:

Employee Health

	<u>1997</u>	<u>1996</u>
Balance January 1	\$ 151,425	\$ 51,370
Incurred Claims Including IBNR's and Changes in Estimates	726,658	690,358
Less Claims Payments	<u>811,199</u>	<u>590,303</u>
Balance December 31	\$ <u>66,884</u>	\$ <u>151,425</u>

R. Long-Term Obligations

All long-term debt financed from a governmental fund is reported in the general long-term debt account group. The debt is recognized as a liability of the governmental fund when due. There are no long-term obligations financed from proprietary funds.

S. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditures or legal segregation for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

T. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period.

U. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed.

All other transactions, except reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Operating transfers in 1997 included the following:

	<u>In</u>	<u>Out</u>
General Fund	\$120,000	
County Road and Bridge		\$120,000

Residual equity transfers in 1997 included the following:

	<u>In</u>	<u>Out</u>
Borderud's-Debt Service Fund	\$ 5,509	
Borderud's-Capital Project Fund		\$ 5,509
Riverdale Subdivision-Debt Service		31,627
Stanley Township- Agency Fund	31,627	
Chrisan Subdivision-Debt Service		87,291
Stanley Township- Agency Fund	87,291	

The transfers from Riverdale Subdivision and Chrisan Subdivision were from the debt service funds to Stanley Township, an agency fund. These funds are residual monies and in accordance with the bond agreement, are to be disbursed to the township.

V. Memorandum Only - Total Columns

Total columns in the general purpose financial statements are captioned "memorandum only" to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: LEGAL COMPLIANCE - BUDGETS

County government in North Dakota is governed by Chapter 11-23 of the North Dakota Century Code. The Century Code chapter and the Home Rule Charter passed by the county voters in 1994 are the basis for the legal level of budgetary control in Cass County.

Each department completes its budget and delivers it to the county auditor, to be filed with the board of county commissioners. The county auditor prepares a preliminary county budget for the general, special revenue, and debt service funds on the modified accrual basis of accounting. The preliminary budget includes proposed expenditures and the means of financing them. The board of county commissioners holds a public hearing where any taxpayer may testify in favor of or against any proposed expenditures or tax levies. The board of county commissioners may not approve the budget until after the public budget hearing, but must adopt the final budget on or before October 1.

For the year ending December 31, 1997, the County complied with the applicable budget laws except as noted below:

<u>Fund Types</u>	<u>Number of Funds Unbudgeted</u>	<u>Unappropriated Expenditures</u>
Special Revenue	1	\$ 1,889,117

(See Note 14 for further explanation)

The legal level of budgetary control is at the fund level, no expenditure or commitment of funds may exceed the appropriation for the fund as a whole. In addition, the policy of Cass County is to control budgets at the departmental level. Formal budgetary integration is employed as management control during the year for the General, Special Revenue and Debt Service Funds at this level. Management may approve transfers of appropriations within departments without formal approval by the board of county commissioners. Any appropriation transfer between departments or any supplemental appropriation must be approved by the board of county commissioners. Supplemental appropriations must be approved by the board of county commissioners at the fund level and may only be done within additional revenues or reserves that were not anticipated at time of original adoption of the annual budget and appropriation. During the year, several supplementary appropriations were necessary. At year-end, the balance of each appropriation becomes a part of the unappropriated fund balance.

During 1997, actual intergovernmental revenues in the general fund differed from the budgeted revenues by \$ 275,640. This unfavorable variance was a result of a change in state funding of the Child Support Enforcement Unit.

Also during 1997, four departments in the General Fund and two Special Revenue Funds had an excess of expenditures over appropriations. The funds and their respective budgets and expenditures are:

	1997 <u>Budget</u>	1997 <u>Appropriation</u>	Expenditures over <u>Appropriations</u>
General Fund:			
County Commission	\$ 458,230	\$ 490,167	\$ (31,937)
Coroner	65,000	66,812	(1,812)
Cemetery	5,331	5,615	(284)
Extension Service	266,795	266,980	(185)
Special Revenue:			
Drug Restitution	15,000	15,017	(17)
County Park	21,000	21,284	(284)

The County Commission's difference was caused by liability insurance being more than anticipated. The County Coroner, Cemetery, Extension Service and the Drug Restitution differences were caused by unanticipated expenses. The County Park difference was a result of project cost being more than estimated.

The County Commission is aware of the above and has taken steps to ensure that departments remain within their budgets.

NOTE 3: DEPOSITS AND INVESTMENTS

Deposits: At year-end, the carrying amount of the County's deposits was \$11,738,998 and the bank balance was \$13,071,543. Of the bank balance, \$11,718,457 was covered by federal depository insurance or by collateral held by the County's agent in the County's name, and \$20,541 was uninsured and uncollateralized. The uninsured and uncollateralized deposits were held by the Bank of North Dakota.

Deposits include checking accounts, short term certificates of deposit, and money market funds.

Investments: State statutes authorize the County to invest in direct obligations of the U.S. Treasury.

The County's investments are categorized as either (1) insured or registered or for which the securities are held by the County or its agent in the County's name, (2) uninsured and unregistered for which the securities are held by the counter party's trust department or agent in the County's name, or (3) uninsured and unregistered for which the securities are held by the counter party, or by its trust department or agent, but not in the County's name.

The County's investments consist of treasury notes that are category 1, and various deferred compensation plans that are not categorized.

	Category 1	Carrying Amount	Market Value
U.S. Government Securities	<u>\$15,619,701</u>	<u>\$15,619,701</u>	<u>\$15,624,081</u>

Component Units

Deposits: At December 31, 1997, the deposits of the Water Resource Districts were entirely covered by federal depository insurance or by collateral held by the district's custodial bank in the district's name. Deposits of the Cass County Noxious Weed Control and Cass County Vector

Control were pooled with the County's funds and held in the County's custodial bank in the County's name. The Weed and Vector Control deposits were covered by federal depository insurance or by collateral held by the County's agent in the County's name.

Investments: Cash with a fiscal agent of \$856,679 is the amount held by the paying agent for crossover refunding bonds and is not categorized. A mutual fund of \$1,814,514 held with First Trust of North Dakota is also not categorized.

Additional information regarding deposits and investments is included in Note 1G.

NOTE 4: TAXES AND SPECIAL ASSESSMENTS RECEIVABLE

The taxes and special assessments receivable represent the past four years of delinquent uncollected tax levies and billings. No allowance has been established for uncollectible taxes and assessments receivable.

Property that is subject to taxation is assessed on February 1 of each year to determine its 'true and full value'. Property that is under construction is assessed on the percentage of completion as of February 1. Property owners have the opportunity to appeal their assessment through a County Board of Equalization in June of each year.

Property tax mill levies must be approved by the County Commission on or before October 1 of each year. Levies are expressed in terms of one thousandth of a dollar or 'mills'. The property tax for each taxed property is computed by the Cass County Auditor and certified for collection to the County Treasurer by December 10. Before computing the tax, the true and full value is reduced by 50 percent to arrive at an 'assessed value'. The assessed value is further reduced to 10 percent of the assessed value for commercial and agricultural property and 9 percent for residential property. The resulting value is known as the 'taxable value' and is the value used when applying the mill levy to the property.

Property taxes attach as an enforceable lien on property on January 1. The tax levy may be paid in two installments: the first installment includes one-half of the real estate taxes and all of the special assessments; the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A five percent discount is allowed if all taxes and special assessments are paid by February 15. Penalties of 3 percent on the first installment are assessed on March 1, May 1, July 1, and October 15. Penalties of 6 percent are assessed on the second installment on October 15.

On the second Tuesday in December, taxes remaining unpaid are offered for sale to the public. The public is bidding on an investment with the maximum bid being 9 percent. The bidder offering the lowest interest rate wins the bid; taxes not sold are bid by the County Treasurer at 12 percent. The purchaser receives a tax sale certificate. Three years from the date a tax sale certificate is issued, the purchaser, private party or County, is entitled to a tax deed, unless redemption is made by the property owner. The County, upon receiving a tax deed, will set

a minimum sales price on the property and offer it for sale at a public auction.

NOTE 5: FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the year ended December 31, 1997:

	Balance Dec. 31, <u>1996</u>	Prior Period Adjustment	Balance Jan. 1, <u>1997</u>
Land	\$ 297,572	--	\$ 297,572
Buildings	11,023,454 *	(1,747,152)	9,276,302
Improvements other than buildings	663,232	--	663,232
Machinery and equip- ment	<u>6,263,252</u> *	<u>(88,628)</u>	<u>6,174,624</u>
Total general fixed assets	<u>\$18,247,510</u>	<u>\$1,835,780)</u>	<u>\$ 16,411,730</u>

	Balance Jan. 1, <u>1997</u>	Additions	Deletions	Balance Dec. 31, <u>1997</u>
Land	\$ 297,572	--	10	\$ 297,572
Buildings	9,276,302	--	350	9,275,952
Improvements other than buildings	663,232	--	--	663,232
Machinery and equip- ment	<u>6,174,624</u>	<u>939,696</u>	<u>(1,182,475)</u>	<u>5,931,845</u>
Total general fixed assets	<u>\$16,411,730</u>	<u>\$939,696</u>	<u>\$ (1,182,835)</u>	<u>\$16,168,591</u>

Prior period adjustments were made for a building addition that was capitalized in both 1994 and 1995, and for internal service assets that were reported in both the internal service fund and general fixed assets.

* December 31, 1996 balance was adjusted by \$41,854 for buildings and \$208,110 for machinery and equipment to remove the assets of the Weed Control Board and the Vector Control Board which are component units discretely presented and no longer blended with Cass County Government.

The following is a summary of proprietary fund-type fixed assets at December 31, 1997:

	Telephone <u>Trust</u>	Motor Pool <u>Operating</u>	<u>Total</u>
Machinery and equip- ment	\$ 312,334	\$ 47,674	\$ 360,008
Less Accumulated Depreciation	<u>(257,374)</u>	<u>(4,998)</u>	<u>(262,372)</u>
Net Fixed Assets	<u>\$ 54,960</u>	<u>\$ 42,676</u>	<u>\$ 97,636</u>

Component Units

During the year ended December 31, 1997, the following changes occurred in the general fixed assets account group of:

Southeast Cass Water Resource District

	Balance Jan. 1, 1997	Additions	Deletions	Balance Dec. 31, 1997
Land	\$2,206,593	\$595,300	--	\$2,801,893
Machinery and equipment	8,551	44,495	(3,881)	49,165
Furniture	8,237	--	--	8,237
Total general fixed assets	<u>\$2,223,381</u>	<u>\$639,795</u>	<u>\$ (3,881)</u>	<u>\$2,859,295</u>

Noxious Weed Control

	Balance Jan. 1, 1997	Additions	Deletions	Balance Dec. 31, 1997
Building	\$ 41,054	--	(28,077)	\$ 12,977
Machinery and equipment	97,629	27,373	(775)	124,227
Total general fixed assets	<u>\$ 138,683</u>	<u>\$27,373</u>	<u>\$ (28,852)</u>	<u>\$ 137,204</u>

Vector Control

	Balance Jan. 1, 1997	Additions	Deletions	Balance Dec. 31, 1997
Building	\$ 800	--	--	\$ 800
Machinery and equipment	110,481	17,500	(9,487)	118,494
Total general fixed assets	<u>\$ 111,281</u>	<u>\$ 17,500</u>	<u>\$ (9,487)</u>	<u>\$ 119,294</u>

NOTE 6: LONG-TERM DEBT

During the year ended December 31, 1997, the following changes occurred in liabilities reported in the general long-term debt account group.

	Balance January 1	Additions	Reductions	Balance December 31
General Oblig. Bonds	\$1,915,000	\$ 0	\$ (445,000)	\$ 1,470,000
Special Assess. Bonds	395,000	305,000	(35,000)	665,000
Special Assessments	254,214	0	(40,684)	213,530
Compensated Absences	562,973	47,273	*	610,246
Total	<u>\$3,127,187</u>	<u>\$ 352,273</u>	<u>\$ (520,684)</u>	<u>\$ 2,958,776</u>

- The addition and reduction of compensated absences could not be determined. The addition is the net amount.

Long-term debt at December 31, 1997, is comprised of the following individual issues:

General Obligation Bonds:

\$2,210,000 Limited Tax Building Fund Bonds of 1994 due in annual installments of \$390,000 to \$485,000 through 1999 with interest at 4.25% to 4.6%. \$ 950,000

\$520,000 Limited Tax Building Fund Bonds of 1995 due in 2000 with interest at 4.75%. 520,000

Total General Obligation Bonds and Warrants \$ 1,470,000

Special Assessment Bonds:

\$80,000 Refunding Improvement Bonds of 1989 for construction in the Sleepy Hollow Subdivision due in annual installments of \$5,000 to \$10,000 through 2004 with interest at 6.75% to 7.0%. 40,000

\$60,000 Refunding Improvement Bonds of 1993 for construction in the Windsor Green Subdivision due in annual installments of \$5,000 to \$10,000 through 2003 with interest at 4.25% to 5.2%. 40,000

\$95,000 Refunding Improvement Bonds of 1995 for construction in the Borderuds Subdivision due in annual installments of \$10,000 through 2010 with interest at 5.6%. 85,000

\$205,000 Refunding Improvement Bonds of 1996 for construction in the Forest River Subdivision due in annual installments of \$10,000 to \$25,000 through 2006 with interest at 5.1%. 195,000

\$305,000 Refunding Improvement Bonds of 1997 for Construction in the Round Hill Subdivision due in annual installments of \$5,000 to \$25,000 through 2012 with interest at 4.4% to 5.2%. 305,000

Total Special Assessment Bonds and Warrants \$ 665,000

Special Assessments:

Special Assessment taxes levied by the city of Fargo, ND against the County for the County's share of the benefit derived from city-funded improvements. \$ 2,100

\$418,275 Sheyenne-Maple Flood Control Project No. 1 special assessments due in annual installments of \$27,876, with interest at 7.65%. 234,923

Total Special Assessments \$ 237,023

TOTAL LONG-TERM DEBT (Excluding Compensated Absences) \$ 2,372,023

The annual requirements to amortize all debt (excluding compensated

absences) outstanding as of December 31, 1997, including interest payments of \$436,508 are as follows:

Year Ending December 31	General Obligation Bonds	Special Assessment Bonds	Special Assessments	Total
1998	\$ 522,473	74,395	41,832	638,699
1999	520,855	80,866	40,019	641,740
2000	532,350	78,333	38,205	648,888
2001		80,678	36,392	117,070
2002		82,775	34,579	117,354
2003-2015		<u>498,931</u>	<u>145,847</u>	<u>644,778</u>
Total	<u>\$1,575,678</u>	<u>\$895,977</u>	<u>\$336,874</u>	<u>\$2,808,529</u>

The County is subject to a statutory limitation by the State of North Dakota for indebtedness payable principally from property taxes. At December 31, 1997, the statutory limit for the County was \$102,834,591. The only debt the County has that is subject to this limitation is the Limited Tax Building Fund Bonds of 1994 and 1995.

The general obligation debt, net of funds available for bond retirement was \$1,355,156, leaving a debt margin of \$101,479,435. As of December 31, 1997, the County had funds of \$114,844 available for payment on the General Obligation Bonds.

General Obligation bonds are paid through the debt service fund by a mill levy sufficient to meet the current year's principal and interest payments.

Special assessment bonds are paid from the debt service funds by the annual payments made by property owners directly benefiting from each project. As of December 31, 1997, the County had funds of \$142,157 available for payment on the special assessment bonds. Special assessment bonds are further backed by the taxing power of the County. The County may levy general taxes to make up deficiencies in special assessment funds. Special assessments on property must be paid at the same time property taxes are paid.

Special assessments levied against County owned property are paid through a general tax levy. The amount to be paid each year is certified to the County and included in the General Fund budget. State statute does allow an unlimited levy for the payment of the County's share of special assessments.

Component Units

During the year ended December 31, 1997, the following changes occurred in special assessment bonds reported in the general long-term debt account groups of the Water Resource Districts.

	Balance <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31</u>
Southeast Cass	\$14,556,985	\$1,030,000	\$ (7,049,655)	\$ 8,537,330
Maple River	<u>135,000</u>	<u>0</u>	<u>(28,500)</u>	<u>107,400</u>
Total	<u>\$14,692,885</u>	<u>\$1,030,000</u>	<u>\$ (7,078,155)</u>	<u>\$ 8,644,730</u>

Long-term debt of the Water Resource Districts at December 31, 1997, is comprised of the following special assessment bonds:

Southeast Cass Water Resource District

\$38,000 Sewer District #13 warrants, due in annual installments of \$800 to \$1,300 through 2011 with interest at 5.0%.	\$ 17,200
\$3,115,000 Refunding Improvement Bonds Series B, due in annual installments of \$100,000 to \$350,000 through 2007 with interest at 3.8% to 5.1%.	3,115,000
\$1,325,000 Refunding Improvement Bonds Series A, due in annual installments of \$140,000 to \$175,000 through 2005 with interest at 3.8% to 4.9%.	1,325,000
\$1,760,000 South Side Sewer, due in an annual installment of \$980,000 in 1998 with interest at 6.7%.	980,000
\$875,000 Refunding Improvement Bonds Series B, due in annual installments of \$85,000 to \$90,000 through 2007 with interest from 4.5% to 5.0%.	875,000
\$710,000 Refund Improvement Bond Series A, due in annual installments of \$30,000 to \$140,000 through 2004 with interest at 4.25% to 4.7%.	710,000
\$250,000 Improvement Bonds, due in annual installments of \$15,000 to \$20,000 through 2006 with interest at 5.75% to 6.4%.	160,000
\$1,030,000 Improvement Bonds, due in annual installments of \$110,000 to \$115,000 through 2006 with interest at 3.9% to 4.65%.	1,030,000
\$340,000 Improvement Bonds, due in annual installments of \$20,000 to \$25,000 through 2008 with interest at 3.4% to 5.0%.	<u>275,000</u>
Total Special Assessment Bonds	<u>\$ 8,487,200</u>

Contract Payable

\$83,550 agreement with the City of West Fargo dated January 11, 1993, to pay the City for the cost of a generator. Annual principal payments of \$8,355 through August 2003 with no interest.	<u>50,130</u>
Total South East Cass WRD Long-Term Debt	<u>\$ 8,537,330</u>

Maple River Water Resource District

\$72,000 Sewer District #1 warrants, due in annual installments of \$2,400 through 2015 with interest at 8.375%.	\$ 43,200
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\$145,000 Flood Control District #2 bonds, due in annual installments of \$20,000 to \$25,000 through 1999 with interest at 4.2% to 5.0%.	45,000
\$33,000 Sewer District #89-1 bonds, due in annual installments of \$500 to \$1,100 through 2016 with interest at 5.0%.	<u>19,200</u>
Total Maple River WRD	<u>\$107,400</u>
Total Component Unit Debt	<u>\$ 8,644,730</u>

Water Resource Districts' special assessment bond debt service requirements to maturity, including \$1,639,687 of interest, are as follows:

Year Ending December 31	Southeast Cass Bonds	Southeast Cass Contract	Maple River Bonds	Total
1998	\$ 2,102,594	\$ 8,355	\$ 34,672	\$ 2,145,621
1999	1,193,346	8,355	28,322	1,230,023
2000	1,140,854	8,355	7,566	1,156,775
2001	1,097,679	8,355	7,310	1,113,344
2002	1,058,476	8,355	7,054	1,073,885
Remaining Years	<u>3,488,609</u>	<u>8,355</u>	<u>67,806</u>	<u>3,564,770</u>
Total	<u>\$10,081,558</u>	<u>\$50,130</u>	<u>\$152,730</u>	<u>\$10,284,418</u>

The County is secondarily liable for the payment of principal and interest on water resource district bonds. These special assessment bonds are paid from the debt service funds that are funded by annual payments made by property owners directly benefiting from each project. As of December 31, 1997, the water resource districts had funds of \$2,012,210 available for payment on the special assessment bonds. The water resource district may re-assess properties in the improvement district or may use general tax levies to cover deficiencies. In the event the water resource district is not able to generate funds to meet principal and interest payments, the County is also obligated to levy general tax levies to fund the deficiencies.

The contract payable is an operating expense of a special improvement project and is paid by an annual maintenance levy on the property benefitting from the improvement.

NOTE 7: CONDUIT DEBT OBLIGATIONS

From time to time, the County has issued Industrial Revenue Bonds and Community Development Block Grants to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the county, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial

statements.

As of December 31, 1997, there were six series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$33,450,000.00.

As of December 31, 1997, there were two Community Development Block Grants outstanding with an aggregate principal amount \$ 38,854.71.

NOTE 8: PENSION PLANS

North Dakota Public Employees Retirement System

Cass County participates in the North Dakota Public Employees' Retirement system administered by the State of North Dakota. The following is a brief description of the plan.

Description of Plan:

NDPERS is a cost-sharing, multiple-employer defined benefit pension plan covering substantially all classified employees of Cass County. The plan provides retirement, disability and death benefits. If an active employee dies with less than five years of credited service, a death benefit equal to the value of the employee's accumulated contributions, plus interest, is paid to the employee's beneficiary. If the employee has earned more than five years of credited service, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the employee's accrued normal retirement benefit, or 60 monthly payments in an amount equal to the employee's accrued 100% joint and survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the employee's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible employees who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits that are equal to 25% of the final average salary with a minimum of \$100. To qualify under this section, the employee must meet the criteria established by the Retirement Board for being considered totally disabled.

Employees are entitled to unreduced monthly pension benefits equal to 1.74% of their final average salary for each year of service beginning when the sum of age and years of credited service equal or exceed 88, or at normal retirement age (65). The plan permits early retirement at ages 55-64, with five or more years of service. NDPERS issues a publicly available financial report that includes financial statements and the required supplementary information for NDPERS. That report may be obtained by writing to NDPERS; 400 E Broadway, Suite 505; P.O. Box 1214; Bismarck, ND 58502-1214.

Funding Policy:

Benefit and contribution provisions are administered in accordance with chapter 54-52 of the North Dakota Century Code. The state statute requires that 4% of the participant's salary be contributed to the plan by either the employee or the employer under a "salary reduction" agreement. Cass County has elected to implement the salary reduction agreement. Cass County is required to contribute 5.12% of each

participant's salary as the employer's share, making a total of 9.12% of each participant's salary that Cass County contributes to NDPERS. The required contributions are determined using an entry age normal actuarial funding method. The North Dakota Retirement Board was created by the State Legislature and is the governing authority of NDPERS. Cass County's required and actual contribution to NDPERS for the year ended December 31, 1997 was \$695,486.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/97	\$ 695,486	100%	-0-
12/31/96	652,896	100%	-0-
12/31/95	611,116	100%	-0-

NOTE 9: BUDGET AMENDMENTS

The County amended the budget as follows:

Fund	1997 Budget	Amendments	Amended Budget
REVENUES:			
General Fund	\$ 9,178,070	\$ 189,164	\$ 9,367,234
Road & Bridge	3,996,514	3,600,000	7,596,514
Veteran's Service	75,465	2,050	77,515
Round Hill Subdivision	0	25,000	25,000
Forest River Subdivision	0	69,665	69,665
EXPENDITURES:			
General Fund	\$ 9,960,254	\$ 212,056	\$10,172,310
Road & Bridge	4,304,627	3,600,000	7,904,627
Veteran's Service	77,733	2,050	79,783
Drug Restitution	10,000	5,000	15,000
County Park	16,000	5,000	21,000
Chrisan Subdivision	0	2,280	2,280
Forest River Subdivision	0	21,665	21,665

NOTE 10: RISK MANAGEMENT

The County 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 subdivision of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and more than 2,000 political subdivisions. The County pays an annual premium to NDIRF for its general liability, auto, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of one million dollars per occurrence.

The County also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The county pays an annual premium to the Fire and Tornado Fund to cover property damage to building and personal property. 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.

The State Bonding Fund currently provides the County with blanket fidelity bond coverage in the amount of \$1,500,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The County participates in the North Dakota Worker's Compensation Bureau.

The County has retained risk for employee health and accident up to a maximum of \$65,000 per individual and up to 120% of actuarially expected claims. The County has purchased a stop loss policy for amounts in excess of \$65,000 per employee and 120% of actuarially expected claims. The County has sufficient reserves in the self insurance fund to fund the retained risk. A liability for incurred but not reported claims is included on the balance sheet.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 11: CONTINGENT LIABILITIES

The County is a defendant in various lawsuits incident to its operations. In the opinion of County Counsel and management, such claims against the County not covered by insurance would not materially affect the financial condition of the County.

NOTE 12: DEFICIT FUND BALANCES

The County had the following deficit fund balances:

Debt Service Funds:

South Acres Subdivision	\$ (11,086)
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The bonds for this fund were paid off early, resulting in the deficit balance. No future disbursements are anticipated, which will enable the deficit to be relieved by the remaining special assessments against the benefitted property.

NOTE 14: RECONCILIATION OF BUDGET TO ACTUAL

The Economic Development Corporation and disaster assistance funds administered by the Lake Agassiz Regional Council is included on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance. These funds were not budgeted for by the county. Also these funds are not recorded on the county's general ledger. Therefore, these

fund are not included on the Budget to Actual Statement. The differences are as follows:

Special Revenue Funds:

	<u>Combined Statement</u>	<u>Adjustments</u>	<u>Budget to Actual</u>
Balance, 1-1-97	\$ 2,864,856	\$	\$ 2,864,856
Receipts	19,740,018	(1,963,614)	17,776,403
Disbursements	19,133,151	(1,889,117)	17,244,034
Balance 12-31-97	3,471,723	(74,497)	3,397,226

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
 Balance Sheet
 General Fund
 December 31, 1997

ASSETS

Cash and Investments	\$2,063,038
Cash - County Offices	1,330
Receivables:	
Taxes	119,701
Accounts	48,850
Due From Other Governments	299,947
Due From Other Funds	10,000
Inventory of supplies, at cost	3,923
Prepaid Expenses	3,431
	\$2,550,220
TOTAL ASSETS	\$2,550,220

LIABILITIES AND FUND EQUITY

<u>Liabilities:</u>	
Accounts Payable	223,385
Deferred Revenues	1,374,500
	1,597,885
Total Liabilities	1,597,885
 <u>Fund Equity:</u>	
Fund Balances:	
Reserved for Inventory of Supplies	3,923
Reserved for Prepaid Expenses	3,431
Unreserved	
Undesignated	944,981
	952,335
Total Fund Equity	952,335
TOTAL LIABILITIES AND FUND EQUITY	\$2,550,220

CASS COUNTY GOVERNMENT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Fiscal Year Ended December 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$5,147,143	\$5,163,294	\$16,151
Licenses, Permits and Fees	9,500	20,853	11,353
Intergovernmental Revenues	2,398,590	2,122,950	(275,640)
Charges for Services	1,368,810	1,397,608	28,798
Miscellaneous Revenues	273,191	408,971	135,780
Total Revenues	9,197,234	9,113,676	(83,558)
<u>Expenditures:</u>			
Current:			
General Government:			
County Commission	458,230	490,167	(31,937)
County Coordinator	836,689	801,363	35,326
Data Processing	665,999	637,697	28,302
Auditor	268,649	264,201	4,448
Treasurer	220,179	201,094	19,085
Register of Deeds	305,388	268,535	36,853
Director of Tax Equalization	88,990	83,134	5,856
County Planning	24,555	20,362	4,193
Total General Government	2,868,679	2,766,554	102,126
Public Safety:			
Clerk of District Court	859,148	838,990	20,158
County Sheriff	3,899,754	3,895,309	4,445
States Attorney	1,591,715	1,517,612	74,103
Coroner	65,000	66,812	(1,812)
Cemetery	5,331	5,615	(284)
Total Public Safety	6,420,948	6,324,337	96,611
Conservation & Econ. Development:			
County Extension Agent	266,795	266,980	(185)
Public Service Agencies	615,888	604,122	11,766
Total Conservation & Econ Dev	882,683	871,102	11,581
Total Expenditures	10,172,310	9,961,993	210,318
Revenues Over (Under) Expenditures	(975,076)	(848,317)	126,760
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	120,000	120,000	
Sale of Property	50,000	17,747	(32,253)
Operating Transfers Out			
Total Other Financing Sources (Uses)	170,000	137,747	(32,253)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(805,076)	(710,570)	94,507
Fund Balance - January 1	1,662,904	1,662,904	
Residual Equity Transfers		1	1
Fund Balance - December 31	\$857,828	\$952,335	\$94,508

CASS COUNTY GOVERNMENT

Special Revenue Funds

Human Services

This is the fund from which County Social Services operates, a department which has been designated by law to provide relief to the poor and related services to the citizens of the County. The majority of the services/programs offered by the County are done in conjunction with state and federal agencies, mainly the North Dakota Department of Human Services. Social Services provides a wide range of services including both social services and economic assistance programs. Some services are provided directly by County employees and others are provided through contracts.

County Road and Bridge

This fund provides for the normal maintenance of county roads and the operation of the road shops. Most of the revenues for this fund are derived from the Highway Tax Distribution Fund.

Special 10 Mill Road

This is a special 20-year levy of 10 Mills, approved by voters in 1984. These funds can only be used for specific road and bridge construction projects.

Veterans Service Office

This office provides services to County veterans, and coordinates activities of the state and federal agencies.

Drug Restitution

This fund is used to provide services for drug enforcement programs.

Senior Citizens

These funds provide support for senior citizen programs throughout the County, in accordance with the guidelines set by the State Department of Human Services.

Job Development

This fund is used for the activities of the Fargo-Cass County Economic Development Corporation.

911 Service

This fund is financed by a \$0.50 charge on rural phone lines. The fund is used to pay for the contracted dispatch services with the City of Fargo and for the purchase of rural street signs.

County Emergency

This is a contingency fund, to provide funds to cover unexpected events.

County Park

The funds received through this levy are for maintenance of the county park facilities at Brewer Lake, Erie, North Dakota, and for other park projects around the County.

In addition, this fund operates a loan pool, with the County matching outside funds raised, up to \$400,000.

Federal Disaster Aid

This fund was a temporary fund set up in 1997 to account for federal aid received to help repair damage caused by the Flood of 1997.

CASS COUNTY GOVERNMENT

Combining Balance Sheet -- All Special Revenue Funds
December 31, 1997

	Human Services	County Road and Bridge	Special 10 Mill Road	Veterans Service Office	Drug Restitution
<u>ASSETS</u>					
Cash and Investments	\$1,543,825	\$149,315	\$689,802	\$35,490	\$5,656
Cash - County Offices		200			
Receivables:					
Taxes	74,398	1,050	45,845	1,860	
Accounts	2,072	2,240			
Inventory		223,304			
Due From Other Governments	393,519	1,319,419			
TOTAL ASSETS	<u>2,013,814</u>	<u>1,695,528</u>	<u>735,647</u>	<u>37,350</u>	<u>5,656</u>
 <u>LIABILITIES AND FUND EQUITY</u>					
<u>Liabilities:</u>					
Accounts Payable	298,672	61,485	70,704		406
Deferred Revenues	775,805	10,264	476,618	18,228	
Total Liabilities	<u>1,074,477</u>	<u>71,750</u>	<u>547,321</u>	<u>18,228</u>	<u>406</u>
 <u>Fund Equity:</u>					
Fund Balances, Unreserved					
Undesignated	939,338	1,623,777	188,325	19,121	5,251
Total Fund Equity	<u>939,338</u>	<u>1,623,777</u>	<u>188,325</u>	<u>19,121</u>	<u>5,251</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,013,814</u>	<u>\$1,695,528</u>	<u>\$735,647</u>	<u>\$37,350</u>	<u>\$5,656</u>

Senior Citizens	Job Development	911 Service	Emergency Fund	County Park	Federal Disaster Aid	Total
\$90,545	\$207,335	\$49,794	\$466,057	\$4,141	\$53,445	\$3,295,405 200
4,596	14,269			489		142,507 4,312 223,304
					46,253	1,759,190
<u>95,141</u>	<u>221,604</u>	<u>49,794</u>	<u>466,057</u>	<u>4,630</u>	<u>99,698</u>	<u>5,424,918</u>
47,677	164,550			3,586	25,201	456,468 1,496,727
47,677	164,550			3,586	25,201	1,953,195
47,464	57,055	49,794	466,057	1,044	74,497	3,471,723
47,464	57,055	49,794	466,057	1,044	74,497	3,471,723
<u>\$95,141</u>	<u>\$221,604</u>	<u>\$49,794</u>	<u>\$466,057</u>	<u>\$4,630</u>	<u>\$99,698</u>	<u>\$5,424,918</u>

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances -- All Special Revenue Funds
For the Fiscal Year Ended December 31, 1997

	Human Services	County Road and Bridge	Special 10 Mill Road	Veterans Service Officer	Drug Restitution
<u>Revenues:</u>					
Taxes	\$3,215,949	\$38,928	\$1,860,492	\$70,825	\$
Intergovernmental Revenues	2,954,621	8,139,013	137,650	5,231	
Charges for Services	45,978	40,365			
Miscellaneous Revenues	161,153	55,015	94,581	5,597	9,243
Total Revenues	6,377,701	8,273,321	2,092,723	81,653	9,243
<u>Expenditures:</u>					
Current:					
General Government				77,437	
Public Safety					15,017
Highway and Streets		7,717,100	2,026,359		
Relief and Charities	6,355,987				
Culture and Recreation					
Conservation & Econ. Development					
Total Expenditures	6,355,987	7,717,100	2,026,359	77,437	15,017
Excess of Revenues Over (Under) Expenditures	21,714	556,221	66,364	4,216	(5,774)
<u>Other Financing Sources (Uses):</u>					
Transfers In					
Transfers Out		(120,000)			
Sale Of Property		46,117			
Total Other Financial Sources (Uses)		(73,883)			
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	21,714	482,338	66,364	4,216	(5,774)
Fund Balance - January 1	917,624	1,141,439	121,961	14,905	11,025
Fund Balance - December 31	\$939,338	\$1,623,777	\$188,325	\$19,121	\$5,251

Senior Citizens	Job Development	911 Service	Emergency Fund	County Park	Federal Disaster Aid	TOTAL
\$186,023	\$516,169	\$	\$	\$12,203	\$	\$5,900,589
85,222	38,009			771	1,963,614	13,324,131
7,484	12,760	3,476	32,534	995		86,343
278,729	566,938	3,476	32,534	13,969	1,963,614	382,838
						19,693,901
						77,437
						15,017
						9,743,459
						6,355,987
						299,284
278,000	632,850			21,284	1,889,117	2,521,967
278,000	632,850			21,284	1,889,117	19,013,151
729	(65,912)	3,476	32,534	(7,315)	74,497	680,750
						(120,000)
						46,117
						(73,883)
729	(65,912)	3,476	32,534	(7,315)	74,497	606,867
46,735	122,967	46,318	433,523	8,359		2,864,856
\$47,464	\$57,055	\$49,794	\$466,057	\$1,044	\$74,497	\$3,471,723

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Special Revenue Funds
 For the Fiscal Year Ended December 31, 1997

	Human Services			County Road and Bridge		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Taxes	\$3,133,204	\$3,215,949	\$82,745	\$38,642	\$38,928	\$286
Intergovernmental Revenues	3,241,761	2,954,621	(287,140)	7,411,372	8,139,013	727,641
Charges for Services	40,300	45,978	5,678	28,000	40,365	12,365
Miscellaneous Revenues	120,000	161,153	41,153	90,000	55,015	(34,985)
Total Revenues	6,535,265	6,377,701	(157,564)	7,568,014	8,273,321	705,307
<u>Expenditures:</u>						
Current:						
General Government:						
Public Safety:						
Highways and Streets				7,784,627	7,717,100	67,527
Relief and Charities	6,861,847	6,355,987	505,860			
Culture and Recreation						
Conservation & Econ. Development						
Total Expenditures	6,861,847	6,355,987	505,860	7,784,627	7,717,100	67,527
Revenues Over (Under) Expenditures	(326,582)	21,714	348,296	(216,613)	556,221	772,834
<u>Other Financing Sources (Uses):</u>						
Operating Transfers In						
Operating Transfers Out				(120,000)	(120,000)	
Sale Of Property				28,500	46,117	17,617
Total Other Financing Sources (Uses)				(91,500)	(73,883)	17,617
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(326,582)	21,714	348,296	(308,113)	482,338	790,451
Fund Balance - January 1	917,624	917,624		1,141,439	1,141,439	
Fund Balance - December 31	\$591,042	\$939,338	\$348,296	\$833,326	\$1,623,777	\$790,451

See Note 14 - Reconciliation of Budget to Actual

Special 10 Mill Road			Veterans Service Officer			Drug Restitution		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$1,903,337	\$1,860,492	(\$42,845)	\$68,888	\$70,825	\$1,937	\$	\$	\$
123,339	137,650	14,311	4,577	5,231	654			
100,000	94,581	(5,419)	4,050	5,597	1,547	10,000	9,243	(757)
2,126,676	2,092,722	(33,953)	77,515	81,654	4,138	10,000	9,243	(757)
			79,783	77,437	2,346			
2,105,000	2,026,359	78,641				15,000	15,017	(17)
2,105,000	2,026,359	78,641	79,783	77,437	2,346	15,000	15,017	(17)
21,676	66,363	44,688	(2,268)	4,217	6,484	(5,000)	(5,774)	(774)
21,676	66,363	44,688	(2,268)	4,217	6,484	(5,000)	(5,774)	(774)
121,961	121,961		14,905	14,905		11,025	11,025	
\$143,637	\$188,324	\$44,688	\$12,637	\$19,122	\$6,484	\$6,025	\$5,251	(\$774)

Continued

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Special Revenue Funds
 For the Fiscal Year Ended December 31, 1997

	Senior Citizens			Job Development		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Taxes	\$185,248	\$186,023	\$775	\$512,301	\$516,169	\$3,868
Intergovernmental Revenues	82,334	85,222	2,888	34,041	38,009	3,968
Charges for Services						
Miscellaneous Revenues	5,000	7,484	2,484	2,000	12,760	10,760
Total Revenues	272,582	278,729	6,147	548,342	566,937	18,596
Current:						
General Government:						
Public Safety						
Highways and Streets						
Relief and Charities						
Culture and Recreation						
	278,000	278,000				
Conservation & Econ. Development						
				632,850	632,850	
Total Expenditures	278,000	278,000		632,850	632,850	
Revenues Over (Under) Expenditures	(5,418)	729	6,147	(84,508)	(65,913)	18,596
<u>Other Financing Sources (Uses):</u>						
Operating Transfers In						
Operating Transfers Out						
Sale Of Property						
Total Other Financing Sources (Uses)						
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses						
	(5,418)	729	6,147	(84,508)	(65,913)	18,596
Fund Balance - January 1	46,735	46,735		122,967	122,967	
Fund Balance - December 31	\$41,317	\$47,464	\$6,147	\$38,459	\$57,054	\$18,596

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911 Service			Emergency Fund			County Park		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	(Unfavorable)
\$	\$	\$	\$	\$	\$	\$12,014	\$12,203	189
						798	771	(27.00)
	3,476	3,476	25,000	32,534	7,534	200	995	795
	3,476	3,476	25,000	32,534	7,534	13,012	13,968	957
			50,000		50,000			
						21,000	21,284	(284)
			50,000		50,000	21,000	21,284	(284)
	3,476	3,476	(25,000)	32,534	57,534	(7,988)	(7,316)	673
	3,476	3,476	(25,000)	32,534	57,534	(7,988)	(7,316)	673
46,318	46,318		433,523	433,523		8,359	8,359	
\$46,318	\$49,794	\$3,476	\$408,523	\$466,057	\$57,534	\$371	\$1,043	673

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Special Revenue Funds
 For the Fiscal Year Ended December 31, 1997

	<u>Total Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$5,853,634	\$5,900,589	\$46,955
Intergovernmental Revenues	10,898,222	11,360,516	462,294
Charges for Services	68,300	86,343	18,043
Miscellaneous Revenues	<u>356,250</u>	<u>382,838</u>	<u>26,588</u>
Total Revenues	<u>17,176,406</u>	<u>17,730,285</u>	<u>553,879</u>
<u>Current:</u>			
General Government:	129,783	77,437	52,346
Public Safety	15,000	15,017	(17)
Highways and Streets	9,889,627	9,743,459	146,168
Relief and Charities	6,861,847	6,355,987	505,860
Culture and Recreation	299,000	299,284	(284)
Conservation & Econ. Development	<u>632,850</u>	<u>632,850</u>	
Total Expenditures	<u>17,828,107</u>	<u>17,124,034</u>	<u>704,073</u>
Revenues Over (Under) Expenditures	<u>(651,701)</u>	<u>606,251</u>	<u>1,257,952</u>
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In			
Operating Transfers Out	(120,000)	(120,000)	
Sale Of Property	<u>28,500</u>	<u>46,117</u>	<u>17,617</u>
Total Other Financing Sources (Uses)	<u>(91,500)</u>	<u>(73,883)</u>	<u>17,617</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(743,201)</u>	<u>532,368</u>	<u>1,275,569</u>
Fund Balance - January 1	<u>2,864,857</u>	<u>2,864,857</u>	
Fund Balance - December 31	<u>\$2,121,656</u>	<u>\$3,397,225</u>	<u>\$1,275,569</u>

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**CASS COUNTY GOVERNMENT
Debt Service Funds**

Cass County Loan

This fund is used to accumulate resources for the payment of principal and interest on the general obligation bonds issued by the County related to the jail remodeling project. Revenues are received primarily through ad valorem taxes on property.

**Borderuds Subdivision
Windsor Green Subdivision
Sleepy Hollow Subdivision
South Acres Subdivision
Forest River Subdivision
Round Hill Subdivision**

These funds are used to accumulate resources for the payment of principal and interest on the special assessment bonds related to improvements within the specific subdivision. Revenues are received primarily from special assessments on property within the district. The County issues bonds for special assessments if the subdivision is not within city limits.

CASS COUNTY GOVERNMENT

Combining Balance Sheet -- All Debt Service Funds
December 31, 1997

	Cass County Loan	Borderud's Subdivision	Windsor Green Subdivision	Sleepy Hollow Subdivision
<u>ASSETS</u>				
Cash and Investments	\$114,844	\$36,820	\$7,659	\$30,039
Receivables:				
Taxes	11,328			
Special Assessments				
Due From Other Fund				6,150
Total Assets	<u>126,172</u>	<u>36,820</u>	<u>7,659</u>	<u>36,189</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>Liabilities:</u>				
Deferred Revenues Due to Other Fund	123,327	1,910	1,962	1,968
Total Liabilities	<u>123,327</u>	<u>1,910</u>	<u>1,962</u>	<u>1,968</u>
<u>Fund Equity:</u>				
Fund Balances, Unreserved Designated for Debt Service	2,845	34,910	5,696	34,221
Total Fund Equity	<u>2,845</u>	<u>34,910</u>	<u>5,696</u>	<u>34,221</u>
Total Liabilities and Fund Equity	<u>\$126,172</u>	<u>\$36,820</u>	<u>\$7,659</u>	<u>\$36,189</u>

South Acres Subdivision	Forest River Subdivision	Round Hill Subdivision	Total
\$1	\$37,764	\$29,875	\$257,002
	491		11,328 491 6,150
<u>1</u>	<u>38,254</u>	<u>29,875</u>	<u>274,970</u>
4,936 6,150	9,623		143,727 6,150
<u>11,086</u>	<u>9,623</u>		<u>149,876</u>
<u>(11,086)</u>	<u>28,631</u>	<u>29,875</u>	<u>125,092</u>
<u>(11,086)</u>	<u>28,631</u>	<u>29,875</u>	<u>125,092</u>
<u>\$1</u>	<u>\$38,254</u>	<u>\$29,875</u>	<u>\$274,970</u>

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances -- All Debt Service Funds
For the Fiscal Year Ended December 31, 1997

	Cass County Loan	Borderud's Subdivision	Windsor Green Subdivision	Sleepy Hollow Subdivision
<u>Revenues:</u>				
Taxes	\$464,158	\$22,513	\$8,031	\$7,762
Intergovernmental Revenues	34,421			
Miscellaneous Revenues	4,115	1,902	502	2,621
Total Revenues	<u>502,694</u>	<u>24,415</u>	<u>8,533</u>	<u>10,383</u>
<u>Expenditures:</u>				
Debt Service:				
Principal	445,000	5,000	5,000	5,000
Interest	77,503	4,900	2,040	2,933
Fiscal Charges	364	361	455	647
Total Expenditures	<u>522,867</u>	<u>10,261</u>	<u>7,495</u>	<u>8,579</u>
Revenues Over (Under) Expenditures	<u>(20,173)</u>	<u>14,154</u>	<u>1,038</u>	<u>1,804</u>
Fund Balance - January 1	<u>23,018</u>	<u>15,247</u>	<u>4,658</u>	<u>32,417</u>
Residual Equity Transfers				
Transfer In		5,509		
Transfer Out				
Total Residual Equity Transfers		<u>5,509</u>		
Fund Balance - December 31	<u><u>\$2,845</u></u>	<u><u>\$34,910</u></u>	<u><u>\$5,696</u></u>	<u><u>\$34,221</u></u>

South Acres Subdivision	Riverdale Subdivision	Chrisan Subdivision	Forest River Subdivision	Round Hill Subdivision	Total
\$1,905		\$130	\$48,810	\$29,719	\$583,026
	2,148	6,023	958	156	34,421
					18,425
1,905	2,148	6,152	49,768	29,875	635,872
10,000			10,000		480,000
313			10,665		98,352
322			506		2,654
10,635			21,170		581,006
(8,730)	2,148	6,152	28,598	29,875	54,866
(2,356)	29,479	83,138	33		185,634
	(31,627)	(89,291)			5,509
					(120,917)
	(31,627)	(89,291)			(115,408)
(\$11,086)	(\$0)	(\$0)	\$28,631	\$29,875	\$125,092

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Debt Service Funds
 For the Fiscal Year Ended December 31, 1997

	Cass County Loan			Borderud's Subdivision		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Taxes	\$464,041	\$464,158	\$117	\$9,242	\$22,513	\$13,271
Intergovernmental Revenues	30,835	34,421	3,586			
Miscellaneous Revenues	9,500	4,115	(5,385)	2,000	1,902	(98)
Total Revenues	504,376	502,694	(1,682)	11,242	24,415	13,173
<u>Expenditures:</u>						
Debt Service:						
Principal	445,000	445,000		5,000	5,000	
Interest	77,505	77,503	3	4,900	4,900	
Fiscal Charges	1,000	364	636	1,000	361	639
Total Expenditures	523,505	522,867	639	10,900	10,261	639
Revenues Over (Under) Expenditures	(19,129)	(20,173)	(1,043)	342	14,154	13,812
Fund Balance - January 1	23,018	23,018		15,247	15,247	
Residual Equity Transfers						
Transfer In					5,509	5,509
Transfer Out						
Total Residual Equity Transfers					5,509	5,509
Fund Balance - December 31	\$3,889	\$2,845	(\$1,043)	\$15,589	\$34,910	\$19,321

Windsor Green Subdivision			Sleepy Hollow Subdivision			South Acres Subdivision		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$8,730	\$8,031	(\$699)	\$6,570	\$7,762	\$1,192	\$4,731	\$1,905	(\$2,826)
200	502	302	2,000	2,621	621	100		(100)
8,930	8,533	(397)	8,570	10,383	1,813	4,831	1,905	(2,926)
5,000	5,000		5,000	5,000		10,000	10,000	
2,040	2,040		2,933	2,933	1	313	313	1
1,000	455	546	1,000	647	354	500	322	178
8,040	7,495	546	8,933	8,579	355	10,813	10,635	179
890	1,038	149	(363)	1,804	2,168	(5,982)	(8,730)	(2,747)
4,658	4,658		32,417	32,417		(2,356)	(2,356)	
<u>\$5,548</u>	<u>\$5,696</u>	<u>\$149</u>	<u>\$32,054</u>	<u>\$34,221</u>	<u>\$2,168</u>	<u>(\$8,338)</u>	<u>(\$11,086)</u>	<u>(\$2,747)</u>

Continued

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Debt Service Funds
 For the Fiscal Year Ended December 31, 1996

	Riverdale Subdivision			Chrisan Subdivision		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Taxes	\$		\$	\$	\$130	\$130
Intergovernmental Revenues						
Miscellaneous Revenues		2,148	2,148		6,023	6,023
Total Revenues		2,148	2,148		6,152	6,153
<u>Expenditures:</u>						
Debt Service:						
Principal						
Interest						
Fiscal Charges						
Total Expenditures						
Revenues Over (Under) Expenditures		2,148	2,148		6,152	6,153
Fund Balance - January 1	29,479	29,479		83,138	83,138	
Residual Equity Transfers						
Transfer In						
Transfer Out		(31,627)	(31,627)		(89,291)	(89,291)
Total Residual Equity Transfers		(31,627)	(31,627)		(89,291)	(89,291)
Fund Balance - December 31	<u>\$29,479</u>	<u>(\$0)</u>	<u>(\$29,479)</u>	<u>\$83,138</u>	<u>(\$0)</u>	<u>(\$83,138)</u>

Continued from previous page

Forest River Subdivision			Round Hill Subdivision			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$48,000	\$48,810	\$810	\$25,000	\$29,719	\$4,719	\$566,314	\$583,026	\$16,714
	958	958	200	156	(44)	30,835	34,421	3,586
						14,000	18,425	4,425
48,000	49,768	1,768	25,200	29,875	4,675	611,149	635,872	24,725
10,000	10,000					480,000	480,000	
10,665	10,665					98,356	98,352	5
1,000	506	494				5,500	2,654	2,847
21,665	21,170	494				583,856	581,006	2,852
26,335	28,598	2,262	25,200	29,875	4,675	27,293	54,866	27,577
33	33					185,634	185,634	
							5,509	5,509
							(120,917)	(120,918)
							(115,408)	(115,409)
<u>\$26,368</u>	<u>\$28,631</u>	<u>\$2,262</u>	<u>\$25,200</u>	<u>\$29,875</u>	<u>\$4,675</u>	<u>\$212,927</u>	<u>\$125,092</u>	<u>(\$87,832)</u>

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**CASS COUNTY GOVERNMENT
Capital Projects Funds**

Windsor Green Subdivision

This fund is used to provide for the construction of street improvements in the Windsor Green Subdivision.

Forest River Subdivision

This fund is used to provide for the construction of street improvements in the Forest River Subdivision.

Future Building

The County is accumulating funds for the future construction of County buildings and major remodeling projects.

Round Hill Subdivision

This fund is used to provide for the construction of street improvements in the Round Hill Subdivision.

CASS COUNTY GOVERNMENT

Combining Balance Sheet -- All Capital Projects Funds
December 31, 1997

	Windsor Green Subdivision	Future Building	Forest River Subdivision	Round Hill Subdivision	Total
<u>ASSETS</u>					
Cash and Investments	\$1,708	\$1,367,552	\$35,534	\$64,468	\$1,469,262
Due From Other Governments		43,748			43,748
Total Assets	<u>1,708</u>	<u>1,411,300</u>	<u>35,534</u>	<u>64,468</u>	<u>1,513,010</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>Liabilities:</u>					
Accounts Payable		9,461			9,461
Total Liabilities		<u>9,461</u>			<u>9,461</u>
<u>Fund Equity:</u>					
Fund Balances, Unreserved Undesignated	1,708	1,401,839	35,534	64,468	1,503,549
Total Fund Equity	<u>1,708</u>	<u>1,401,839</u>	<u>35,534</u>	<u>64,468</u>	<u>1,503,549</u>
Total Liabilities and Fund Equity	<u>\$1,708</u>	<u>\$1,411,300</u>	<u>\$35,534</u>	<u>\$64,468</u>	<u>\$1,513,010</u>

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances -- All Capital Projects Funds
For the Fiscal Year Ended December 31, 1997

	Windsor Green Subdivision	Borderud's Subdivision	Future Building	Forest River Subdivision	Round Hill Subdivision	Total
<u>Revenues:</u>						
Intergovernmental Revenues	\$	\$	\$328,252	\$		\$328,252
Miscellaneous Revenues	528	83	85,251	5,719	2,345	93,926
Total Revenues	528	83	413,503	5,719	2,345	422,178
<u>Expenditures:</u>						
Capital Outlay						
Maintenance/Construction	3,500	7,970	9,321	49,782	199,416	269,989
Legal Fees	170				8,449	8,619
Engineering Fees					24,522	24,522
Architect Fees			1,584			1,584
Financing Fees				1,050	5,000	6,050
Debt Service						
Discount on Bond Sale					5,490	5,490
Total Expenditures	3,670	7,970	10,905	50,832	242,877	316,254
Revenues Over (Under) Expenditures	(3,142)	(7,887)	402,598	(45,113)	(240,532)	105,924
<u>Other Financing Sources (Uses):</u>						
Proceeds of General Obligation Bonds					305,000	305,000
Total Other Financing Sources					305,000	305,000
Revenues and other financing sources over (under) expenditures and other financing uses	(3,142)	(7,887)	402,598	(45,113)	64,468	410,924
Fund Balance - January 1	4,849	13,396	999,241	80,647		1,098,133
Residual Equity Transfer						
Transfers In						
Transfers Out		(5,509)				(5,509)
Total Residual Equity Transfers		(5,509)				(5,509)
Fund Balance - December 31	\$1,707	0	\$1,401,839	\$35,534	\$64,468	\$1,503,548

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT

Internal Service Funds

Health Insurance Trust

This fund accounts for a self-funded comprehensive health insurance plan for County employees, administered by an outside firm. Costs are recovered by monthly premiums charged to each department and the plan holder. The portion of the total premium paid by the plan holder for a single, single plus dependent, or family plan is 5%, 10%, or 15%, respectively.

The expenditures are the actual claims incurred, up to a certain level. Stop loss coverage is purchased to limit the County's liability on each individual and in the aggregate.

Telephone Trust

This fund provides for the operation of the County's telephone system. Monthly user fees are charged to departments, as well as related long-distance charges.

Motor Pool Operating

This fund provides for uses and repairs to County owned vehicles which are not covered by outside insurance.

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Internal Service Funds
December 31, 1997

	<u>Health Insurance Trust</u>	<u>Telephone Trust</u>	<u>Motor Pool Operating</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Investments	\$274,354	\$36,796	\$5,048	\$316,198
Accounts Receivable	201,464			201,464
Fixed Assets		312,334	47,674	360,008
Less: Accumulated Depreciation		<u>(257,374)</u>	<u>(4,998)</u>	<u>(262,372)</u>
Total Assets	<u>475,818</u>	<u>91,756</u>	<u>47,724</u>	<u>615,298</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
<u>Liabilities:</u>				
Accounts Payable	4,444		959	5,403
Deposits	60,358			60,358
IBNR Claims	66,884			66,884
Due to Other Funds			<u>10,000</u>	<u>10,000</u>
Total Liabilities	<u>131,686</u>		<u>10,959</u>	<u>142,645</u>
 <u>Fund Equity:</u>				
Contributed Capital				
Retained Earnings, Unreserved	<u>344,132</u>	<u>91,756</u>	<u>36,765</u>	<u>472,653</u>
Total Fund Equity	<u>344,132</u>	<u>91,756</u>	<u>36,765</u>	<u>472,653</u>
Total Liabilities and Fund Equity	<u>\$475,818</u>	<u>\$91,756</u>	<u>\$47,724</u>	<u>\$615,298</u>

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Internal Service Funds
For the Year Ended December 31, 1997

	Health Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Operating Revenues:</u>				
Premiums	\$716,611	\$	\$	\$716,611
Charges for Services		101,185	9,407	110,592
Miscellaneous	201,464			201,464
Total Operating Revenues	918,075	101,185	9,407	1,028,667
<u>Operating Expenses:</u>				
Premiums	56,308			56,308
Dues		30		30
Education Seminars		1,680		1,680
Telephone Service		60,387		60,387
Maintenance Agreements		21,310		21,310
Equipment Repair		4,341		4,341
Uncapitalized Equipment		14,446		14,446
Wellness/Health Fair	1,261			1,261
Administrative Fees	71,119			71,119
Maintenance and Repairs			5,939	5,939
Benefit Payments	811,199			811,199
IBNR Claims	66,884			66,884
Depreciation Expense		19,673	5,109	24,782
Total Operating Expenses	1,006,772	121,866	11,048	1,139,686
Operating Income (Loss)	(88,697)	(20,681)	(1,641)	(111,019)
<u>Nonoperating Revenues (Expenses):</u>				
Interest Income	23,451	2,198	598	26,247
Gain (Loss) on Disposal of Fixed Assets		(1,680)	1,075	(605)
Total Nonoperating Revenues (Expenses)	23,451	518	1,672	25,642
Net Income (Loss)	(65,246)	(20,163)	31	(85,377)
Retained Earnings - January 1	409,379	111,920	36,733	558,032
Retained Earnings - December 31	\$344,133	\$91,757	\$36,764	\$472,655

CASS COUNTY GOVERNMENT
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 1997

	Health Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Cash Flows from Operating Activities:</u>				
Operating Income	(\$88,697)	(\$20,681)	(\$1,641)	(\$111,019)
Adjustments to Reconcile Operating Income to Net Cash Provided (used) by Operating Activities:				
Depreciation		19,673	5,109	24,782
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(201,464)		1,662	(199,802)
Increase (Decrease) in Accounts Payable	(5,556)		682	(4,874)
Increase (Decrease) in Due to Other Funds			10,000	10,000
Increase (Decrease) in Premium Deposit Funds	1,331			1,331
Increase (Decrease) in IBNR Claims	(84,541)			(84,541)
Net Cash Provided by Operating Activities	(378,927)	(1,008)	15,812	(364,123)
<u>Cash flows from noncapital financing activities:</u>				
Operating transfers-out to other funds				
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition of Fixed Assets		(3,075)	(32,674)	(35,749)
Proceeds on Sale of Fixed Assets			10,405	10,405
Net Cash Used in Capital and Related Financing Activities		(3,075)	(22,269)	(25,344)
<u>Cash Flows from Investing Activities:</u>				
Interest on Investments	23,451	2,198	598	26,247
Net Cash Provided by Investing Activities	23,451	2,198	598	26,247
Net Increase (Decrease) in Cash and Cash Equivalents	(355,476)	(1,885)	(5,860)	(363,220)
Cash and Cash Equivalents at January 1	629,832	38,672	10,907	679,411
Cash and Cash Equivalents at December 31	\$274,356	\$36,787	\$5,047	\$316,191

CASS COUNTY GOVERNMENT

Agency Funds

County Funds

These funds provide clearing facilities for items to be apportioned to other County funds.

Tax Collection Funds

These funds are used by the County in its role as tax collector to record property tax receipts awaiting apportionment to other governmental units and recipient County funds, and their periodic distribution.

Funds of Other Governmental Units

The County Treasurer provides fiscal services for various other governmental entities. These funds represent the assets, primarily cash and investments, of these entities in the Treasurer's custody and the related liability of the County to disburse these monies on demand.

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Agency Funds
December 31, 1997

	County Funds	Tax Collection Funds	Funds of Other Governmental Units	Total
<u>ASSETS</u>				
Cash and Investments Investments with Fiscal Agents	\$337,156	\$19,040,187	\$583,197	\$19,960,540
Total Assets	<u>337,156</u>	<u>19,040,187</u>	<u>583,197</u>	<u>19,960,540</u>
 <u>LIABILITIES</u>				
Accounts Payable	7,547		208	7,755
Deposits	329,609	19,040,187	582,989	19,952,785
Total Liabilities	<u>\$337,156</u>	<u>\$19,040,187</u>	<u>\$583,197</u>	<u>\$19,960,540</u>

CASS COUNTY GOVERNMENT
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 1997

	Balance 1/1/97	Additions	Deductions	Balance 12/31/97
COUNTY FUNDS				
Assets				
Cash and Investments	\$200,566	\$1,175,270	\$1,038,680	\$337,156
Total Assets	<u>200,566</u>	<u>1,175,270</u>	<u>1,038,680</u>	<u>337,156</u>
Liabilities				
Accounts Payable	2,588	7,547	2,588	7,547
Funds Held for County Departments	197,978	1,167,723	1,036,092	329,609
Total Liabilities	<u>200,566</u>	<u>1,175,270</u>	<u>1,038,680</u>	<u>337,156</u>
TAX COLLECTION FUNDS				
Assets				
Cash and Investments	22,311,645	82,908,302	86,179,760	19,040,187
Total Assets	<u>22,311,645</u>	<u>82,908,302</u>	<u>86,179,760</u>	<u>19,040,187</u>
Liabilities				
Tax Collections Due to Other Governmental Units	22,311,645	82,908,302	86,179,760	19,040,187
Total Liabilities	<u>22,311,645</u>	<u>82,908,302</u>	<u>86,179,760</u>	<u>19,040,187</u>
FUNDS OF OTHER GOVERNMENTAL UNITS				
Assets				
Cash and Investments	687,950	1,515,027	1,619,779	583,198
Total Assets	<u>687,950</u>	<u>1,515,027</u>	<u>1,619,779</u>	<u>583,198</u>
Liabilities				
Accounts Payable		208		208
Funds Held for Other Governmental Units	687,950	1,514,819	1,619,779	582,990
Total Liabilities	<u>\$687,950</u>	<u>\$1,515,027</u>	<u>\$1,619,779</u>	<u>\$583,198</u>
TOTALS:				
Assets				
Cash and Investments	\$23,200,161	\$85,598,599	\$88,838,219	\$19,960,541
Total Assets	<u>23,200,161</u>	<u>85,598,599</u>	<u>88,838,219</u>	<u>19,960,541</u>
Liabilities				
Accounts Payable	2,588	7,755	2,588	7,755
Funds Held for Other Governmental Units	22,999,595	84,423,121	87,799,539	19,623,177
Funds Held for County Government	197,978	1,167,723	1,036,092	329,609
Total Liabilities	<u>\$23,200,161</u>	<u>\$85,598,599</u>	<u>\$88,838,219</u>	<u>\$19,960,541</u>

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CASS COUNTY GOVERNMENT
Schedule of General Fixed Assets by Source
December 31, 1997

GENERAL FIXED ASSETS

Land	\$297,562
Buildings	9,275,951
Improvements Other Than Buildings	448,588
Machinery and Equipment	<u>6,146,490</u>
Total General Fixed Assets	<u>\$16,168,591</u>

INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE

Pre-December 31, 1992	\$11,562,560
General Fund	4,063,408
Special Revenue Funds	462,791
State Grants	<u>79,832</u>
Total Investment in General Fixed Assets	<u>\$16,168,591</u>

CASS COUNTY GOVERNMENT
Schedule of General Fixed Assets
by Function and Activity
December 31, 1997

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Total
General Government					
General Administration	\$297,562	\$7,150,487	\$632,008	\$76,869	\$8,156,926
Finance				379,805	379,805
Other		4,000		250,780	254,780
Total General Government	<u>297,562</u>	<u>7,154,487</u>	<u>632,008</u>	<u>707,454</u>	<u>8,791,511</u>
Public Safety					
Justice				234,297	234,297
Law Enforcement			27,000	1,477,022	1,504,022
County Jail		1,568,011		182,054	1,750,065
Total Public Safety		<u>1,568,011</u>	<u>27,000</u>	<u>1,893,373</u>	<u>3,488,384</u>
Public Works					
Highway Department		514,985		2,672,483	3,187,468
Total Public Works		<u>514,985</u>		<u>2,672,483</u>	<u>3,187,468</u>
Conservation and Economic Development					
Extension Agent				90,076	90,076
Total Conservation & Economic Development				<u>90,076</u>	<u>90,076</u>
Human Services					
Social Services				549,718	549,718
Total Human Services				<u>549,718</u>	<u>549,718</u>
Culture and Recreation					
County Park		38,468	4,224	18,742	61,434
Total Culture and Recreation		<u>38,468</u>	<u>4,224</u>	<u>18,742</u>	<u>61,434</u>
Total General Fixed Assets	<u><u>\$297,562</u></u>	<u><u>\$9,275,951</u></u>	<u><u>\$663,232</u></u>	<u><u>\$5,931,846</u></u>	<u><u>\$16,168,591</u></u>

CASS COUNTY GOVERNMENT
Schedule of Changes in General Fixed Assets
by Function and Activity
For the Year Ended December 31, 1997

Function and Activity	Balance December 31, 1996	Prior Period Adjustments	Balance January 1, 1997	Additions	Deductions	Net Transfers	Balance December 31, 1997
General Government							
General Administration	\$9,930,751	(\$1,747,152)	\$8,183,599	\$121	\$23,759	(\$3,035)	\$8,156,926
Finance	433,562		433,562	41,559	58,320	(36,997)	379,805
Other	721,743	(88,628)	633,115	43,825	422,169	9	254,780
Total General Government	<u>11,086,056</u>	<u>(1,835,780)</u>	<u>9,250,276</u>	<u>85,505</u>	<u>504,248</u>	<u>(40,023)</u>	<u>8,791,511</u>
Public Safety							
Justice	301,692		301,692	57,741	126,321	1,185	234,297
Law Enforcement	1,242,631		1,242,630	430,237	162,006	(6,839)	1,504,022
County Jail	1,767,453		1,767,453	7,800	28,207	3,019	1,750,065
Total Public Safety	<u>3,311,776</u>		<u>3,311,775</u>	<u>495,778</u>	<u>316,534</u>	<u>(2,635)</u>	<u>3,488,384</u>
Public Works							
Highway Department	3,319,541		3,319,540	193,034	329,511	4,405	3,187,468
Total Public Works	<u>3,319,541</u>		<u>3,319,540</u>	<u>193,034</u>	<u>329,511</u>	<u>4,405</u>	<u>3,187,468</u>
Conservation and Economic Development							
Extension Agent	85,435		85,435	20,500	16,249	390	90,076
Total Conservation & Economic Development	<u>85,435</u>		<u>85,435</u>	<u>20,500</u>	<u>16,249</u>	<u>390</u>	<u>90,076</u>
Human Services							
Social Services	399,814		399,814	128,333	16,293	37,864	549,718
Total Human Services	<u>399,814</u>		<u>399,814</u>	<u>128,333</u>	<u>16,293</u>	<u>37,864</u>	<u>549,718</u>
Culture and Recreation							
County Park	44,887		44,887	16,547			61,434
Total Culture and Recreation	<u>44,887</u>		<u>44,887</u>	<u>16,547</u>			<u>61,434</u>
Total General Fixed Assets	<u>\$18,247,509</u>	<u>(\$1,835,780)</u>	<u>\$16,411,727</u>	<u>\$939,697</u>	<u>\$1,182,835</u>	<u>\$1</u>	<u>\$16,168,591</u>

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
Statistical Section Schedules
That Are Not Applicable

The following schedule is not included in the Statistical Section for the reason stated below.

Revenue Bond Coverage

This schedule relates to revenue bonds. The County has not issued revenue bonds.

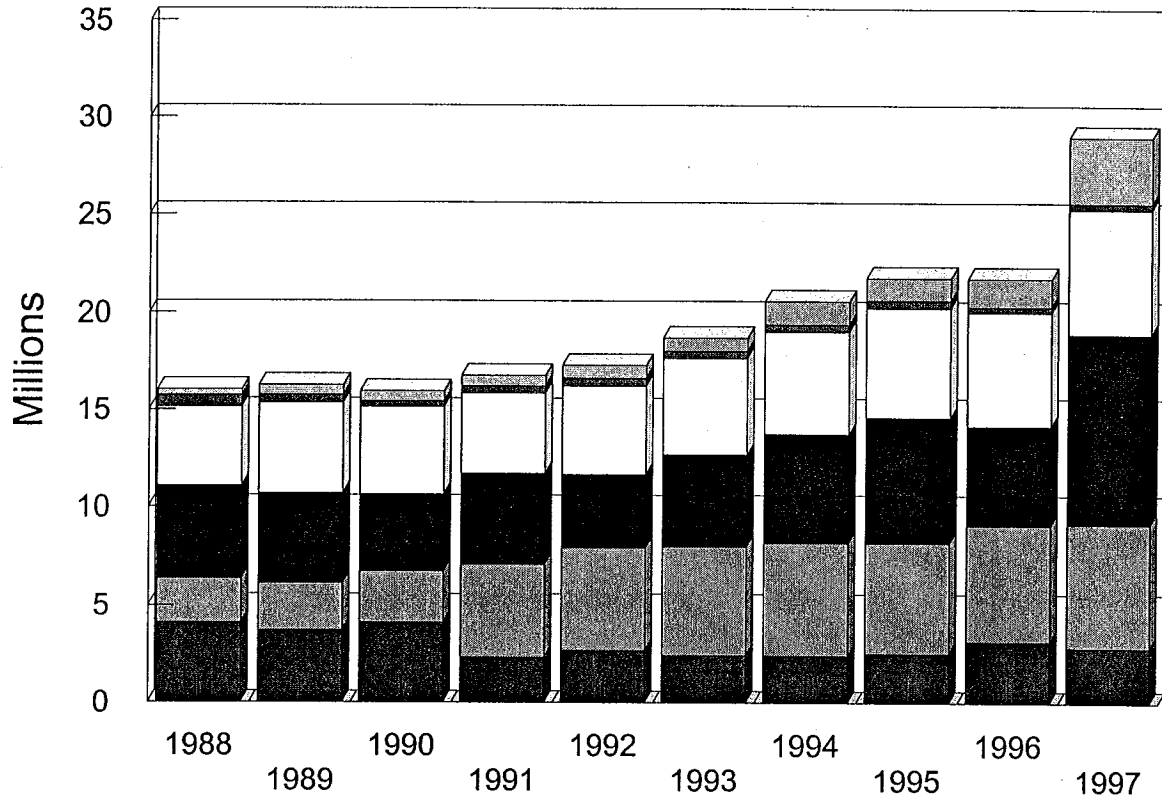
CASS COUNTY GOVERNMENT
 General Governmental Expenditures by Function
 Last Ten Fiscal Years
 (Unaudited)

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Human Services</u>	<u>Culture & Recreation</u>	<u>Conservation & Economic Development</u>	<u>Total</u>
1988	4,108,114	2,271,571	4,684,681	4,097,509	598,255	295,593	16,055,723
1989	3,707,422	2,446,436	4,520,629	4,688,955	399,096	520,284	16,282,822
1990	4,109,743	2,646,398	3,880,717	4,525,129	278,769	527,398	15,968,154
1991	2,311,701	4,801,182	4,582,674	4,178,817	358,628	536,382	16,769,384
1992	2,677,488	5,292,446	3,681,602	4,603,578	383,714	664,100	17,302,928
1993	2,425,339	5,607,261	4,644,126	5,000,191	367,640	674,331	18,718,888
1994	2,419,051	5,801,096	5,521,660	5,302,790	364,126	1,180,217	20,588,940
1995	2,527,518	5,702,165	6,390,355	5,646,151	383,873	1,124,894	21,774,956
1996	3,157,390	5,949,036	5,073,412	5,873,394	283,196	1,405,892	21,742,320
1997	2,843,991	6,339,354	9,743,459	6,355,987	299,284	3,393,069	28,975,144

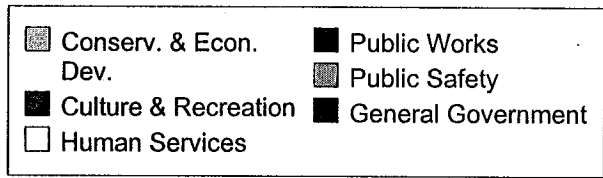
NOTE: Includes General Fund and all Special Revenue Funds.

CASS COUNTY GOVERNMENT

General Governmental Expenditures by Function



Last Ten Years



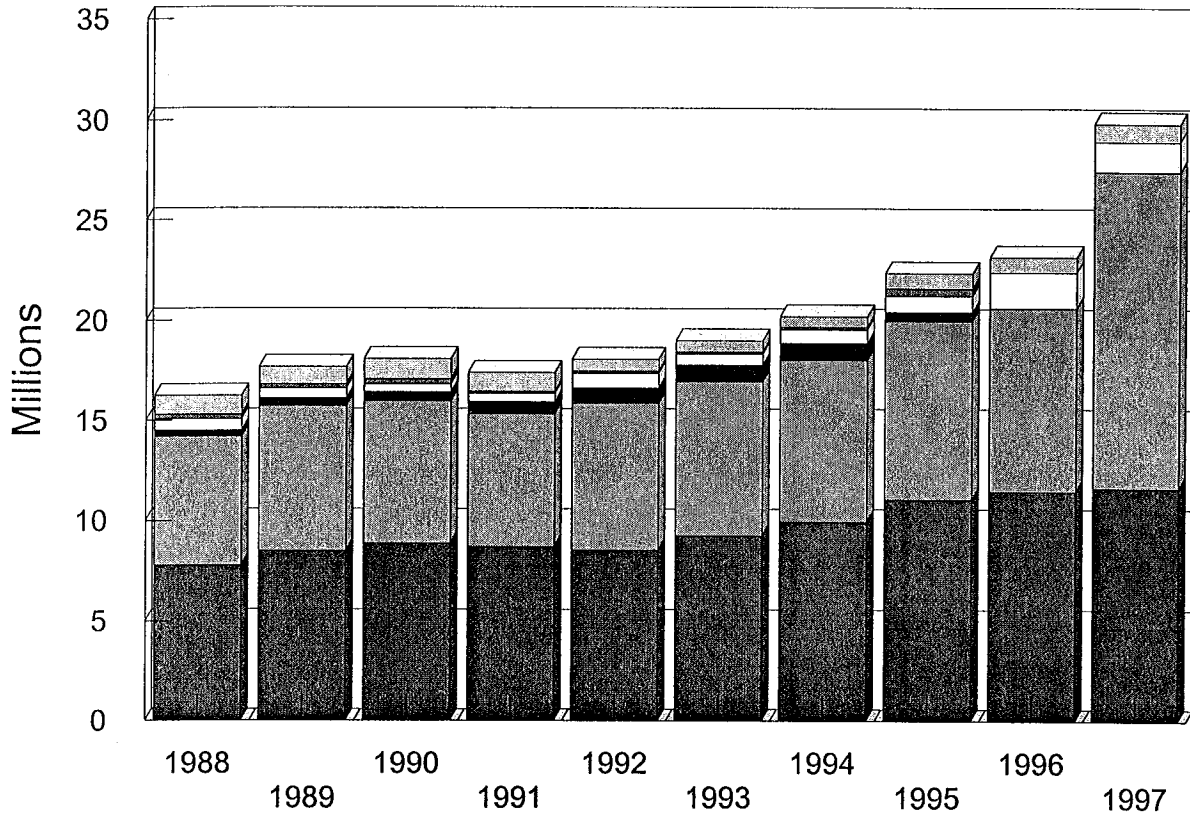
CASS COUNTY GOVERNMENT
 General Governmental Revenues by Source
 Last Ten Fiscal Years
 (Unaudited)

<u>Year</u>	<u>Taxes</u>	<u>Inter- governmental Revenues</u>	<u>Licenses, Permits and Fees</u>	<u>Charges for Services</u>	<u>Fines & Forfeitures</u>	<u>Miscellaneous</u>	<u>Total</u>
1988	7,778,429	6,425,412	297,188	575,108	221,530	953,508	16,251,175
1989	8,509,487	7,210,623	388,366	506,264	208,795	870,629	17,694,164
1990	8,896,219	7,059,175	463,771	410,809	251,057	1,017,543	18,098,574
1991	8,707,221	6,604,316	617,982	425,789	95,987	949,958	17,401,253
1992	8,560,506	7,299,075	781,446	730,965	109,185	592,816	18,073,993
1993	9,267,434	7,686,150	827,406	569,102	94,735	560,751	19,005,578
1994	9,961,242	8,084,890	845,999	679,523	120,426	522,089	20,214,169
1995	11,072,602	8,926,019	433,852	809,519	366,980	753,369	22,362,341
1996	11,469,236	9,148,905	30,261	1,759,943	- 0 -	772,514	23,180,859
1997	11,646,909	15,809,754	20,853	1,483,951	- 0 -	904,160	29,865,627

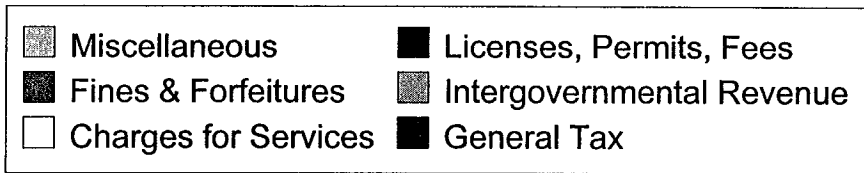
NOTE: Includes General Fund and all Special Revenue, Debt Service, and Capital Project Funds

CASS COUNTY GOVERNMENT

General Governmental Revenues by Source



Last Ten Years



CASS COUNTY GOVERNMENT
Property Tax Levies and Collections
Last Ten Years
(Unaudited)

<u>Year Ended December 31</u>	<u>Total Tax Levy</u>	<u>Tax Collections</u>	<u>Percent of Levy Collected (1)</u>
1988	43,756,489	42,056,566	96.12%
1989	47,562,985	45,784,684	96.26%
1990	50,923,381	49,106,986	96.43%
1991	55,026,669	51,553,341	93.69%
1992	57,045,663	54,813,360	96.09%
1993	63,589,024	60,283,582	94.80%
1994	67,519,754	64,381,700	95.35%
1995	73,898,989	70,298,185	95.13%
1996	78,414,630	73,787,819	94.10%
1997	82,752,924	78,240,592	94.55%

(1) NOTES ON PROPERTY TAX COLLECTIONS:

Taxpayers receive a 5% discount if taxes are paid before February 15, which reduces the Percent of Levy Collected.

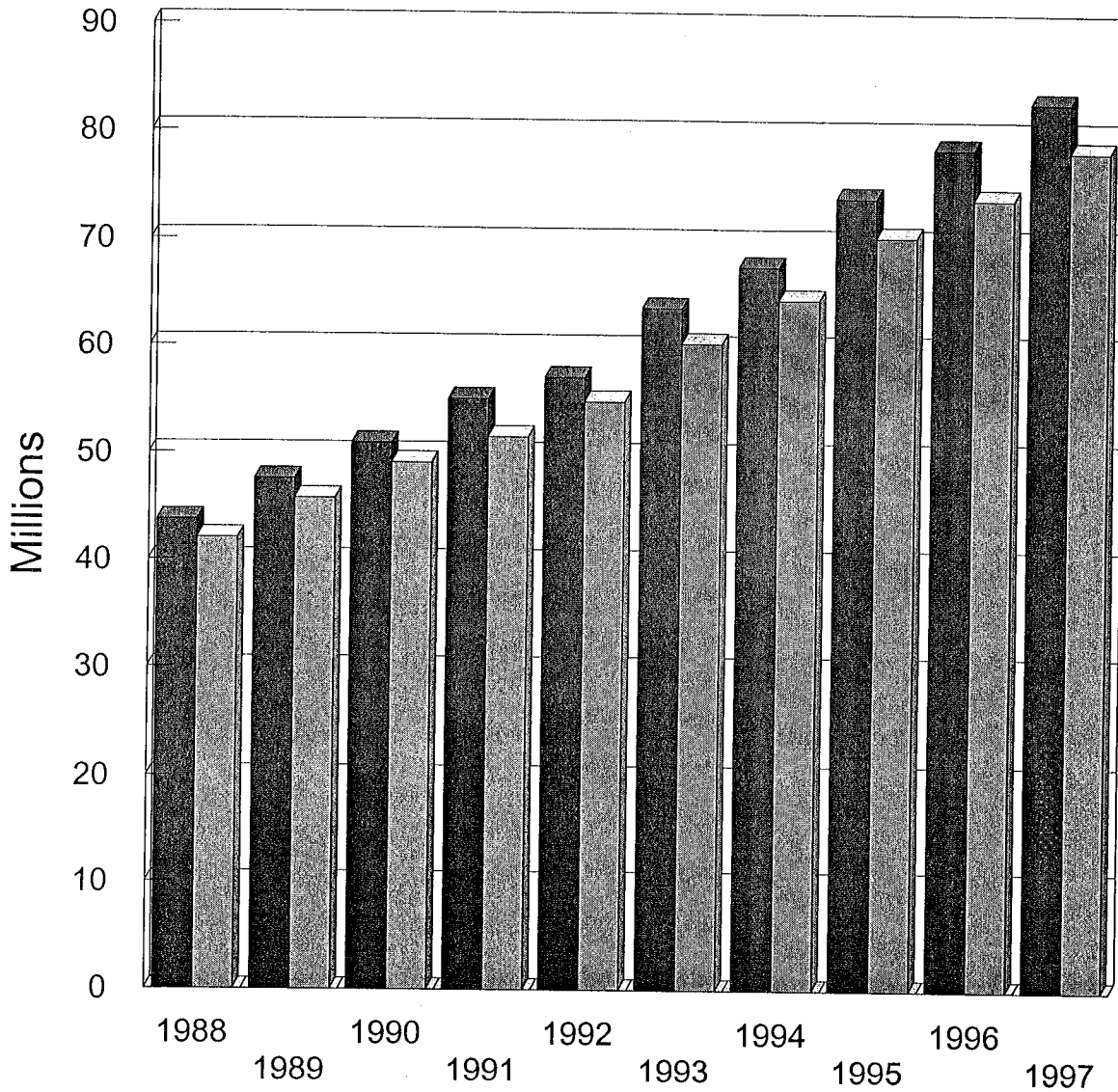
The Percent of Levy Collected is lower for the most recent years because taxpayers have five years to pay delinquent taxes before their property is redeemed by the County.

SOURCE: County Auditor's Office

*Year of tax levy is for the following financial year.

CASS COUNTY GOVERNMENT

Property Tax Levies and Collections



Last Ten Years

■ Tax Levy
■ Tax Collections

CASS COUNTY GOVERNMENT
 Estimated Market, Assessed, and Taxable Value of Taxable Property
 Last Ten Fiscal Years
 (Unaudited)

Year	Estimated Market Value (True & Full)	Assessed Value (1)	Taxable Value (2)	
1988	2,904,168,487	1,452,084,244	138,606,423	
1989	2,999,590,340	1,499,795,170	143,064,640	
1990	3,077,580,691	1,538,790,346	146,835,065	
1991	3,101,083,982	1,550,541,991	147,785,310	
1992	3,186,469,120	1,593,234,560	151,773,258	(3)
1993	3,321,718,493	1,660,859,247	158,128,153	(3)
1994	3,361,321,895	1,680,660,948	167,657,381	(3)
1995	3,612,351,870	1,806,175,935	178,607,480	(3)
1996	3,856,613,420	1,928,306,710	190,872,097	(3)
1997	4,113,383,670	2,056,691,835	202,917,086	(3)

(1) Assessed Value is 50% of Market Value

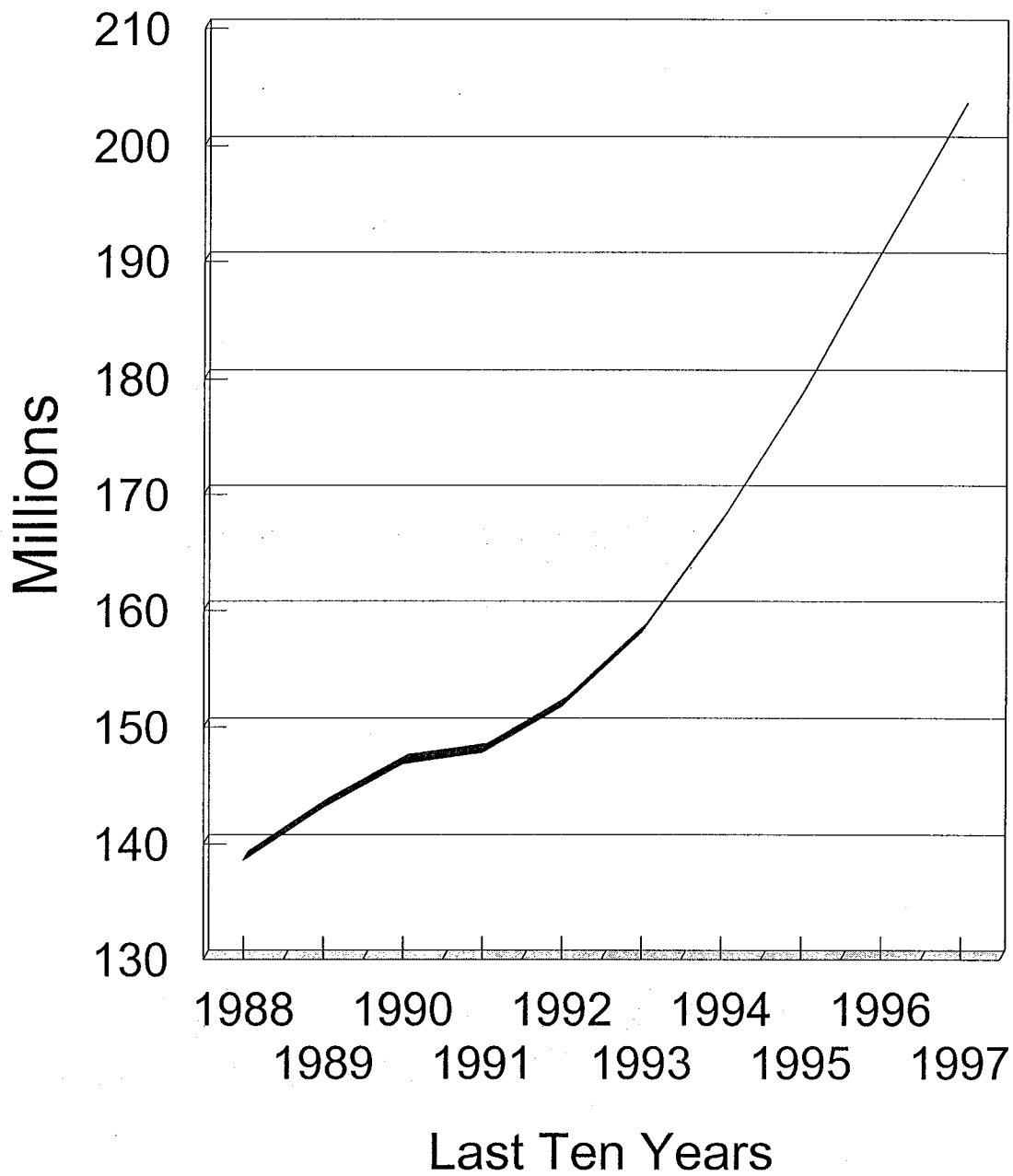
(2) Taxable Value is determined as follows:
 Commercial Property: 10% of Assessed Value
 Farmland: 10% of Assessed Value
 Residential Property: 9% of Assessed Value

(3) Beginning in 1991, Taxable Value was reduced by tax increment financing.

SOURCE: County Auditor's Office

CASS COUNTY GOVERNMENT

Taxable Value



CASS COUNTY GOVERNMENT
Special Assessment Billings and Collections
Last Ten Fiscal Years
(Unaudited)

<u>Year Ended December 31</u>	<u>Total Billings</u>	<u>Total Collections</u>	<u>Percent Collected (1)</u>
1988	\$13,083,475	\$13,103,252	100.15%
1989	13,003,365	12,619,308	97.05%
1990	13,091,322	12,471,031	95.26%
1991	13,764,382	12,428,057	90.29%
1992	14,392,831	14,356,228	99.75%
1993	15,341,715	14,304,824	93.24%
1994	14,788,666	15,168,818	102.57%
1995	15,265,023	14,452,020	94.67%
1996	15,068,702	15,027,535	99.73%
1997	15,759,437	15,020,269	95.31%

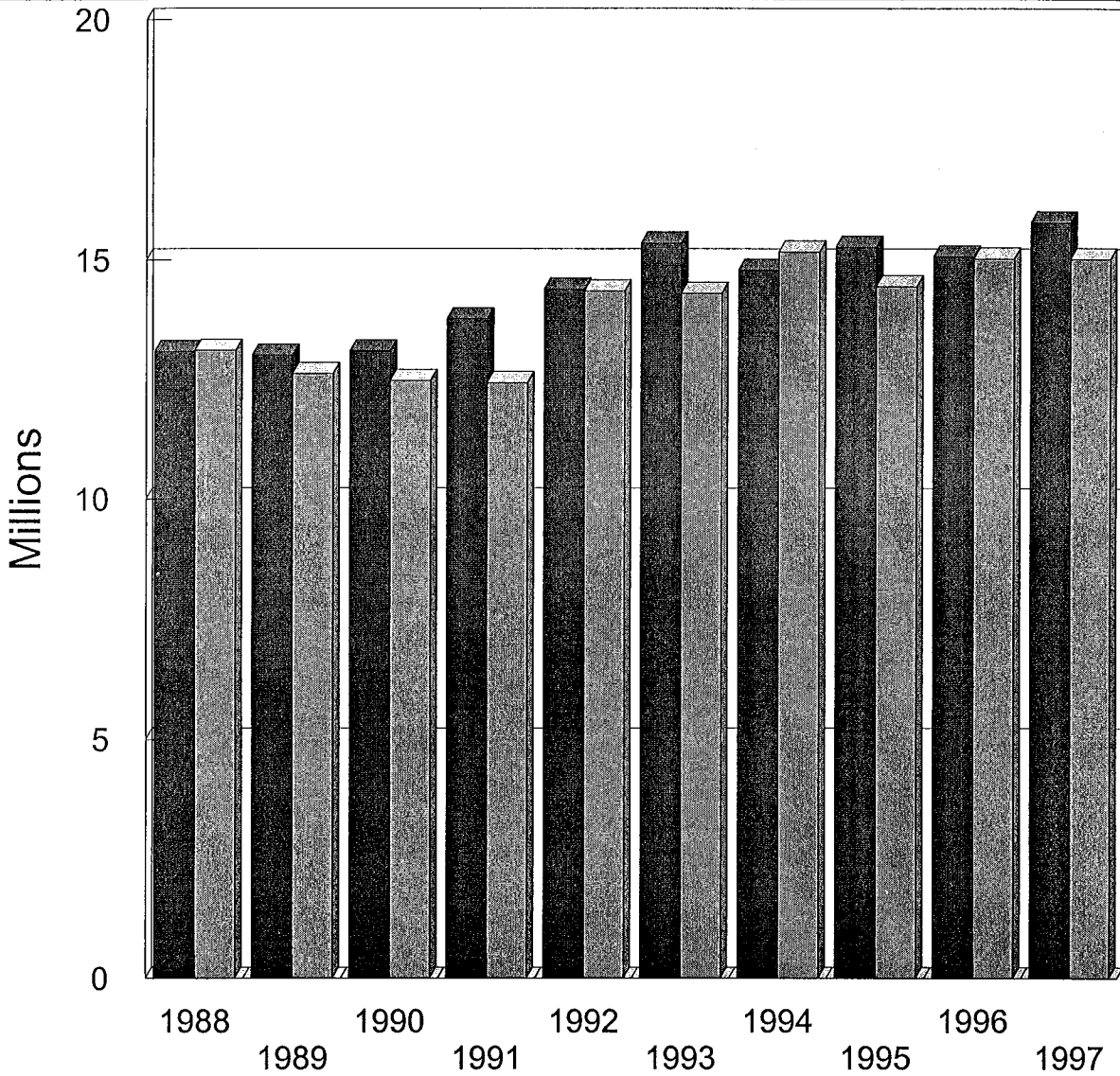
(1) The Percent Collected is lower for the most recent years because property owners have five years to pay delinquent special assessments before their property is redeemed by the County.

SOURCE: County Auditor's Office

*Year of tax levy is for the following financial year.

CASS COUNTY GOVERNMENT

Special Assessment Billings and Collections



Last Ten Years



CASS COUNTY GOVERNMENT
Property Tax Rates and Distribution of General Levy Property Taxes
Direct and Overlapping Governments
Last Ten Years
(Unaudited)

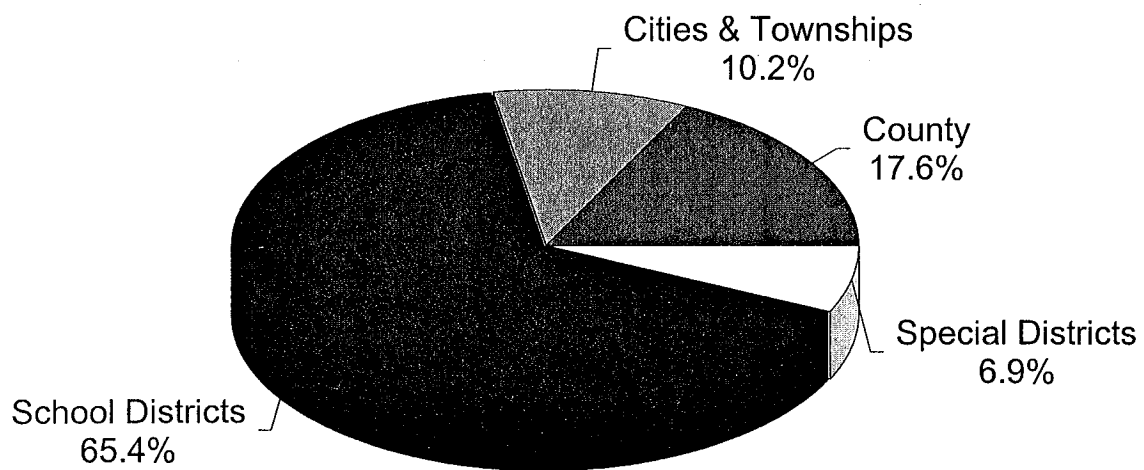
Year Ended December 31	Property Tax Rates Per \$1000 of Taxable Valuation		Distribution of General Levy Property Taxes (1)				
	Low	High	County	Cities & Townships	School Districts	Special Districts	Total
1988	211.37	361.05	21.98%	13.58%	57.51%	6.94%	100%
1989	217.22	377.31	21.51%	13.23%	58.15%	7.11%	100%
1990	222.34	395.94	19.56%	13.15%	59.03%	8.25%	100%
1991	231.45	414.92	18.71%	13.03%	60.68%	7.58%	100%
1992	243.49	447.33	18.38%	11.51%	63.36%	6.76%	100%
1993	255.45	456.93	18.07%	11.09%	64.71%	6.13%	100%
1994	255.22	470.44	18.19%	10.68%	64.19%	6.94%	100%
1995	261.64	468.53	17.94%	10.61%	64.80%	6.66%	100%
1996	253.62	469.60	17.28%	10.47%	65.48%	6.77%	100%
1997	259.03	369.48	17.59%	10.17%	65.38%	6.86%	100%

(1) The average of the high and low taxing districts was used for calculating the percent distribution of general levy property taxes.

SOURCE: County Auditor's Office

CASS COUNTY GOVERNMENT

1997 Property Tax Distribution



CASS COUNTY GOVERNMENT
 Computation of Legal Debt Margin
 December 31, 1997
 (Unaudited)

	Amount	Percent
Assessed Value of all property	\$2,056,691,835	(1)
Debt Limit - 5% of Assessed Value	\$102,834,592	100.0%
 <u>Legal Debt Margin:</u>		
Debt Applicable to Limitation:		
Total general obligation bonded debt	\$1,470,000	
Less: Amount available for repayment of general obligation bonds	(114,844)	
Total debt applicable to limitation	1,355,156	1.3%
LEGAL DEBT MARGIN	\$101,479,436	98.7%

(1) SOURCE: County Auditor's Office

CASS COUNTY GOVERNMENT
Percent of Net General Bonded Debt to Assessed Value and
Net Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Year	Estimated Population	Total Assessed Valuation	General Bonded Debt	Debt Service Monies Available (1)	Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1988	100,983	1,452,084,244	1,975,000	1,238,315	736,685	0.05%	\$7
1989	101,759	1,499,795,170	1,275,000	1,317,137	-0-	0.00%	0
1990	102,874	1,538,790,346				* 0.00%	0
1991	104,612	1,550,541,991	400,000	-0-	400,000	0.03%	4
1992	106,604	1,593,234,560	275,000	47,081	227,919	0.01%	2
1993	108,408	1,660,859,247	140,000	40,732	99,268	0.01%	1
1994	110,355	1,680,660,949	2,210,000	158,780	2,051,220	0.12%	19
1995	111,961	1,806,175,935	2,340,000	170,224	2,169,776	0.12%	19
1996	113,343	1,928,306,710	1,915,000	148,328	1,766,672	0.09%	16
1997	114,580	2,056,691,835	1,470,000	114,844	1,355,156	0.07%	12

(1) Includes all long-term general obligation debt
* Additional funds were available to pay interest on bonds.

SOURCE: County Auditor's Office

CASS COUNTY GOVERNMENT
Percent of Annual Debt Service Expenditures for General
Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years
(Unaudited)

<u>Year</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (2)</u>	<u>Percent of Debt Service to Total General Governmental Expenditures</u>
1988	650,000	408,432	1,058,432	16,055,723	6.6%
1989	838,950	209,087	1,048,037	16,282,822	6.4%
1990	1,468,823	548,837	2,017,660	15,968,154	12.6%
1991	200,200	700,581	900,781	16,769,384	5.4%
1992	654,300	729,599	1,383,899	17,302,928	8.0%
1993	195,000	27,354	222,354	18,718,888	1.2%
1994	210,000	20,540	230,540	20,588,940	1.1%
1995	435,000	113,203	548,203	21,774,956	2.5%
1996	450,000	115,012	565,012	21,742,320	2.6%
1997	445,000	77,867	522,867	28,975,144	1.8%

(1) Includes bond issuance and other costs.

(2) Includes General Fund and all Special Revenue Funds.

CASS COUNTY GOVERNMENT
 Computation of Direct and Overlapping Debt
 December 31, 1997
 (Unaudited)

<u>Name of Entity</u>	<u>Percentage Applicable to Cass County</u>	<u>Debt (1) December 31, 1997</u>
Cass County Government	100.0%	\$1,470,000
<u>Cities:</u>		
West Fargo	100.0%	4,020,000
Fargo	100.0%	744,940
Enderlin	1.0%	3,149,470
Briarwood	100.0%	15,000
Kindred	100.0%	221,998
Oxbow	100.0%	705,000
Mapleton	100.0%	20,000
Reile's Acres	100.0%	255,000
Harwood	100.0%	33,762
<u>Public School Districts:</u>		
Fargo PSD	100.0%	49,967,850
West Fargo PSD	100.0%	14,585,000
Kindred PSD	69.7%	2,064,000
Central Cass PSD	100.0%	7,088,347
Northern Cass PSD	89.5%	5,815,000
Total Direct and Overlapping Bonded Debt		<u>\$90,155,367</u>

(1) Excludes revenue bonds, special assessments, and non-bonded capital lease obligations.

SOURCE: County Auditor's Office

CASS COUNTY GOVERNMENT
 Ten Largest Property Taxpayers Ranked by Taxable Value
 Year Ended December 31, 1997
 (Unaudited)

Name	Type of Business	Taxable Value	Percentage of Total Taxable Value
Northern States Power Company	Utilities	\$2,800,501	1.38%
NW Bell Telephone Co/US West Communications	Telephone	2,173,608	1.07%
West Acres Development Company	Shopping Center	2,125,000	1.05%
Dakota/Champion Partnership	Health Services	1,676,748	0.83%
Burlington Northern Inc	Railroad	951,550	0.47%
Medical Properties	Health Services	943,750	0.47%
Super Valu Stores Inc	Wholesale Grocer	768,950	0.38%
Fargo Clinic	Medical Services	763,515	0.38%
VanRaden Homes Inc	Developer	658,689	0.32%
Wylie Corporation	Transportation	611,379	0.30%
Total Attributable to Ten Largest Property Taxpayers		<u>\$13,473,690</u>	<u>6.64%</u>
TOTAL GROSS TAXABLE VALUE		<u>\$202,940,364</u>	<u>100.00%</u>

SOURCE: County Auditor's Office

CASS COUNTY GOVERNMENT
 Construction
 Last Ten Fiscal Years
 (Unaudited)

Year	Commercial Construction (1)		Residential Construction (1)	
	Value (In Thousands)	Units	Value (In Thousands)	Units
1988	\$44,774	416	\$42,646	1,057
1989	50,294	417	56,483	1,182
1990	58,422	432	52,316	1,141
1991	53,294	524	55,865	1,333
1992	59,814	619	69,688	1,560
1993	61,086	578	83,999	1,784
1994	116,208	721	75,988	1,637
1995	93,208	616	57,487	1,476
1996	75,827	669	80,193	1,532
1997	85,997	668	79,812	1,504

(1) Construction is for Fargo, West Fargo and the outlying areas of West Fargo. Other construction information is not available, and is considered immaterial to the County, as a whole.

SOURCES: Fargo: City of Fargo
 West Fargo & outlying area: Moore Engineering

CASS COUNTY GOVERNMENT
Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Year	Estimated Population (1)	Per Capita Income (1)	School Enrollment K-12 (2)	Unemployment Rate (3)
1988	100,983	14,507	17,646	2.3%
1989	101,759	15,799	17,777	2.3%
1990	102,874	17,353	18,297	3.4%
1991	104,612	17,928	18,676	3.9%
1992	106,604	19,175	19,023	3.9%
1993	108,408	19,700	19,976	3.3%
1994	110,355	21,061	19,651	2.8%
1995	111,961	22,275	20,327	2.8%
1996	113,343	24,133	**	2.3%
1997	114,580	*	*	1.4%

SOURCES:

- (1) NDSU State Census Data Center
- (2) Cass County Auditor's Office
- (3) North Dakota Job Service

* Information is not yet available.

** Data gathered every two years

CASS COUNTY GOVERNMENT
1990 Census Data
(Unaudited)

Cass County Population 102,874

CITIES		TOWNSHIPS	
ALICE	62	ADDISON	95
AMENIA	82	AMENIA	132
ARGUSVILLE	161	ARTHUR	71
ARTHUR	400	AYR	78
AYR	19	BARNES	291
BRIARWOOD	88	BELL	52
BUFFALO	204	BERLIN	133
CASSELTON	1,601	BUFFALO	77
DAVENPORT	218	CASSELTON	111
ENDERLIN	17	CLIFTON	78
FARGO	74,111	CORNELL	90
FRONTIER	218	DAVENPORT	131
GARDNER	85	DOWS	76
GRANDIN	213	DURBIN	106
HARWOOD	590	ELDRED	115
HORACE	662	EMPIRE	124
HUNTER	341	ERIE	135
KINDRED	569	EVEREST	126
LEONARD	310	FARGO	0
MAPLETON	682	GARDNER	115
NORTH RIVER	68	GILL	115
OXBOW	100	GUNKEL	72
PAGE	266	HARMONY	93
PRAIRIE ROSE	49	HARWOOD	322
REILE'S ACRES	210	HIGHLAND	144
TOWER CITY	233	HILL	64
WEST FARGO	12,287	HOWES	99
		HUNTER	95
		KINYON	100
		LAKE	59
		LEONARD	121
		MAPLE RIVER	125
		MAPLETON	269
		NOBLE	99
		NORMANNA	340
		PAGE	59
		PLEASANT	354
		PONTIAC	108
		RAYMOND	284
		REED	1,046
		RICH	81
		ROCHESTER	46
		RUSH RIVER	107
		STANLEY	1,933
		TOWER	66
		WALBURG	189
		WARREN	133
		WATSON	123
		WHEATLAND	153
		WISER	93
		Total Townships	<u>9,028</u>
Total Cities	<u>93,846</u>	Percent of Total	9%
Percent of Total	91%		

NOTE: 1990 is the most current data available.

SOURCE: US Department of Commerce,
Bureau of the Census

CASS COUNTY GOVERNMENT
Demographic and Miscellaneous Statistical Data
December 31, 1997
(Unaudited)

In 1873, the Territorial Legislature approved the formation of Cass County. The County was named for George W. Cass, president of the Northern Pacific Railway Company.

Cass County is located in the Red River Valley, a fertile level plain, formerly the bottom of a glacial lake. The County is approximately 42 miles square, bounded on the east by the Red River of the North which divides North Dakota and Minnesota; on the north by Traill and Steele Counties; on the west by Barnes County; and on the south by Ransom and Richland Counties.

Form of Government:	Home Rule Charter passed by the voters in 1994.	<u>Employment Distribution*</u>	
		Agriculture	0.5%
		Mining & Construction	6.0%
		Manufacturing	8.8%
Board Meetings:	First and Third Mondays	Trans/Communication/Utilities	6.4%
		Wholesale Trade	9.9%
		Retail Trade	20.1%
County Seat:	Fargo, North Dakota Population, 1990 Census: 74,111 Largest city in North Dakota	Financial/Insurance/Real Estate	7.0%
		Services	29.4%
		Government	12.0%
Area of County:	1,848 Square Miles	(Source: Job Service of North Dakota, 1996, from unemployment insurance reports.)	
		* Includes only employees for which unemployment insurance is paid.	
<u>Temperature:</u>			
Average Daily Max:	51.2 F		
Average Daily Min:	29.8 F		
		<u>Number of:</u>	
Mean Precipitation:	19.59 Inches	Cities	27
		Townships	50
		School Districts	11
		Fire Districts	13
Fiscal Year:	January 1 - December 31	Water Districts	4

CASS COUNTY GOVERNMENT
 Ten Largest Employers
 December 31, 1997
 (Unaudited)

Employer	Type of Business	Number of Employees
Meritcare Health Systems	Health Services	3,800
North Dakota State University	Educational Services	1,920
Melroe Company	Manufacturing	1,850
Dakota Heartland Health System	Medical	1350
Blue Cross Blue Shield of North Dakota	Insurance	1,300
Fargo Public School District #1	Educational Services	1,090
Dakota Clinic, Ltd	Health Services	1000
Case Corporation	Manufacturer	630
City of Fargo	Government	624
Department of Veterans Affairs	Health Services	577

SOURCE: Fargo Chamber of Commerce

CASS COUNTY GOVERNMENT
 Elected Officials and Full-Time Employees by Function (1)
 Last Ten Years
 (Unaudited)

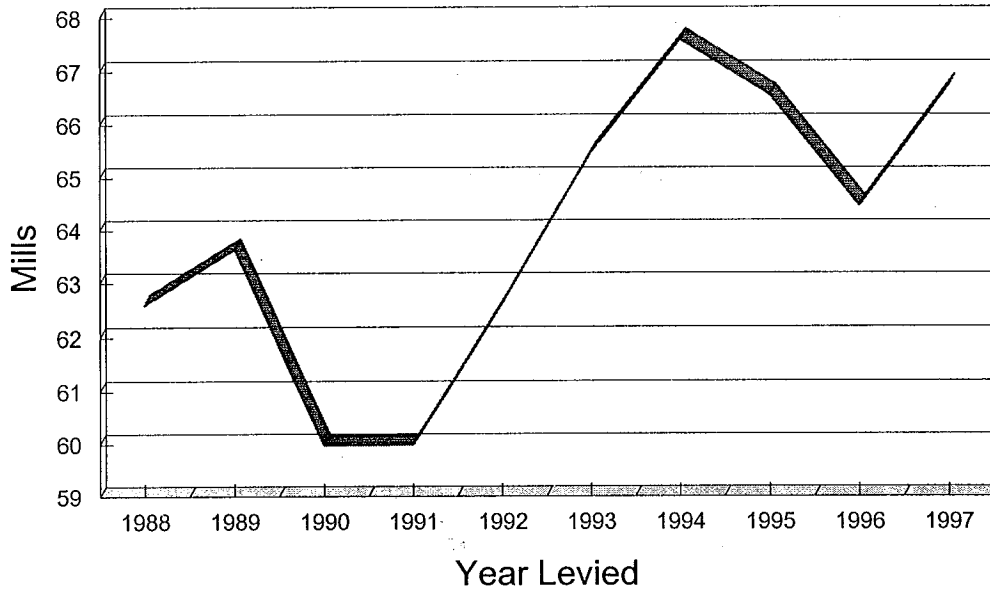
<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Human Services</u>	<u>Elected Officials</u>	<u>Total</u>
1988	*	*	*	*	14	*
1989	*	*	*	*	14	*
1990	*	*	*	*	14	*
1991	*	*	*	*	14	*
1992	38	115	29	89	14	285
1993	35	117	31	89	13	285
1994	36	128	29	99	13	305
1995	46	272	64	228	21	631
1996	29	137	26	91	11	294
1997	26	136	32	114	11	319

(1) For this schedule, full-time is 30 hours per week (75% FTE) or more.

* Information not available.

CASS COUNTY GOVERNMENT
County Mill Levies
Last Ten Years

<u>Year</u>	<u>Total General and Special Mill Levies</u>
1988	62.60
1989	63.64
1990	59.98
1991	59.99
1992	62.63
1993	65.49
1994	67.59
1995	66.56
1996	64.47
1997	66.74



CASS COUNTY GOVERNMENT
Taxable Sales and Purchases
Last Ten Fiscal Years
(Unaudited)

<u>Year</u>	<u>Taxable Sales and Purchases In Thousands</u>	<u>Percent Increase</u>
1988	740,277	6.4%
1989	813,440	9.9%
1990	908,335	11.7%
1991	995,553	9.6%
1992	1,071,436	7.6%
1993	1,147,051	7.1%
1994	1,257,762	9.7%
1995	1,359,232	8.1%
1996	1,447,373	6.5%
1997	1,549,785	7.1%

SOURCE: North Dakota State Tax Commissioner

