

CASS COUNTY GOVERNMENT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2002
Fargo, North Dakota

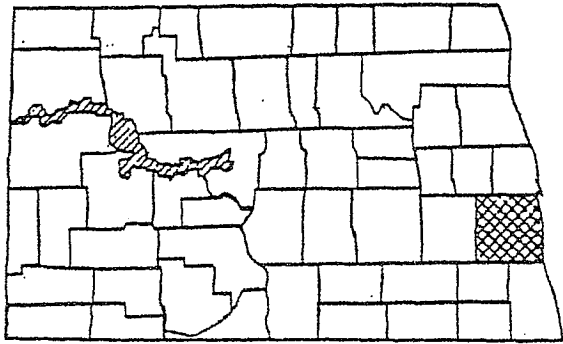
CASS COUNTY, NORTH DAKOTA

COMPREHENSIVE
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REPORT

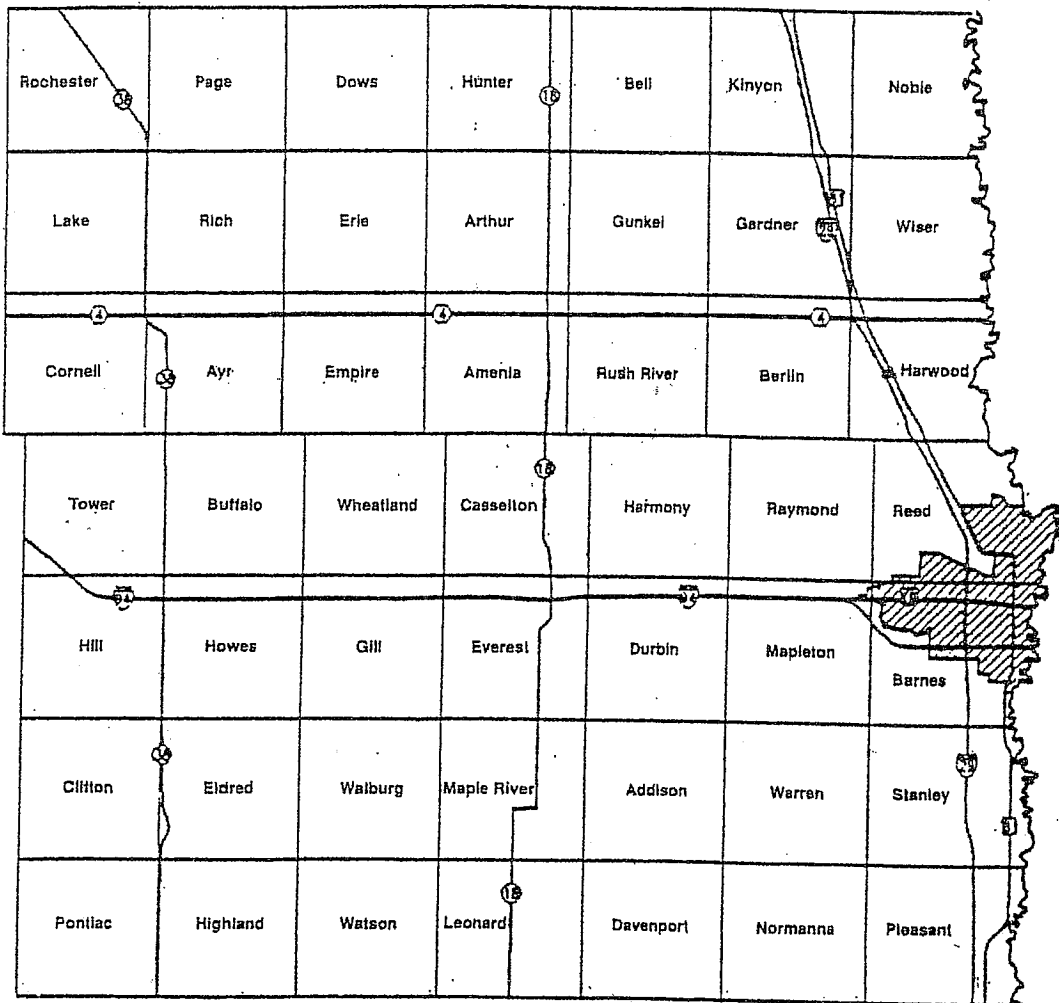
For the Year Ended December 31
2002

Prepared by the County Auditor's Office

North Dakota



Cass County



CASS COUNTY GOVERNMENT
Comprehensive Annual Financial Report
For the Year Ended December 31, 2002

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May 9, 2003

Auditor

Michael Montplaisir, CPA
701-241-5601

Treasurer

Charlotte Sandvik
701-241-5611

Director of Equalization

Frank Klein
701-241-5616

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

Commissioners:

The Comprehensive Annual Financial Report of Cass County is hereby submitted for the fiscal year ended December 31, 2002. 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, 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.

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 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.

Box 2806
211 Ninth Street South
Fargo, North Dakota 58103

Fax 701-241-5728

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 population grew almost twenty percent from 1990 to 2000, according to the latest census figures, while the overall increase in statewide population was less than one percent. Two of the fastest growing cities in North Dakota are located in Cass County, including the City of Fargo, home of the County Courthouse and administrative offices.

Over the past ten years, the taxable valuation of the County has been growing at an average rate of over 6.0 percent, and the population, as noted above, has been growing at an average rate of 2.0 percent. The taxable valuation growth has occurred mainly in the service industry and in new home construction. These growth trends are expected to continue.

Cass County is home to the state's second largest university, North Dakota State University, with a student body of over 10,500. 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, Dakota Clinic and the affiliated Innovis Hospital, and Meritcare 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 that draws from eastern North Dakota, western Minnesota, and central Canada. Taxable sales and purchases through the fourth quarter of 2002 were \$1.84 billion, which represents a 2.9 percent increase from 2001. Sales have increased by an average 5.6 percent over the last ten years.

MAJOR INITIATIVES

Construction of a new county jail started in July of 2000 and was completed in August of 2002. The jail was financed by a temporary half-cent sales tax approved by the voters to run from October 1, 1999 through September 30, 2003. Due to the strong economy in Cass County, the county was able to retire the sales tax on March 31, 2003.

The jail is a modular design that can be added on to as the need arises. It was anticipated the first addition to the jail would come within ten years from the start of construction. Sales tax proceeds were escrowed as part of the overall plan to provide the funds for the first addition to the jail.

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.

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 (7% to 10% of budgeted expenditures) 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 Revenues

The following schedule presents a summary of general, special revenue, debt service, and capital project funds revenues for the fiscal year ended December 31, 2002 with a comparison for 2001.

Revenues:	2002	2001	Increase (Decrease)
Property taxes	\$16,062,632	\$15,354,483	\$708,149
General sales tax	8,009,194	7,446,707	562,487
Intergovernmental revenues	12,363,921	12,839,214	(475,293)
Licenses, permits & fees	147,139	83,476	63,663
Charges for service	3,245,720	2,794,182	451,538
Miscellaneous	508,499	1,342,492	(833,993)
Total revenues	\$40,337,105	\$39,860,554	\$476,551

The mill levy and the valuation of taxable property in the county increased in 2002 resulting in an increase in property tax revenues. Tax collections remain strong with over 94 percent of the current taxes being collected by December 31, 2002. Sales tax revenues increased in 2002 despite the slowdown in the national and regional economy. The sales tax revenue was being used for construction of the new county jail. Intergovernmental revenue decreased from 2001 to 2002 as the county completed, and received reimbursement for recovery efforts from the 2001 flood. Charges for services increased due to reimbursements from a multi-jurisdictional road project that was undertaken.

General Government Expenditures

The following schedule presents a summary of general fund and special revenue funds, debt service, and capital project funds expenditures for the fiscal year ended December 31, 2002 with a comparison for 2001.

Expenditures:	2002	2001	Increase (Decrease)
General government	\$ 4,366,461	\$ 3,432,683	\$ 933,778
Public safety	9,437,503	7,894,722	1,542,781
Public works	7,226,360	8,718,962	(1,492,602)
Human services	7,802,578	7,277,875	524,703
Culture & recreation	417,521	353,994	63,527
Conservation & Econ.			
Development	2,497,721	2,515,423	(17,702)
Capital Outlay	6,334,131	12,452,426	(6,118,295)
Debt Service	148,469	138,011	10,458
Total expenditures	\$38,230,744	\$42,784,096	\$ (4,553,352)

The purchases of electronic ballot scanners and a new AS400 resulted in an increase in general government expenditures. The large capital project expenditures in 2001 were due to construction of a new county jail. Construction of the jail continued in 2002 and was completed in the summer of 2002.

General Fund Balance

The County had a \$2.0 million unreserved fund balance in the General Fund as of December 31, 2002 compared to \$2.4 at the end of 2001. The county policy is to maintain a reserve of 7% to 10% of budgeted expenditures. The unreserved fund balance on December 31, 2002 was 20.6% of budgeted expenditures.

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, 2002 were \$1,589,282. This represents a \$94,461 increase (6.3%) from 2001 and was largely due to increased health insurance premiums.

Total operating expenses were \$1,671,038—a \$352,711 increase (26.7%) from the previous year. Operating expenses increased primarily due to health insurance claims in the self-funded health insurance program. The county carries reinsurance on health claims in excess of 120% of the expected claims for the policy year and for claims exceeding \$65,000 for any one individual during the policy year. Overall, the proprietary operations had an operating loss of \$81,756 for 2002.

The County policy is to maintain reserves equaling at least twenty-five percent of the expected expenses in the Health Insurance Trust Fund. On December 31, 2002, this fund had reserves equal to twenty-one percent of expected expenses.

Debt Administration

The County does not have any outstanding general obligation debt, however, 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, 2002 the total outstanding special assessment bonds were \$491,205.

The four water resource districts located in the County had \$10,028,987 of special assessment bonds outstanding as of December 31, 2002. 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 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, 2002 are considered adequate by management to cover the ultimate cost to defend or settle claims arising from these risks.

OTHER INFORMATION

Independent Audit

The Office of the State Auditor has audited the general-purpose financial statements. 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, 2002 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, 2001. 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 nine consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting to GFOA.

GFOA has also given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Cass County Government for its Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2001. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial

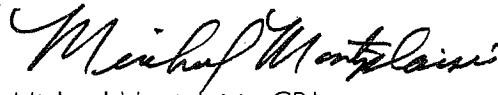
Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year. Cass County has received a Popular Award for the last three consecutive years (fiscal years ended 1999 – 2001.) We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it 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 and Mary Matheson, Accountants, 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, 2001

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.



A handwritten signature in black ink, appearing to read "William Patrick Vasta".

President

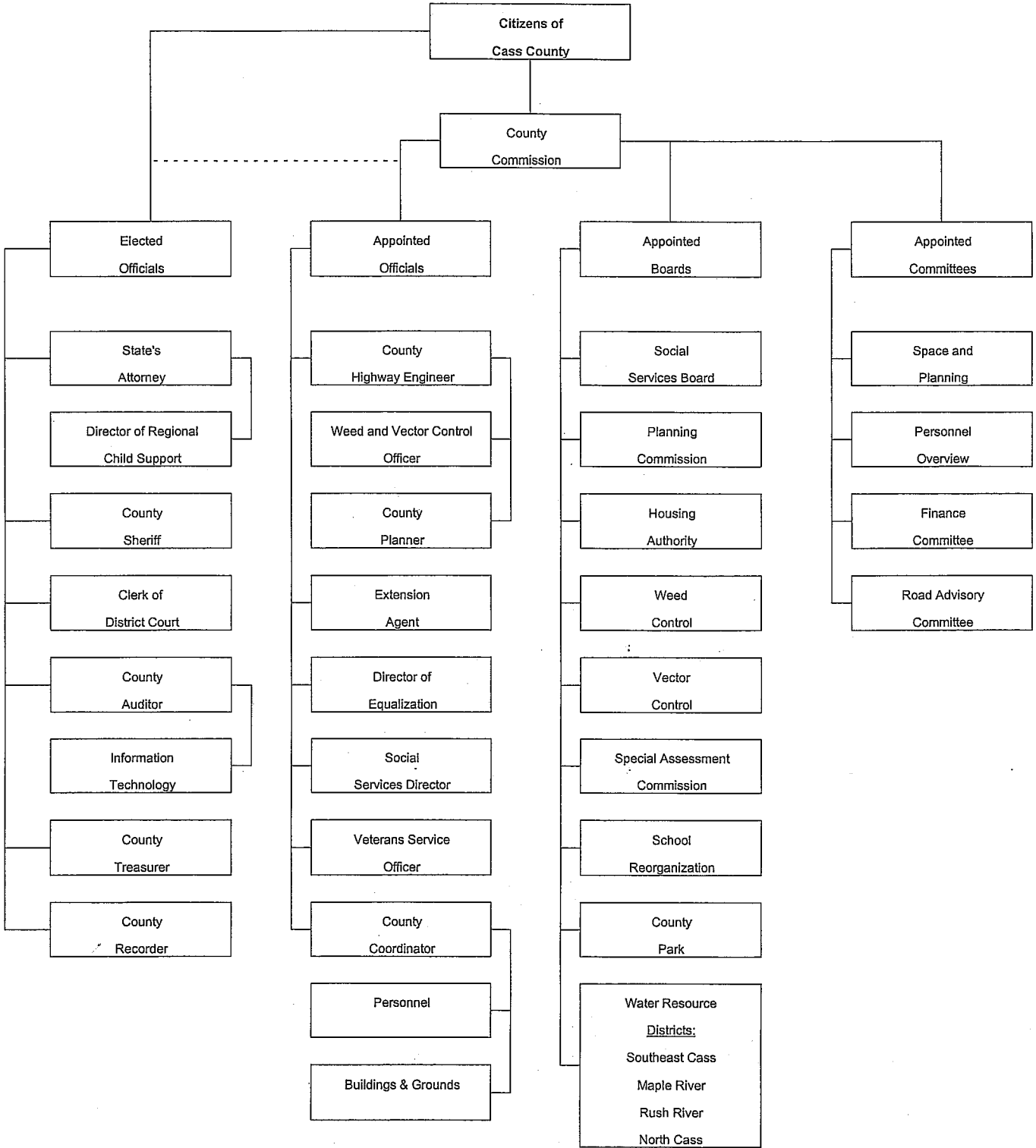
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

The Government Finance Officers of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cass County Government for its comprehensive annual financial report for the fiscal year ending December 31,1999. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and acceptable legal requirements.

CASS COUNTY GOVERNMENT

2002 Organizational Chart



CASS COUNTY GOVERNMENT
COUNTY OFFICIALS

Current Officials

Commissioners:	Scott Wagner, Chairman John Meyer Robyn Sorum Darrel Vanyo Vern Bennett
Auditor:	Michael Montplaisir
Treasurer:	Charlotte Sandvik
Sheriff:	Donald Rudnick
Recorder:	Deanna Kensrud
States Attorney:	Birch Burdick

2002 Officials

Commissioners:	John Meyer, Chairman Alon Weiland Robyn Sorum Donna Schneider Scott Wagner
Auditor:	Michael Montplaisir
Treasurer:	Charlotte Sandvik
Sheriff:	Donald Rudnick
Recorder:	Deanna Kensrud
States Attorney:	Birch Burdick

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



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

LOCAL GOVERNMENT DIVISION:
MANAGER - AUGIE TERNES
(701) 328-9505
FAX (701) 328-9503
FARGO BRANCH OFFICE
(701) 239-7252
FAX (701) 239-7251

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Cass County
Fargo, North Dakota 58103

We have audited the accompanying general purpose financial statements of Cass County, Fargo, North Dakota, as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of Cass County, Fargo, North Dakota'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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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, Fargo, North Dakota, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2003 on our consideration of Cass County, Fargo, North Dakota's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants which is issued under separate cover.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Cass County, Fargo, North Dakota, taken as a whole. The accompanying supplementary information, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Cass County, Fargo, North Dakota. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The data included in the introductory and statistical sections of this report has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we do not express an opinion thereon.

A handwritten signature in cursive script that reads "Bob Peterson".

Robert R. Peterson
State Auditor

April 24, 2003

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CASS COUNTY GOVERNMENT

Combined Balance Sheet -- All Fund Types, Account Groups,
and Discretely Presented Component Units
December 31, 2002

	Governmental Funds			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
<u>Assets:</u>				
Cash and Investments	\$ 3,477,203	\$ 5,681,794	\$ 252,135	\$ 5,750,790
Cash - County Offices	600	50	-	-
Receivables:				
Taxes	273,689	245,711	7	-
Accounts	42,577	107,917	-	-
Special Assessments	-	-	-	-
Due From Other Governments	564,094	752,298	-	1,023,700
Due From Other Funds:				
Human Service Fund	4,397	-	-	-
Road & Bridge Fund	128,762	-	-	-
Due From Primary Government				
Inventory	7,625	166,313	-	-
Inventory of supplies, at cost	9,847	-	-	-
Prepaid items	72,029	1,034	-	-
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	\$ 4,580,824	\$ 6,955,117	\$ 252,142	\$ 6,774,490
 <u>LIABILITIES, EQUITY AND OTHER CREDITS</u>				
<u>Liabilities:</u>				
Accounts Payable	162,028	275,196	-	14,770
Benefits Payable	-	-	-	-
Retainages Payable	-	-	-	100,080
Contract Payable	-	-	-	-
Compensated Absences	-	-	-	-
Deposits	234	-	-	-
Deferred Revenues	2,351,169	2,643,078	21,934	-
IBNR Claims	-	-	-	-
Due to Other Funds				
General Fund	-	133,159	-	-
Uncertified Special Assessments	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Capital Lease Payable	-	-	-	-
Due to Component Units	-	-	-	-
Special Assessment Debt with Governmental Commitment	-	-	-	-
Total Liabilities	2,513,432	3,051,433	21,934	114,850
 <u>Equity and Other Credits:</u>				
Investment in General Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings:				
Unreserved	-	-	-	-
Fund Balances, Reserved:				
Reserved for Inventory	17,472	166,313	-	-
Reserved for Prepaid Items	72,029	1,034	-	-
Reserved for Debt Service	-	-	230,208	-
Fund Balance, Unreserved/Undesignated	1,977,891	3,736,337	-	6,659,640
Total Equity and Other Credits	2,067,392	3,903,684	230,208	6,659,640
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 4,580,824	\$ 6,955,117	\$ 252,142	\$ 6,774,490

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	
Internal Service	Agency					
\$ 607,643	\$ 31,016,263	\$ -	\$ -	\$ 46,785,828	\$ 7,808,386	\$ 54,594,214
-	-	-	-	650	50	700
-	-	-	-	519,407	73,495	592,902
3,514	-	-	-	154,008	36,096	190,104
-	-	-	-	-	68,212	68,212
-	-	-	-	2,340,092	419,934	2,760,026
-	-	-	-	4,397	-	4,397
-	-	-	-	128,762	-	128,762
-	-	-	-	-	27,853	27,853
-	-	-	-	173,938	-	173,938
-	-	-	-	9,847	-	9,847
-	-	-	-	73,063	-	73,063
378,950	-	46,463,036	-	46,841,986	3,199,789	50,041,775
(299,249)	-	-	-	(299,249)	-	(299,249)
-	-	-	230,208	230,208	2,579,543	2,809,751
-	-	-	710,998	710,998	7,453,975	8,164,973
-	-	-	866,782	866,782	-	866,782
<u>\$ 690,858</u>	<u>\$ 31,016,263</u>	<u>\$ 46,463,036</u>	<u>\$ 1,807,988</u>	<u>\$ 98,540,718</u>	<u>\$ 21,667,334</u>	<u>\$ 120,208,052</u>
274	12,187	-	-	464,456	30,399	494,855
-	-	-	-	-	3,036	3,036
-	-	-	-	100,080	123,507	223,587
-	-	-	-	-	8,355	8,355
-	-	-	866,782	866,782	4,531	871,313
141,455	30,976,223	-	-	31,117,912	-	31,117,912
-	-	-	-	5,016,181	250,950	5,267,131
79,019	-	-	-	79,019	-	79,019
-	-	-	-	133,159	-	133,159
-	-	-	94,866	94,866	-	94,866
-	-	-	-	-	9,979,000	9,979,000
-	-	-	355,136	355,136	-	355,136
-	27,853	-	-	27,853	-	27,853
-	-	-	491,205	491,205	41,632	532,837
<u>220,748</u>	<u>31,016,263</u>	<u>-</u>	<u>1,807,988</u>	<u>38,746,649</u>	<u>10,441,410</u>	<u>49,188,059</u>
-	-	46,463,036	-	46,463,036	3,199,789	49,662,825
10,000	-	-	-	10,000	-	10,000
460,110	-	-	-	460,110	-	460,110
-	-	-	-	183,785	-	183,785
-	-	-	-	73,063	-	73,063
-	-	-	-	230,208	2,569,920	2,800,128
-	-	-	-	12,373,868	5,456,215	17,830,083
<u>470,110</u>	<u>-</u>	<u>46,463,036</u>	<u>-</u>	<u>59,794,070</u>	<u>11,225,922</u>	<u>71,019,994</u>
<u>\$ 690,858</u>	<u>\$ 31,016,263</u>	<u>\$ 46,463,036</u>	<u>\$ 1,807,988</u>	<u>\$ 98,540,718</u>	<u>\$ 21,667,334</u>	<u>\$ 120,208,052</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, 2002

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
<u>Revenues:</u>				
Taxes:				
Property	\$ 7,502,498	\$ 8,469,448	\$ 90,686	\$ -
Sales	-	-	-	8,009,194
Licenses, Permits and Fees	13,731	133,408	-	-
Intergovernmental Revenues	3,540,861	7,955,108	-	867,952
Charges for Services	1,888,801	1,356,919	-	-
Miscellaneous Revenues	211,776	171,332	6,594	118,797
Total Revenues	13,157,667	18,086,215	97,280	8,995,943
<u>Expenditures:</u>				
Current:				
General Government	4,001,422	365,039	-	-
Public Safety	8,766,033	671,470	-	-
Highways and Streets	-	7,226,360	-	-
Relief and Charities	-	7,802,578	-	-
Culture and Recreation	-	417,521	-	-
Conservation & Econ. Development	1,030,905	1,466,817	-	-
Capital Outlay	-	-	-	6,334,131
Debt Service:				
Principal Retirement	49,351	-	63,795	-
Interest	5,349	-	27,576	-
Fiscal Charges	-	-	2,398	-
Total Expenditures	13,853,059	17,949,785	93,769	6,334,131
Excess of Revenues Over (Under) Expenditures	(695,392)	136,430	3,511	2,661,812
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	8,500	-	-	-
Operating Transfers Out	-	(8,500)	-	-
Sale of Property	6,416	44,996	-	-
Proceeds of Lease	303,179	-	-	-
Donations	-	800	-	-
Proceeds of Bonds	-	-	-	-
Total Other Financing Sources (Uses)	318,095	37,296	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(377,297)	173,726	3,511	2,661,811
Fund Balance - January 1	2,444,690	3,768,415	226,699	3,972,495
Prior Period Adjustment	-	-	-	(13,120)
Adjusted Fund Balance - January 1	2,444,690	3,768,415	226,699	3,959,375
Residual Equity Transfers In	-	-	-	38,457
Residual Equity Transfers Out	-	(38,457)	-	-
Fund Balance - December 31	\$ 2,067,392	\$ 3,903,684	\$ 230,210	\$ 6,659,644

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

Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
\$ 16,062,632	\$ 3,667,818	\$ 19,730,450
8,009,194	-	8,009,194
147,139	-	147,139
12,363,921	1,577,921	13,941,842
3,245,720	111,254	3,356,974
508,499	299,618	808,117
<u>40,337,105</u>	<u>5,656,611</u>	<u>45,993,716</u>
4,366,461	-	4,366,461
9,437,503	-	9,437,503
7,226,360	-	7,226,360
7,802,578	-	7,802,578
417,521	-	417,521
2,497,721	1,589,437	4,087,158
6,334,131	3,749,061	10,083,192
113,146	1,085,000	1,198,146
32,925	405,065	437,990
2,398	-	2,398
<u>38,230,744</u>	<u>6,828,563</u>	<u>45,059,307</u>
2,106,361	(1,171,952)	934,409
8,500	1,134,933	1,143,433
(8,500)	(1,134,933)	(1,143,433)
51,412	2,116	53,528
303,179	-	303,179
800	-	800
-	1,622,612	1,622,612
<u>355,391</u>	<u>1,624,728</u>	<u>1,980,119</u>
2,461,752	452,776	2,914,528
10,412,299	7,573,357	17,985,656
(13,120)	-	(13,120)
<u>10,399,179</u>	<u>7,573,357</u>	<u>17,972,536</u>
38,457	-	38,457
(38,457)	-	(38,457)
<u>\$ 12,860,931</u>	<u>\$ 8,026,133</u>	<u>\$ 20,887,064</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, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$ 7,384,632	\$ 7,502,498	\$ 117,866	\$ 8,334,052	\$ 8,469,448	\$ 135,396
Licenses, Permits and Fees	8,400	13,731	5,331	121,540	133,408	11,868
Intergovernmental Revenues	3,616,741	3,540,861	(75,880)	7,419,097	7,065,032	(354,065)
Charges for Services	1,506,456	1,888,801	382,345	533,000	1,356,919	823,919
Miscellaneous Revenues	302,270	211,776	(90,494)	452,618	171,332	(281,286)
Total Revenues	12,818,499	13,157,667	339,168	16,860,307	17,196,139	335,832
Expenditures:						
Current:						
General Government	4,522,625	4,001,422	521,203	435,475	365,039	70,436
Public Safety	8,954,684	8,766,033	188,651	738,992	671,470	67,522
Highways and Streets	-	-	-	8,000,220	7,226,360	773,860
Relief and Charities	-	-	-	8,400,406	7,802,578	597,828
Culture and Recreation	-	-	-	475,524	417,521	58,003
Conservation & Econ. Development	1,040,865	1,030,905	9,960	336,778	336,777	1
Debt Service:						
Principal, Int. and Fiscal Charges	54,700	54,700	-	-	-	-
Total Expenditures	14,572,874	13,853,059	719,814	18,387,395	16,819,745	1,567,650
Excess of Revenues Over (Under) Expenditures	(1,754,375)	(695,392)	1,058,982	(1,527,088)	376,394	1,903,482
Other Financing Sources						
Transfers In	-	8,500	8,500	-	-	-
Transfers Out	-	-	-	-	(8,500)	(8,500)
Sale of Property	7,500	6,416	(1,084)	25,000	44,996	19,996
Lease Proceeds	325,000	303,179	(21,821)	-	-	-
Donations	-	-	-	-	800	800
Total Other Financing Sources	332,500	318,095	(14,405)	25,000	37,296	12,296
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,421,875)	(377,297)	1,044,577	(1,502,088)	413,690	1,915,778
Fund Balance - January 1	2,444,690	2,444,690	-	3,458,403	3,452,708	(5,695)
Residual Equity Transfers Out	-	-	-	-	(38,457)	(38,457)
Fund Balance - December 31	\$ 1,022,815	\$ 2,067,392	\$ 1,044,577	\$ 1,956,315	\$ 3,827,941	\$ 1,871,626

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)
\$ 62,505	\$ 90,686	\$ 28,181
-	-	-
-	-	-
-	-	-
12,050	6,594	(5,456)
<u>74,555</u>	<u>97,280</u>	<u>22,725</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
96,278	93,769	2,509
<u>96,278</u>	<u>93,769</u>	<u>2,509</u>
(21,723)	3,511	25,234
-	-	-
-	-	-
-	-	-
-	-	-
<u>(21,723)</u>	<u>3,511</u>	<u>25,234</u>
226,699	226,699	-
-	-	-
<u>\$ 204,976</u>	<u>\$ 230,210</u>	<u>\$ 25,234</u>

CASS COUNTY GOVERNMENT
 Combined Statement of Revenues, Expenses and
 Changes in Retained Earnings
 All Proprietary Fund Types
 For the Year Ended December 31, 2002

	Internal Service
<u>Operating Revenues:</u>	
Premiums	\$ 1,442,040
Charges for Services	143,727
Miscellaneous	3,515
Total Operating Revenues	1,589,282
<u>Operating Expenses:</u>	
Premiums	121,493
Medical Services	1,680
Telephone Service	62,041
Maintenance Agreements	30,251
Equipment Repair	4,211
Administrative Fees	95,336
Collision Repair/Replacement	10,172
Benefit Payments	1,254,328
IBNR Claims	79,019
Depreciation Expense	12,507
Total Operating Expenses	1,671,038
Operating Loss	(81,756)
<u>Nonoperating Revenues (Expenses):</u>	
Interest Income	20,662
Loss on Disposal of Fixed Assets	(2,528)
Total Nonoperating Revenues (Expenses)	18,134
Net Loss	(63,622)
Retained Earnings - January 1	518,940
Prior Period Adjustment	4,791
Adjusted Retained Earnings - January 1	523,731
Retained Earnings - December 31	\$ 460,110

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, 2002

	Internal Service
<u>Cash Flows from Operating Activities:</u>	
Operating Loss	\$ (81,756)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	12,507
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	(675)
Decrease in Accounts Payable	(11,829)
Increase in Premium Deposit Funds	27,408
Increase in IBNR Claims	(46,803)
Net Cash Used by Operating Activities	(101,146)
<u>Cash Flows (Used) from Capital and Related Financing Activities:</u>	
Acquisition of Fixed Assets	(61,227)
Proceeds on Sale of Fixed Assets	1,000
Net Cash Used in Capital and Related Financing Activities	(60,227)
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	20,662
Net Cash Provided by Investing Activities	20,662
Net Decrease in Cash and Cash Equivalents	(140,711)
Cash and Cash Equivalents at January 1	748,356
Cash and Cash Equivalents at December 31	\$ 607,643

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

CASS COUNTY GOVERNMENT

Combining Balance Sheet-Component Units
December 31, 2002

	Southeast Cass WRD	North Cass WRD
<u>ASSETS AND OTHER DEBITS</u>		
<u>Assets:</u>		
Cash and Investments	\$ 6,632,230	\$ 184,724
Petty Cash		
Receivables:		
Accounts Receivable		
Taxes Receivable	46,091	3,943
Intergovernmental Receivable	79,472	-
Special Assessments	60,819	2,445
Due From Primary Government	21,137	1,881
Fixed Assets	2,862,281	-
<u>Other Debits:</u>		
Amount Available for Retirement of General Long-Term Debt	2,501,686	22,692
Amount to be Provided for Retirement of General Long-Term Debt	6,025,035	302,825
TOTAL ASSETS AND OTHER DEBITS	\$ 18,228,752	\$ 518,510
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>		
<u>Liabilities:</u>		
Accounts Payable	21,683	3,344
Benefits Payable	1,908	363
Retainages Payable	62,570	-
Contract Payable	8,355	-
Deferred Revenues	106,911	6,388
Bonds and Warrants Payable	8,474,000	325,000
Compensated Absences Payable	2,734	517
Special Assessment Debt with Governmental Commitment	41,632	-
Total Liabilities	8,719,793	335,612
<u>Equity and Other Credits:</u>		
Investment in General Fixed Assets	2,862,281	-
Fund Balances:		
Reserved for Debt Service	2,493,992	22,990
Unreserved/Undesignated	4,152,685	159,908
Total Equity and Other Credits	9,508,959	182,898
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 18,228,752	\$ 518,510

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

Maple River WRD	Rush River WRD	Weed Control	Vector Control	Totals
\$ 587,210	\$ 105,633	\$ 162,589	\$ 136,001	\$ 7,808,386
		25	25	50
		33,894	2,202	36,096
8,637	2,786	6,640	5,399	73,495
216,387	124,075	-	-	419,934
2,702	2,246	-	-	68,212
3,148	1,687	-	-	27,853
-	-	192,433	145,075	3,199,789
41,432	13,733	-	-	2,579,543
284,232	841,883	-	-	7,453,975
<u>\$ 1,143,748</u>	<u>\$ 1,092,042</u>	<u>\$ 395,580</u>	<u>\$ 288,702</u>	<u>\$ 21,667,334</u>
4,146	1,029	66	131	30,399
363	402	-	-	3,036
20,390	40,547	-	-	123,507
-	-	-	-	8,355
11,339	5,031	65,168	56,114	250,950
325,000	855,000	-	-	9,979,000
664	616	-	-	4,531
-	-	-	-	41,632
<u>361,902</u>	<u>902,625</u>	<u>65,234</u>	<u>56,245</u>	<u>10,441,410</u>
-	-	192,433	145,075	3,199,789
38,485	14,452	-	-	2,569,920
743,361	174,965	137,913	87,382	5,456,215
<u>781,846</u>	<u>189,417</u>	<u>330,346</u>	<u>232,457</u>	<u>11,225,922</u>
<u>\$ 1,143,748</u>	<u>\$ 1,092,042</u>	<u>\$ 395,580</u>	<u>\$ 288,702</u>	<u>\$ 21,667,334</u>

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances-Component Units
For the Year Ended December 31, 2002

	Southeast Cass WRD	North Cass WRD	Maple River WRD
<u>Revenues:</u>			
Taxes	\$ 2,537,085	\$ 239,710	\$ 350,466
Intergovernmental Revenues	674,601	126,933	379,404
Charges for Services	-	-	-
Miscellaneous Revenues	237,160	7,314	42,423
Total Revenues	<u>3,448,846</u>	<u>373,957</u>	<u>772,293</u>
<u>Expenditures:</u>			
Current:			
Conservation & Econ. Development	791,178	122,240	128,075
Capital Outlay	2,902,024	310,057	305,063
Debt Service:			
Principal Retirement	905,000	80,000	75,000
Interest and Fiscal Charges	315,963	14,117	25,699
Total Expenditures	<u>4,914,165</u>	<u>526,414</u>	<u>533,837</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,465,319)</u>	<u>(152,457)</u>	<u>238,456</u>
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,046,933	30,000	30,000
Sale of Property	-	-	-
Proceeds From Bonds	1,238,516	241,706	142,390
Operating Transfers Out	<u>(1,046,933)</u>	<u>(30,000)</u>	<u>(30,000)</u>
Total Other Financing Sources (Uses)	<u>1,238,516</u>	<u>241,706</u>	<u>142,390</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(226,803)</u>	<u>89,249</u>	<u>380,846</u>
Fund Balance - January 1	<u>6,873,480</u>	<u>93,649</u>	<u>401,001</u>
Fund Balance - December 31	<u>\$ 6,646,677</u>	<u>\$ 182,898</u>	<u>\$ 781,847</u>

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

<u>Rush River WRD</u>	<u>Weed Control</u>	<u>Vector Control</u>	<u>Totals</u>
\$ 167,723	\$ 182,610	\$ 190,224	\$ 3,667,818
377,092	6,743	13,148	1,577,921
-	43,818	67,436	111,254
4,095	4,764	3,862	299,618
<u>548,910</u>	<u>237,935</u>	<u>274,670</u>	<u>5,656,611</u>
73,283	208,359	266,302	1,589,437
231,917	-	-	3,749,061
25,000	-	-	1,085,000
49,286	-	-	405,065
<u>379,486</u>	<u>208,359</u>	<u>266,302</u>	<u>6,828,563</u>
<u>169,424</u>	<u>29,576</u>	<u>8,368</u>	<u>(1,171,952)</u>
28,000	-	-	1,134,933
-	2,116	-	2,116
-	-	-	1,622,612
(28,000)	-	-	(1,134,933)
<u>-</u>	<u>2,116</u>	<u>-</u>	<u>1,624,728</u>
<u>169,424</u>	<u>31,692</u>	<u>8,368</u>	<u>452,776</u>
<u>19,991</u>	<u>106,221</u>	<u>79,015</u>	<u>7,573,357</u>
<u>\$ 189,415</u>	<u>\$ 137,913</u>	<u>\$ 87,383</u>	<u>\$ 8,026,133</u>

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002

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 accounting principles generally accepted in the United States of America (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' column 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 county board appoints the governing bodies of all of these component units.

The component units consist of the four Water Resource Districts, Southeast Cass, North Cass, Maple River, and Rush River; the 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 districts. 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.

The primary responsibilities of the Cass County Vector Control District and Cass County Noxious Weed District are to provide vector and weed control, respectively, on public land. The County Engineer is responsible for the management of the districts. A three-member board is appointed by the County Board of Commissioners and governs both districts. The Cass County Board of Commissioners has the authority to modify or approve the budgets of these districts. Both 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. Each government appoints one member to the Board of Directors. 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, 2001, which is the most current audited information available:

Total Assets	\$ 6,141,554
Total Liabilities	<u>457,361</u>
Total Equity	<u>5,684,193</u>
Revenues	804,822
Expenditures	<u>518,591</u>
Net Increase in Fund Balance	<u>\$ 286,231</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 government uses the following fund types and account groups:

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 Debt Account Group - The General Long-Term Debt 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 treatments 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.

All governmental fund types and agency funds use the modified accrual basis of accounting. 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.

Those revenues susceptible to accrual are property taxes, special assessments, intergovernmental revenue, licenses, interest revenue, and charges for services. 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.

The proprietary fund types utilize the accrual basis of accounting. 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 potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources 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.

F. Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted. 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 fair value.

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 revenues. Receivables in all other funds include amounts due for services to individuals performed by the County and not received by December 31, 2002.

J. Due from Other Governments

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

K. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

L. 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.

M. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items.

N. 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.

O. 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, 2002.

P. 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 is 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.

Q. Deferred Revenues

Deferred revenues arise when the County receives resources 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.

R. 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 that 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	2002	2001
Balance January 1	\$ 125,822	\$ 65,306
Incurred Claims Including IBNR's and Changes in Estimates	1,207,524	946,989
Less Claims Payments	1,254,328	886,473
Balance December 31	\$ 79,019	\$ 125,822

S. 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.

T. Leases

The county has entered into lease agreements as lessee for financing the acquisitions of a CRIS Recorders Computer System and an IBM AS400 Computer System. The leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of November 2002, in the general fixed assets account group.

The assets acquired through the capital leases are as follows:

<u>Asset</u>	<u>General Fixed Assets</u>
Machinery and equipment	\$ 436,321

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2002, were as follows:

Year Ending December 31	General Long-term Debt
2002	\$ 138,459
2003	83,759
2004	83,759
2005	83,759
2006	83,759
Total minimum lease payments	\$ 389,736
Less: Amount representing interest	(34,601)
Present value of minimum lease payments	\$ 355,136

U. 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.

V. 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.

W. 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

Chapter 11-23 of the North Dakota Century Code governs county government in North Dakota. 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 who then files it 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 expenditure or tax levy. 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 1st. For the year ending December 31, 2002, the County complied with the applicable budget laws except as noted below:

Fund Type	Unappropriated Fund	
	Unbudgeted	Expenditures
Special Revenue	1	\$1,130,040

(See Note 14 for further explanation)

Chapter 11-23 of the North Dakota Century Code sets the legal level of budgetary control at the fund level, no expenditure or commitment of funds may exceed the appropriation for the fund as a whole. In addition, it is the policy of Cass County to control budgets at the departmental level. In the General Fund, departments consist of the various county offices. In the Special Revenue and Debt Service Funds, the departments are comprised of the various individual funds.

Management may approve transfers of appropriations within departments without formal approval by the board of county commissioners. The board of county commissioners must approve all appropriation transfers between departments, or any supplemental appropriation. All 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 the time the original

budget was adopted. During the year, several supplementary appropriations were necessary. At year-end, the balance of each appropriation becomes a part of the unappropriated fund balance.

Also during 2002, two special revenue funds had an excess of expenditures over appropriations. The funds, budget and expenditures are:

Fund	2002 Budget	2002 Expenditures	Expenditures over Budget
Jail Commissary	\$ 112,500	\$ 135,566	\$ (23,066)
Document Preservation RDO	71,231	74,252	(3,021)

The difference in the Jail Commissary Fund was due to unanticipated expenditures to set up the commissary at the new jail. The difference in the Document Preservation Fund was due to higher collections than anticipated. These increased collections resulted in an increase in allocation sent to the State of North Dakota. The County Commission is aware of the above and has taken steps to ensure that funds remain within their budgets.

NOTE 3: DEPOSITS AND INVESTMENTS

Deposits: At year-end, the carrying amount of the County's deposits was \$46,793,159 and the bank balance was \$27,990,419. Of the bank balance, \$27,967,296 was covered by federal depository insurance or by collateral held by the County's agent in the County's name (Category 1), and \$23,123 was uninsured and uncollateralized (Category 3). The \$23,123 was held by the Bank of North Dakota and is backed by the full faith and credit of the State of North Dakota. Deposits include checking accounts, certificates of deposit, and money market funds.

Component Units

Deposits: At December 31, 2002, the deposits of the Water Resource Districts, \$5,131,866, were entirely covered by federal depository insurance or by collateral held by the district's custodial bank in the district's name. For the purpose of risk analysis, certificates of deposits are classified as deposits.

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: A mutual fund of \$2,377,931 held with US Bank is 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 assessed value for commercial and agricultural property and 9 percent of assessed value for

residential property. The result is the 'taxable value' and is 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 2, May 1, July 1, and October 16. Penalties of 6 percent are assessed on the second installment on October 16.

Four years after the property tax has become due, the County will start the process of foreclosing on the tax lien. The property owner has until October 1st of the fourth year to satisfy the tax lien at which time the County is entitled to a tax deed. 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, 2002:

	Balance 1/1/2002	Additions	Deletions	Transfers In	Transfers Out	Balance 12/31/2002
Land	\$ 1,200,316	\$ 6,766,344				\$ 7,966,660
Buildings	9,384,951	14,079,244		4,692,677		28,156,872
Improvements other than buildings	1,733,092	261,592				1,994,684
Machinery and Equipment	6,894,802	1,706,204	(256,185)	16,930	(16,930)	8,344,820
Construction in Progress	4,692,677				(4,692,677)	-
Total General Fixed Assets	\$ 23,905,838	\$ 22,813,384	\$ (256,185)	\$ 4,709,607	\$(4,709,607)	\$46,463,036

The following is a summary of proprietary fund-type fixed assets at December 31, 2002:

	Telephone Trust	Motor Pool	Total
Machinery and Equipment	\$ 313,076	\$ 65,874	\$ 378,950
Less Accumulated Depreciation	(264,190)	(35,059)	(299,249)
Net Fixed Assets	\$ 48,886	\$ 30,815	\$ 79,701

Component Units

During the year ended December 31, 2002, the following changes occurred in the general fixed assets account group of:

Southeast Cass Water Resource District				
	Balance 1/1/02	Additions	Deletions	Balance 12/31/02
Land	\$ 2,801,893	\$	\$	\$ 2,801,893
Machinery and equipment	55,035	2,625	(3,246)	54,414
Furniture	5,746	228		5,974
Total General Fixed Assets	\$ 2,862,674	\$ 2,853	\$ (3,246)	\$ 2,862,281

Noxious Weed Control				
	Balance			Balance
	1/1/2002	Additions	Deletions	12/31/2002
Building	\$ 41,054	\$ -	\$ -	\$ 41,054
Machinery and Equipment	137,664	13,715		151,379
Total General Fixed Assets	\$ 178,718	\$ 13,715	\$ -	\$ 192,433

Vector Control				
	Balance			Balance
	1/1/2002	Additions	Deletions	12/31/2002
Building	\$ 800	\$ -	\$ -	\$ 800
Machinery and Equipment	124,470	25,430	5,625	144,275
Total General Fixed Assets	\$ 125,270	\$ 25,430	\$ 5,625	\$ 145,075

NOTE 6: LONG-TERM DEBT

During the year ended December 31, 2002, the following changes occurred in liabilities reported in the general long-term debt account group.

	Balance			Balance
	1/1/2002	Additions	Reductions	12/31/2002
Lease Payable	\$ 101,307	\$ 303,179	\$ (49,350)	\$ 355,136
Special Assess. Bonds	555,000		(63,795)	491,205
Special Assessments	113,811		(18,945)	94,866
Compensated Absences	787,006	79,776		866,782
Total	\$ 1,557,124	\$ 382,955	\$ (132,090)	\$ 1,807,989

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

Long-term debt at December 31, 2002, is comprised of the following individual issues:

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 6.85% to 7.0%

\$ 15,000

\$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 4.75% to 5.2%

10,000

\$95,000 Refunding Improvement Bonds of 1995 for construction in the Borderud's Subdivision due in annual installments of \$5,000 to \$10,000 through 2010 with interest at 5.6%

60,000

\$205,000 Refunding Improvement Bonds of 1996 for construction in the Forest River Subdivision due in annual installments of \$20,000 to \$25,000 through 2006 with interest at 5.1%

95,000

\$305,000 Refunding Improvement Bonds of 1997 for construction in the Round Hill Subdivision due in annual installments of \$15,000 to \$25,000 through 2012 with interest at 4.4% to 5.2%

230,000

\$85,000 Refunding Improvement Bonds of 2001 for construction in the Holmen's 3rd Subdivision due in annual installments of \$3,800 to \$8,025 through 2016 with interest at 5.42%

81,205

Total Special Assessment Bonds and Warrants \$ 491,205

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 \$ 1,118

\$418,275 Sheyenne-Maple Flood Control Project No.1 special assessments due in annual installments of \$18,750, with interest at 7.65% 93,748

Total Special Assessments \$ 94,866

Lease Payable:

Recorder CRIS Computer System capital lease due in equal installments through 2003 \$ 51,957

\$303,179 AS400 Computer System capital lease due in annual installments of \$83,759 through 2006, with interest at 4.12%. 303,179

Total Leases Payable 355,136

Total Long-Term Debt (Excluding Compensated Absences) \$ 941,207

The annual requirements to amortize all debt outstanding (excluding compensated absences) as of December 31, 2002, including interest payments of \$181,070 are as follows:

Year Ending December 31	Lease Payable	Special Assessment Bonds	Special Assessments	Total
2003	\$ 138,459	\$ 88,054	\$ 26,209	\$ 252,722
2004	83,759	84,891	24,758	193,408
2005	83,759	72,036	23,308	179,103
2006	83,759	69,531	21,858	175,148
2007		52,405	20,377	72,782
2008-2015		248,932	180	249,112
Total	\$ 389,736	\$ 615,849	\$ 116,690	\$ 1,122,275

The County is subject to a statutory limitation by the State of North Dakota for indebtedness payable principally from property taxes. At December 31, 2002, the statutory limit for the County was \$144,387,275. The County has no debt that is subject to this limitation.

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, 2002, the County had funds of \$230,208 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, 2002, the following changes occurred in the general long-term debt account groups of the Water Resource Districts:

	Balance 1/1/2002	Additions	Reductions	Balance 12/31/2002
Southeast Cass	\$ 8,205,943	\$ 1,237,734	\$ (916,957)	\$ 8,526,720
Maple River	255,000	145,664	(75,000)	325,664
North Cass	160,000	245,517	(80,000)	325,517
Rush River	880,000	616	(25,000)	855,616
Total	\$ 9,500,943	\$ 1,629,531	\$ (1,096,957)	\$ 10,033,517

Long-term debt of the Water Resource Districts at December 31, 2002, is comprised of the following special assessment bonds:

Southeast Cass Water Resource District:

2001 \$3,760,000 Refunding Improvement Bonds, due in annual installments of \$210,000 to \$765,000 through 2007; with interest at 4.0% to 4.15%	\$ 3,000,000
2001 \$3,900,000 Refunding Improvement Bonds, due in annual installments of \$275,000 to \$280,000 through 2016; with interest at 4.125% to 4.5%	3,900,000
1996 \$710,000 Refunding Improvement Bonds Series A, due in annual installments of \$30,000 to \$135,000 through 2004; with interest from 4.6% to 4.7%	165,000
2002 \$1,235,000 Improvement bonds due in annual installments of \$80,000 to \$85,000 through 2018; interest at 2.25% to 4.75%.	1,235,000
1998 \$214,000 State Revolving Loan Fund Municipal Bond Bank, due in annual installments of \$10,000 to \$15,000 through 2018; with interest at 2.50%	174,000
Total Southeast Cass Special Assessment Bonds and Warrants Payable	<u>\$ 8,474,000</u>

Southeast Cass Contract Payable:

1993 \$83,500 Agreement with the City of West Fargo, to pay the City for the cost of a generator. Annual principal payments of \$8,355 through August 2003 with no interest	<u>\$ 8,355</u>
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Southeast Cass Special Assessments Payable:

Special assessments payable represents special assessment taxes levied by the City of West Fargo and the City of Fargo, ND against the district for the district's share of the benefit derived from city funded improvements. The special assessments are due in annual installments of \$1,396 to \$3,600 through 2015; with interest at 5.25% to 8.009%	<u>\$ 41,632</u>
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Southeast Cass Compensated Absences:

Compensated Absences consists of the unpaid vacation and sick leave and the related social security and medicare taxes.	<u>2,734</u>
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Total Southeast Cass Long-Term Debt \$ 8,526,720

Maple River District Bonds and Warrants Payable:

1998 \$75,000 Improvement Warrants, due in annual installments of \$5,000 through 2009; with interest at 4.5% to 4.9%	\$ 35,000
2002 \$145,000 Improvement Warrants, due in annual installments of \$70,000 to \$75,000 through 2006; interest at 3.75%.	145,000

2000 \$280,000 Improvement Warrants, due in annual installments of \$70,000 to \$75,000 through 2004; interest at 5.25% to 5.4%

145,000

Total Maple River Special Assessment Bonds and Warrants Payable \$ 325,000

Maple River Compensated Absences:

Compensated Absences consists of the unpaid vacation and sick leave and the related social security and medicare taxes.

\$ 664

Total Maple River Long-Term Debt \$ 325,664

Rush River District Bonds and Warrants Payable:

2000 \$880,000 Improvement Bonds, due in annual installments of \$25,000 to \$75,000 through 2020, with interest at 5.0% to 6.0%

\$ 855,000

Rush River Compensated Absences:

Compensated Absences consists of the unpaid vacation and sick leave and the related social security and medicare taxes.

616

Total Rush River Long-Term Debt \$ 855,616

North Cass District Bonds Payable:

1999 \$305,000 Improvement Bonds, due in annual installments of \$80,000 in 2003, with interest at 4.6%

\$ 80,000

2002 \$245,000 Improvement Bonds, due in annual installments of \$80,000 to \$85,000 through 2006; with interest at 4.0%.

245,000

Total North Cass Special Assessment Bonds and Warrants Payable 325,000

North Cass Compensated Absences:

Compensated Absences consists of the unpaid vacation and sick leave and the related social security and medicare taxes.

517

Total North Cass Long-Term Debt \$ 325,517

Total Component Unit Long-Term Debt \$ 10,033,517

Water Resource Districts' special assessment bond debt service requirements to maturity, excluding compensated absences of \$4,531, including \$2,532,586 of interest, are as follows:

Years Ending December 31	Southeast Cass Bonds And Warrants Payable	Southeast Cass Contract Payable	Southeast Cass Special Assessments	Maple River Bonds Payable	Rush River Bonds Payable	North Cass Bonds Payable	Total
2003	\$ 1,507,511	\$ 8,355	\$ 5,952	\$ 89,687	\$ 72,288	\$ 97,999	\$ 1,781,792
2004	1,426,421		5,751	90,787	75,913	89,800	1,688,672
2005	1,322,804		5,549	80,198	74,413	86,600	1,569,564
2006	1,132,890		5,348	82,246	72,913	88,400	1,381,797
2007	747,600		5,147	5,604	76,244		834,595
Remain Yrs	4,255,269		29,270	10,488	1,010,125		5,305,152
Total	\$10,392,495	\$ 8,355	\$ 57,017	\$359,010	\$1,381,896	\$362,799	\$12,561,572

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, 2002, the water resource districts had funds of \$2,569,920 available for payment on the special assessment bonds. The water resource district may reassess 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 benefiting from the improvement.

NOTE 7: INTERFUND ASSETS/LIABILITIES

Due From/To Other Funds:		
Receivable Fund	Payable Fund	Amount
General Fund	Human Service Fund	\$ 4,397
General Fund	Road & Bridge Fund	128,762

The payable/receivable from the Human Service Fund to the General Fund is for 'in lieu of rent' due as of December 31, 2002. The interfund payable/receivable from the Road & Bridge Fund to the General Fund is for the overspending of its share of a pooled cash account as of December 31, 2002. Both items were collected after year-end.

NOTE 8: CONTRIBUTED CAPITAL

During the year, there were no changes in contributed capital.

Source	Motor Pool Trust
Contributed Capital January 1	\$ 10,000
Contributed Capital December 31	\$ 10,000

NOTE 9: 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, nor 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, 2002, there were eighteen series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$46,145,574.

NOTE 10: PENSION PLANS

The county contributes to the North Dakota Public Employees' Retirement System (NDPERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Dakota. NDPERS provides for retirement disability and survivor benefits to plan members and beneficiaries. Benefit and contribution provisions are administered in accordance with chapter 54-52 of the North Dakota Century Code. NDPERS issues a publicly available financial report that includes financial statements and required supplementary information for NDPERS. That report may be obtained by writing to NDPERS, 400 E Broadway, Suite 505, PO Box 1214, Bismarck, North Dakota, 58502-1214.

Plan members are required to contribute 4% of their annual covered salary. The county is required to contribute 5.12% of the employees' salary, which consists of 4.12% for employee and 1% for the retiree health benefits fund. The county has agreed to pay 100% of the member assessments in lieu of a salary increase. The contribution requirements of plan members and the county are established

and may be amended by the state legislature. The county's contributions to NDPERS for the years ending December 31, 2002, 2001, and 2000 were \$987,016, \$896,919, and \$855,114, respectively, equal to the required contributions for the year.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentate of APC Contributed	Net Pension Obligation
12/31/2002	\$ 987,016	100%	-
12/31/2001	896,919	100%	-
12/31/2000	855,114	100%	-

NOTE 11: BUDGET AMENDMENTS

The County amended the budget as follows:

Fund	Original 2002 Budget	Amendments	Amended Budget
<u>Revenues:</u>			
General Fund	\$ 12,797,036	\$ 353,963	\$ 13,150,999
Sheriff Asset Forfeiture	9,000	119,720	128,720
<u>Expenditures:</u>			
General Fund	\$ 13,911,621	\$ 661,253	\$ 14,572,874
Human Service	8,321,585	78,821	8,400,406
County Road & Bridge Fund	4,861,431	13,188	4,874,619
Veterans Service Office	137,445	6,299	143,744
Sheriff Asset Forfeiture	14,000	119,720	133,720
Economic Development	296,778	40,000	336,778
911 Service	147,000	35,000	182,000
911 Wireless		240,000	240,000
Jail Commissary Fund	92,500	20,000	112,500
Document Preservation	53,333	17,898	71,231
Holmen's 3rd Subdivision		8,500	8,500
Weed Control	251,281	2,169	253,450
Vector Control	249,116	38,169	287,285

NOTE 12: 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 two 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. Estimating replacement cost in consultation with the Fire and Tornado Fund provides replacement cost coverage. 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 13: 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 14: RECONCILIATION OF BUDGET TO ACTUAL

The disaster assistance funds administered by the Lake Agassiz Regional Council are included on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance. The county did not budget for these funds. Also these funds are not recorded on the county's general ledger. Therefore, these funds are not included on the Budget to Actual Statement. The differences are as follows:

	Combined Statement	Adjustments	Budget to Actual
Balance, 1/1/02	\$ 3,768,415	\$ (315,706)	\$ 3,452,709
Receipts	18,086,215	(890,076)	17,196,139
Disbursements	(17,949,787)	1,130,041	(16,819,746)
Other Financing Sources (Uses)	37,296		37,296
Residual Equity Transfers	(38,457)		(38,457)
Balance, 12/31/02	\$ 3,903,682	\$ (75,741)	\$ 3,827,941

NOTE 15: PRIOR PERIOD ADJUSTMENT

Prior period adjustments totaling \$(8,329) were made to beginning fund balances. The Register of Deeds Grant Project was adjusted because revenue was booked at a larger amount than actually received. The Telephone Trust Fund was adjusted to correct the accumulated depreciation. The funds and the prior period adjustments were:

Capital Project Fund:	
Register of Deeds Grant Project	\$ (13,120)
Internal Service Fund:	
Telephone Trust	\$ 4,791

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CASS COUNTY GOVERNMENT
 Balance Sheet
 General Fund
 December 31, 2002

ASSETS

Cash and Investments	\$	3,477,203
Cash - County Offices		600
Receivables:		
Taxes		273,689
Accounts		42,577
Due From Other Governments		564,094
Due From Other Funds:		
Human Service Fund		4,397
Road and Bridge Fund		128,762
Inventory		7,625
Inventory of supplies, at cost		9,847
Prepaid Items		<u>72,029</u>
 TOTAL ASSETS		 <u><u>4,580,824</u></u>

LIABILITIES AND FUND EQUITY

<u>Liabilities:</u>		
Accounts Payable		162,028
Deposits		234
Deferred Revenues		<u>2,351,169</u>
 Total Liabilities		 <u><u>2,513,432</u></u>
 <u>Fund Equity:</u>		
Fund Balance, Reserved:		
Reserved for Inventory of Supplies		17,472
Reserved for Prepaid Items		72,029
Fund Balance, Unreserved/Undesignated		<u>1,977,891</u>
 Total Fund Equity		 <u><u>2,067,392</u></u>
 TOTAL LIABILITIES AND FUND EQUITY	 \$	 <u><u>4,580,824</u></u>

CASS COUNTY GOVERNMENT

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - General Fund
 For the Fiscal Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$ 7,384,632	\$ 7,502,498	\$ 117,866
Licenses, Permits and Fees	8,400	13,731	5,331
Intergovernmental Revenues	3,616,741	3,540,861	(75,880)
Charges for Services	1,506,456	1,888,801	382,345
Miscellaneous Revenues	302,270	211,776	(90,494)
Total Revenues	12,818,499	13,157,667	339,168
<u>Expenditures:</u>			
Current:			
General Government:			
County Commission	584,653	579,239	5,414
County Coordinator	1,295,169	938,829	356,340
Information Services	1,205,843	1,080,742	125,101
Auditor	634,390	633,768	622
Treasurer	244,846	234,853	9,993
Register of Deeds	389,873	375,152	14,721
Director of Tax Equalization	127,291	119,050	8,241
County Planning	40,560	39,789	771
Total General Government	4,522,625	4,001,422	521,203
Public Safety:			
County Sheriff	6,625,179	6,557,908	67,271
States Attorney	2,323,876	2,203,123	120,753
Cemetary	5,629	5,002	627
Total Public Safety	8,954,684	8,766,033	188,651
Conservation & Econ. Development:			
County Extension Agent	344,985	339,461	5,524
Public Service Agencies	695,880	691,444	4,436
Total Conservation & Econ.Dev	1,040,865	1,030,905	9,960
Debt Service:			
Principal	49,351	49,351	-
Interest	5,349	5,349	-
Total Debt Service	54,700	54,700	-
Total Expenditures	14,572,874	13,853,059	719,814
Deficiency of Revenues Under Expenditures	(1,754,375)	(695,392)	1,058,982
<u>Other Financing Sources :</u>			
Operating Transfers In		8,500	8,500
Lease Proceeds	325,000	303,179	(21,821)
Sale of Property	7,500	6,416	(1,084)
Total Other Financing Sources:	332,500	318,095	(14,405)
Deficiency of Revenues and Other Financing Sources Under Expenditures	(1,421,875)	(377,297)	1,044,577
Fund Balance - January 1	2,444,690	2,444,690	-
Fund Balance - December 31	\$ 1,022,815	\$ 2,067,392	\$ 1,044,577

CASS COUNTY GOVERNMENT

Special Revenue Funds

Human Services

This is the fund from which County Social Services operates, a department 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 provide 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.

Sheriff Asset Forfeiture

This fund is used to account for assets seized by law enforcement due to criminal activity. These funds are used to supplement a law enforcement budget and cannot supplant funding provided by general tax dollars.

JAIBG

This is the Juvenile Accountability Incentive Block Grant fund and is 90% federal funds. The funds are used for programs that encourage or assist juvenile offenders in being more accountable for their criminal activities.

Sheriff Block Grant

This is a fund for the accounting of various grants received by the Sheriff's Department. Currently, it accounts for the Local Law Enforcement Block Grant. This is a federal grant used to purchase equipment and supplies that are not funded with general tax dollars.

Jail Commissary

This fund is used to account for telephone commissions in the County Jail. These revenues are used to purchase furniture, fixtures, recreational and audio-visual equipment and miscellaneous items for inmates of the jail.

Hazardous Plan/Response

This fund is set up through state statute and used to account for chemical fees paid by those under the local Emergency Planning Commission. Revenues are used to purchase supplies for the Hazardous Material Response Team.

Valley Water Rescue

This fund accounts for grants received from four city governments and two county governments and is used to repair and purchase equipment for the Valley Water Rescue Unit.

State's Attorney Asset Forfeiture

This is a fund for assets seized by various law enforcement agencies.

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 to fund job creation efforts within the county through the Fargo-Cass County Economic Development Corporation. In addition, this fund operates a loan pool, with the county matching outside funds raised, up to \$400,000.

911 Service Land Lines

This fund is used to accumulate the 911 fees and pay for the contracted dispatch service with the City of Fargo. These funds are also used to update signage and equipment as necessary.

911 Service Wireless

This fund is used to accumulate the 911 fees and pay for the contracted dispatch service with the City of Fargo.

County Emergency Fund

This is a contingency fund, authorized by state law and used to provide funds for unexpected events.

NDRIN-County Recorders

This fund provides for the management of the North Dakota Recorders Information Network Fund (NDRIN).

NDRIN provides for the operation of a central repository for electronic land records from member counties and provides for access to those records by electronic means over the Internet. Funding is provided by public and private grants and gifts, electronic access fees and the Document Preservation Fee charged by member counties for recording documents.

Document Preservation Fund

This fund accounts for Cass County's Document Preservation Fee.

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.

Federal Disaster Aid

This fund was a temporary fund set up to account for federal aid received to help repair damage caused by the Flood of 2001.

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CASS COUNTY GOVERNMENT

Combining Balance Sheet -- All Special Revenue Funds
December 31, 2002

	Human Services	County Road and Bridge	Special 10 Mill Road	Veterans Service Office
<u>ASSETS</u>				
Cash and Investments	\$ 2,614,142	\$ -	\$ 1,426,344	\$ 52,076
Cash - County Offices	-	50	-	-
Receivables:				
Taxes	143,858	1,789	72,028	3,864
Accounts	1,425	3,191	-	-
Inventory	-	166,313	-	-
Prepaid Items	-	1,034	-	-
Due From Other Governments	249,522	502,776	-	-
TOTAL ASSETS	<u>3,008,947</u>	<u>675,153</u>	<u>1,498,372</u>	<u>55,940</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>Liabilities:</u>				
Accounts Payable	85,692	119,936	-	-
Due to General Fund	4,397	128,762	-	-
Deferred Revenues	1,563,837	103,218	748,219	37,677
Total Liabilities	<u>1,653,926</u>	<u>351,916</u>	<u>748,219</u>	<u>37,677</u>
<u>Fund Equity:</u>				
Fund Balances, Reserved:				
Reserved for Inventory	-	166,313	-	-
Reserved for Prepaid Items	-	1,034	-	-
Fund Balances, Unreserved/Undesignated	1,355,021	155,890	750,153	18,263
Total Fund Equity	<u>1,355,021</u>	<u>323,237</u>	<u>750,153</u>	<u>18,263</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,008,947</u>	<u>\$ 675,153</u>	<u>\$ 1,498,372</u>	<u>\$ 55,940</u>

Sheriff Asset Forfeiture	JAIBG Fund	Sheriff Block Grant	Jail Commissory	Hazardous Plan/ Response	Valley Water Rescue
\$ 20,953	\$ 29,603	\$ 28,152	\$ 154,596	\$ 26,127	\$ 2,933
-	-	-	-	-	-
-	209	-	4,875	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>20,953</u>	<u>29,812</u>	<u>28,152</u>	<u>159,471</u>	<u>26,127</u>	<u>2,933</u>
350	-	-	6,003	-	1,930
-	-	10,344	-	-	-
<u>350</u>	<u>-</u>	<u>10,344</u>	<u>6,003</u>	<u>-</u>	<u>1,930</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>20,603</u>	<u>29,812</u>	<u>17,808</u>	<u>153,468</u>	<u>26,127</u>	<u>1,003</u>
<u>20,603</u>	<u>29,812</u>	<u>17,808</u>	<u>153,468</u>	<u>26,127</u>	<u>1,003</u>
<u>\$ 20,953</u>	<u>\$ 29,812</u>	<u>\$ 28,152</u>	<u>\$ 159,471</u>	<u>\$ 26,127</u>	<u>\$ 2,933</u>

Continued on next page

CASS COUNTY GOVERNMENT

Combining Balance Sheet -- All Special Revenue Funds
December 31, 2002

	St. Att'y Asset Forfeiture	Senior Citizens	Job Development	911 Service Land-Lines
<u>ASSETS</u>				
Cash and Investments	\$ 8,910	\$ 81,574	\$ 126,703	\$ 100,244
Cash - County Offices	-	-	-	-
Receivables:				
Taxes	-	7,221	12,513	-
Accounts	-	-	-	13,966
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Due From Other Governments	-	-	-	-
TOTAL ASSETS	<u>8,910</u>	<u>88,795</u>	<u>139,216</u>	<u>114,210</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>Liabilities:</u>				
Accounts Payable	-	-	35,000	150
Due to General Fund	-	-	-	-
Deferred Revenues	-	74,842	66,608	-
Total Liabilities	<u>-</u>	<u>74,842</u>	<u>101,608</u>	<u>150</u>
<u>Fund Equity:</u>				
Fund Balances, Reserved:				
Reserved for Inventory	-	-	-	-
Reserved for Prepaid Items	-	-	-	-
Fund Balances, Unreserved/Undesignated	8,910	13,953	37,608	114,060
Total Fund Equity	<u>8,910</u>	<u>13,953</u>	<u>37,608</u>	<u>114,060</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 8,910</u>	<u>\$ 88,795</u>	<u>\$ 139,216</u>	<u>\$ 114,210</u>

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<u>911 Service Wireless</u>	<u>Emergency Fund</u>	<u>NDRIN County Recorder Project</u>	<u>Document Preservation ROD</u>	<u>County Park</u>	<u>Federal Disaster Aid</u>	<u>Total</u>
\$ 190,406	\$ 419,904	\$ 158,272	\$ 68,321	\$ 96,791	\$ 75,744	\$ 5,681,794
-	-	-	-	-	-	50
-	3,020	-	-	1,417	-	245,711
49,767	-	33,425	711	348	-	107,917
-	-	-	-	-	-	166,313
-	-	-	-	-	-	1,034
-	-	-	-	-	-	752,298
<u>240,173</u>	<u>422,924</u>	<u>191,697</u>	<u>69,032</u>	<u>98,556</u>	<u>75,744</u>	<u>6,955,117</u>
12,253	-	-	13,882	-	-	275,196
-	-	-	-	-	-	133,159
-	19,925	-	-	18,408	-	2,643,078
<u>12,253</u>	<u>19,925</u>	<u>-</u>	<u>13,882</u>	<u>18,408</u>	<u>-</u>	<u>3,051,433</u>
-	-	-	-	-	-	166,313
-	-	-	-	-	-	1,034
227,920	402,999	191,697	55,150	80,148	75,744	3,736,337
<u>227,920</u>	<u>402,999</u>	<u>191,697</u>	<u>55,150</u>	<u>80,148</u>	<u>75,744</u>	<u>3,903,684</u>
<u>\$ 240,173</u>	<u>\$ 422,924</u>	<u>\$ 191,697</u>	<u>\$ 69,032</u>	<u>\$ 98,556</u>	<u>\$ 75,744</u>	<u>\$ 6,955,117</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, 2002

	Human Services	County Road and Bridge	Special 10 Mill Road	Veterans Service Officer
<u>Revenues:</u>				
Property Taxes	\$ 5,054,590	\$ 52,704	\$ 2,541,187	\$ 134,619
License, Permits & Fees	84,330	-	-	-
Intergovernmental Revenues	2,344,077	4,451,794	-	-
Charges for Services	45,321	250,753	-	-
Miscellaneous Revenues	84,080	2,344	46,739	1,820
Total Revenues	<u>7,612,398</u>	<u>4,757,595</u>	<u>2,587,926</u>	<u>136,439</u>
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	137,243
Public Safety	-	-	-	-
Highway and Streets	-	4,756,771	2,469,589	-
Relief and Charities	7,802,578	-	-	-
Culture and Recreation	-	-	-	-
Conservation & Econ. Development	-	-	-	-
Total Expenditures	<u>7,802,578</u>	<u>4,756,771</u>	<u>2,469,589</u>	<u>137,243</u>
Excess of Revenues Over (Under) Expenditures	<u>(190,180)</u>	<u>824</u>	<u>118,337</u>	<u>(804)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	-	-	-	-
Sale Of Property	-	44,996	-	-
Donations	-	-	-	-
Total Other Financial Sources (Uses)	<u>-</u>	<u>44,996</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(190,180)</u>	<u>45,820</u>	<u>118,337</u>	<u>(804)</u>
Fund Balance - January 1	1,545,201	277,417	631,816	19,067
Residual Equity Transfers	-	-	-	-
Fund Balance - December 31	<u>\$ 1,355,021</u>	<u>\$ 323,237</u>	<u>750,153</u>	<u>\$ 18,263</u>

<u>Sheriff Asset Forfeiture</u>	<u>JAIBG Fund</u>	<u>Sheriff Block Grant</u>	<u>Jail Commissory</u>	<u>Hazardous Plan/ Response</u>	<u>Valley Water Rescue</u>	<u>St. Atty Asset Forfeiture</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30,954	11,592	-	-	-	-	6,532
74,049	-	-	-	4,163	38,522	-
-	-	-	114,585	-	-	-
861	706	820	4,910	693	535	405
<u>105,864</u>	<u>12,298</u>	<u>820</u>	<u>119,495</u>	<u>4,856</u>	<u>39,057</u>	<u>6,937</u>
-	-	-	-	-	-	-
88,048	-	18,902	135,566	1,887	38,603	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>88,048</u>	<u>-</u>	<u>18,902</u>	<u>135,566</u>	<u>1,887</u>	<u>38,603</u>	<u>-</u>
<u>17,816</u>	<u>12,298</u>	<u>(18,082)</u>	<u>(16,071)</u>	<u>2,969</u>	<u>454</u>	<u>6,937</u>
-	-	-	-	-	-	(8,500)
-	-	-	-	-	-	-
-	-	-	-	-	-	(8,500)
<u>17,816</u>	<u>12,298</u>	<u>(18,082)</u>	<u>(16,071)</u>	<u>2,969</u>	<u>454</u>	<u>(1,563)</u>
2,787	17,514	35,890	169,539	23,158	549	10,473
-	-	-	-	-	-	-
<u>\$ 20,603</u>	<u>\$ 29,812</u>	<u>\$ 17,808</u>	<u>\$ 153,468</u>	<u>\$ 26,127</u>	<u>\$ 1,003</u>	<u>\$ 8,910</u>

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CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances -- All Special Revenue Funds
For the Fiscal Year Ended December 31, 2002

	Senior Citizens	Job Development	911 Service Land Lines	911 Service Wireless
<u>Revenues:</u>				
Property Taxes	\$ 253,685	\$ 265,021	\$ -	\$ -
License, Permits & Fees	-	-	-	-
Intergovernmental Revenues	141,157	9,579	-	-
Charges for Services	-	-	190,619	383,291
Miscellaneous Revenues	1,174	2,017	2,695	3,598
Total Revenues	<u>396,016</u>	<u>276,617</u>	<u>193,314</u>	<u>386,889</u>
<u>Expenditures:</u>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	156,402	232,062
Highway and Streets	-	-	-	-
Relief and Charities	-	-	-	-
Culture and Recreation	404,137	-	-	-
Conservation & Econ. Development	-	336,777	-	-
Total Expenditures	<u>404,137</u>	<u>336,777</u>	<u>156,402</u>	<u>232,062</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,121)</u>	<u>(60,160)</u>	<u>36,912</u>	<u>154,827</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	-	-	-	-
Sale Of Property	-	-	-	-
Donations	-	-	-	-
Total Other Financial Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(8,121)</u>	<u>(60,160)</u>	<u>36,912</u>	<u>154,827</u>
Fund Balance - January 1	22,074	97,768	77,148	73,093
Residual Equity Transfers	-	-	-	-
Fund Balance - December 31	<u>\$ 13,953</u>	<u>\$ 37,608</u>	<u>\$ 114,060</u>	<u>\$ 227,920</u>

Emergency Fund	NDRIN - County Recorders	Document Preservation Fund	County Park	Federal Disaster Aid	TOTAL
\$ 125,613	\$ -	\$ -	\$ 42,029	\$ -	\$ 8,469,448
-	-	-	-	-	133,408
-	-	-	1,691	890,076	7,955,108
-	261,830	110,520	-	-	1,356,919
10,972	3,340	1,309	2,314	-	171,332
<u>136,585</u>	<u>265,170</u>	<u>111,829</u>	<u>46,034</u>	<u>890,076</u>	<u>18,086,215</u>
14,135	139,409	74,252	-	-	365,039
-	-	-	-	-	671,470
-	-	-	-	-	7,226,360
-	-	-	-	-	7,802,578
-	-	-	13,384	-	417,521
-	-	-	-	1,130,040	1,466,817
<u>14,135</u>	<u>139,409</u>	<u>74,252</u>	<u>13,384</u>	<u>1,130,040</u>	<u>17,949,785</u>
<u>122,450</u>	<u>125,761</u>	<u>37,577</u>	<u>32,650</u>	<u>(239,964)</u>	<u>136,430</u>
-	-	-	-	-	(8,500)
-	-	-	-	-	44,996
-	-	-	800	-	800
-	-	-	800	-	37,296
<u>122,450</u>	<u>125,761</u>	<u>37,577</u>	<u>33,450</u>	<u>(239,964)</u>	<u>173,726</u>
280,549	104,393	17,573	46,698	315,708	3,768,415
-	(38,457)	-	-	-	(38,457)
<u>\$ 402,999</u>	<u>\$ 191,697</u>	<u>\$ 55,150</u>	<u>\$ 80,148</u>	<u>\$ 75,744</u>	<u>\$ 3,903,684</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Special Revenue Funds
 For the Fiscal Year Ended December 31, 2002

	Human Services			County Road and Bridge		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$ 4,981,156	\$ 5,054,590	\$ 73,434	\$ 49,425	\$ 52,704	\$ 3,279
License, Permits & Fees	84,540	84,330	(210)	-	-	-
Intergovernmental Revenues	2,360,808	2,344,077	(16,731)	4,749,414	4,451,794	(297,620)
Charges for Services	12,000	45,321	33,321	18,000	250,753	232,753
Miscellaneous Revenues	242,469	84,080	(158,389)	32,780	2,344	(30,436)
Total Revenues	7,680,973	7,612,398	(68,575)	4,849,619	4,757,595	(92,024)
Expenditures:						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Highways and Streets	-	-	-	5,482,720	4,756,771	725,949
Relief and Charities	8,400,406	7,802,578	597,828	-	-	-
Culture and Recreation	-	-	-	-	-	-
Conservation & Econ. Development	-	-	-	-	-	-
Total Expenditures	8,400,406	7,802,578	597,828	5,482,720	4,756,771	725,949
Excess of Revenues Over (Under) Expenditures	(719,433)	(190,180)	529,253	(633,101)	824	633,925
Other Financing Sources (Uses):						
Sale Of Property	-	-	-	25,000	44,996	19,996
Transfers Out	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	25,000	44,996	19,996
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(719,433)	(190,180)	529,253	(608,101)	45,820	653,921
Fund Balance - January 1	1,545,201	1,545,201	-	277,417	277,417	-
Residual Equity Transfers	-	-	-	-	-	-
Fund Balance - December 31	\$ 825,768	\$ 1,355,021	\$ 529,253	\$ (330,684)	\$ 323,237	\$ 653,921

Special 10 Mill Road			Veterans Service Officer			Sheriff Asset Forfeiture		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,504,364	\$ 2,541,187	\$ 36,823	\$ 132,540	\$ 134,619	\$ 2,079	\$ -	\$ -	\$ -
-	-	-	-	-	-	27,000	30,954	3,954
-	-	-	-	-	-	99,720	74,049	(25,671)
139,525	46,739	(92,786)	4,556	1,820	(2,736)	2,000	861	(1,139)
2,643,889	2,587,926	(55,963)	137,096	136,439	(657)	128,720	105,864	(22,856)
-	-	-	143,744	137,243	6,501	-	-	-
2,517,500	2,469,589	47,911	-	-	-	133,720	88,048	45,672
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,517,500	2,469,589	47,911	143,744	137,243	6,501	133,720	88,048	45,672
126,389	118,337	(8,052)	(6,648)	(804)	5,844	(5,000)	17,816	22,816
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
126,389	118,337	(8,052)	(6,648)	(804)	5,844	(5,000)	17,816	22,816
631,816	631,816	-	19,067	19,067	-	2,787	2,787	-
-	-	-	-	-	-	-	-	-
\$ 758,205	\$ 750,153	\$ (8,052)	\$ 12,419	\$ 18,263	\$ 5,844	\$ (2,213)	\$ 20,603	\$ 22,816

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, 2002

	JAIBG Fund			Sheriff Block Grants		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ -	\$ -	\$ -		\$ -	\$ -
License, Permits & Fees	2,000	11,592	9,592	-	-	-
Intergovernmental Revenues	-	-	-	18,000	-	(18,000)
Charges for Services	-	-	-	-	-	-
Miscellaneous Revenues	200	706	506	1,000	820	(180)
Total Revenues	2,200	12,298	10,098	19,000	820	(18,180)
Current:						
General Government:						
Public Safety	-	-	-	25,000	18,902	6,098
Highways and Streets	-	-	-	-	-	-
Relief and Charities	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Conservation & Econ. Development	-	-	-	-	-	-
Total Expenditures	-	-	-	25,000	18,902	6,098
Excess of Revenues Over (Under) Expenditures	2,200	12,298	10,098	(6,000)	(18,082)	(12,082)
Other Financing Sources (Uses):						
Sale Of Property	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing U	2,200	12,298	10,098	(6,000)	(18,082)	(12,082)
Fund Balance - January 1	17,514	17,514	-	35,890	35,890	-
Prior Period Adjustment	-	-	-	-	-	-
Fund Balance - December 31	\$ 19,714	\$ 29,812	\$ 10,098	\$ 29,890	\$ 17,808	\$ (12,082)

Continued from previous page

Jail Commissary			Hazardous Plan/Response			Valley Water Rescue		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
80,000	114,585	34,585	3,500	4,163	663	38,522	38,522	-
2,000	4,910	2,910	2,500	693	(1,807)	1,200	535	(665)
82,000	119,495	37,495	6,000	4,856	(1,144)	39,722	39,057	(665)
-	-	-	-	-	-	-	-	-
112,500	135,566	(23,066)	7,000	1,887	5,113	38,772	38,603	169
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
112,500	135,566	(23,066)	7,000	1,887	5,113	38,772	38,603	169
(30,500)	(16,071)	14,429	(1,000)	2,969	3,969	950	454	(496)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(30,500)	(16,071)	14,429	(1,000)	2,969	3,969	950	454	(496)
169,539	169,539	-	23,158	23,158	-	549	549	-
-	-	-	-	-	-	-	-	-
\$ 139,039	\$ 153,468	\$ 14,429	\$ 22,158	\$ 26,127	\$ 3,969	\$ 1,499	\$ 1,003	\$ (496)

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, 2002

	States Attorney Asset Forfeiture			Senior Citizens		Variance Favorable (Unfavorable)
	Budget	Actual	(Unfavorable)	Budget	Actual	
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 250,445	\$ 253,685	\$ 3,240
License, Permits & Fees	8,000	6,532	(1,468)	-	-	-
Intergovernmental Revenues	-	-	-	137,866	141,157	3,291
Charges for Services	-	-	-	-	-	-
Miscellaneous Revenues	-	405	405	2,888	1,174	(1,714)
Total Revenues	8,000	6,937	(1,063)	391,199	396,016	4,817
Current:						
General Government:	8,500	-	8,500	-	-	-
Public Safety	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-
Relief and Charities	-	-	-	-	-	-
Culture and Recreation	-	-	-	404,137	404,137	-
Conservation & Econ. Development	-	-	-	-	-	-
Total Expenditures	8,500	-	8,500	404,137	404,137	-
Excess of Revenues Over (Under) Expenditures	(500)	6,937	7,437	(12,938)	(8,121)	4,817
Other Financing Sources (Uses):						
Sale Of Property	-	-	-	-	-	-
Transfers Out	-	(8,500)	(8,500)	-	-	-
Donations	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(8,500)	(8,500)	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing U	(500)	(1,563)	(1,063)	(12,938)	(8,121)	4,817
Fund Balance - January 1	10,473	10,473	-	27,769	22,074	(5,695)
Prior Period Adjustment	-	-	-	-	-	-
Fund Balance - December 31	\$ 9,973	\$ 8,910	\$ (1,063)	\$ 14,831	\$ 13,953	\$ (878)

Continued from previous page

Job Development			911 Service - Land Lines			911 Service - Wireless		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 250,483	\$ 265,021	\$ 14,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
9,579	9,579	-	-	-	-	-	-	-
1,500	2,017	517	155,000	190,619	35,619	-	383,291	383,291
			3,000	2,695	(305)	-	3,598	3,598
261,562	276,617	15,055	158,000	193,314	35,314	-	386,889	386,889
-	-	-	-	-	-	-	-	-
-	-	-	182,000	156,402	25,598	240,000	232,062	7,938
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
336,778	336,777	1	-	-	-	-	-	-
336,778	336,777	1	182,000	156,402	25,598	240,000	232,062	7,938
(75,216)	(60,160)	15,056	(24,000)	36,912	60,912	(240,000)	154,827	394,827
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(75,216)	(60,160)	15,056	(24,000)	36,912	60,912	(240,000)	154,827	394,827
97,768	97,768	-	77,148	77,148	-	73,093	73,093	-
\$ 22,552	\$ 37,608	\$ 15,056	\$ 53,148	\$ 114,060	\$ 60,912	\$ (166,907)	\$ 227,920	\$ 394,827

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, 2002

	Emergency Fund			NDRIN - County Recorder Project		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Property Taxes	\$ 124,524	\$ 125,613	\$ 1,089	\$ -	\$ -	\$ -
License, Permits & Fees	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-
Charges for Services	-	-	-	188,000	261,830	73,830
Miscellaneous Revenues	10,000	10,972	972	2,000	3,340	1,340
Total Revenues	134,524	136,585	2,061	190,000	265,170	75,170
<u>Expenditures:</u>						
Current:						
General Government	50,000	14,135	35,865	162,000	139,409	22,591
Public Safety	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-
Relief and Charities	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Conservation & Econ. Development	-	-	-	-	-	-
Total Expenditures	50,000	14,135	35,865	162,000	139,409	22,591
Excess of Revenues Over (Under) Expenditures	84,524	122,450	37,926	28,000	125,761	97,761
<u>Other Financing Sources (Uses):</u>						
Sale Of Property	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing U	84,524	122,450	37,926	28,000	125,761	97,761
Fund Balance - January 1	280,549	280,549	-	104,393	104,393	-
Residual Equity Transfers	-	-	-	-	(38,457)	(38,457)
Fund Balance - December 31	\$ 365,073	\$ 402,999	\$ 37,926	\$ 132,393	\$ 191,697	\$ 59,304

Document Preservation - ROD			County Park			Total Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 41,115	\$ 42,029	\$ 914	\$ 8,334,052	\$ 8,469,448	\$ 135,396
-	-	-	-	-	-	121,540	133,408	11,868
-	-	-	1,688	1,691	3	7,419,097	7,065,032	(354,065)
80,000	110,520	30,520	-	-	-	533,000	1,356,919	823,919
2,000	1,309	(691)	3,000	2,314	(686)	452,618	171,332	(281,286)
82,000	111,829	29,829	45,803	46,034	231	16,860,307	17,196,139	335,832
71,231	74,252	(3,021)	-	-	-	435,475	365,039	70,436
-	-	-	-	-	-	738,992	671,470	67,522
-	-	-	-	-	-	8,000,220	7,226,360	773,860
-	-	-	-	-	-	8,400,406	7,802,578	597,828
-	-	-	71,387	13,384	58,003	475,524	417,521	58,003
-	-	-	-	-	-	336,778	336,777	1
71,231	74,252	(3,021)	71,387	13,384	58,003	18,387,395	16,819,745	1,567,650
10,769	37,577	26,808	(25,584)	32,650	58,234	(1,527,088)	376,394	1,903,482
-	-	-	-	-	-	25,000	44,996	19,996
-	-	-	-	-	-	-	(8,500)	(8,500)
-	-	-	-	800	800	-	800	800
-	-	-	-	800	800	25,000	37,296	12,296
10,769	37,577	26,808	(25,584)	33,450	59,034	(1,502,088)	413,690	1,915,778
17,573	17,573	-	46,698	46,698	-	3,458,403	3,452,708	(5,695)
-	-	-	-	-	-	-	(38,457)	(38,457)
\$ 28,342	\$ 55,150	\$ 26,808	\$ 21,114	\$ 80,148	\$ 59,034	\$ 1,956,315	\$ 3,827,941	\$ 1,871,626

THIS PAGE HAS BEEN RESERVED FOR NOTES

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 Human Service Building project. Revenues are received primarily through ad valorem taxes on property.

Borderuds Subdivision Windsor Green Subdivision Sleepy Hollow Subdivision Forest River Subdivision Round Hill Subdivision Holmen's 3rd 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, 2002

	<u>Round Hill Subdivision</u>	<u>Holmen's Third Subdivision</u>	<u>Borderud's Subdivision</u>
<u>ASSETS</u>			
Cash and Investments	\$ 91,387	\$ 11,603	\$ 44,264
Receivables:			
Taxes	-	-	-
Total Assets	<u>91,387</u>	<u>11,603</u>	<u>44,264</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities:</u>			
Deferred Revenues	<u>9,422</u>	<u>3,674</u>	<u>2,505</u>
Total Liabilities	<u>9,422</u>	<u>3,674</u>	<u>2,505</u>
<u>Fund Equity:</u>			
Reserved for Debt Service	<u>81,964</u>	<u>7,929</u>	<u>41,759</u>
Total Fund Equity	<u>81,964</u>	<u>7,929</u>	<u>41,759</u>
Total Liabilities and Fund Equity	<u>\$ 91,387</u>	<u>\$ 11,603</u>	<u>\$ 44,264</u>

<u>Windsor Green Subdivision</u>	<u>Sleepy Hollow Subdivision</u>	<u>Forest River Subdivision</u>	<u>Total</u>
\$ 12,245	\$ 30,094	\$ 62,542	\$ 252,135
-	-	7	7
<u>12,245</u>	<u>30,094</u>	<u>62,550</u>	<u>252,142</u>
1,504	-	4,830	21,934
<u>1,504</u>	<u>-</u>	<u>4,830</u>	<u>21,934</u>
<u>10,741</u>	<u>30,094</u>	<u>57,720</u>	<u>230,208</u>
<u>10,741</u>	<u>30,094</u>	<u>57,720</u>	<u>230,208</u>
<u>\$ 12,245</u>	<u>\$ 30,094</u>	<u>\$ 62,550</u>	<u>\$ 252,142</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, 2002

	<u>Round Hill Subdivision</u>	<u>Holmen's Third Subdivision</u>	<u>Borderud's Subdivision</u>
<u>Revenues:</u>			
Property Taxes	\$ 51,876	\$ 9,066	\$ 6,250
Miscellaneous Revenues	2,196	276	1,266
 Total Revenues	 <u>54,072</u>	 <u>9,342</u>	 <u>7,516</u>
<u>Expenditures:</u>			
Debt Service:			
Principal	20,000	3,795	5,000
Interest	11,927	4,556	3,500
Fiscal Charges	609	-	440
 Total Expenditures	 <u>32,536</u>	 <u>8,351</u>	 <u>8,940</u>
 Excess of Revenues Over (Under) Expenditures	 <u>21,536</u>	 <u>991</u>	 <u>(1,424)</u>
 Fund Balance - January 1	 <u>60,429</u>	 <u>6,939</u>	 <u>43,183</u>
 Fund Balance - December 31	 <u>\$ 81,965</u>	 <u>\$ 7,930</u>	 <u>\$ 41,759</u>

Windsor Green Subdivision	Sleepy Hollow Subdivision	Forest River Subdivision	Total
\$ 6,405	\$ -	\$ 17,089	\$ 90,686
321	866	1,669	6,594
<u>6,726</u>	<u>866</u>	<u>18,758</u>	<u>97,280</u>
10,000	5,000	20,000	63,795
1,013	1,225	5,355	27,576
233	516	600	2,398
<u>11,246</u>	<u>6,741</u>	<u>25,955</u>	<u>93,769</u>
<u>(4,520)</u>	<u>(5,875)</u>	<u>(7,197)</u>	<u>3,511</u>
<u>15,262</u>	<u>35,969</u>	<u>64,917</u>	<u>226,699</u>
<u>\$ 10,742</u>	<u>\$ 30,094</u>	<u>\$ 57,720</u>	<u>\$ 230,210</u>

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, 2002

	Round Hill Subdivision			Holmen's Third Subdivision		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Property Taxes	\$ 29,375	\$ 51,876	\$ 22,501	\$ -	\$ 9,066	\$ 9,066
Miscellaneous Revenues	4,000	2,196	(1,804)	-	276	276
Total Revenues	<u>33,375</u>	<u>54,072</u>	<u>20,697</u>	<u>-</u>	<u>9,342</u>	<u>9,342</u>
<u>Expenditures:</u>						
Debt Service:						
Principal	20,000	20,000	-	3,800	3,795	5
Interest	11,928	11,927	1	4,700	4,556	144
Fiscal Charges	1,000	609	391	-	-	-
Total Expenditures	<u>32,928</u>	<u>32,536</u>	<u>392</u>	<u>8,500</u>	<u>8,351</u>	<u>149</u>
Excess of Revenues Over (Under) Expenditures	<u>447</u>	<u>21,536</u>	<u>21,089</u>	<u>(8,500)</u>	<u>991</u>	<u>9,491</u>
Fund Balance - January 1	<u>60,429</u>	<u>60,429</u>	<u>-</u>	<u>6,939</u>	<u>6,939</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 60,876</u>	<u>\$ 81,964</u>	<u>\$ 21,089</u>	<u>\$ (1,561)</u>	<u>\$ 7,930</u>	<u>\$ 9,491</u>

Borderud's Subdivision			Windsor Green Subdivision			Sleepy Hollow Subdivision		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 6,140	\$ 6,250	\$ 110	\$ 6,800	\$ 6,405	\$ (395)	\$ 4,640	\$ -	\$ (4,640)
2,000	1,266	(734)	750	321	(429)	2,300	866	(1,434)
8,140	7,516	(624)	7,550	6,726	(824)	6,940	866	(6,074)
5,000	5,000	-	10,000	10,000	-	5,000	5,000	-
3,500	3,500	-	770	1,013	(243)	1,225	1,225	-
1,000	440	560	1,000	233	767	1,000	516	484
9,500	8,940	560	11,770	11,246	525	7,225	6,741	484
(1,360)	(1,424)	(64)	(4,220)	(4,520)	(300)	(285)	(5,875)	(5,590)
43,183	43,183	-	15,262	15,262	-	35,969	35,969	-
\$ 41,823	\$ 41,759	\$ (64)	\$ 11,042	\$ 10,742	\$ (300)	\$ 35,684	\$ 30,094	\$ (5,590)

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, 2002

	Forest River Subdivision			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Taxes	\$ 15,550	\$ 17,089	\$ 1,539	\$ 62,505	\$ 90,686	\$ 28,181
Miscellaneous Revenues	3,000	1,669	(1,331)	12,050	6,594	(5,456)
Total Revenues	<u>18,550</u>	<u>18,758</u>	<u>208</u>	<u>74,555</u>	<u>97,280</u>	<u>22,725</u>
<u>Expenditures:</u>						
Debt Service:						
Principal	20,000	20,000	-	63,800	63,795	5
Interest	5,355	5,355	-	27,478	27,576	(98)
Fiscal Charges	1,000	600	400	5,000	2,398	2,602
Total Expenditures	<u>26,355</u>	<u>25,955</u>	<u>400</u>	<u>96,278</u>	<u>93,769</u>	<u>2,509</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,805)</u>	<u>(7,197)</u>	<u>608</u>	<u>(21,723)</u>	<u>3,511</u>	<u>25,234</u>
Fund Balance - January 1	<u>64,917</u>	<u>64,917</u>	<u>-</u>	<u>226,699</u>	<u>226,699</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 57,112</u>	<u>\$ 57,720</u>	<u>\$ 608</u>	<u>\$ 204,976</u>	<u>\$ 230,210</u>	<u>\$ 25,234</u>

Continued from previous page

**CASS COUNTY GOVERNMENT
Capital Projects Funds**

Future Building

This fund is for the accumulation of funds for the future construction of County buildings and major remodeling projects.

County Jail Building

This fund is used to provide for the construction of the new County Jail.

Forest River Subdivision

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

Round Hill Subdivision

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

Register of Deeds Grant Project

This fund is used for disaster-proofing the County Register of Deeds Office.

Holmen's 3rd Subdivision

This fund is used to provide for the construction of street improvements in Holmen's 3rd Subdivision.

CASS COUNTY GOVERNMENT

Combining Balance Sheet -- All Capital Projects Funds
December 31, 2002

	<u>Future Building</u>	<u>County Jail Building</u>	<u>Forest River Subdivision</u>
<u>ASSETS</u>			
Cash and Investments	\$ 3,263,618	\$ 2,401,578	\$ 23,031
Due From Other Governments	145,005	878,695	-
Total Assets	<u>3,408,623</u>	<u>3,280,273</u>	<u>23,031</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities:</u>			
Accounts Payable	698	14,072	-
Retainage Payable	-	100,080	-
Total Liabilities	<u>698</u>	<u>114,152</u>	<u>-</u>
<u>Fund Equity:</u>			
Fund Balances, Unreserved	<u>3,407,925</u>	<u>3,166,121</u>	<u>23,031</u>
Total Fund Equity	<u>3,407,925</u>	<u>3,166,121</u>	<u>23,031</u>
Total Liabilities and Fund Equity	<u>\$ 3,408,623</u>	<u>\$ 3,280,273</u>	<u>\$ 23,031</u>

<u>Round Hill Subdivision</u>	<u>Holmen's Third Subdivision</u>	<u>Total</u>
\$ 50,450	\$ 12,113	\$ 5,750,790
-	-	1,023,700
<u>50,450</u>	<u>12,113</u>	<u>6,774,490</u>
-	-	14,770
-	-	100,080
-	-	114,850
<u>50,450</u>	<u>12,113</u>	<u>6,659,640</u>
<u>50,450</u>	<u>12,113</u>	<u>6,659,640</u>
<u>\$ 50,450</u>	<u>\$ 12,113</u>	<u>\$ 6,774,490</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, 2002

	<u>Future Building</u>	<u>County Jail Building</u>	<u>Forest River Subdivision</u>
Revenues:			
Sales Tax	\$ -	\$ 8,009,194	\$ -
Intergovernmental Revenues	564,394	300,492	-
Miscellaneous Revenues	83,796	32,427	634
	<hr/>	<hr/>	<hr/>
Total Revenues	648,190	8,342,113	634
Expenditures:			
Capital Outlay			
Maintenance/Construction	93,057	5,468,461	-
Legal Fees	-	-	-
Architect Fees	243	26,743	-
Transition Team	-	551,019	-
Builders Risk Insurance	-	2,336	-
Computer Equipment	-	184,526	-
Travel and Per Diem	-	528	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	93,300	6,233,613	-
Revenues Over (Under) Expenditures	<hr/> 554,890	<hr/> 2,108,500	<hr/> 634
Fund Balance - January 1	2,853,036	1,057,623	22,397
Prior Period Adjustment	-	-	-
	<hr/>	<hr/>	<hr/>
Adjusted Fund Balance - January 1	2,853,036	1,057,623	22,397
Residual Equity Transfers	-	-	-
	<hr/>	<hr/>	<hr/>
Fund Balance - December 31	<u>\$ 3,407,926</u>	<u>\$ 3,166,123</u>	<u>\$ 23,031</u>

<u>Round Hill Subdivision</u>	<u>Holmen's Third Subdivision</u>	<u>Register of Deeds Grant Project</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 8,009,194
-	-	3,066	867,952
<u>1,389</u>	<u>468</u>	<u>83</u>	<u>118,797</u>
<u>1,389</u>	<u>468</u>	<u>3,149</u>	<u>8,995,943</u>
-	5,707	-	5,567,225
-	248	-	248
-	1,263	-	28,249
-	-	-	551,019
-	-	-	2,336
-	-	-	184,526
-	-	-	528
-	<u>7,218</u>	-	<u>6,334,131</u>
<u>1,389</u>	<u>(6,750)</u>	<u>3,149</u>	<u>2,661,812</u>
49,062	18,863	(28,486)	3,972,495
-	-	(13,120)	(13,120)
<u>49,062</u>	<u>18,863</u>	<u>(41,606)</u>	<u>3,959,375</u>
-	-	38,457	38,457
<u>\$ 50,451</u>	<u>\$ 12,113</u>	<u>\$ 0</u>	<u>\$ 6,659,644</u>

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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 7.15%, 14.3%, or 21.45%, 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, 2002

	Health Insurance Trust	Telephone Trust	Motor Pool Operating	Total
<u>ASSETS</u>				
Cash and Investments	\$ 471,635	\$ 131,668	\$ 4,340	\$ 607,643
Accounts Receivable	-	3,514	-	3,514
Fixed Assets	-	313,076	65,874	378,950
Less: Accumulated Depreciation	-	(264,190)	(35,059)	(299,249)
Total Assets	471,635	184,068	35,155	690,858
<u>LIABILITIES AND FUND EQUITY</u>				
<u>Liabilities:</u>				
Accounts Payable	-	-	274	274
Deposits	141,455	-	-	141,455
IBNR Claims	79,019	-	-	79,019
Total Liabilities	220,474	-	274	220,748
<u>Fund Equity:</u>				
Contributed Capital	-	-	10,000	10,000
Retained Earnings, Unreserved	251,161	184,068	24,881	460,110
Total Fund Equity	251,161	184,068	34,881	470,110
Total Liabilities and Fund Equity	\$ 471,635	\$ 184,068	\$ 35,155	\$ 690,858

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Internal Service Funds
For the Year Ended December 31, 2002

	Health Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Operating Revenues:</u>				
Premiums	\$ 1,442,040	\$ -	\$ -	\$ 1,442,040
Charges for Services	-	132,182	11,545	143,727
Miscellaneous	3,515			3,515
Total Operating Revenues	<u>1,445,555</u>	<u>132,182</u>	<u>11,545</u>	<u>1,589,282</u>
<u>Operating Expenses:</u>				
Premiums	121,493	-	-	121,493
Medical Services	1,680	-	-	1,680
Telephone Service	-	62,041	-	62,041
Maintenance Agreements	-	30,251	-	30,251
Equipment Repair	-	4,211	-	4,211
Administrative Fees	95,336	-	-	95,336
Maintenance and Repairs	-	1,220	8,952	10,172
Benefit Payments	1,254,328	-	-	1,254,328
IBNR Claims	79,019	-	-	79,019
Depreciation Expense	-	7,642	4,865	12,507
Total Operating Expenses	<u>1,551,855</u>	<u>105,364</u>	<u>13,817</u>	<u>1,671,038</u>
Operating Income (Loss)	<u>(106,300)</u>	<u>26,818</u>	<u>(2,272)</u>	<u>(81,756)</u>
<u>Nonoperating Revenues (Expenses):</u>				
Interest Income	17,007	3,531	124	20,662
Loss on Disposal of Fixed Assets	-	(1,000)	(1,528)	(2,528)
Total Nonoperating Revenues (Expenses)	<u>17,007</u>	<u>2,531</u>	<u>(1,404)</u>	<u>18,134</u>
Net Income (Loss)	<u>(89,293)</u>	<u>29,349</u>	<u>(3,676)</u>	<u>(63,622)</u>
Retained Earnings - January 1	340,454	149,928	28,557	518,940
Prior Period Adjustment	-	4,791	-	4,791
Adjusted Retained Earnings - January 1	<u>340,454</u>	<u>154,719</u>	<u>28,557</u>	<u>523,731</u>
Retained Earnings - December 31	<u>\$ 251,161</u>	<u>\$ 184,068</u>	<u>\$ 24,881</u>	<u>\$ 460,110</u>

CASS COUNTY GOVERNMENT
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2002

	Health Insurance Trust	Telephone Trust	Motor Pool	Total
<u>Cash Flows from Operating Activities:</u>				
Operating Income (Loss)	\$ (106,300)	\$ 26,818	\$ (2,272)	\$ (81,756)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation	-	7,642	4,865	12,507
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	-	(675)	-	(675)
Increase (Decrease) in Accounts Payable	(10,786)	(1,000)	(43)	(11,829)
Increase (Decrease) in Premium Deposit Funds	27,408	-	-	27,408
Increase (Decrease) in IBNR Claims	(46,803)	-	-	(46,803)
Net Cash Provided (Used) by Operating Activities	<u>(136,481)</u>	<u>32,785</u>	<u>2,550</u>	<u>(101,146)</u>
<u>Cash Flows (Used) from Capital and Related Financing Activities:</u>				
Acquisition of Fixed Assets		(49,027)	(12,200)	(61,227)
Proceeds on Sale of Fixed Assets			1,000	1,000
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>(49,027)</u>	<u>(11,200)</u>	<u>(60,227)</u>
<u>Cash Flows from Investing Activities:</u>				
Interest on Investments	17,007	3,531	124	20,662
Net Cash Provided by Investing Activities	<u>17,007</u>	<u>3,531</u>	<u>124</u>	<u>20,662</u>
Net Decrease in Cash and Cash Equivalents	<u>(119,474)</u>	<u>(12,711)</u>	<u>(8,526)</u>	<u>(140,711)</u>
Cash and Cash Equivalents at January 1	591,110	144,380	12,866	748,356
Cash and Cash Equivalents at December 31	<u>\$ 471,635</u>	<u>\$ 131,668</u>	<u>\$ 4,340</u>	<u>\$ 607,643</u>

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.

Combining Balance Sheet
 Agency Funds
 December 31, 2002

	<u>County Funds</u>	<u>Tax Collection Funds</u>	<u>Funds of Other Governmental Units</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Investments	\$ 32,007	\$ 30,631,785	\$ 352,471	\$ 31,016,263
Total Assets	<u>32,007</u>	<u>30,631,785</u>	<u>352,471</u>	<u>31,016,263</u>
<u>LIABILITIES</u>				
Due to Component Units	\$ -	\$ 27,853	\$ -	\$ 27,853
Accounts Payable	11,894	-	293	12,187
Deposits	<u>20,113</u>	<u>30,603,932</u>	<u>352,178</u>	<u>30,976,223</u>
Total Liabilities	<u>\$ 32,007</u>	<u>\$ 30,631,785</u>	<u>\$ 352,471</u>	<u>\$ 31,016,263</u>

CASS COUNTY GOVERNMENT
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2002

	Balance 1/1/2002	Additions	Deductions	Balance 12/31/02
<u>COUNTY FUNDS</u>				
Assets				
Cash and Investments	\$ 6,796	\$ 1,355,467	\$ 1,330,256	\$ 32,007
Total Assets	<u>6,796</u>	<u>1,355,467</u>	<u>1,330,256</u>	<u>32,007</u>
Liabilities				
Accounts Payable	117	11,894	117	11,894
Funds Held for County Departments	6,679	1,343,573	1,330,139	20,113
Total Liabilities	<u>6,796</u>	<u>1,355,467</u>	<u>1,330,256</u>	<u>32,007</u>
<u>TAX COLLECTION FUNDS</u>				
Assets				
Cash and Investments	27,703,069	125,111,592	122,182,876	30,631,785
Total Assets	<u>27,703,069</u>	<u>125,111,592</u>	<u>122,182,876</u>	<u>30,631,785</u>
Liabilities				
Due to Component Units		27,853		27,852
Tax Collections Due to Other Governmental Units	27,703,069	125,083,739	122,182,876	30,603,933
Total Liabilities	<u>27,703,069</u>	<u>125,111,592</u>	<u>122,182,876</u>	<u>30,631,785</u>
<u>FUNDS OF OTHER GOVERNMENTAL UNITS</u>				
Assets				
Cash and Investments	587,242	515,369	750,140	352,471
Total Assets	<u>587,242</u>	<u>515,369</u>	<u>750,140</u>	<u>352,471</u>
Liabilities				
Accounts Payable		293		293
Funds Held for Other Governmental Units	587,242	515,076	750,140	352,178
Total Liabilities	<u>587,242</u>	<u>515,369</u>	<u>750,140</u>	<u>352,471</u>
TOTALS:				
Assets				
Cash and Investments	28,297,107	126,982,429	124,263,272	31,016,263
Total Assets	<u>28,297,107</u>	<u>126,982,429</u>	<u>124,263,272</u>	<u>31,016,263</u>
Liabilities				
Accounts Payable	117	12,187	117	12,187
Funds Held for Other Governmental Units	28,290,311	125,598,815	122,933,016	30,956,111
Funds Held for County Government	6,679	1,343,573	1,330,139	20,113
Total Liabilities	<u>\$ 28,297,107</u>	<u>\$ 126,982,428</u>	<u>\$ 124,263,272</u>	<u>\$ 31,016,263</u>

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
 Schedule of General Fixed Assets by Source
 December 31, 2002

GENERAL FIXED ASSETS

Land	\$ 7,966,660
Buildings	28,156,872
Improvements Other Than Buildings	1,994,684
Machinery and Equipment	<u>8,344,820</u>
Total General Fixed Assets	<u><u>\$ 46,463,036</u></u>

INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE

Pre-December 31, 1992	\$ 9,980,290
After December 31, 1992	
General Fund	25,375,443
Special Revenue Funds	4,073,429
FEMA, HUD, State	6,762,910
Federal Grants	<u>270,965</u>
Total Investment in General Fixed Assets	<u><u>\$ 46,463,036</u></u>

CASS COUNTY GOVERNMENT
Schedule of General Fixed Assets
by Function and Activity
December 31, 2002

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Total
General Government					
General Administration	\$ 1,200,316	\$ 7,150,487	\$ 1,308,600	\$ 89,542	\$ 9,748,945
Finance	-	-	-	635,820	635,820
Other	-	4,000	-	955,543	959,543
Total General Government	1,200,316	7,154,487	1,308,600	1,680,905	11,344,308
Public Safety					
Justice	-	-	-	192,856	192,856
Law Enforcement	-	-	27,000	1,970,793	1,997,793
County Jail	-	20,338,632	-	433,833	20,772,465
Total Public Safety	-	20,338,632	27,000	2,597,482	22,963,114
Public Works					
Highway Department	-	625,285	654,860	3,336,202	4,616,347
Total Public Works	-	625,285	654,860	3,336,202	4,616,347
Conservation and Economic Development					
Extension Agent	-	-	-	95,289	95,289
FEMA, HUD, State	6,766,344	-	-	-	6,766,344
Total Conservation & Economic Development	6,766,344	-	-	95,289	6,861,633
Human Services					
Social Services	-	-	-	616,200	616,200
Total Human Services	-	-	-	616,200	616,200
Culture and Recreation					
County Park	-	38,468	4,224	18,742	61,434
Total Culture and Recreation	-	38,468	4,224	18,742	61,434
Total General Fixed Assets	<u>\$ 7,966,660</u>	<u>\$ 28,156,872</u>	<u>\$ 1,994,684</u>	<u>\$ 8,344,820</u>	<u>\$ 46,463,036</u>

Cass County Government
Schedule of Changes in General Fixed Assets
by Function and Activity
For the Year Ended December 31, 2002

Function and Activity	Balance January 1, 2002	Additions	Deductions	Transfers		Balance December 31, 2002
				In	Out	
General Government						
General Administration	\$ 9,502,457	\$ 246,488	\$ -	\$ -	\$ -	\$ 9,748,945
Finance	558,785	66,683	5,448	15,800	-	635,820
Other	314,738	698,167	52,712	240	890	959,543
Total General Government	10,375,980	1,011,338	58,160	16,040	890	11,344,308
Public Safety						
Justice	222,067	-	29,211	-	-	192,856
Law Enforcement	1,890,857	266,710	143,974	-	15,800	1,997,793
County Jail	1,749,271	14,332,782	2,515	4,692,927	-	20,772,465
Total Public Safety	3,862,195	14,599,492	175,700	4,692,927	15,800	22,963,114
Public Works						
Highway Department	4,204,748	417,839	6,000	-	240	4,616,347
Total Public Works	4,204,748	417,839	6,000	-	240	4,616,347
Conservation and Economic Development						
Extension Agent	96,169	10,861	11,740	-	-	95,289
FEMA, HUD, State	-	6,766,344	-	-	-	6,766,344
Total Conservation & Economic Development	96,169	6,777,205	11,740	-	-	6,861,633
Human Services						
Social Services	612,635	7,510	4,585	640	-	616,200
Total Human Services	612,635	7,510	4,585	640	-	616,200
Culture and Recreation						
County Park	61,434	-	-	-	-	61,434
Total Culture and Recreation	61,434	-	-	-	-	61,434
Construction in Progress	4,692,677	-	-	-	4,692,677	-
Total General Fixed Assets	\$ 23,905,838	\$ 22,813,384	\$ 256,185	\$ 4,709,607	\$ 4,709,607	\$ 46,463,036

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CASS COUNTY GOVERNMENT
Statistical Section Schedules
That Are Not Applicable

The following schedules are not included in the Statistical Section for the reasons stated below:

Revenue Bond Coverage

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

Comparison of General Bonded Debt to Total General Governmental Expenditures

The County does not have any general long-term bonded debt as of December 31, 2002.

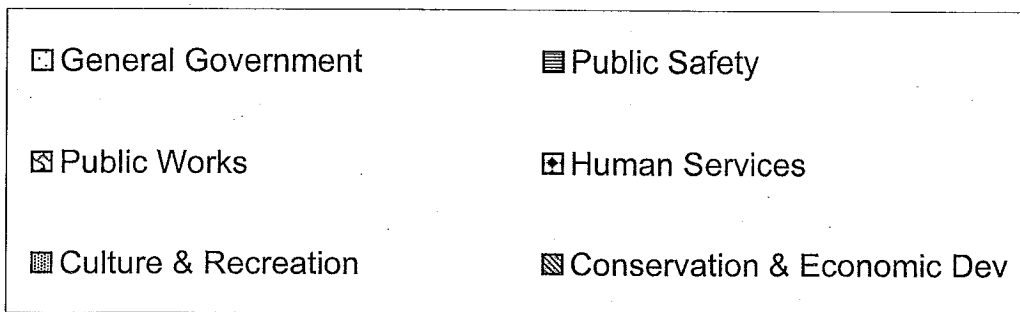
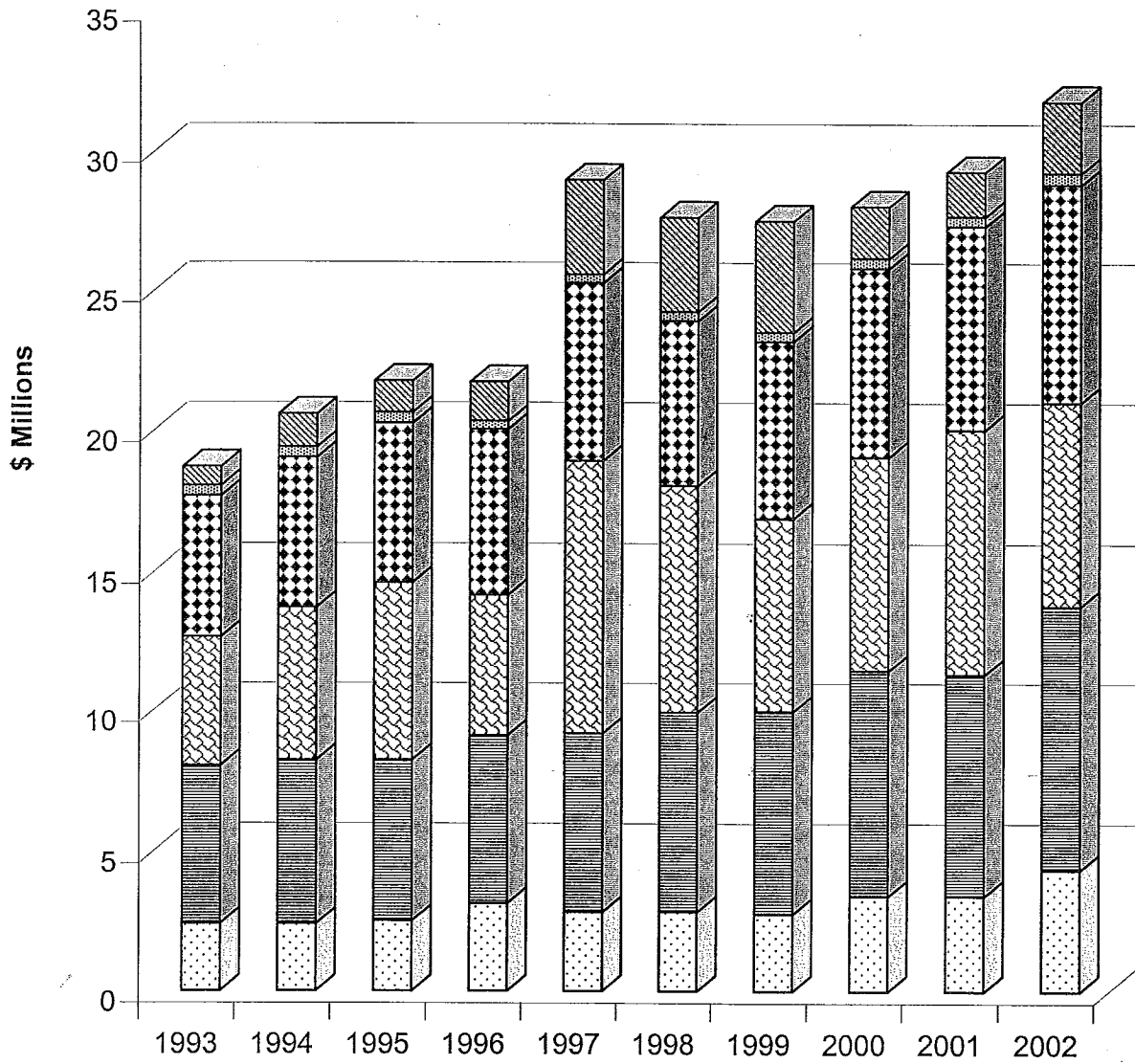
CASS COUNTY GOVERNMENT
 General Governmental Expenditures by Function
 Last Ten Fiscal Years
 (Unaudited)

<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>
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
1998	2,854,837	7,080,769	8,109,816	5,889,859	326,440	3,361,886	27,623,607
1999	2,776,864	7,193,003	6,916,721	6,317,407	325,291	3,968,128	27,497,414
2000	3,426,116	8,032,353	7,620,498	6,743,414	348,016	1,854,005	28,024,402
2001	3,432,683	7,894,722	8,718,962	7,277,875	353,994	1,606,362	29,284,598
2002	4,367,121	9,438,435	7,227,197	7,802,578	417,521	2,552,424	31,805,275

NOTE: Includes General Fund and all Special Revenue Funds.

CASS COUNTY GOVERNMENT

General Governmental Expenditures by Function



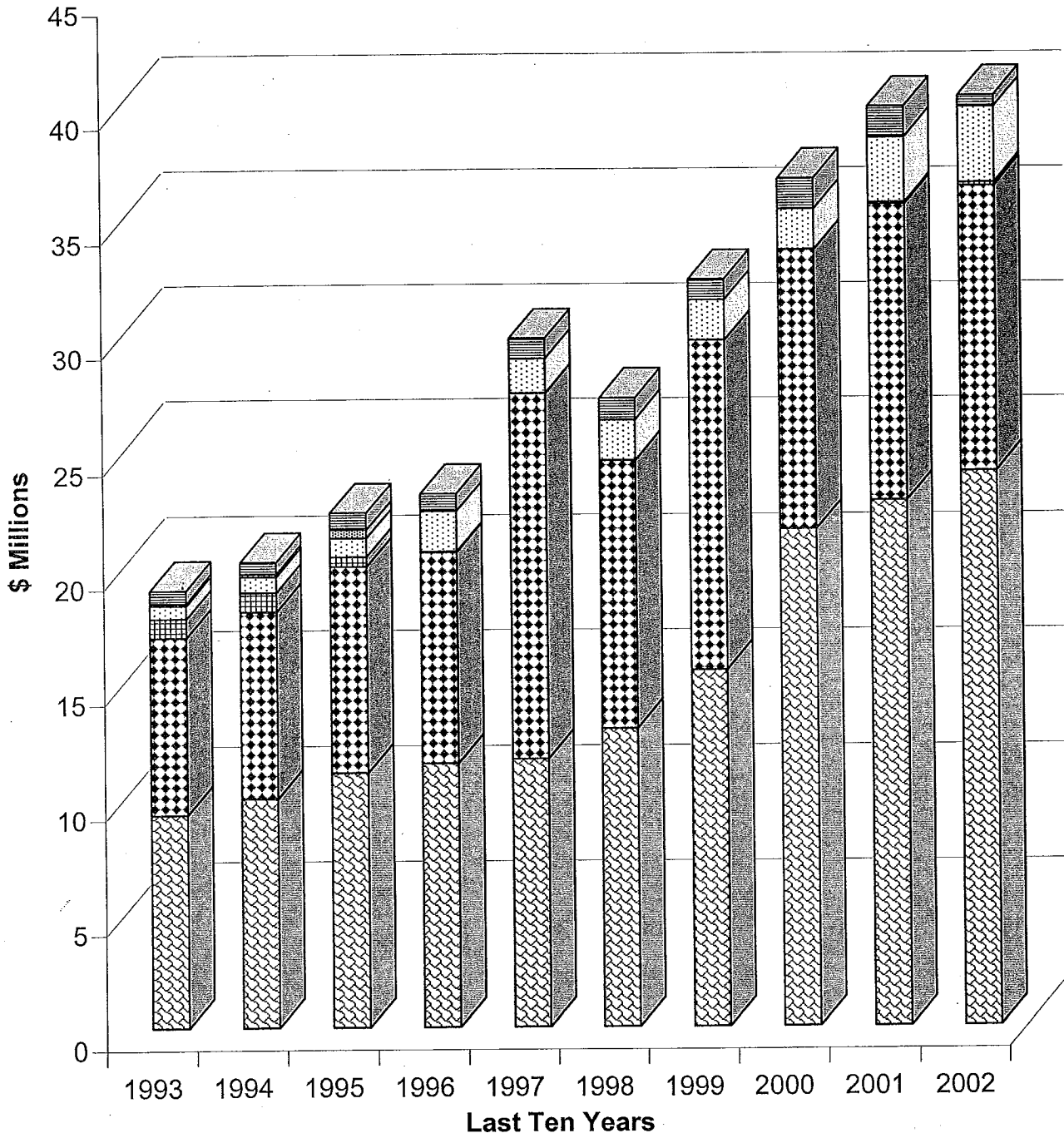
CASS COUNTY GOVERNMENT
 General Governmental Revenues by Source
 Last Ten Fiscal Years
 (Unaudited)

<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>
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
1998	12,950,635	11,640,209	13,150	1,717,635	0	926,528	27,248,157
1999 (1)	15,464,625	14,278,670	9,532	1,756,552	0	905,263	32,414,642
2000 (1)	21,547,575	12,132,538	9,921	1,748,851	0	1,334,497	36,773,382
2001 (1)	22,801,190	12,839,214	83,476	2,794,182	0	1,342,492	39,860,554
2002 (1)	24,071,828	12,363,922	147,139	3,245,721	0	508,498	40,337,108

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

(1) Includes Property Tax and General Sales Tax

CASS COUNTY GOVERNMENT
 General Governmental Revenues by Source



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>
1993	63,589,024	60,283,582	94.80%
1994	67,519,754	64,662,203	95.77%
1995	73,898,989	70,625,064	95.57%
1996	78,086,674	74,519,939	95.43%
1997	82,816,042	78,892,015	95.26%
1998	90,420,651	86,593,443	95.77%
1999	95,018,913	90,740,039	95.50%
2000	101,055,402	96,314,123	95.31%
2001	108,506,706	102,918,133	94.85%
2002	116,461,131	109,466,912	93.99%

(1) NOTES ON PROPERTY TAX COLLECTIONS:

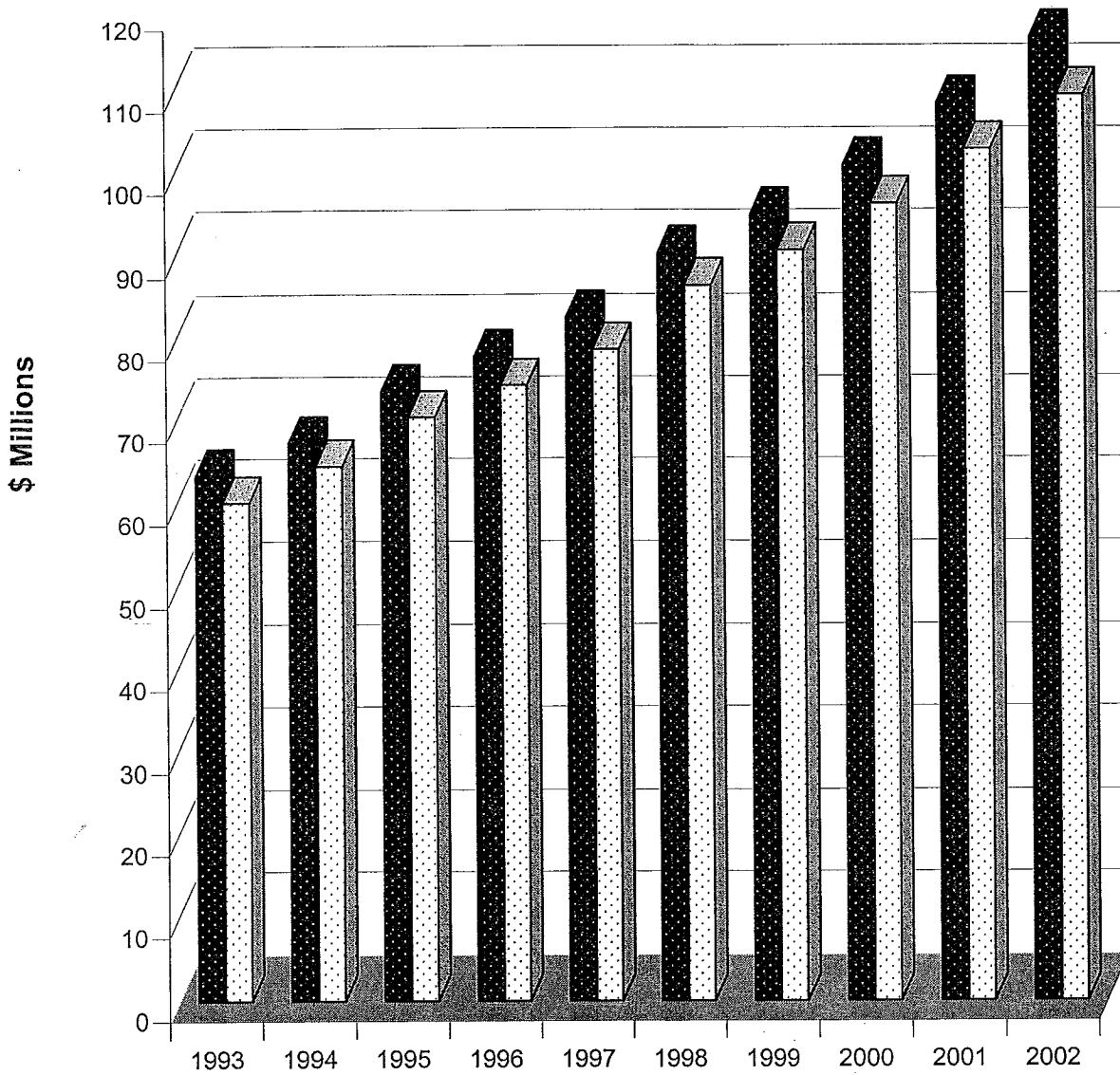
Taxpayers receive a 5% discount if taxes are paid before February 15, which reduces the Percent of Levy Collected.

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
(Unaudited)



■ Tax Levy □ Tax Collections

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

<u>Year</u>	<u>Estimated Market Value (True & Full)</u>	<u>Assessed Value (1)</u>	<u>Taxable Value (2)</u>	
1993	3,321,718,493	\$ 1,660,859,247	158,128,153	
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	1,928,306,710	202,917,086	(3)
1998	4,365,949,370	2,182,974,685	211,793,044	(3)
1999	4,662,299,570	2,331,149,785	225,748,971	(3)
2000	4,997,983,570	2,498,991,785	242,295,261	(3)
2001	5,392,477,720	2,696,238,860	261,221,097	(3)
2002	5,775,491,000	2,887,745,500	278,991,914	(3)

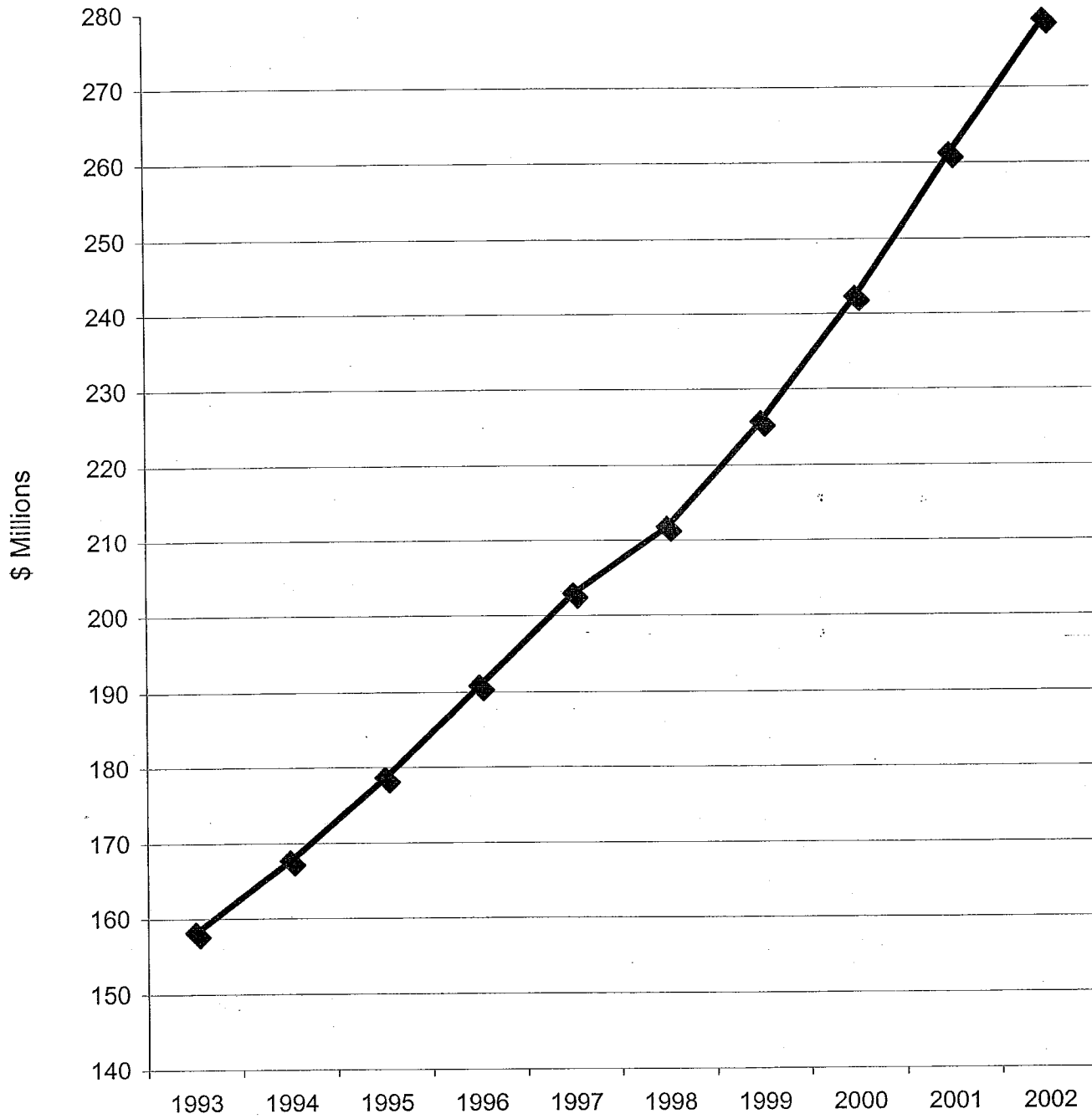
(1) Assessed Value is 50% of Market Value

(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



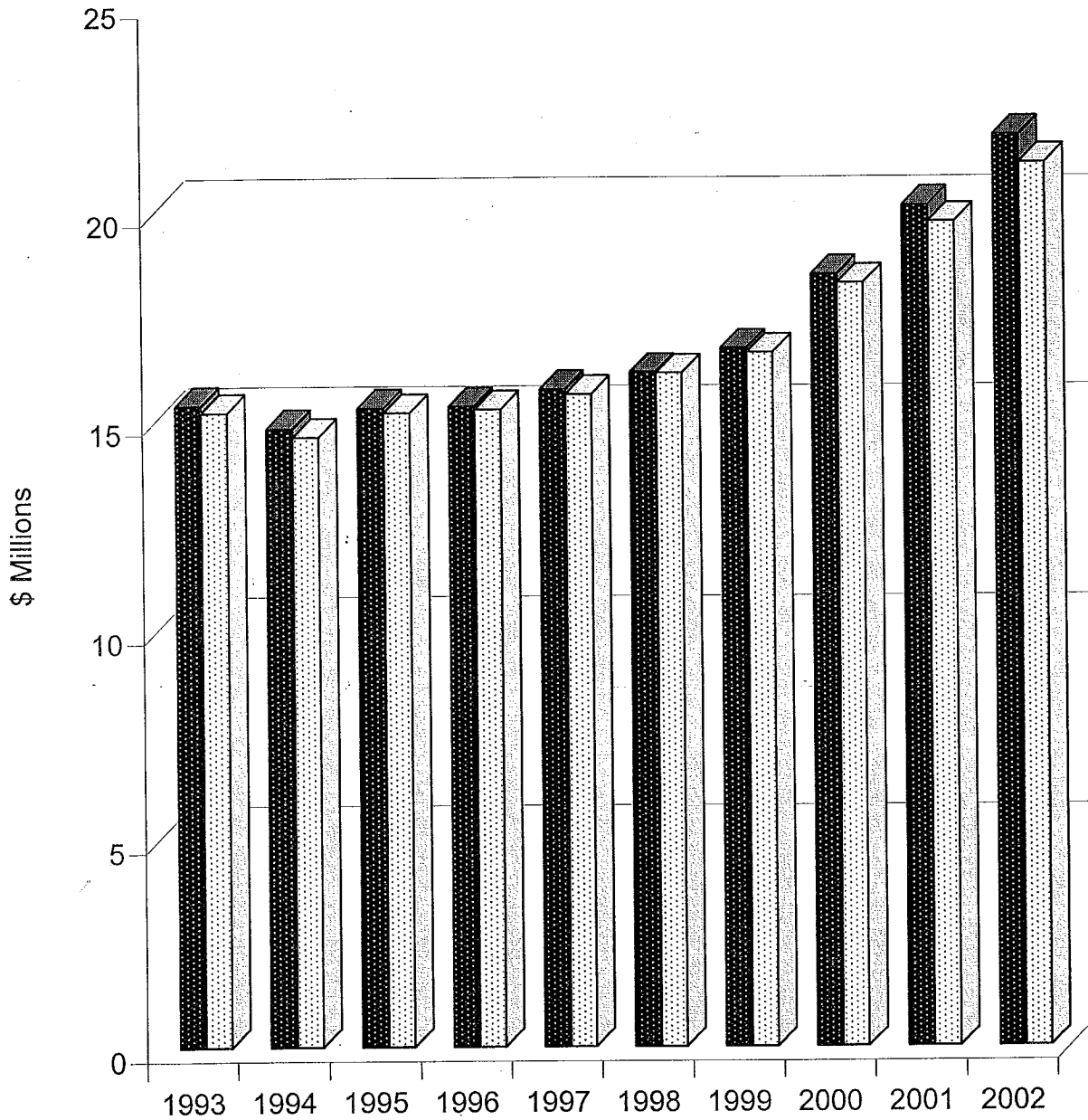
CASS COUNTY GOVERNMENT
Special Assessment Billings and Collections
Last Ten Fiscal Years
(Unaudited)

<u>Year Ended December 31</u>	<u>Total Billings</u>	<u>Total Collections</u>	<u>Percent Collected</u>
1993	15,341,715	15,168,818	98.87%
1994	14,788,666	14,589,019	98.65%
1995	15,265,023	15,150,178	99.25%
1996	15,303,833	15,224,616	99.48%
1997	15,696,319	15,576,543	99.24%
1998	16,101,209	16,079,963	99.87%
1999	16,675,803	16,574,668	99.39%
2000	18,457,478	18,247,870	98.86%
2001	20,095,915	19,702,774	98.04%
2002	21,751,682	21,089,867	96.96%

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 Fiscal Years
(Unaudited)



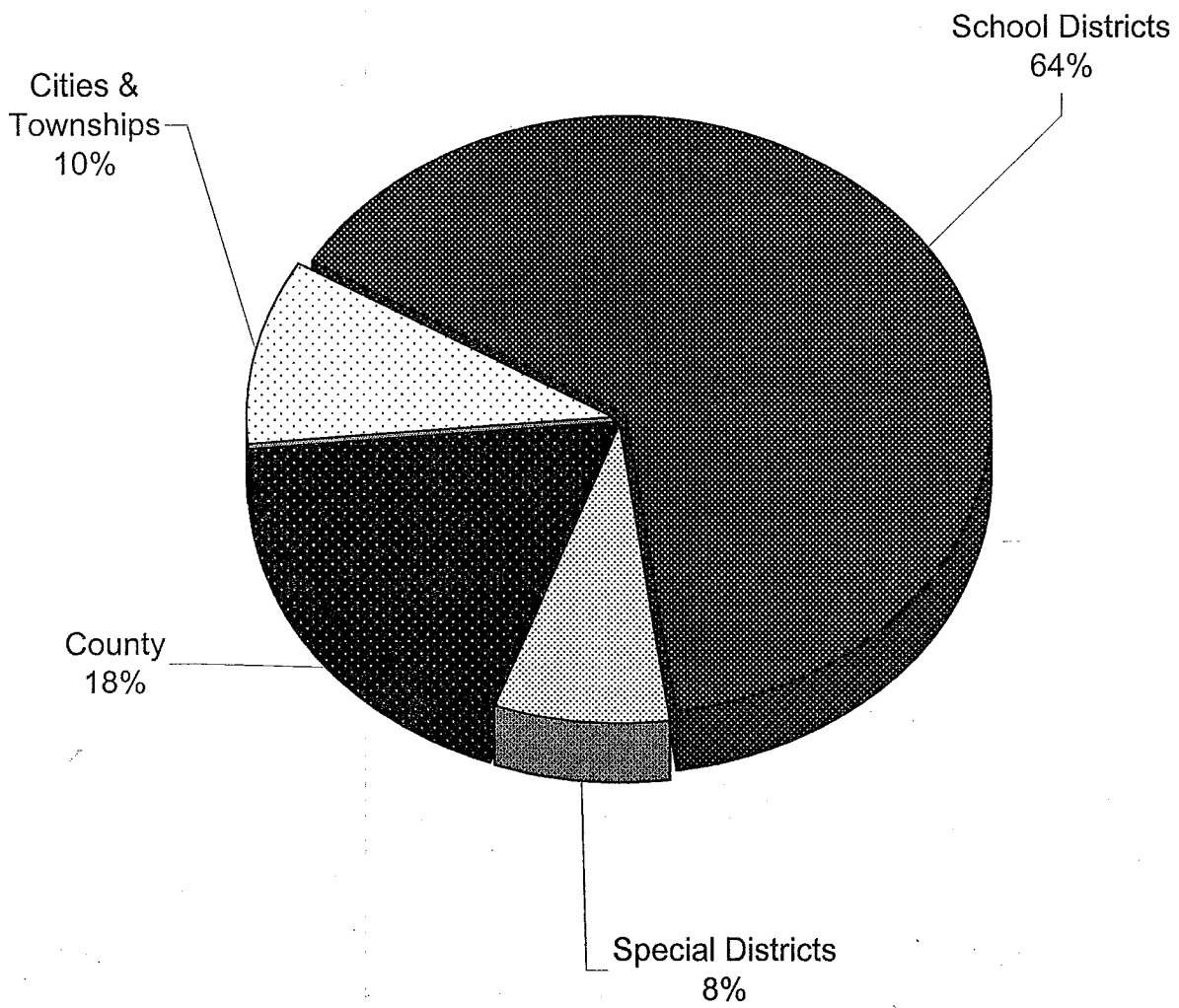
CASS COUNTY GOVERNMENT
Property Tax Rates and Distribution of General Levy Property Taxes
Direct and Overlapping Governments
Last Ten Years
(Unaudited)

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
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%
1998	269.15	493.22	18.17%	9.99%	64.90%	6.94%	100%
1999	271.49	488.52	17.73%	9.67%	65.42%	7.18%	100%
2000	253.39	493.75	17.50%	9.98%	65.23%	7.30%	100%
2001	236.71	491.44	17.22%	10.13%	65.21%	7.44%	100%
2002	234.12	490.02	17.97%	10.12%	64.17%	7.74%	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
2002 Property Tax Distribution



CASS COUNTY GOVERNMENT
 Computation of Legal Debt Margin
 December 31, 2002
 (Unaudited)

	Amount	Percent
Assessed Value of all property	\$ 2,887,745,500	
Debt Limit - 5% of Assessed Value	\$ 144,387,275	100.0%

Legal Debt Margin:

Debt Applicable to Limitation:

Total general obligation bonded debt	\$	-	
Less: Amount available for repayment of general obligation bonds		\$ -	
Total debt applicable to limitation		\$ -	0.0%
LEGAL DEBT MARGIN		\$ 144,387,275	100.0%

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
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
1998	116,832	2,182,974,685	1,005,000	154,543	850,457	0.04%	7
1999	116,832	2,331,149,785	520,000	161,747	358,253	0.02%	3
2000	118,405	2,498,991,785	-	-	-	-	-
2001	118,405	2,696,238,860	-	-	-	-	-
2002	118,405	2,887,745,500	-	-	-	-	-

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

SOURCE: County Auditor's Office
www.sdc.ag.ndsu.nodak.edu

CASS COUNTY GOVERNMENT
 Computation of Direct and Overlapping Debt
 December 31, 2002
 (Unaudited)

<u>Name of Entity</u>	<u>Debt (1) December 31, 2002</u>	<u>Percentage Applicable to Cass County</u>	<u>Amount Applicable to Cass County</u>
<u>Direct:</u>			
Cass County	\$ -		\$ -
<u>Cities:</u>			
West Fargo	\$ 1,255,000	100.0%	\$ 1,255,000
Fargo	103,830	100.0%	103,830
Prairie Rose	115,000	100.0%	115,000
<u>Public School Districts:</u>			
Fargo PSD	\$ 72,281,139	100.0%	\$ 72,281,139
West Fargo PSD	38,920,000	100.0%	38,920,000
Kindred PSD	1,609,740	71.6%	1,153,374
Central Cass PSD	5,796,710	100.0%	5,796,710
Northern Cass PSD	<u>5,010,000</u>	90.5%	<u>4,536,190</u>
 Total Overlapping Bonded Debt	 <u>\$ 125,091,419</u>		 <u>\$ 124,161,243</u>

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

CASS COUNTY GOVERNMENT
 Ten Largest Property Taxpayers Ranked by Taxable Value
 Year Ended December 31, 2002
 (Unaudited)

Name	Type of Business	Taxable Value	Percentage of Total Taxable Value
West Acres Development Company	Shopping Center	\$ 4,568,010	1.64%
Dakota Specialty Institute	Health Services	2,787,650	1.00%
Northern States Power Company	Electric & Gas Utility	2,334,895	0.84%
Meritcare Medical Group	Health Services	2,219,175	0.80%
Medical Properties	Health Services	1,156,775	0.41%
Blue Cross of North Dakota	Health Insurance	1,365,060	0.49%
Matrix Properties Corp.	Developer	1,070,226	0.38%
Case Equipment Corporation	Manufacturing	902,745	0.32%
Wold Properties Inc.	Developer	669,120	0.24%
Dayton Hudson Corp	Retail	<u>665,815</u>	<u>0.24%</u>
Total Attributable to Ten Largest Property Taxpayers		<u>17,739,471</u>	<u>6.36%</u>
TOTAL GROSS TAXABLE VALUE		<u>\$ 278,991,914</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
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
1998	117,144	752	84,867	2,416
1999	165,453	820	95,168	2,270
2000	142,214	859	90,124	2,537
2001	106,226	81	110,235	531
2002	118,648	106	135,397	649

(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)
1993	109,356	20,404	19,976	3.3%
1994	111,691	21,586	19,651	2.8%
1995	113,643	22,305	**	2.8%
1996	115,448	23,948	20,327	2.3%
1997	117,616	24,731	**	1.4%
1998	119,973	26,437	20,346	1.6%
1999	121,921	27,865	19,767	1.8%
2000	123,138	28,689	19,579	1.6%
2001	124,729	*	19,473	1.5%
2002	126,320	*	**	3.5%

SOURCES:

- (1) NDSU State Census Data Center
www.ndsu.nodak.edu
- (2) Cass County Auditor's Office
www.dpi.state.nd.us
- (3) North Dakota Job Service
www.state.nd.us

* Information is not yet available.

** Data gathered every two years

CASS COUNTY GOVERNMENT
2000 Census Data
(Unaudited)

Cass County Population 123,138

CITIES		TOWNSHIPS	
ALICE	56	ADDISON	104
AMENIA	89	AMENIA	112
ARGUSVILLE	147	ARTHUR	82
ARTHUR	402	AYR	78
AYR	23	BARNES	525
BRIARWOOD	78	BELL	41
BUFFALO	209	BERLIN	136
CASSELTON	1,855	BUFFALO	79
DAVENPORT	261	CASSELTON	117
ENDERLIN	5	CLIFTON	71
FARGO	90,599	CORNELL	60
FRONTIER	273	DAVENPORT	134
GARDNER	80	DOWS	63
GRANDIN	181	DURBIN	92
HARWOOD	607	ELDRED	91
HORACE	915	EMPIRE	109
HUNTER	326	ERIE	134
KINDRED	614	EVEREST	98
LEONARD	255	FARGO	6
MAPLETON	606	GARDNER	123
NORTH RIVER	65	GILL	104
OXBOW	248	GUNKEL	55
PAGE	225	HARMONY	93
PRAIRIE ROSE	68	HARWOOD	291
REILE'S ACRES	254	HIGHLAND	116
TOWER CITY	252	HILL	51
WEST FARGO	14,940	HOWES	82
		HUNTER	86
		KINYON	103
		LAKE	47
		LEONARD	103
		MAPLE RIVER	126
		MAPLETON	251
		NOBLE	89
		NORMANNA	339
		PAGE	60
		PLEASANT	426
		PONTIAC	100
		RAYMOND	270
		REED	1,224
		RICH	79
		ROCHESTER	70
		RUSH RIVER	107
		STANLEY	2,296
		TOWER	67
		WALBURG	175
		WARREN	133
		WATSON	90
		WHEATLAND	147
		WISER	70
		Total Townships	9,505
		Percent of Total	8%
Total Cities	113,633		
Percent of Total	92%		

SOURCE: US Department of Commerce,
Bureau of the Census

CASS COUNTY GOVERNMENT
 Demographic and Miscellaneous Statistical Data
 December 31, 2001
 (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	8.3%
		Mining & Construction	6.3%
		Manufacturing	5.9%
Board Meetings:	First and Third Mondays	Trans/Communication/Utilities	5.3%
		Wholesale Trade	5.0%
		Retail Trade	16.6%
County Seat:	Fargo, North Dakota Population, 2000 Census: 90,599 Largest city in North Dakota	Financial/Insurance/Real Estate	6.3%
		Services	30.4%
		Government	16.0%

Source: U. S. Bureau of the Census
www.ndsu.nodak.edu/sdc/data/census 2001

Area of County: 1,765 Square Miles

Temperature:

Average Daily Max: 51.2 F

Average Daily Min: 29.8 F

Mean Precipitation: 19.59 Inches

Fiscal Year: January 1 - December 31

Number of:

Cities 27

Townships 50

School Districts 11

Fire Districts 13

Water Districts 4

CASS COUNTY GOVERNMENT

Ten Largest Employers

December 31, 2002

(Unaudited)

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Meritcare Health Systems	Health Services	4,300
North Dakota State University	Educational Services	3,839
Blue Cross Blue Shield of North Dakota	Insurance	1,600
Fargo Public School District #1	Educational Services	1,485
U.S. Bank Service Center	Financial	1,200
Microsoft Great Plains	Computers-Software	1100
Case Corporation	Manufacturing	850
Dakota Heartland Healthcare	Health Services	800
City of Fargo	Government	750
West Fargo Public Schools	Educational Services	696

SOURCE: Economic Development Corporation
www.fargond.org/labor/employers.html

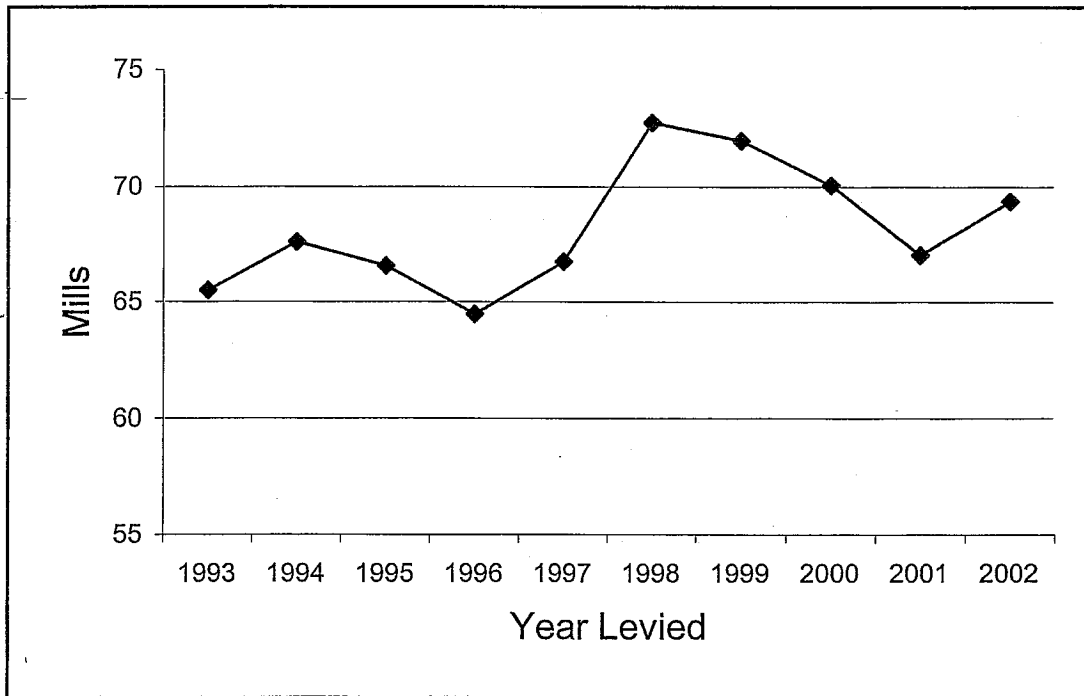
CASS COUNTY GOVERNMENT
 Elected Officials and Full-Time Employees by Function (1)
 Last Ten Years
 (Unaudited)

<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>
1993	35	117	31	89	13	285
1994	36	128	29	99	13	305
1995	33	139	28	99	11	310
1996	29	137	26	91	11	294
1997	26	136	32	114	11	319
1998	31	140	36	114	11	332
1999	31	145	33	114	11	334
2000	38	148	37	115	13	351
2001	38	144	35	116	11	344
2002	35.5	160	36	121	10	362

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

CASS COUNTY GOVERNMENT
County Mill Levies
Last Ten Years

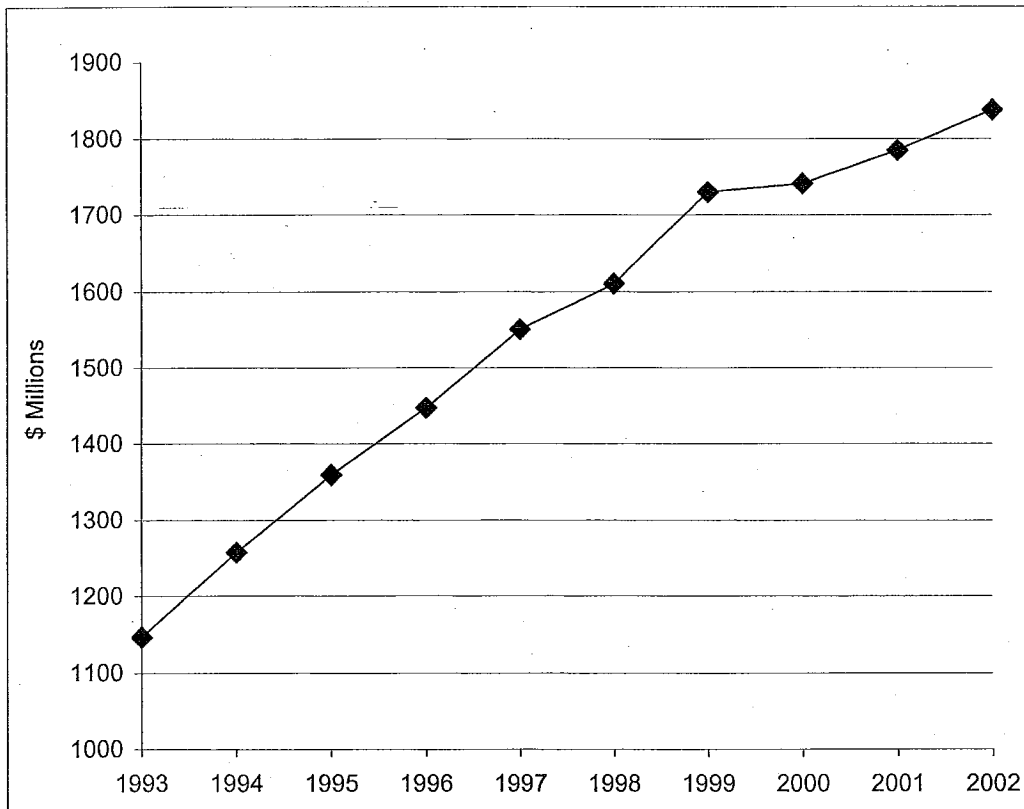
<u>Year</u>	<u>Total General and Special Mill Levies</u>
1993	65.49
1994	67.59
1995	66.56
1996	64.47
1997	66.74
1998	72.77
1999	72.00
2000	70.07
2001	67.02
2002	69.36



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

Year	Taxable Sales and Purchases (In Thousands)	Percent Increase
1993	1,147,051	6.6%
1994	1,257,762	8.8%
1995	1,359,232	7.5%
1996	1,447,373	6.1%
1997	1,550,705	6.7%
1998	1,610,533	3.7%
1999	1,729,903	6.9%
2000	1,741,291	0.7%
2001	1,784,909	2.4%
2002	1,837,721	2.9%

SOURCE: North Dakota State Tax Commissioner



THIS PAGE HAS BEEN RESERVED FOR NOTES

