



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended December 31, 2005
Fargo, North Dakota

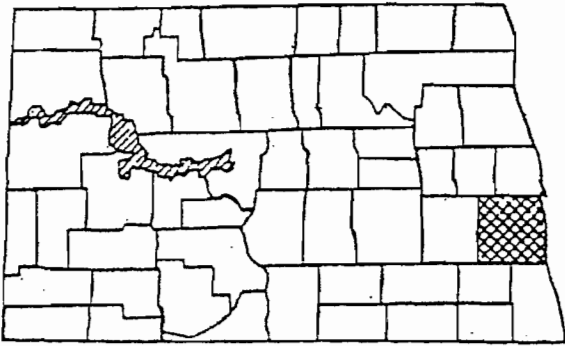
CASS COUNTY, NORTH DAKOTA

**COMPREHENSIVE
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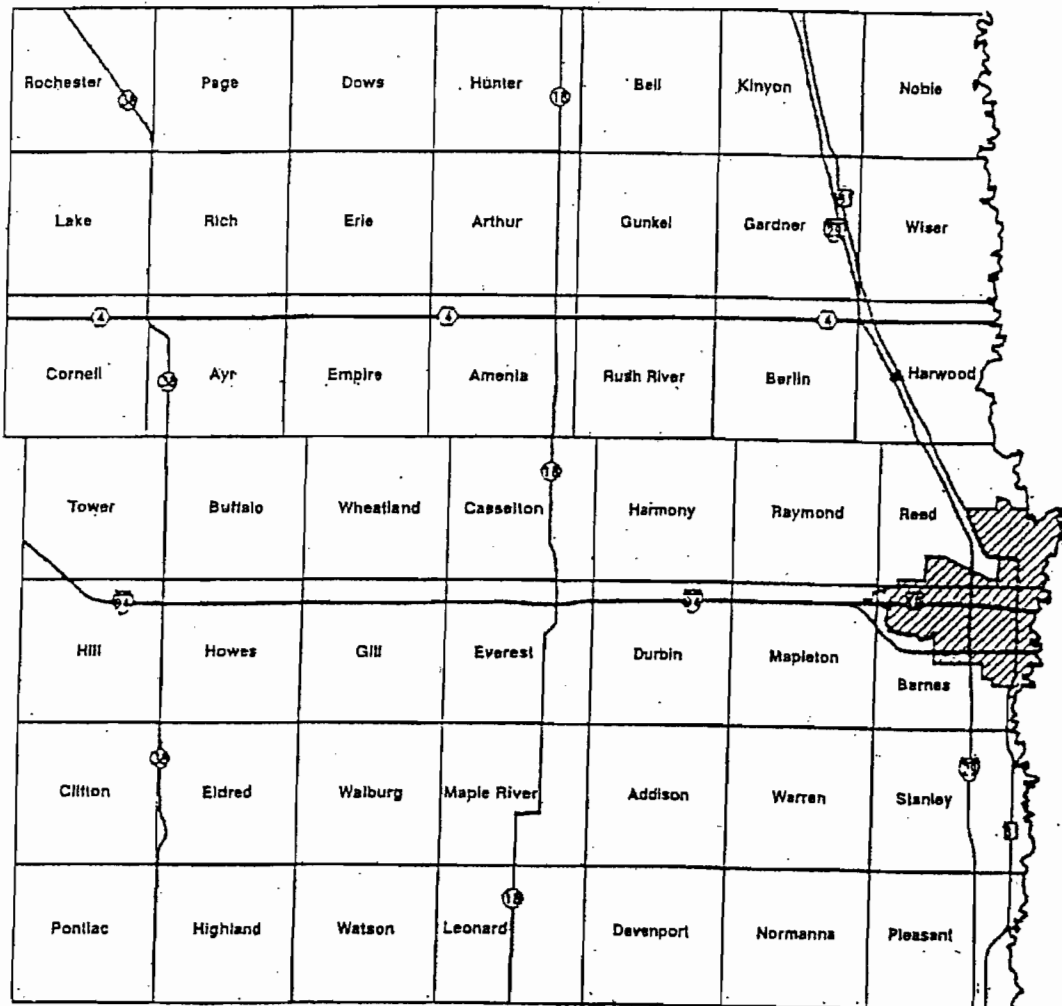
For the Year Ended December 31,
2005

Prepared by the County Auditor's Office

North Dakota



Cass County



**CASS COUNTY GOVERNMENT
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005**

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| |
| INTRODUCTORY SECTION |
| |



May 31, 2006

Auditor

Honorable Chairman, Commissioners, and the Citizens of Cass County Government:

Michael Montplaisir, CPA

701-241-5601

The Comprehensive Annual Financial Report of Cass County is hereby submitted for the fiscal year ended December 31, 2005.

Treasurer

Charlotte Sandvik

701-241-5611

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 of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Director of Equalization

Frank Klein

701-241-5616

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.

The Office of the State Auditor has audited the County's financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the year ended December 31, 2005, are fairly presented in conformity with GAAP. 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-133. 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. The results of this examination for the fiscal year ended December 31, 2005 are incorporated in a separate report.

Box 2806

211 Ninth Street South
 Fargo, North Dakota 58103

Fax 701-241-5728

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 independent auditor's opinion, the management discussion and analysis (MD&A), basic financial statements, notes to the basic financial statements, and the combining and individual fund statements and schedules. The statistical section includes selected financial and demographic information, presented on a multi-year basis. The MD&A is a narrative introduction, overview and analysis of the county. The MD&A can be found immediately following the independent auditors' report (page 11). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

The Notes to the Financial Statements are considered an integral and essential part of adequate disclosure and fair presentation of the basic financial statements. The notes 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.

Profile of the Government

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.

A board of five members elected for four-year terms governs the county. Each commissioner represents a population district of the county. The commissioners make policies regulating the functions of the many departments and see that these are carried out. Responsibilities of the board are; levy taxes, appropriations, authorize bonds, set salaries, approve bills, accept bids, and approve the annual county budget, just to mention a few

The County provides a full range of services. These services include tax assessment and collection; 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.

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.

The county commission is required to adopt an annual budget on or before October 1 of each year. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Commission and 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.

Local Economy

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 2005 were \$2.2 billion, which represents a 4.1 percent increase from 2004. Sales have increased by an average 4 percent over the last ten years.

Over the past ten years, the taxable valuation of the County has been growing at an average rate of over 7.0 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.

Relevant Financial Policies

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, and certificates of deposit. 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, 2005 are considered adequate by management to cover the ultimate cost to defend or settle claims arising from these risks.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cass County for its comprehensive annual financial report for the fiscal year ended December 31, 2004. This was the twelve consecutive year that the government has achieved this prestigious award. 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 applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 Mary Matheson and Sheree Calkins, Accountants, and Heather Worden, Administrative Assistant, 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, 2004

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.



Carla E. Perry

President

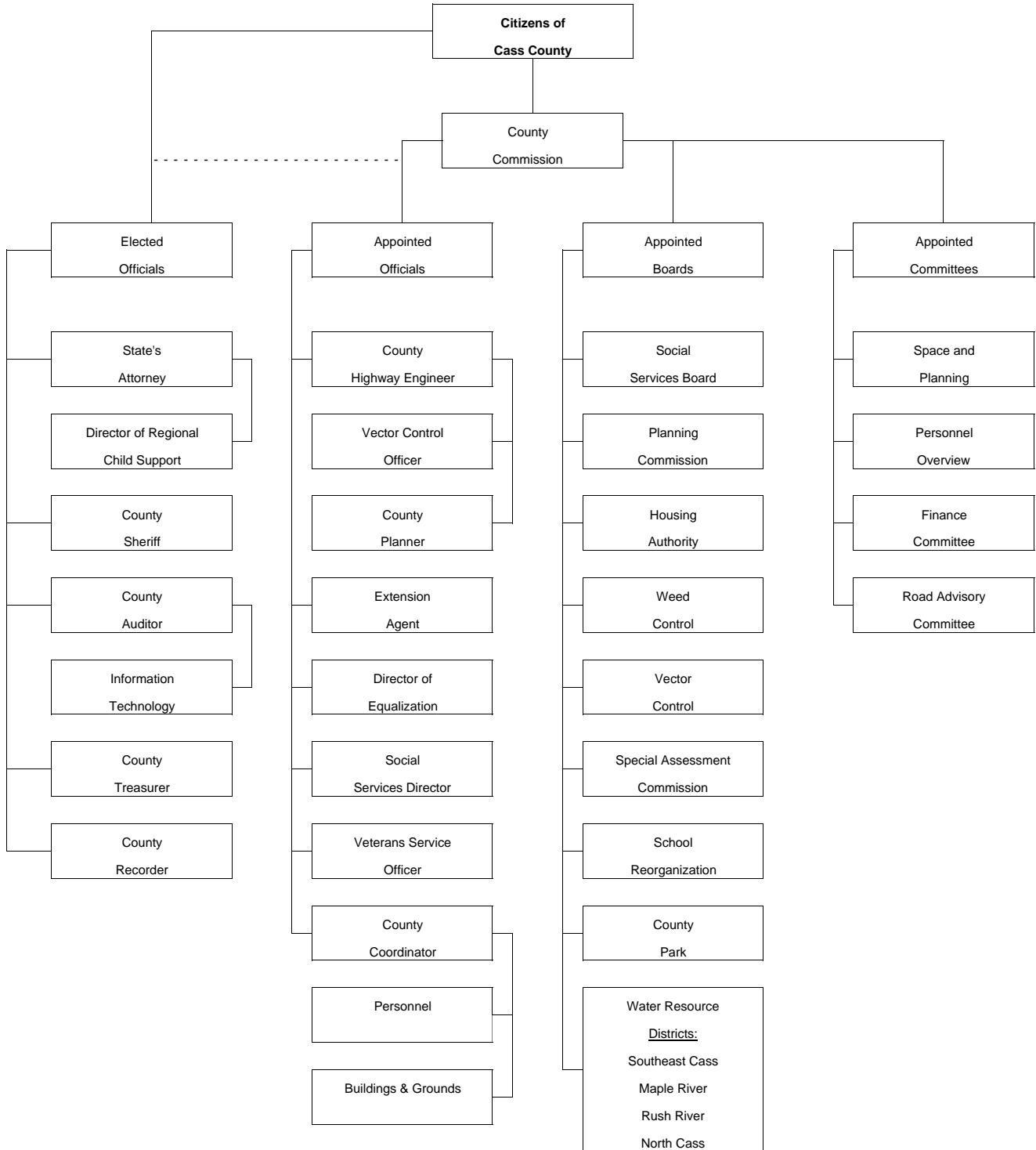
Jeffrey R. Emmer

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, 2004. 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

2005 Organizational Chart



CASS COUNTY GOVERNMENT
COUNTY OFFICIALS

Current Officials

| | |
|------------------|--|
| Commissioners: | Vern Bennett, Chairman Kenneth Pawluk Robyn Sorum Darrell Vanyo Scott Wagner |
| Auditor: | Michael Montplaisir |
| Treasurer: | Charlotte Sandvik |
| Sheriff: | Donald Rudnick |
| Recorder: | Deanna Kensrud |
| States Attorney: | Birch Burdick |

2005 Officials

| | |
|------------------|--|
| Commissioners: | Darrell Vanyo, Chairman Kenneth Pawluk Robyn Sorum Vern Bennett Scott Wagner |
| Auditor: | Michael Montplaisir |
| Treasurer: | Charlotte Sandvik |
| Sheriff: | Donald Rudnick |
| Recorder: | Deanna Kensrud |
| States Attorney: | Birch Burdick |

THIS PAGE HAS BEEN RESERVED FOR NOTES

FINANCIAL SECTION

STATE AUDITOR
ROBERT R. PETERSON
PHONE
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LOCAL GOVERNMENT DIVISION:
MANAGER - MARV ECKMAN
(701) 328-9505
FAX (701) 328-9503
FARGO BRANCH OFFICE
(701) 239-7252
FAX (701) 239-7251

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

INDEPENDENT AUDITOR'S REPORT

To the Governing Board of Cass County
Fargo, North Dakota

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Cass County, Fargo, North Dakota, as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cass County, Fargo, North Dakota management. Our responsibility is to express opinions on these 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Fargo, North Dakota, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, the human service fund, and the county road and bridge fund 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 under separate cover, our report dated April 24, 2006 on our consideration of Cass County, Fargo, North Dakota internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 11 through 18 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

CASS COUNTY

Independent Auditor's Report - Continued

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cass County, Fargo, North Dakota basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Robert R. Peterson
State Auditor

April 24, 2006

CASS COUNTY GOVERNMENT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's management discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- At December 31, 2005, the net assets of Cass County Government exceeded liabilities by \$100,861,464. Net assets invested in capital assets (net of depreciation and related debt) accounted for nearly 81% of this amount, with a value of \$81,491,542. Of the remaining net assets, \$3,770,504 is restricted for special purposes, \$12,131,136 is restricted for capital projects, and \$3,468,282 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors, without legal restriction.
- At December 31, 2005, the County's governmental funds reported combined ending fund balances of \$19,187,036, an increase of \$902,809 over the previous year.
- At December 31, 2005, the unreserved fund balance for the General Fund was \$2,453,462 or 12% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. They consist of the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as useful indicators of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during fiscal year 2005. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Items such as uncollected taxes and earned but unused vacation leave will be included in the Statement of Activities as revenues and expenses, even though the cash associated with these items will not be received or distributed in 2005.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, highways and streets, conservation and economic development, relief and charities, and culture and recreation.

The government-wide financial statements include not only the County itself (known as the primary government), but also the following legally separate component units: Southeast Cass Water Resource District, Maple River Water Resource District, North Cass Water Resource District, Rush River Water Resource District, Cass County Vector Control District, and Cass County Noxious Weed District. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 19-20 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so,

readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains thirty individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General, Human Services, County Road and Bridge, Future Building and Jail Construction Funds, which are considered to be major funds. Data from the other twenty-five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The County adopts an annual appropriated budget for its general, budgeted special revenue, and debt service funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 22-35 of this report. Combining component unit statements can be found on pages 36-38.

Proprietary Funds

The county maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its health insurance, dental insurance, telephone trust, and motor pool. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the supplementary information section of this report.

The basic proprietary fund financial statements can be found on pages 32-34 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The basic fiduciary fund financial statements can be found on pages 35 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-64 of this report.

OTHER INFORMATION

The combining statements referred to on page 13 in connection with non-major governmental funds and internal service funds are presented in the supplementary information section of this report. Combining and individual fund schedules can be found on pages 65-112 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET ASSETS

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. At the close of the fiscal year ended December 31, 2005, Cass County's assets exceeded liabilities by \$100,861,464.

Statement of Net Assets December 31, 2005 and 2004

| | Governmental Activities | |
|---|-------------------------|----------------|
| | 2005 | 2004 |
| Current and Other Assets | \$ 29,773,900 | \$ 27,299,315 |
| Capital Assets | 82,471,987 | 76,828,391 |
| Total Assets | \$ 112,245,887 | \$ 104,127,706 |
| Long-Term Liabilities | \$ 1,405,019 | \$ 419,858 |
| Other Liabilities | 9,979,405 | 8,553,500 |
| Total Liabilities | \$ 11,384,424 | \$ 8,973,358 |
| Net Assets: | | |
| Invested in Capital Assets Net of Related Debt | \$ 81,491,542 | \$ 76,670,686 |
| Restricted | 15,901,640 | 10,572,401 |
| Unrestricted | 3,468,282 | 7,911,261 |
| Total Net Assets | \$ 100,861,464 | \$ 95,154,347 |

The largest portion of the County's net assets (80.7 %), reflects its investment in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (15.7 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$3,468,282) may be used to meet the government's ongoing obligations to its citizens and creditors.

STATEMENT OF CHANGES IN NET ASSETS

Governmental activities increased the County's net assets by \$5,707,118. Key elements in changes in net assets are shown in the following table.

| | Governmental Activities | |
|------------------------------------|----------------------------|----------------------|
| | 2005 | 2004 |
| Revenues: | | |
| Program Revenues: | | |
| Charges for Services | \$ 4,209,856 | \$ 4,079,633 |
| Operating Grants and Contributions | 13,528,229 | 8,425,555 |
| Capital Grants and Contributions | 2,909,749 | |
| General Revenues: | | |
| Property Taxes | 20,010,985 | 18,781,751 |
| Sales Tax | 40,209 | 26,810 |
| Estate Tax | 1,960,172 | 1,445,233 |
| State Share Revenues | 2,553,626 | 2,520,002 |
| Other | 822,897 | 344,838 |
| Total Revenues | \$ 46,035,723 | \$ 35,623,822 |
| Expenses: | | |
| General Government | \$ 6,938,087 | \$ 5,004,958 |
| Public Safety | 15,379,112 | 11,898,296 |
| Highways and Streets | 6,929,374 | 7,343,638 |
| Relief and Charities | 8,974,484 | 8,442,340 |
| Conservation Economic Development | 1,529,573 | 2,025,487 |
| Culture & Recreation | 531,426 | 437,164 |
| Interest on Long-Term Debt | 46,550 | 32,142 |
| Total Expenses | \$ 40,328,605 | \$ 35,184,024 |
| Increase in Net Assets | \$ 5,707,118 | \$ 439,794 |
| Net Assets – January 1 | 95,154,347 | 94,711,104 |
| Prior Period Adjustment | | 3,447 |
| Net Assets – December 31 | \$ 100,861,464 | \$ 95,154,347 |

Total revenues for 2005 were \$46,035,723. Property tax revenue accounted for 43% of total revenues. Other taxes accounted for 4%, operating grants accounted for 29%, capital grants accounted for 6%, and the remaining 18% came from charges for services, state shared revenues and interest income.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County has three fund categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

GOVERNMENTAL FUNDS

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2005, the County's governmental funds reported combined ending fund balances of \$19,187,036, an increase of \$902,809 compared with the previous year. The General, Human Services, County Road and Bridge, Future Building and Jail Construction Funds are reported as major funds.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2005, unreserved fund balance of the General Fund was \$2,453,462, while total fund balance was \$2,846,824. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 12% of total General Fund expenditures.

The County's General Fund balance decreased by \$139,588 during 2005 as a result of the county's governing board efforts to closely match revenues with expenses each year. The County Commission has a policy of maintaining a cash reserve of approximately 10% of budgeted expenditures. When the reserve is greater than 10% the County Commission adjusts tax rates to decrease revenue and bring the reserve closer to the 10% goal.

The Human Service Fund balance at December 31, 2005 was \$2,049,754 – an increase of \$511,693 over December 2004. The increase was primarily due to salary increases that were budgeted but not utilized in 2005. The employees in the Human Service Department are governed by the compensation guidelines of the state. An effort was made in 2005 Legislative Assembly to move these employees into the county's compensation system which would have brought their salary in line with other county employee salaries.

The fund balance of the County Road and Bridge Fund at December 31, 2005 was \$595,234. This was a decrease of \$1,565,823 over 2004. The decrease was the result of completing several ongoing road construction projects.

The Future Building Fund is funded by estate tax collections and as such the revenue is extremely unpredictable. The fund is used for building renovations and minor construction projects. The fund balance at December 31, 2005 was \$6,831,020; an increase of \$2,140,515 over December 2004. The increase in fund balance was due to increased estate tax collections and a postponement of a budgeted capital project.

The fund balance of the Jail Construction Fund was \$5,160,863 at December 31, 2005; a decrease of \$33,762. This fund was established to provide for the construction, maintenance, operation, and future expansion of the county jail.

During the 2005 year the county started the planning stages for an expansion project.

General Fund Budgetary Highlights

Differences between the General Fund’s original budget and the final amended budget were \$2,324,987 in revenues and \$2,438,674 in expenditures. The budgeted revenues and expenditures increased due to a homeland security grant awarded to the county.

The General Fund’s actual revenue was \$138,312 less than the final budget and the actual expenditures were \$834,802 less than the final budget. The variance is a result of the departments under spending their budgets.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of December 31, 2005, the County’s investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$82,471,987. This investment in capital assets includes, land, construction in progress, buildings, improvement other than buildings, machinery and equipment, and infrastructure. The total increase in the County’s investment in capital assets for the current fiscal year was \$5,643,596.

Major capital asset events during the current fiscal year included the following:

- Construction of a vector control addition to the highway shop and a pesticide storage facility.
- Construction of road and bridge infrastructure.
- Replacement of sheriff vehicles and heavy equipment for the road department.

The following is a schedule of capital assets net of accumulated depreciation as of December 31, 2005 and 2004:

| | Governmental Activities | |
|-------------------------------------|----------------------------|----------------------|
| | 2005 | 2004 |
| Land | \$ 8,946,638 | \$ 8,587,611 |
| Construction in Progress | 2,677,404 | |
| Buildings | 19,438,166 | 19,033,606 |
| Improvement Other than Buildings | 1,960,600 | 2,027,985 |
| Machinery and Equipment | 3,435,293 | 3,171,176 |
| Infrastructure | 46,013,886 | 44,008,013 |
| Total | <u>\$ 82,471,987</u> | <u>\$ 76,828,391</u> |

Additional information on the County’s capital assets can be found in Note 5 on page 51-53 of this report.

LONG-TERM DEBT

At the end of fiscal year 2005, the County had total debt outstanding of \$2,694,433. Of this amount, \$672,037 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the County's debt consists of special assessments payable, leases payable, and compensated absences.

The following is a schedule of the outstanding long-term debt as of December 31, 2005 and 2004:

| | Governmental Activities | |
|-----------------------------|----------------------------|---------------------|
| | 2005 | 2004 |
| Special Assessment Bonds | \$ 672,037 | \$ 362,978 |
| Special Assessments Payable | 4,224 | 44,360 |
| Leases Payable | 980,445 | 157,706 |
| Compensated Absences | 1,037,727 | 981,292 |
| Total | \$ <u>2,694,433</u> | \$ <u>1,546,336</u> |

Additional information on the County's debt can be found in Note 7 on pages 54-61 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the County at December 31, 2005 was 2.7%. This represents a decrease of .1% from the prior year.
- The taxable value of all property located in the county has increased by over 6% in each year for the last five years.
- The taxable sales in the county increased by 4.1% from the prior fiscal year.
- Building permit activity increased 2% for commercial construction and 30% for residential construction in 2005.

REQUESTS FOR INFORMATION

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the County Auditor's Office, Box 2806, Fargo, ND 58108-2806.

**BASIC FINANCIAL
STATEMENTS**

CASS COUNTY GOVERNMENT

Statement of Net Assets

December 31, 2005

| | Primary Government | Component |
|--|----------------------------|----------------|
| | Governmental Activities | Units |
| ASSETS | | |
| Cash and cash equivalents | \$ 26,079,942 | \$ 1,380,479 |
| Receivables (net of allowance for uncollectibles): | | |
| Accounts | 86,157 | 5,613 |
| Due From Primary Government | - | 135,222 |
| Delinquent Tax | 466,777 | 78,108 |
| Due From Other Governments | 1,982,431 | 8,164,701 |
| Special Assessments | - | 120,669 |
| Inventories | 277,964 | - |
| Prepays | 357,302 | 8,674 |
| Uncertified Special Assessments Receivable | 523,327 | 7,818,046 |
| Capital Assets Not Being Depreciated: | | |
| Land | 8,946,638 | 9,182,393 |
| Construction in progress | 2,677,404 | 12,577,000 |
| Capital assets (net of accumulated depreciation): | | |
| Buildings | 19,438,166 | 25,454 |
| Improvements other than buildings | 1,960,600 | - |
| Machinery and equipment | 3,435,293 | 251,707 |
| Infrastructure | 46,013,886 | 61,965,934 |
| Total assets | \$ 112,245,887 | \$ 101,713,998 |
| LIABILITIES | | |
| Accounts payable | \$ 1,226,876 | \$ 156,967 |
| Retainages Payable | 53,658 | 585,493 |
| Interest Payable | 24,471 | 64,846 |
| Deposits | 193,980 | - |
| IBNR Claims | 215,938 | - |
| Due to Inmates | 6,505 | - |
| Unearned Revenue | 6,968,562 | 214,652 |
| Noncurrent liabilities: | | |
| Due within one year | 1,289,414 | 2,283,646 |
| Due in more than one year | 1,405,019 | 8,153,730 |
| Total liabilities | \$ 11,384,424 | \$ 11,459,334 |
| NET ASSETS | | |
| Invested in capital assets net of related debt | \$ 81,491,542 | \$ 73,574,329 |
| Restricted for: | | |
| General Government | 393,646 | - |
| Public Safety | 892,036 | - |
| Highway and Streets | 544,232 | - |
| Relief and Charities | 1,824,518 | - |
| Culture and Recreation | 95,334 | - |
| Conservation and Economic Development | 20,738 | - |
| Conservation of Natural Resources | - | 2,840,447 |
| Debt Service | - | 11,251,124 |
| Capital Projects | 12,131,136 | - |
| Unrestricted | 3,468,282 | 2,588,764 |
| Total Net assets | \$ 100,861,464 | \$ 90,254,661 |

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

CASS COUNTY GOVERNMENT
Statement of Activities
For the Year Ended December 31, 2005

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | |
|--|----------------------|-------------------------|--|--|--|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government Governmental Activities | Component Units |
| Functions/Programs | | | | | | |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 6,938,087 | \$ 1,590,639 | \$ 339,058 | \$ 380,000 | \$ (4,628,390) | \$ - |
| Public safety | 15,379,112 | 2,082,383 | 4,868,055 | - | (8,428,674) | - |
| Highways and streets | 6,929,374 | 257,724 | 5,632,451 | 2,529,749 | 1,490,550 | - |
| Relief and charities | 8,974,484 | 168,687 | 2,520,189 | - | (6,285,608) | - |
| Conservation & economic development | 1,529,573 | 110,422 | 18,409 | - | (1,400,742) | - |
| Culture and recreation | 531,426 | - | 150,068 | - | (381,358) | - |
| Interest on long-term debt | 46,550 | - | - | - | (46,550) | - |
| Total primary government | <u>\$ 40,328,605</u> | <u>\$ 4,209,856</u> | <u>\$ 13,528,229</u> | <u>\$ 2,909,749</u> | <u>\$ (19,680,771)</u> | <u>\$ -</u> |
| Component units: | | | | | | |
| Water resource districts | \$ 3,486,971 | \$ 1,687,777 | \$ 10,886,884 | \$ 2,975,000 | - | \$ 12,062,689 |
| Noxious weed | 367,403 | 59,713 | - | - | - | (307,690) |
| Vector control | 686,660 | 363,073 | - | - | - | (323,587) |
| Total component units | <u>\$ 4,541,034</u> | <u>\$ 2,110,562</u> | <u>\$ 10,886,884</u> | <u>\$ 2,975,000</u> | <u>-</u> | <u>\$ 11,431,413</u> |
| General revenues: | | | | | | |
| Property taxes | | | | | \$ 20,010,985 | \$ 1,836,810 |
| Sales taxes | | | | | 40,209 | - |
| Estate Taxes | | | | | 1,960,172 | - |
| Unrestricted State Shared Revenues | | | | | 2,553,626 | 23,102 |
| Gain on Sale of Capital Assets | | | | | - | 21,686 |
| Unrestricted investment earnings | | | | | 731,093 | 116,021 |
| Miscellaneous Revenue | | | | | 91,804 | 59,024 |
| Total general revenues | | | | | <u>\$ 25,387,889</u> | <u>\$ 2,056,644</u> |
| Special Item - write off of uncertified specials | | | | | <u>\$ -</u> | <u>\$ (1,008,216)</u> |
| Changes in net assets | | | | | 5,707,118 | 12,479,841 |
| Net assets - beginning | | | | | 95,154,347 | 77,774,821 |
| Net assets - ending | | | | | <u>\$ 100,861,464</u> | <u>\$ 90,254,661</u> |

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

**FUND FINANCIAL
STATEMENTS**

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
Balance Sheet
Governmental Funds
December 31, 2005

| <u>ASSETS</u> | <u>General</u> | <u>Human Services</u> | <u>County Road and Bridge</u> |
|--|--------------------------------|--------------------------------|-----------------------------------|
| <u>Assets:</u> | | | |
| Cash and Cash Equivalents | \$ 5,715,545 | \$ 4,028,066 | \$ 1,068,135 |
| Receivables: | | | |
| Taxes | 239,611 | 150,328 | 66,980 |
| Accounts | 24,830 | 2,616 | 9,703 |
| Due From Other Governments | 767,058 | 302,180 | 849,823 |
| Inventory | 69,420 | - | 199,684 |
| Inventory of supplies, at cost | 8,860 | - | - |
| Prepaid Items | 315,082 | 13,530 | 28,303 |
| TOTAL ASSETS | <u>7,140,406</u> | <u>4,496,720</u> | <u>2,222,628</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities:</u> | | | |
| Accounts Payable | 464,230 | 118,778 | 499,685 |
| Retainages Payable | | | 29,716 |
| Deferred Revenues | 3,829,352 | 2,328,187 | 1,097,994 |
| Due to Inmates | - | - | - |
| Total Liabilities | <u>4,293,582</u> | <u>2,446,966</u> | <u>1,627,394</u> |
| <u>Fund Balances:</u> | | | |
| Reserved for Inventory | 78,280 | - | 199,684 |
| Reserved for Prepaid Items | 315,082 | 13,530 | 28,303 |
| Reserved for Debt Service | - | - | - |
| Unreserved, reported in: | | | |
| General Fund | 2,453,462 | - | - |
| Special Revenue Funds | - | 2,036,224 | 367,247 |
| Capital Projects Funds | - | - | - |
| Total Fund Balances | <u>2,846,824</u> | <u>2,049,754</u> | <u>595,234</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 7,140,406</u> | <u>\$ 4,496,720</u> | <u>\$ 2,222,628</u> |

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

| <u>Future Building</u> | <u>Jail Construction</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|----------------------------|------------------------------|---|---|
| \$ 6,818,975 | \$ 5,162,751 | \$ 1,944,513 | \$ 24,737,985 |
| - | - | 9,858 | 466,777 |
| - | - | 46,077 | 83,226 |
| 12,045 | - | 51,326 | 1,982,431 |
| - | - | - | 269,104 |
| - | - | - | 8,860 |
| - | - | 387 | 357,302 |
| <u>6,831,020</u> | <u>5,162,751</u> | <u>2,052,163</u> | <u>27,905,688</u> |
| - | 1,888 | 138,569 | 1,223,150 |
| - | - | 23,942 | 53,658 |
| - | - | 179,806 | 7,435,339 |
| - | - | 6,505 | 6,505 |
| <u>-</u> | <u>1,888</u> | <u>348,821</u> | <u>8,718,652</u> |
| - | - | - | 277,964 |
| - | - | 387 | 357,302 |
| - | - | 171,747 | 171,747 |
| - | - | - | 2,453,462 |
| - | - | 1,391,955 | 3,795,425 |
| <u>6,831,020</u> | <u>5,160,863</u> | <u>139,252</u> | <u>12,131,136</u> |
| <u>6,831,020</u> | <u>5,160,863</u> | <u>1,703,341</u> | <u>19,187,036</u> |
| <u>\$ 6,831,020</u> | <u>\$ 5,162,751</u> | <u>\$ 2,052,163</u> | <u>\$ 27,905,688</u> |

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CASS COUNTY GOVERNMENT
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
December 31, 2005

| | | |
|--|--------------------|-----------------------|
| Fund balance - total governmental funds | | \$ 19,187,036 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Add - Capital Assets | \$ 134,208,716 | |
| Deduct - accumulated depreciation | (51,912,640) | |
| Net Assets | <u>82,296,076</u> | 82,296,076 |
| Property taxes and special assessments receivable will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds | | |
| | | 466,777 |
| Long-term uncertified special assessments receivable are not reported in the funds because they are unavailable to pay the current period's expenditures. | | |
| | | 523,327 |
| Internal service funds are used by management to charge the costs of certain equipment usage and self-insurance to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | | |
| Add - net assets of governmental activities accounted for in the internal service funds | | 1,107,155 |
| Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | |
| Compensated absences payable | (1,037,727) | |
| Leases payable | (980,445) | |
| Special assessments payable | (4,224) | |
| Special assessments bonds payable | (688,522) | |
| Unamortized Bond Discount | 5,478 | |
| Unamortized Bond Issuance Costs | 11,007 | |
| Interest Payable | (24,471) | |
| Total long term liabilities | <u>(2,718,905)</u> | <u>(2,718,905)</u> |
| Net assets of governmental activities | | <u>\$ 100,861,464</u> |

The accompanying notes are an integral part of these financial statements

CASS COUNTY GOVERNMENT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2005

| | General Fund | Human Services | County Road and Bridge |
|--|---------------------|---------------------|---------------------------|
| <u>REVENUES</u> | | | |
| Taxes: | | | |
| Property | \$ 10,320,699 | \$ 6,625,650 | \$ 2,692,315 |
| Sales | - | - | - |
| Licenses, permits and fees | 31,863 | 82,565 | 39,600 |
| Intergovernmental revenues | 7,666,705 | 2,520,189 | 4,956,997 |
| Charges for services | 2,534,695 | 85,692 | 887,370 |
| Miscellaneous revenues | 249,614 | 115,249 | 75,039 |
| | <u>20,803,576</u> | <u>9,429,345</u> | <u>8,651,321</u> |
| <u>EXPENDITURES</u> | | | |
| Current: | | | |
| General government | 5,153,421 | - | - |
| Public Safety | 14,362,071 | - | - |
| Highways and streets | - | - | 10,247,603 |
| Relief and charities | - | 8,917,652 | - |
| Culture and recreation | - | - | - |
| Conservation & economic development | 1,400,720 | - | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal retirement | 77,262 | - | - |
| Interest | 6,498 | - | - |
| Fiscal charges | - | - | - |
| | <u>20,999,971</u> | <u>8,917,652</u> | <u>10,247,603</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(196,395)</u> | <u>511,693</u> | <u>(1,596,282)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers in | 40,171 | - | - |
| Transfers out | - | - | (20,000) |
| Sale of capital assets | 16,636 | - | 50,459 |
| Bond Discount | - | - | - |
| Proceeds of Bond/Lease | - | - | - |
| Total of other financing sources and uses | <u>56,807</u> | <u>-</u> | <u>30,459</u> |
| Net change in fund balances | <u>(139,588)</u> | <u>511,693</u> | <u>(1,565,823)</u> |
| Fund balances - beginning | <u>2,986,411</u> | <u>1,538,061</u> | <u>2,161,057</u> |
| Fund balances - ending | <u>\$ 2,846,824</u> | <u>\$ 2,049,754</u> | <u>\$ 595,234</u> |

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

| Future Building | Jail Construction | Other Governmental Funds | Total Governmental Funds |
|---------------------|----------------------|--------------------------------|--------------------------------|
| \$ - | \$ - | \$ 440,842 | \$ 20,079,507 |
| - | 40,209 | - | 40,209 |
| - | - | 77,761 | 231,789 |
| 1,964,180 | - | 356,444 | 17,464,515 |
| - | - | 1,006,838 | 4,514,596 |
| 171,911 | 137,857 | 106,371 | 856,042 |
| <u>2,136,091</u> | <u>178,066</u> | <u>1,988,256</u> | <u>43,186,658</u> |
| - | - | 467,472 | 5,620,893 |
| - | - | 699,628 | 15,061,699 |
| - | - | - | 10,247,603 |
| - | - | - | 8,917,652 |
| - | - | 524,923 | 524,923 |
| - | - | 136,013 | 1,536,733 |
| 576 | 211,828 | 1,338,755 | 1,551,159 |
| - | - | 54,455 | 131,717 |
| - | - | 23,768 | 30,266 |
| - | - | 2,598 | 2,598 |
| <u>576</u> | <u>211,828</u> | <u>3,247,612</u> | <u>43,625,243</u> |
| <u>2,135,515</u> | <u>(33,762)</u> | <u>(1,259,356)</u> | <u>(438,585)</u> |
| 5,000 | - | 20,000 | 65,171 |
| - | - | (45,171) | (65,171) |
| - | - | - | 67,095 |
| - | - | (5,700) | (5,701) |
| - | - | 1,280,000 | 1,280,000 |
| <u>5,000</u> | <u>-</u> | <u>1,249,129</u> | <u>1,341,394</u> |
| <u>2,140,515</u> | <u>(33,762)</u> | <u>(10,227)</u> | <u>902,809</u> |
| <u>4,690,505</u> | <u>5,194,625</u> | <u>1,713,568</u> | <u>18,284,227</u> |
| <u>\$ 6,831,020</u> | <u>\$ 5,160,863</u> | <u>\$ 1,703,341</u> | <u>\$ 19,187,036</u> |

CASS COUNTY GOVERNMENT
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2005

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 902,809

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

| | | |
|-----------------------------------|--------------------|-----------|
| Capital asset additions | \$ 9,595,558 | |
| Current year depreciation expense | <u>(3,801,056)</u> | 5,794,502 |

The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets:

In the statement of activities, only the loss on the sale or disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold or disposed.

| | | |
|--|----------------|-----------|
| Retired assets | (565,494) | |
| Accumulated depreciation on retired assets | <u>324,133</u> | (241,361) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | | |
|---|----------------|---------|
| Decrease in Taxes Receivable | (2,916) | |
| Increase in Uncertified Special Assessments | <u>315,656</u> | 312,740 |

Long term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.

| | | |
|--------------------------------------|---------------|-------------|
| Proceeds of Special Assessment Bonds | (380,000) | |
| Bond Discounts | 5,700 | |
| Bond Issuance Costs | 11,452 | |
| Proceeds of Leases | (900,000) | |
| Repayment of bonds | 54,455 | |
| Repayment of leases | 77,262 | |
| Repayment of specials | <u>40,136</u> | (1,090,995) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.

| | | |
|--------------------------------------|-----------------|----------|
| Net increase in interest payable | (24,471) | |
| Amorization of Bond Discounts | (222) | |
| Amorization of Bond Issuance Costs | (445) | |
| Net increase in compensated absences | <u>(56,435)</u> | (81,573) |

Internal service funds are used by management to charge the costs of the motor pool, employee health insurance and the telephone system to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

110,997

Change in net assets of governmental activities \$ 5,707,118

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

CASS COUNTY GOVERNMENT
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2005

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 10,192,831 | \$ 10,192,831 | \$ 10,320,699 | \$ 127,868 |
| Licenses, Permits and Fees | 15,500 | 15,500 | 31,863 | 16,363 |
| Intergovernmental Revenues | 5,893,240 | 8,135,227 | 7,666,705 | (468,522) |
| Charges for Services | 2,383,400 | 2,466,400 | 2,534,695 | 68,295 |
| Miscellaneous Revenues | 131,930 | 131,930 | 249,614 | 117,684 |
| Total Revenues | 18,616,901 | 20,941,888 | 20,803,576 | (138,312) |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government: | | | | |
| County Commission | 630,769 | 650,769 | 632,030 | 18,739 |
| County Coordinator | 1,548,494 | 1,628,314 | 1,600,201 | 28,113 |
| Information Technology | 1,065,232 | 1,065,232 | 1,035,750 | 29,482 |
| Auditor | 847,960 | 941,260 | 833,061 | 108,199 |
| Treasurer | 264,359 | 274,359 | 260,078 | 14,281 |
| County Recorder | 464,312 | 464,312 | 434,733 | 29,579 |
| Director of Tax Equalization | 145,673 | 145,673 | 134,705 | 10,968 |
| Veterans Service | 162,736 | 162,736 | 162,781 | (45) |
| County Planning | 67,874 | 67,874 | 60,082 | 7,792 |
| Total General Government | 5,197,409 | 5,400,529 | 5,153,421 | 247,108 |
| Public Safety: | | | | |
| Emergency Management | 1,468,042 | 3,595,021 | 3,308,217 | 286,804 |
| County Sheriff | 8,242,138 | 8,344,713 | 8,227,913 | 116,800 |
| States Attorney | 2,952,937 | 2,952,937 | 2,817,193 | 135,744 |
| Cemetery | 5,418 | 5,418 | 8,749 | (3,331) |
| Total Public Safety | 12,668,535 | 14,898,089 | 14,362,071 | 536,018 |
| Conservation & Econ. Development: | | | | |
| County Extension Agent | 336,589 | 342,589 | 320,186 | 22,403 |
| Public Service Agencies | 1,109,566 | 1,109,566 | 1,080,534 | 29,032 |
| Total Conservation & Econ Dev | 1,446,155 | 1,452,155 | 1,400,720 | 51,435 |
| Debt Service: | | | | |
| Principal | 77,300 | 77,300 | 77,262 | 38 |
| Interest | 6,700 | 6,700 | 6,498 | 203 |
| Total Debt Service | 84,000 | 84,000 | 83,759 | 241 |
| Total Expenditures | 19,396,099 | 21,834,773 | 20,999,971 | 834,802 |
| Excess (deficiency) of revenues over (Under) expenditures | (779,198) | (892,885) | (196,395) | 696,490 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | 40,171 | 40,171 | 40,171 | - |
| Sale of Property | 5,000 | 5,000 | 16,636 | 11,636 |
| Total Other Financing Sources and (Uses) | 45,171 | 45,171 | 56,807 | 11,636 |
| Net change in fund balances | (734,027) | (847,714) | (139,588) | 708,126 |
| Fund Balance - Beginning | 2,986,411 | 2,986,411 | 2,986,411 | - |
| Fund Balance - Ending | \$ 2,252,384 | \$ 2,138,697 | \$ 2,846,824 | \$ 708,126 |

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

CASS COUNTY GOVERNMENT
Human Service
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2005

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 6,542,735 | \$ 6,542,735 | \$ 6,625,650 | \$ 82,915 |
| Licenses, Permits and Fees | 80,995 | 80,995 | 82,565 | 1,570 |
| Intergovernmental Revenues | 2,237,479 | 2,237,479 | 2,520,189 | 282,710 |
| Charges for Services | 139,333 | 139,333 | 85,692 | (53,641) |
| Miscellaneous Revenues | 29,428 | 29,428 | 115,249 | 85,821 |
| Total Revenues | <u>9,029,970</u> | <u>9,029,970</u> | <u>9,429,345</u> | <u>399,375</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Relief and Charities | <u>9,742,960</u> | <u>9,742,960</u> | <u>8,917,652</u> | <u>825,308</u> |
| Total Expenditures | <u>9,742,960</u> | <u>9,742,960</u> | <u>8,917,652</u> | <u>825,308</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(712,990)</u> | <u>(712,990)</u> | <u>511,693</u> | <u>1,224,683</u> |
| Fund Balance - Beginning | <u>1,538,061</u> | <u>1,538,061</u> | <u>1,538,061</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 825,071</u> | <u>\$ 825,071</u> | <u>\$ 2,049,754</u> | <u>\$ 1,224,683</u> |

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

CASS COUNTY GOVERNMENT
County Road and Bridge
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended December 31, 2005

| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
|--|--------------------|---------------------|--------------------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 2,675,419 | \$ 2,675,419 | \$ 2,692,315 | \$ 16,896 |
| Licenses, Permits and Fees | - | - | 39,600 | 39,600 |
| Intergovernmental Revenues | 4,342,479 | 4,342,479 | 4,956,997 | 614,518 |
| Charges for Services | 787,500 | 1,217,500 | 887,370 | (330,130) |
| Miscellaneous Revenues | 29,583 | 29,583 | 75,039 | 45,456 |
| Total Revenues | 7,834,981 | 8,264,981 | 8,651,321 | 386,340 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Highways and Streets | 9,600,185 | 10,725,185 | 10,247,603 | 477,582 |
| Total Expenditures | 9,600,185 | 10,725,185 | 10,247,603 | 477,582 |
| Excess (deficiency) of revenues over (under) expenditures | (1,765,204) | (2,460,204) | (1,596,282) | 863,922 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers Out | - | - | (20,000) | (20,000) |
| Sale of Property | - | - | 50,459 | 50,459 |
| Total Other Financing Sources and (Uses) | - | - | 30,459 | 30,459 |
| Net change in fund balances | (1,765,204) | (2,460,204) | (1,565,823) | 894,381 |
| Fund Balance - Beginning | 2,161,057 | 2,161,057 | 2,161,057 | - |
| Fund Balance - Ending | \$ 395,853 | \$ (299,147) | \$ 595,234 | \$ 894,381 |

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

CASS COUNTY GOVERNMENT
Proprietary Funds
Statement of Net Assets
December 31, 2005

| | Governmental Activities Internal Service Funds |
|--------------------------------|---|
| <u>ASSETS</u> | |
| Current Assets: | |
| Cash and Investments | \$ 1,341,957 |
| Accounts Receivable | 2,931 |
| Total Current Assets | 1,344,888 |
| Noncurrent Assets: | |
| Fixed Assets | 387,832 |
| Less: Accumulated Depreciation | (211,921) |
| Total Noncurrent Assets | 175,911 |
| Total Assets | \$ 1,520,799 |

| | |
|----------------------------|--------------|
| <u>LIABILITIES</u> | |
| <u>Current Liabilities</u> | |
| Accounts Payable | \$ 3,726 |
| Deposits | 193,980 |
| IBNR Claims | 215,938 |
| Total Liabilities | \$ 413,644 |
| <u>Net Assets</u> | |
| Invested in Capital Assets | \$ 175,911 |
| Unrestricted | 931,244 |
| Total Net Assets | \$ 1,107,155 |

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

CASS COUNTY GOVERNMENT
Statement of Revenues, Expenses and
Changes in Net Assets
All Proprietary Fund Types
For the Year Ended December 31, 2005

| | Governmental Activities |
|--|----------------------------|
| | Internal Service Funds |
| <u>Operating Revenues:</u> | |
| Premiums | \$ 2,022,133 |
| Charges for Services | 170,039 |
| Miscellaneous | 16,966 |
| | 2,209,138 |
| <u>Operating Expenses:</u> | |
| Premiums | 212,154 |
| Medical Services | 3,275 |
| Telephone Service | 46,685 |
| Maintenance Agreements | 26,698 |
| Equipment Repair | 48,516 |
| Administrative Fees | 113,210 |
| Collision Repair/Replacement | 29,926 |
| Benefit Payments | 1,402,361 |
| IBNR Claims | 215,938 |
| Depreciation Expense | 34,388 |
| | 2,133,151 |
| Operating Income | 75,987 |
| <u>Nonoperating Revenues (Expenses):</u> | |
| Interest Income | 35,274 |
| Loss on Disposal of Fixed Assets | (264) |
| | 35,010 |
| Change in Net Assets | 110,997 |
| Total Net Assets Beginning | 996,156 |
| Total Net Assets Ending | \$ 1,107,155 |

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

CASS COUNTY GOVERNMENT
Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended December 31, 2005

| | Governmental Activities |
|---|----------------------------|
| | Internal Service Funds |
| <u>Cash Flows From Operating Activities:</u> | |
| Receipts from customers | \$ 2,209,439 |
| Payments to suppliers | (470,081) |
| Claims paid | (1,520,061) |
| Other receipts | 16,966 |
| | 236,263 |
| <u>Cash Flows From Capital and Related Financing Activities:</u> | |
| Purchase of capital assets | (125,841) |
| Proceeds on Sale of Fixed Assets | 736 |
| | (125,105) |
| <u>Cash Flows From Investing Activities:</u> | |
| Interest income | 35,274 |
| | 146,432 |
| Net Increase in cash and cash equivalents | 146,432 |
| Cash and cash equivalents -beginning of the year | 1,195,525 |
| | 1,341,957 |
| <u>Reconciliation of Operating Income to net cash provided by operating activities:</u> | |
| Operating income | 75,987 |
| Adjustments to reconcile operating income to net cash flows from operating activities: | |
| Depreciation | 34,388 |
| Changes in assets and liabilities: | |
| (Increase) decrease in accounts receivable | (390) |
| Increase (decrease) in accounts payable | 1,803 |
| Increase (decrease) in premium deposit funds | 26,236 |
| Increase (decrease) in IBNR claims | 98,238 |
| | 98,238 |
| Net cash provided by operating activities | \$ 236,263 |

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

CASS COUNTY GOVERNMENT
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2005

| | <u>Agency Funds</u> |
|------------------------|-----------------------------|
| <u>ASSETS</u> | |
| Cash and Investments | <u>\$ 54,175,624</u> |
| Total Assets | <u><u>\$ 54,175,624</u></u> |
| <u>LIABILITIES</u> | |
| Accounts Payable | 26,712 |
| Due to Component Units | 167,623 |
| Deposits | <u>53,981,289</u> |
| Total Liabilities | <u><u>\$ 54,175,624</u></u> |

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

CASS COUNTY GOVERNMENT

Statement of Net Assets

Component Units

December 31, 2005

| | <u>Southeast Cass WRD</u> | <u>North Cass WRD</u> |
|---|-------------------------------|---------------------------|
| <u>ASSETS</u> | | |
| <u>Assets:</u> | | |
| Cash and Cash Equivalents | \$ 420,024 | \$ 95,115 |
| Receivables: | | |
| Accounts Receivable | - | - |
| Taxes Receivable | 45,333 | 9,076 |
| Intergovernmental Receivable | 7,994,091 | 15,153 |
| Special Assessments | 115,499 | 1,849 |
| Due From Primary Government | 127,591 | 1,094 |
| Prepays | - | - |
| Long-Term Receivables: | | |
| Uncertified Special Assessments Receivable | 6,473,829 | 185,237 |
| Capital Assets Not Being Depreciated: | | |
| Land | 4,956,703 | 1,015,784 |
| Construction in Progress | 12,325,000 | - |
| Capital Assets (Net of Accumulated Depreciation) | | |
| Buildings | - | - |
| Equipment | - | - |
| Infrastructure | 45,589,320 | 4,032,411 |
| TOTAL ASSETS | <u>78,047,390</u> | <u>5,355,719</u> |
| <u>LIABILITIES</u> | | |
| <u>Liabilities:</u> | | |
| Accounts Payable | 84,869 | 1,565 |
| Retainages Payable | 561,620 | - |
| Deferred Revenues | - | - |
| Interest Payable | 53,343 | 2,409 |
| Noncurrent Liabilities: | | |
| Due within one year | 2,041,114 | 100,816 |
| Due in more than one year | 6,717,716 | 265,000 |
| Total Liabilities | <u>9,458,662</u> | <u>369,790</u> |
| <u>Net Assets</u> | | |
| Investment in Capital Assets, Net of Related Debt | 54,116,045 | 4,683,195 |
| Restricted For: | | |
| Conservation of Natural Resources | 2,367,506 | 81,568 |
| Debt Service | 9,766,485 | 217,756 |
| Unrestricted | 2,338,692 | 3,410 |
| Total Net Assets | <u>\$ 68,588,728</u> | <u>\$ 4,985,929</u> |

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

| Maple River WRD | Rush River WRD | Weed Control | Vector Control | Totals |
|---------------------|---------------------|-------------------|-------------------|----------------------|
| \$ 301,700 | \$ 125,650 | \$ 241,644 | \$ 196,346 | \$ 1,380,479 |
| - | - | 987 | 4,625 | 5,613 |
| 6,077 | 2,975 | 7,699 | 6,948 | 78,108 |
| 155,457 | | - | - | 8,164,701 |
| 1,498 | 1,822 | - | - | 120,669 |
| 4,282 | 2,254 | - | - | 135,222 |
| - | - | 895 | 7,778 | 8,674 |
| 383,112 | 775,869 | - | - | 7,818,046 |
| 1,340,548 | 1,869,357 | - | - | 9,182,393 |
| 72,000 | 180,000 | - | - | 12,577,000 |
| - | - | 25,454 | - | 25,454 |
| - | - | 70,460 | 181,247 | 251,707 |
| 6,655,540 | 5,688,664 | - | - | 61,965,934 |
| <u>8,920,214</u> | <u>8,646,591</u> | <u>347,140</u> | <u>396,944</u> | <u>101,713,998</u> |
| 25,610 | 17,126 | 2,234 | 25,564 | 156,967 |
| 17,112 | 6,762 | - | - | 585,493 |
| - | - | 100,020 | 114,631 | 214,652 |
| 4,098 | 4,997 | - | - | 64,846 |
| 110,071 | 28,728 | 908 | 2,009 | 2,283,646 |
| 425,000 | 746,014 | - | - | 8,153,730 |
| <u>581,890</u> | <u>803,627</u> | <u>103,162</u> | <u>142,204</u> | <u>11,459,334</u> |
| 7,534,088 | 6,963,840 | 95,914 | 181,247 | 73,574,329 |
| 317,255 | 74,117 | - | - | 2,840,447 |
| 464,651 | 802,231 | - | - | 11,251,124 |
| 22,329 | 2,776 | 148,063 | 73,493 | 2,588,764 |
| <u>\$ 8,338,323</u> | <u>\$ 7,842,964</u> | <u>\$ 243,977</u> | <u>\$ 254,740</u> | <u>\$ 90,254,661</u> |

CASS COUNTY GOVERNMENT
Statement of Activities
Component Units
For the Year Ended December 31, 2005

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | | | | |
|--|---------------------|----------------------|------------------------------------|----------------------------------|---|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Southeast Cass WRD | North Cass WRD | Maple River WRD | Rush River WRD | Weed Control | Vector Control | Total |
| Functions/Programs | | | | | | | | | | | |
| Component units: | | | | | | | | | | | |
| Southeast Cass Water Resource District | \$ 2,253,885 | \$ 1,209,529 | \$ 10,566,551 | \$ 2,750,000 | \$ 12,272,195 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 12,272,195 |
| Maple River Water Resource District | 636,368 | 204,862 | 281,183 | 225,000 | - | - | 74,677 | - | - | - | 74,677 |
| North Cass Water Resource District | 276,218 | 134,868 | 21,315 | - | - | (120,035) | - | - | - | - | (120,035) |
| Rush River Water Resource District | 320,500 | 138,518 | 17,835 | - | - | - | - | (164,147) | - | - | (164,147) |
| Noxious weed | 367,403 | 59,713 | - | - | - | - | - | - | (307,690) | - | (307,690) |
| Vector control | 686,660 | 363,073 | - | - | - | - | - | - | - | (323,587) | (323,587) |
| Total component units | <u>\$ 4,541,034</u> | <u>\$ 2,110,562</u> | <u>\$ 10,886,884</u> | <u>\$ 2,975,000</u> | <u>\$ 12,272,195</u> | <u>\$ (120,035)</u> | <u>\$ 74,677</u> | <u>\$ (164,147)</u> | <u>\$ (307,690)</u> | <u>\$ (323,587)</u> | <u>\$ 11,431,413</u> |
| General revenues: | | | | | | | | | | | |
| Property taxes | | | | | \$ 1,132,945 | \$ 32,233 | \$ 88,835 | \$ 33,489 | \$ 233,794 | \$ 315,513 | \$ 1,836,810 |
| Unrestricted State Shared Revenue | | | | | - | - | - | - | 7,480 | 15,623 | 23,102 |
| Gain on Sale of Capital Assets | | | | | - | - | - | - | 21,686 | - | 21,686 |
| Unrestricted investment earnings | | | | | 76,156 | 6,142 | 18,370 | 5,409 | 6,763 | 3,181 | 116,021 |
| Miscellaneous Revenue | | | | | 53,178 | 94 | 3,437 | 1 | - | 2,314 | 59,024 |
| Total general revenues | | | | | <u>\$ 1,262,279</u> | <u>\$ 38,469</u> | <u>\$ 110,642</u> | <u>\$ 38,899</u> | <u>\$ 269,724</u> | <u>\$ 336,631</u> | <u>\$ 2,056,644</u> |
| Special Item - Write off of uncertified specials | | | | | <u>\$ (1,008,216)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1,008,216)</u> |
| Changes in net assets | | | | | 12,526,258 | (81,566) | 185,319 | (125,248) | (37,966) | 13,044 | 12,479,841 |
| Net assets - beginning | | | | | 56,062,470 | 5,067,495 | 8,153,004 | 7,968,212 | 281,944 | 241,696 | 77,774,821 |
| Net assets - ending | | | | | <u>\$ 68,588,728</u> | <u>\$ 4,985,929</u> | <u>\$ 8,338,323</u> | <u>\$ 7,842,964</u> | <u>\$ 243,977</u> | <u>\$ 254,740</u> | <u>\$ 90,254,661</u> |

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

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

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 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 Vector Control District. Board members are appointed by the County Board of Commissioners for each District. 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 58108-2806.

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, 2004, which is the most current audited information available:

| | |
|------------------------------|-------------------|
| Total Assets | \$ 6,981,728 |
| Total Liabilities | <u>55,916</u> |
| Total Equity | <u>6,952,812</u> |
| Revenues | 766,755 |
| Expenditures | <u>391,338</u> |
| Net Increase in Fund Balance | <u>\$ 375,417</u> |

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

D. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general

rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include interfund services provided and used between governmental functions. Elimination of these would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities are supported by taxes and intergovernmental revenues.

The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses are charged based upon a county-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as

under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Human Service Fund** – This fund is used to account for the County Social Service operations; this department is 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.
- **County Road and Bridge Fund** – This fund is used 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.
- **Future Building Fund** – This fund is used to provide for the future construction of county buildings and major remodeling projects.
- **Jail Construction Fund** – This fund is used to provide for the construction of the new county jail. Revenues are derived from sales tax.

Additionally, the county reports the following fund types:

PROPRIETARY FUNDS

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

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.

Dental Insurance Trust - This fund accounts for a self-funded dental insurance plan for county employees, administered by an outside firm. Costs are recovered by monthly premiums charged to each department.

Telephone Trust – This fund provides for the operation of the county’s telephone system. Monthly user fees are charged to departments.

Motor Pool – This fund provides for uses and repairs to county owned vehicles. Departments are charged a per mile fee for the use of county owned vehicles.

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. The following types of agency funds are used by the county.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the County’s internal service funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 and Cash Equivalents

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.

H. 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, 2005.

I. 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.

J. 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.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items.

L. Uncertified Special Assessments

This represents a long-term receivable in the government-wide financial statements showing the amount of uncertified/uncollected debt service fund special assessments over the life of the special assessment bonds.

M. Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. The capitalization threshold is \$5,000. Assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received.

In the case of the initial capitalization of general infrastructure assets the county chose to include all such items regardless of their acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Interest incurred during construction of capital assets is included as part of the capitalized value of the assets constructed.

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-----------------------------------|-------|
| Buildings | 40-50 |
| Improvements Other Than Buildings | 50 |
| Vehicles | 5 |
| Machinery and Equipment | 10 |
| Infrastructure | 15-60 |

N. Accounts Payable

Accounts payable are liability accounts reflecting amounts on open accounts owing to private persons or organizations for goods and services received prior to December 31, 2005.

O. Retainages Payable

Retainages payable consists of amounts owed to contractors on open construction contracts for road construction projects not yet completed at year-end.

P. Interest Payable

Interest payable represents the amount payable on all special assessment bonds and leases interest at year-end.

Q. Compensated Absences

Vested or accumulated vacation leave are payable to employees upon separation from service. All vacation leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported. No liability is recorded for accumulated sick leave as this is a non-vesting benefit. The computed liability is in compliance with GASB Statement No. 16, Accounting for Compensated Absences.

R. 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.

S. 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 | 2005 | 2004 |
|---|------------|------------|
| Balance January 1 | \$ 117,700 | \$ 109,316 |
| Incurred Claims Including IBNR's and Changes in Estimates | 1,716,537 | 1,320,350 |
| Less Claims Payments | 1,618,299 | 1,311,966 |
| Balance December 31 | \$ 215,938 | \$ 117,700 |

T. Long-Term Obligations

In the government-wide financial statements, the long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. For new bond issuance after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premium received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

U. Fund Balances

In the governmental fund financial statements, fund balances consist of reserved and unreserved amounts. Reservations of fund balance represent that portion which is not appropriable for expenditure or is legally segregated for a specific future use. Fund balance reservation includes inventories, prepaid expenses, and debt service.

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.

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, 2005, the County complied with the applicable budget laws except as noted below:

| Fund Type | Unappropriated Fund | |
|-----------------|---------------------|--------------|
| | Unbudgeted | Expenditures |
| Special Revenue | 1 | \$136,013 |

(See Note 12 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.

During 2005 expenditures did not exceed appropriations.

NOTE 3: DEPOSITS AND INVESTMENTS

Deposits: At year-end, the carrying amount of the County's deposits was \$75,991,433 and the bank balance was \$28,819,650. Of the bank balance, \$28,795,849 was covered by federal depository insurance or by collateral held by the County's agent in the County's name (Category 1), and \$23,801 was uninsured and uncollateralized (Category 3). The \$23,801 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, 2005, the deposits of the Water Resource Districts were entirely covered by federal depository insurance or by collateral held by the district's custodial bank in the district's name. 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.

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: CAPITAL ASSETS

The following is a summary of changes in the capital assets during the year ended December 31, 2005:

Primary Governments Capital Assets

| | Balance 1/1/2005 | Increases | Decreases | Balance 12/31/2005 |
|---|----------------------|---------------------|-------------------|-----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 8,587,611 | \$ 359,027 | \$ - | \$ 8,946,638 |
| Construction in Progress | | 2,677,404 | | 2,677,404 |
| Total capital assets not being depreciated | \$ 8,587,611 | \$3,036,431 | \$ - | \$ 11,624,042 |
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 26,229,397 | \$ 900,000 | \$ - | \$ 27,129,397 |
| Improvements other than buildings | 2,354,760 | - | - | 2,354,760 |
| Machinery and equipment | 6,732,260 | 1,183,830 | 572,994 | 7,343,097 |
| Infrastructure | 81,544,114 | 4,601,137 | - | 86,145,251 |
| Total capital assets, being depreciated | \$116,860,531 | \$ 6,684,967 | \$ 572,994 | \$122,972,505 |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 7,195,791 | \$ 495,441 | \$ - | \$ 7,691,232 |
| Improvements other than buildings | 326,775 | 67,385 | - | 394,160 |
| Machinery and equipment | 3,561,085 | 677,353 | 330,633 | 3,907,804 |
| Infrastructure | 37,536,100 | 2,595,265 | - | 40,131,365 |
| Total accumulated depreciation | \$48,619,751 | \$3,835,443 | \$ 330,633 | \$ 52,124,561 |
| Net capital assets, being depreciated | \$68,240,780 | \$2,849,524 | \$ 242,361 | \$ 70,847,944 |
| Net governmental activities capital assets | \$ 76,828,391 | \$5,885,955 | \$ 242,361 | \$ 82,471,987 |

Depreciation expense was charged to functions/programs of primary government as follows:

| Governmental Activities: | |
|---|---------------------|
| General Government | \$ 202,748 |
| Public Safety | 631,916 |
| Highways and Streets | 2,845,482 |
| Relief and Charities | 108,953 |
| Culture and Recreation | 6,503 |
| Conservation and Econ. Development | 5,454 |
| Total Depreciation Expense – Governmental Activities | \$ 3,801,056 |
| Depreciation of Internal Service Funds | 34,388 |
| Total Depreciation Expense | \$ 3,835,443 |

Component Units

During the year ended December 31, 2005, the following changes occurred in the capital assets of:

| Southeast Cass Water Resource District | | | | |
|---|-------------------|---------------|-----------|---------------------|
| | Balance 1/1/05 | Additions | Deletions | Balance 12/31/05 |
| Capital Assets not being depreciated: | | | | |
| Land | \$ 1,736,652 | \$ 3,220,051 | \$ - | \$ 4,956,703 |
| Construction in Progress | 2,154,088 | 10,170,912 | - | 12,325,000 |
| Total Capital Assets not being Depreciated | \$ 3,890,740 | \$13,390,963 | \$ - | \$ 17,281,703 |
| Capital Assets, being depreciated: | | | | |
| Equipment | \$ 40,000 | \$ - | \$ - | \$ 40,000 |
| Infrastructure | 58,915,000 | 203,000 | 11,000 | 59,107,000 |
| Total Capital Assets, being depreciated | \$ 58,955,000 | \$ 203,000 | \$ 11,000 | \$ 59,147,000 |
| Less accumulated depreciation for: | | | | |
| Equipment | \$ 40,000 | \$ - | \$ - | \$ 40,000 |
| Infrastructure | 12,339,040 | 1,178,720 | 80 | 13,517,680 |
| Total Accumulated Depreciation | \$ 12,379,040 | \$ 1,178,720 | \$ 80 | \$ 13,557,680 |
| Net capital assets, being depreciated | \$ 46,575,960 | \$ (975,720) | \$ 10,920 | \$ 45,589,320 |
| Net governmental activities capital assets | \$ 50,466,700 | \$ 12,415,243 | \$ 10,920 | \$ 62,871,023 |

| Maple River Water Resource District | | | | |
|--|-------------------|------------|-----------|---------------------|
| | Balance 1/1/05 | Additions | Deletions | Balance 12/31/05 |
| Capital Assets not being depreciated: | | | | |
| Land | \$ 1,215,628 | \$ 124,920 | \$ - | \$ 1,340,548 |
| Construction in Progress | 87,000 | 72,000 | 87,000 | 72,000 |
| Total Capital Assets not being Depreciated | \$ 1,302,628 | \$ 196,920 | \$ 87,000 | \$ 1,412,548 |
| Capital Assets, being depreciated: | | | | |
| Infrastructure | \$ 11,839,000 | \$ 392,000 | \$ - | \$ 12,231,000 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 5,338,680 | 236,780 | - | 5,575,460 |
| Net capital assets, being depreciated | \$ 6,500,320 | \$ 155,220 | \$ - | \$ 6,655,540 |
| Net governmental activities capital assets | \$ 7,802,948 | \$ 352,140 | \$ 87,000 | \$ 8,068,088 |

| North Cass Water Resource District | | | | |
|--|---------------------|--------------|-----------|-----------------------|
| | Balance 1/1/2005 | Additions | Deletions | Balance 12/31/2005 |
| Capital Assets not being depreciated: | | | | |
| Land | \$ 1,015,784 | \$ - | \$ - | \$ 1,015,784 |
| Capital Assets, being depreciated: | | | | |
| Infrastructure | \$ 6,134,590 | \$ 17,000 | \$ - | \$ 6,151,590 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 1,996,488 | 122,692 | - | 2,119,179 |
| Net capital assets, being depreciated | \$ 4,138,102 | \$ (105,692) | \$ - | \$ 4,032,411 |
| Net governmental activities capital assets | \$ 5,153,886 | \$ (105,692) | \$ - | \$ 5,048,195 |

| Rush River Water Resource District | | | | |
|--|---------------------|--------------|-----------|-----------------------|
| | Balance 1/1/2005 | Additions | Deletions | Balance 12/31/2005 |
| Capital Assets not being Depreciated: | | | | |
| Land | \$ 1,869,357 | \$ - | \$ - | \$ 1,869,357 |
| Construction in Progress | 27,000 | 153,000 | | 180,000 |
| Total Capital Assets Not Being Depreciated | \$ 1,896,357 | \$ 153,000 | \$ - | \$ 2,049,357 |
| Capital Assets, being depreciated: | | | | |
| Infrastructure | \$ 21,717,085 | \$ 21,000 | \$ - | \$ 21,738,085 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 15,789,080 | 260,341 | - | 16,049,421 |
| Net capital assets, being depreciated | \$ 5,928,006 | \$ (239,342) | \$ - | \$ 5,688,664 |
| Net governmental activities capital assets | \$ 7,824,363 | \$ (86,342) | \$ - | \$ 7,738,021 |
| Noxious Weed Control | | | | |
| | Balance 1/1/2005 | Additions | Deletions | Balance 12/31/2005 |
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 41,054 | \$ - | \$ - | \$ 41,054 |
| Machinery & Equipment | 190,560 | | 66,963 | 123,597 |
| Total capital assets, being depreciated | \$ 231,614 | \$ - | \$ 66,963 | \$ 164,651 |
| Less Accumulated Depreciation: | | | | |
| Buildings | \$ (14,779) | \$ (821) | \$ - | \$ (15,600) |
| Machinery & Equipment | (64,964) | (10,381) | 22,208 | (53,137) |
| Total Accumulated Depreciation | \$ (79,743) | \$ (11,202) | \$ 22,208 | \$ (68,737) |
| Total Capital Assets Net of Depreciation | \$ 151,871 | \$ (11,202) | \$ 44,755 | \$ 95,914 |
| Vector Control | | | | |
| | Balance 1/1/2005 | Additions | Deletions | Balance 12/31/2005 |
| Capital assets, being depreciated: | | | | |
| Machinery & Equipment | \$ 216,522 | \$ 96,088 | \$ 24,859 | \$ 287,751 |
| Less Accumulated Depreciation: | | | | |
| Machinery & Equipment | (61,151) | (60,280) | 14,927 | (106,504) |
| Total Capital Assets Net of Depreciation | \$ 155,371 | \$ 35,808 | \$ 9,932 | \$ 181,247 |

NOTE 6: LEASES

Operating Leases – The County entered into lease agreements with Gateway Chevrolet for a 2003 Chevrolet Pickup and a 2003 Astro Van. These leases have been recorded as operating leases for financial reporting purposes. At the end of the lease term all property belongs to Gateway Chevrolet. Total lease payments for the year ended December 31, 2005 was \$9,600. Future minimum lease payments are as follows:

| Year Ending December 31 | Amount |
|-------------------------|----------|
| 2006 | 9,600 |
| Total | \$ 9,600 |

Capital Leases - The County has entered into lease agreements as lessee for financing the acquisitions of an IBM AS400 Computer System and the construction of a building addition to the county highway shop. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments in the government-wide financial statements.

The assets acquired through the capital leases are as follows:

| Asset | Capital Assets |
|--------------------------------|----------------|
| Building | \$ 900,000 |
| Machinery and Equipment | 86,212 |
| Total Assets | \$ 986,212 |
| Less: Accumulated Depreciation | (35,242) |
| Total | \$ 950,970 |

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2005, were as follows:

| Year Ending December 31 | Long-term Debt |
|---|----------------|
| 2006 | \$ 217,185 |
| 2007 | 133,425 |
| 2008 | 133,425 |
| 2009 | 133,425 |
| 2010 | 133,425 |
| 2011-2013 | 400,276 |
| Total minimum lease payments | \$1,151,163 |
| Less: Amount representing interest | (170,718) |
| Present value of minimum lease payments | \$ 980,445 |

NOTE 7: LONG-TERM DEBT

Special Assessment Bonds

Cass County issues special assessment bonds for construction in various subdivisions. The original amount of special assessment bonds issued in prior years was \$1,070,000. These bonds will be repaid from the debt service funds by amounts levied against the property owners benefited by this construction. As of December 31, 2005, the County had funds of \$171,747 available for payment on the special assessment bonds. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds are received. 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 assessment bonds at December 31, 2005, are comprised of the following individual issues:

Special Assessment Bonds:

\$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% \$ 45,000

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

\$305,000 Refunding Improvement Bonds of 1997 for construction in the Round Hill Subdivision due in annual installments of \$20,000 to \$25,000 through 2012 with interest at 4.75% to 5.2% 170,000

\$380,000 Refunding Improvement Bonds of 2005 for construction in the Greyhawks Estates Subdivision due in annual installments of \$10,000 to \$30,000 through 2020 with interest at 3.15% to 4.40%. 380,000

\$85,000 Refunding Improvement Bonds of 2001 for construction in the Holmen's 3rd Subdivision due in annual installments of \$4,700 to \$8,024 through 2016 with interest at 5.42% 68,522

Total Special Assessment Bonds \$ 688,522

Annual debt service requirements to maturity for special assessment bonds are as follows:

| Governmental Activities | | |
|--------------------------------|------------|------------|
| Year Ending December 31 | Principal | Interest |
| 2006 | \$ 64,700 | \$ 29,524 |
| 2007 | 69,958 | 26,509 |
| 2008 | 70,231 | 23,450 |
| 2009 | 70,518 | 20,283 |
| 2010 | 70,821 | 17,047 |
| 2011-2015 | 209,270 | 50,043 |
| 2016-2020 | 133,024 | 14,046 |
| Total | \$ 688,522 | \$ 180,903 |

Special Assessments Payable

Special assessments payable consists of specials levied by the City of Fargo against the County for the County's share of the benefit derived from City-

funded improvements. 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.

Special Assessments payable at December 31, 2005, are comprised of the following individual issues:

Special Assessments:

Special Assessment taxes levied by the City of Fargo, North Dakota against the County for the County's share of the benefit derived from city-funded improvements

\$ 4,224

Total Special Assessments Payable \$ 4,224

Annual debt service requirements to maturity for special assessment payable are as follows:

| Governmental Activities | | |
|--------------------------------|-----------|----------|
| Year Ending December 31 | Principal | Interest |
| 2006 | \$ - | \$ - |
| 2007 | 254 | 243 |
| 2008 | 259 | 224 |
| 2009 | 98 | 206 |
| 2010 | 103 | 201 |
| 2011-2015 | 608 | 910 |
| 2016-2020 | 796 | 722 |
| 2021-2025 | 1,043 | 475 |
| 2026-2029 | 1,063 | 152 |
| Total | \$ 4,224 | \$ 3,133 |

During the year ended December 31, 2005, the following changes occurred in liabilities reported in long-term debt.

| | Balance 1/1/2005 | Additions | Reductions | Balance 12/31/2005 | Due Within One Year |
|--|---------------------|-------------|----------------|-----------------------|------------------------|
| Special Assessment Bonds | \$ 362,978 | \$ 380,000 | \$ (54,455) | \$ 688,522 | \$ 64,700 |
| Less Deferred: | | | | | |
| Bond Discount | | 5,700 | (222) | 5,478 | 380 |
| Issuance Costs | | 11,452 | (445) | 11,007 | 763 |
| Total Deferred | \$ - | \$ 17,152 | \$ (667) | \$ 16,485 | \$ 1,143 |
| Total Special Assessment Bonds | \$ 362,978 | \$ 362,848 | \$ (55,122) | \$ 672,037 | \$ 63,557 |
| Lease Payable | 157,706 | 900,000 | (77,262) | 980,445 | 188,130 |
| Special Assessments Compensated Absences | 44,360 | | (40,136) | 4,224 | |
| | 981,292 | 1,133,942 | (1,077,507) | 1,037,727 | 1,037,727 |
| Total | \$1,546,336 | \$2,396,790 | \$ (1,250,027) | \$2,694,433 | \$1,289,414 |

The County is subject to a statutory limitation by the State of North Dakota for indebtedness payable principally from property taxes. At December 31, 2005, the statutory limit for the County was \$186,411,390. The County has leases payable that is subject to this limitation. The leases payable at December 31, 2005 were \$980,445. The legal debt margin at December 31, 2005 is \$185,430,945. The compensated absences are generally liquidated as follows: 50% from the General fund, 40% from Human Service fund, and 10% from County Road and Bridge fund.

Component Units

During the year ended December 31, 2005, the following changes occurred in the long-term debt of the Water Resource Districts:

| Southeast Cass Water Resource District | | | | | |
|---|---------------------|-------------|---------------|-----------------------|------------------------|
| | Balance 1/1/2005 | Additions | Reductions | Balance 12/31/2005 | Due Within One Year |
| Special Assessment Bonds | \$6,134,000 | \$2,800,000 | \$(1,090,000) | \$7,844,000 | \$1,090,000 |
| Less Deferred: | | | | | |
| Bond Discounts | | 26,776 | (1,339) | 25,437 | 1,785 |
| Issuance Costs | | 14,300 | (715) | 13,585 | 953 |
| Total Bonds Payable | \$6,134,000 | \$2,758,924 | \$(1,092,054) | \$7,804,978 | \$1,087,262 |
| Loans Payable | | 950,000 | | 950,000 | 950,000 |
| Compensated Absences | 3,660 | 3,418 | (3,226) | 3,852 | 3,852 |
| Total Southeast Cass | \$6,137,660 | \$3,712,342 | \$(1,095,280) | \$8,758,830 | \$2,041,114 |

| Maple River Water Resource District | | | | | |
|--|---------------------|-----------|-------------|-----------------------|------------------------|
| | Balance 1/1/2005 | Additions | Reductions | Balance 12/31/2005 | Due Within One Year |
| Special Assessment Bonds | \$ 170,000 | \$228,000 | \$ (89,000) | \$ 309,000 | \$ 94,000 |
| Loan Payable | | 225,000 | | 225,000 | 15,000 |
| Compensated Absences | 1,020 | 908 | (857) | 1,071 | 1,071 |
| Total Maple River | \$ 171,020 | \$453,908 | \$ (89,857) | \$ 535,071 | \$ 110,071 |

| North Cass Water Resource District | | | | | |
|---|---------------------|-----------|--------------|-----------------------|------------------------|
| | Balance 1/1/2005 | Additions | Reductions | Balance 12/31/2005 | Due Within One Year |
| Special Assessment Bonds | \$ 375,000 | \$ 85,000 | \$ (95,000) | \$ 365,000 | \$ 100,000 |
| Loans Payable | 40,000 | | (40,000) | | |
| Compensated Absences | 780 | 641 | (605) | 816 | 816 |
| Total North Cass | \$ 415,780 | \$85,641 | \$ (135,605) | \$ 365,816 | \$ 100,816 |

| Rush River Water Resource District | | | | | |
|---|---------------------|-----------|--------------|-----------------------|------------------------|
| | Balance 1/1/2005 | Additions | Reductions | Balance 12/31/2005 | Due Within One Year |
| Special Assessment Bonds | \$ 800,000 | \$800,000 | \$ (800,000) | \$ 800,000 | \$ 30,000 |
| Less Deferred: | | | | | |
| Bond Discounts | | 12,000 | (734) | 11,266 | 800 |
| Issuance Costs | | 15,500 | (947) | 14,553 | 1,033 |
| Total Bonds Payable | \$800,000 | \$772,500 | \$ (801,680) | \$774,181 | \$28,167 |
| Compensated Absences | 540 | 374 | (353) | 561 | 561 |
| Total Rush River | \$ 800,540 | \$772,874 | \$ (802,033) | \$ 774,742 | \$ 28,728 |

Long-term debt of the Water Resource Districts at December 31, 2005, 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 \$565,000 through 2007; with interest at 4.1% to 4.15%. \$ 775,000

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%. 3,060,000

2002 \$1,235,000 Improvement bonds due in annual installments of \$80,000 to \$85,000 through 2018; interest at 3.0% to 4.75%. 1,065,000

\$2,800,000 2005 Improvement Bonds due in annual installments of \$150,000 to \$240,000 through 2020; interest at 3.0% to 4.0%. 2,800,000

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%. 144,000

Total Southeast Cass Special Assessment Bonds and Warrants Payable \$7,844,000

Loans Payable:

\$950,000 2005 Alerus Financial Bank Loan, due in one annual installment of \$950,000 in 2006; interest at 6.15%. 950,000

Total Southeast Cass Long-term Debt (excluding Compensated Absences) \$8,794,000

Maple River District Bonds and Warrants Payable:

1998 \$75,000 Improvement Warrants, due in annual installments of \$5,000 through 2009; with interest at 4.7% to 4.9%. \$ 20,000

\$228,000 Improvement Bonds of 2005, due in annual installments of \$14,000 to \$16,000 through 2019; interest at 4.9%. 214,000

2002 \$145,000 Improvement Warrants, due in annual installments of \$75,000 through 2006; interest at 5.25%. 75,000

Total Maple River Special Assessment Bonds and Warrants Payable \$ 309,000

Loans Payable:

\$225,000 2005 State Bank & Trust Loan, due in annual installments of \$15,000 through 2020; interest at 3.75%. \$ 225,000

Total Maple River Long-Term Debt (excluding Compensated Absences) \$ 534,000

Rush River District Bonds and Warrants Payable:

2005 \$800,000 Improvement Bonds, due in annual installments of \$30,000 to \$70,000 through 2020, with interest at 2.6% to 4.35%. \$ 800,000

North Cass District Bonds Payable:

2003 \$215,000 Improvement Bonds, due in annual installments of \$15,000 through 2018, with interest at 4.0% to 5.0%. \$ 195,000

\$85,000 2005 Improvement Bonds, due in one annual installment of \$85,000 in 2013; interest at 4.8%. 85,000

2002 \$245,000 Improvement Bonds, due in one annual installment of \$85,000 in 2006; with interest at 4.0%. 85,000

Total North Cass Special Assessment Bonds and Warrants Payable \$ 365,000

Water Resource Districts' long term debt service requirements to maturity are as follows:

Southeast Cass Water Resource Districts Bonds Payable:

| GOVERNMENTAL ACTIVITIES | | | | |
|--------------------------------|------------------|--------------|--------------|-----------|
| Year Ending December 31 | SA Bonds Payable | | Loan Payable | |
| | Principal | Interest | Principal | Interest |
| 2006 | \$ 1,090,000 | \$ 289,678 | \$ 950,000 | \$ 10,387 |
| 2007 | 740,000 | 254,813 | | |
| 2008 | 530,000 | 231,116 | | |
| 2009 | 535,000 | 210,924 | | |
| 2010 | 540,000 | 189,857 | | |
| 2011 – 2015 | 2,745,000 | 622,131 | | |
| 2016 - 2020 | 1,664,000 | 137,800 | | |
| | \$ 7,844,000 | \$ 1,936,318 | \$ 950,000 | \$ 10,387 |

Maple River Water Resource Districts Bonds Payable:

| GOVERNMENTAL ACTIVITIES | | | | |
|--------------------------------|------------------|-----------|--------------|-----------|
| Year Ending December 31 | SA Bonds Payable | | Loan Payable | |
| | Principal | Interest | Principal | Interest |
| 2006 | \$ 94,000 | \$ 12,389 | \$ 15,000 | \$ 10,962 |
| 2007 | 20,000 | 10,036 | 15,000 | 10,628 |
| 2008 | 20,000 | 9,063 | 15,000 | 9,486 |
| 2009 | 20,000 | 8,085 | 15,000 | 9,049 |
| 2010 | 15,000 | 7,228 | 15,000 | 8,266 |
| 2011 – 2015 | 76,000 | 25,088 | 75,000 | 29,517 |
| 2016 - 2020 | 64,000 | 6,272 | 75,000 | 9,830 |
| Total | \$ 309,000 | \$ 78,161 | \$ 225,000 | \$ 88,098 |

North Cass Water Resource Districts Bonds Payable:

| GOVERNMENTAL ACTIVITIES | | | |
|--------------------------------|------------|------------|----------|
| Year Ending December 31 | Principal | | Interest |
| | 2006 | \$ 100,000 | |
| 2007 | 15,000 | 12,030 | |
| 2008 | 15,000 | 11,430 | |
| 2009 | 15,000 | 10,830 | |
| 2010 | 15,000 | 10,230 | |
| 2011-2015 | 160,000 | 30,750 | |
| 2016-2018 | 45,000 | 3,375 | |
| Total | \$ 365,000 | \$ 94,837 | |

Rush River Water Resource Districts Bonds Payable:

| GOVERNMENTAL ACTIVITIES | | | |
|--------------------------------|----|-----------|------------|
| Year Ending December 31 | | Principal | Interest |
| 2006 | \$ | 30,000 | \$ 29,595 |
| 2007 | | 40,000 | 28,685 |
| 2008 | | 40,000 | 27,645 |
| 2009 | | 45,000 | 26,371 |
| 2010 | | 45,000 | 24,864 |
| 2011-2015 | | 265,000 | 97,160 |
| 2016-2020 | | 335,000 | 37,200 |
| Total | \$ | 800,000 | \$ 271,520 |

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, 2005, the water resource districts had funds of \$3,487,628 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.

NOTE 8: 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, 2005, there were twenty series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$48,184,431.

NOTE 9: 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, 2005, 2004, and 2003 were \$1,236,551, \$1,167,068, and \$1,067,770, respectively, equal to the required contributions for the year.

Three-Year Trend Information

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-----------------------|------------------------------|----------------------------------|---------------------------|
| 12/31/2005 | \$ 1,236,551 | 100% | - |
| 12/31/2004 | 1,167,068 | 100% | - |
| 12/31/2003 | 1,067,770 | 100% | - |

NOTE 10: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986 state agencies and political subdivisions 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 \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

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

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

NOTE 11: CONTINGENT LIABILITIES

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

NOTE 12: RECONCILIATION OF BUDGET TO ACTUAL

The disaster assistance funds administered by the Lake Agassiz Regional Council are included on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance-nonmajor funds. 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, 1/1/2005 | \$ 1,453,840 | \$ (152,740) | \$ 1,301,101 |
| Receipts | 1,806,708 | (4,011) | 1,802,697 |
| Disbursements | 1,828,036 | (136,013) | 1,692,023 |
| Other Financing Sources (Uses) | (40,171) | | (40,171) |
| Balance, 12/31/2005 | \$ 1,392,342 | \$ (20,738) | \$ 1,371,604 |

NOTE 13: CONSTRUCTION COMMITMENTS

The County has the following open construction contracts with balances owing at December 31, 2005:

| Project | Contract Amount | Total Completed | Retainage | Remaining Balance |
|---------------------|-----------------|-----------------|-----------|-------------------|
| County Highway 12 | \$ 830,500 | \$ 830,500 | \$ 8,305 | \$ 8,305 |
| County Highway 14 | 1,201,032 | 1,070,532 | 21,411 | 151,911 |
| Vector Building | | | | |
| Electrical Contract | 73,249 | 63,249 | 6,325 | 16,325 |
| Mechanical Contract | 176,171 | 176,171 | 17,617 | 17,617 |
| Total | \$ 2,280,952 | \$ 2,140,452 | \$ 53,658 | \$ 194,158 |

**SUPPLEMENTARY
INFORMATION**

CASS COUNTY GOVERNMENT

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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.

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.

911 Service

This fund is used to accumulate the 911 fees from both land lines and cellular lines and pay for the cost of dispatch service through the Red River Regional Dispatch Center. This Center is a joint operation between Cass County, Clay County of Minnesota, and the cities of Fargo and Moorhead.

**CASS COUNTY GOVERNMENT
Nonmajor Special Revenue Funds**

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 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. Currently \$2 of the \$3 fee is used to fund the NDRIN project, \$1 is used to maintain the technology within the County Recorders Office.

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. These projects are now in the process of being finalized.

CASS COUNTY GOVERNMENT Nonmajor Debt Service Funds

Debt service funds are used to account for accumulation of resources for, and the payment of, principal and interest on long term debt.

**Borderuds Subdivision
Windsor Green Subdivision
Sleepy Hollow Subdivision
Forest River Subdivision
Round Hill Subdivision
Greyhawk Estates 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 Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities.

Forest River Subdivision

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

Greyhawk Estates Sub.

This fund is used to provide for the construction of street improvements in the Greyhawk Estates Subdivision.

Round Hill Subdivision

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

Holmen's 3rd Subdivision

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

Vector Control Building

This fund is used to provide for the construction of an addition to the county highway shop to house the operations of vector control.

THIS PAGE HAS BEEN RESERVED FOR NOTES

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
December 31, 2005

| | Sheriff Asset Forfeiture | JAIBG Fund | Jail Commissary |
|---|--------------------------------|---------------|--------------------|
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 34,099 | \$ 32,425 | \$ 215,524 |
| Receivables: | | | |
| Taxes | - | - | - |
| Accounts | - | - | - |
| Inventory | - | - | - |
| Prepaid Items | - | - | - |
| Due From Other Governments | 24,622 | - | - |
| TOTAL ASSETS | 58,722 | 32,425 | 215,524 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities:</u> | | | |
| Accounts Payable | - | - | 4,487 |
| Due to Inmates | - | - | 6,505 |
| Deferred Revenues | - | - | - |
| Total Liabilities | - | - | 10,991 |
| <u>Fund Balance:</u> | | | |
| Fund Balances, Unreserved | 58,722 | 32,425 | 204,532 |
| Fund Balances, Reserved: | | | |
| Reserved for Prepaid Items | - | - | - |
| Total Fund Balances | 58,722 | 32,425 | 204,532 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 58,722 | \$ 32,425 | \$ 215,524 |

| <u>Hazardous Plan/ Response</u> | <u>Valley Water Rescue</u> | <u>St. Att'y Asset Forfeiture</u> | <u>Senior Citizens</u> |
|---|------------------------------------|---|----------------------------|
| \$ 34,540 | \$ 6,390 | \$ 19,117 | \$ 139,218 |
| - | - | - | 7,216 |
| - | - | - | - |
| - | - | - | - |
| - | 185 | - | - |
| - | 186 | - | - |
| <u>34,540</u> | <u>6,761</u> | <u>19,117</u> | <u>146,435</u> |
| - | 524 | - | - |
| - | - | - | - |
| - | - | - | 121,848 |
| <u>-</u> | <u>524</u> | <u>-</u> | <u>121,848</u> |
| 34,540 | 6,052 | 19,117 | 24,587 |
| - | 185 | - | - |
| <u>34,540</u> | <u>6,237</u> | <u>19,117</u> | <u>24,587</u> |
| <u>\$ 34,540</u> | <u>\$ 6,761</u> | <u>\$ 19,117</u> | <u>\$ 146,435</u> |

Continued on next page

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
December 31, 2005

| | 911 Service Land-Lines | Emergency Fund | NDRIN County Recorder Project |
|--------------------------------------|------------------------------|-----------------------------|-------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 46,728 | \$ 468,610 | \$ 382,268 |
| Receivables: | | | |
| Taxes | - | 814 | - |
| Accounts | 36,828 | - | 8,230 |
| Inventory | - | - | - |
| Prepaid Items | - | - | - |
| Due From Other Governments | - | - | 26,064 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL ASSETS | <u>83,556</u> | <u>469,424</u> | <u>416,561</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities:</u> | | | |
| Accounts Payable | 16,518 | - | 87,738 |
| Due to Inmates | - | - | - |
| Deferred Revenues | - | 814 | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>16,518</u> | <u>814</u> | <u>87,738</u> |
| <u>Fund Balances:</u> | | | |
| Fund Balances, Unreserved | 67,038 | 468,610 | 328,823 |
| Fund Balances, Reserved: | | | |
| Reserved for Prepaid Items | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Balances | <u>67,038</u> | <u>468,610</u> | <u>328,823</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 83,556</u> | <u>\$ 469,424</u> | <u>\$ 416,561</u> |

Continued from previous page

| Document Preservation ROD | County Park | Federal Disaster Aid | Total Nonmajor Special Revenue Funds |
|---------------------------------|------------------|-------------------------|--|
| \$ 70,149 | \$ 83,560 | \$ 20,738 | \$ 1,553,365 |
| - | 1,381 | - | 9,411 |
| - | - | - | 45,058 |
| - | - | - | - |
| - | 202 | - | 387 |
| - | 453 | - | 51,326 |
| <u>70,149</u> | <u>85,596</u> | <u>20,738</u> | <u>1,659,548</u> |
| 5,326 | - | - | 114,593 |
| - | - | - | 6,505 |
| - | 23,447 | - | 146,108 |
| <u>5,326</u> | <u>23,447</u> | <u>-</u> | <u>267,206</u> |
| 64,823 | 61,948 | 20,738 | 1,391,955 |
| - | 202 | - | 387 |
| <u>64,823</u> | <u>62,150</u> | <u>20,738</u> | <u>1,392,342</u> |
| <u>\$ 70,149</u> | <u>\$ 85,596</u> | <u>\$ 20,738</u> | <u>\$ 1,659,548</u> |

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - All Debt Service Funds
December 31, 2005

| | <u>Round Hill Subdivision</u> | <u>Holmen's Third Subdivision</u> | <u>Borderud's Subdivision</u> | <u>Windsor Green Subdivision</u> |
|---|-----------------------------------|---|-----------------------------------|--|
| <u>ASSETS</u> | | | | |
| Cash and Investments | \$ 74,443 | \$ 14,715 | \$ 40,242 | \$ 6,108 |
| Receivables: | | | | |
| Taxes | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u><u>74,443</u></u> | <u><u>14,715</u></u> | <u><u>40,242</u></u> | <u><u>6,108</u></u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Deferred Revenues | <u>9,639</u> | <u>4,522</u> | <u>1,350</u> | <u>-</u> |
| Total Liabilities | <u>9,639</u> | <u>4,522</u> | <u>1,350</u> | <u>-</u> |
| <u>Fund Balances:</u> | | | | |
| Reserved for Debt Service | <u>64,803</u> | <u>10,192</u> | <u>38,892</u> | <u>6,108</u> |
| Total Fund Balances | <u>64,803</u> | <u>10,192</u> | <u>38,892</u> | <u>6,108</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 74,443</u></u> | <u><u>\$ 14,715</u></u> | <u><u>\$ 40,242</u></u> | <u><u>\$ 6,108</u></u> |

| <u>Sleepy Hollow Subdivision</u> | <u>Greyhawk Estates Subdivision</u> | <u>Forest River Subdivision</u> | <u>Total Nonmajor Debt Service Funds</u> |
|--------------------------------------|---|---|--|
| \$ 13,885 | \$ 36,521 | \$ 19,083 | \$ 204,997 |
| - | - | 447 | 447 |
| <u>13,885</u> | <u>36,521</u> | <u>19,531</u> | <u>205,445</u> |
| - | 14,087 | 4,100 | 33,698 |
| - | 14,087 | 4,100 | 33,698 |
| <u>13,885</u> | <u>22,434</u> | <u>15,431</u> | <u>171,747</u> |
| <u>13,885</u> | <u>22,434</u> | <u>15,431</u> | <u>171,747</u> |
| <u>\$ 13,885</u> | <u>\$ 36,521</u> | <u>\$ 19,531</u> | <u>\$ 205,445</u> |

CASS COUNTY GOVERNMENT
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects Funds
December 31, 2005

| | <u>Forest River Subdivision</u> | <u>Round Hill Subdivision</u> |
|--------------------------------------|---|---------------------------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 24,165 | \$ 32,029 |
| Accounts Receivable | <u>-</u> | <u>-</u> |
| Total Assets | <u>24,165</u> | <u>32,029</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| <u>Liabilities:</u> | | |
| Accounts Payable | - | - |
| Retainage Payable | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>-</u> | <u>-</u> |
| <u>Fund Balances:</u> | | |
| Fund Balances, Unreserved | <u>24,165</u> | <u>32,029</u> |
| Total Fund Balances | <u>24,165</u> | <u>32,029</u> |
| Total Liabilities and Fund Balances | <u>\$ 24,165</u> | <u>\$ 32,029</u> |

| <u>Greyhawks Estates Subdivision</u> | <u>Vector Building</u> | <u>Holmen's Third Subdivision</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|--|----------------------------|---|--|
| \$ 81,552 | \$ 35,695 | \$ 12,710 | \$ 186,151 |
| - | 1,019 | - | 1,019 |
| <u>81,552</u> | <u>36,714</u> | <u>12,710</u> | <u>187,170</u> |
| - | 23,976 | - | 23,976 |
| - | 23,942 | - | 23,942 |
| <u>-</u> | <u>47,917</u> | <u>-</u> | <u>47,917</u> |
| <u>81,552</u> | <u>(11,204)</u> | <u>12,710</u> | <u>139,252</u> |
| <u>81,552</u> | <u>(11,204)</u> | <u>12,710</u> | <u>139,252</u> |
| <u>\$ 81,552</u> | <u>\$ 36,714</u> | <u>\$ 12,710</u> | <u>\$ 187,170</u> |

CASS COUNTY GOVERNMENT
Combining Balance Sheet
All Nonmajor Governmental Funds
December 31, 2005

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Funds | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|--|---|--|---|---|
| <u>ASSETS</u> | | | | |
| <u>Assets:</u> | | | | |
| Cash and cash equivalents | \$ 1,553,365 | \$ 204,997 | \$ 186,151 | \$ 1,944,513 |
| Receivables: | | | | |
| Taxes | 9,411 | 447 | - | 9,858 |
| Accounts | 45,058 | - | 1,019 | 46,077 |
| Due From Other Governments | 51,326 | - | - | 51,326 |
| Prepaid Items | 387 | - | - | 387 |
| TOTAL ASSETS | <u>1,659,548</u> | <u>205,445</u> | <u>187,170</u> | <u>2,052,163</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts Payable | 114,593 | - | 23,976 | 138,569 |
| Retainages Payable | - | - | 23,942 | 23,942 |
| Deferred Revenues | 146,108 | 33,698 | - | 179,806 |
| Due To Inmates | 6,505 | - | - | 6,505 |
| Total Liabilities | <u>267,206</u> | <u>33,698</u> | <u>47,917</u> | <u>348,821</u> |
| <u>Fund Balances:</u> | | | | |
| Reserved for Prepaid Items | 387 | - | - | 387 |
| Reserved for Debt Service | - | 171,747 | - | 171,747 |
| Unreserved | 1,391,955 | - | 139,252 | 1,531,207 |
| Total Balances | <u>1,392,342</u> | <u>171,747</u> | <u>139,252</u> | <u>1,703,341</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,659,548</u> | <u>\$ 205,445</u> | <u>\$ 187,170</u> | <u>\$ 2,052,163</u> |

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CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances -- Nonmajor Governmental Funds - Special Revenue Funds
For the Fiscal Year Ended December 31, 2005

| | Sheriff Asset Forfeiture | JAIBG Fund | Jail Commissary |
|--|--------------------------------|---------------|--------------------|
| <u>Revenues:</u> | | | |
| Property Taxes | \$ - | \$ - | \$ - |
| License, Permits & Fees | 55,756 | 4,772 | - |
| Intergovernmental Revenues | 78,211 | - | - |
| Charges for Services | - | - | 253,650 |
| Miscellaneous Revenues | 1,626 | 891 | 5,434 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | 135,593 | 5,663 | 259,084 |
| | <hr/> | <hr/> | <hr/> |
| <u>Expenditures:</u> | | | |
| <u>Current:</u> | | | |
| General Government | - | - | - |
| Public Safety | 103,794 | 6,927 | 195,269 |
| Culture and Recreation | - | - | - |
| Conservation & Econ. Development | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 103,794 | 6,927 | 195,269 |
| | <hr/> | <hr/> | <hr/> |
| Excess (deficiency) of Revenues Over (Under) Expenditures | 31,799 | (1,264) | 63,815 |
| | <hr/> | <hr/> | <hr/> |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers Out | - | - | (30,171) |
| | <hr/> | <hr/> | <hr/> |
| Total Other Financing Sources and (Uses) | - | - | (30,171) |
| | <hr/> | <hr/> | <hr/> |
| Net change in fund balances | 31,799 | (1,264) | 33,644 |
| | <hr/> | <hr/> | <hr/> |
| Fund Balance - Beginning | 26,922 | 33,688 | 170,888 |
| | <hr/> | <hr/> | <hr/> |
| Fund Balance - Ending | \$ 58,722 | \$ 32,425 | \$ 204,532 |
| | <hr/> | <hr/> | <hr/> |

| Hazardous Plan/ Response | Valley Water Rescue | St. Atty Asset Forfeiture | Senior Citizens | 911 Service Land Lines |
|--------------------------------|---------------------------|------------------------------|--------------------|------------------------------|
| \$ - | \$ - | \$ - | \$ 315,050 | \$ - |
| - | - | 17,233 | - | - |
| 3,913 | 38,100 | - | 150,068 | - |
| - | - | - | - | 304,672 |
| 868 | 629 | 470 | 853 | 44,038 |
| <u>4,781</u> | <u>38,729</u> | <u>17,704</u> | <u>465,970</u> | <u>348,710</u> |
| - | - | 5,305 | - | - |
| 309 | 32,783 | - | - | 360,546 |
| - | - | - | 483,588 | - |
| - | - | - | - | - |
| <u>309</u> | <u>32,783</u> | <u>5,305</u> | <u>483,588</u> | <u>360,546</u> |
| <u>4,472</u> | <u>5,946</u> | <u>12,399</u> | <u>(17,618)</u> | <u>(11,836)</u> |
| - | - | (10,000) | - | - |
| - | - | (10,000) | - | - |
| <u>4,472</u> | <u>5,946</u> | <u>2,399</u> | <u>(17,618)</u> | <u>(11,836)</u> |
| <u>30,069</u> | <u>291</u> | <u>16,718</u> | <u>42,205</u> | <u>78,874</u> |
| <u>\$ 34,540</u> | <u>\$ 6,237</u> | <u>\$ 19,117</u> | <u>\$ 24,587</u> | <u>\$ 67,038</u> |

Continued on next page

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances -- Nonmajor Governmental Funds - Special Revenue Funds
For the Fiscal Year Ended December 31, 2005

| | <u>Emergency Fund</u> | <u>NDRIN - County Recorders</u> | <u>Document Preservation Fund</u> |
|--|---------------------------|---|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$ 1,570 | \$ - | \$ - |
| License, Permits & Fees | - | - | - |
| Intergovernmental Revenues | - | - | - |
| Charges for Services | - | 346,870 | 101,646 |
| Miscellaneous Revenues | 12,262 | 9,626 | 1,724 |
| | <u>13,832</u> | <u>356,496</u> | <u>103,370</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| General Government | - | 360,657 | 101,510 |
| Public Safety | - | - | - |
| Culture and Recreation | - | - | - |
| Conservation & Econ. Development | - | - | - |
| | <u>-</u> | <u>360,657</u> | <u>101,510</u> |
| Total Expenditures | <u>-</u> | <u>360,657</u> | <u>101,510</u> |
| Excess (deficiency) of Revenues Over (Under) Expenditures | <u>13,832</u> | <u>(4,161)</u> | <u>1,860</u> |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources and (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>13,832</u> | <u>(4,161)</u> | <u>1,860</u> |
| Fund Balance - Beginning | <u>454,777</u> | <u>332,985</u> | <u>62,963</u> |
| Fund Balance - Ending | <u>\$ 468,610</u> | <u>\$ 328,823</u> | <u>\$ 64,823</u> |

Continued from previous page

| County Park | Federal Disaster Aid | Total Nonmajor Special Revenue Funds |
|------------------|-------------------------|--|
| \$ 48,266 | \$ - | \$ 364,886 |
| - | | 77,761 |
| 2,144 | 4,008 | 276,444 |
| - | - | 1,006,838 |
| 2,355 | 3 | 80,779 |
| <u>52,765</u> | <u>4,011</u> | <u>1,806,708</u> |
| - | - | 467,472 |
| - | - | 699,628 |
| 41,335 | - | 524,923 |
| - | 136,013 | 136,013 |
| <u>41,335</u> | <u>136,013</u> | <u>1,828,036</u> |
| <u>11,430</u> | <u>(132,002)</u> | <u>(21,328)</u> |
| - | - | (40,171) |
| - | - | (40,171) |
| <u>11,430</u> | <u>(132,002)</u> | <u>(61,499)</u> |
| <u>50,720</u> | <u>152,740</u> | <u>1,453,840</u> |
| <u>\$ 62,150</u> | <u>\$ 20,738</u> | <u>\$ 1,392,342</u> |

CASS COUNTY GOVERNMENT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Debt Service Funds For the Fiscal Year Ended December 31, 2005

| | <u>Round Hill Subdivision</u> | <u>Holmen's Third Subdivision</u> | <u>Borderud's Subdivision</u> |
|--|---------------------------------------|---|-----------------------------------|
| <u>Revenues:</u> | | | |
| Property Taxes | \$ 22,197 | \$ 9,034 | \$ 4,733 |
| Miscellaneous Revenues | 1,835 | 357 | 1,059 |
| | . | | |
| Total Revenues | <u>24,031</u> | <u>9,391</u> | <u>5,792</u> |
| <u>Expenditures:</u> | | | |
| Debt Service: | | | |
| Principal | 20,000 | 4,455 | 5,000 |
| Interest | 9,113 | 3,896 | 2,660 |
| Fiscal Charges | 615 | - | 539 |
| Total Expenditures | <u>29,728</u> | <u>8,351</u> | <u>8,199</u> |
| Excess (deficiency) of Revenues Over (Under) Expenditures | <u>(5,696)</u> | <u>1,040</u> | <u>(2,407)</u> |
| Fund Balance - Beginning | <u>70,500</u> | <u>9,152</u> | <u>41,299</u> |
| Fund Balance - Ending | <u>\$ 64,803</u> | <u>\$ 10,192</u> | <u>\$ 38,892</u> |

| Windsor Green Subdivision | Sleepy Hollow Subdivision | Greyhawk Estates Subdivision | Forest River Subdivision | Total Nonmajor Debt Service Funds |
|---------------------------------|---------------------------------|------------------------------------|--------------------------------|---|
| \$ - | \$ - | \$ 29,371 | \$ 10,621 | \$ 75,956 |
| 160 | 364 | 101 | 468 | 4,343 |
| 160 | 364 | 29,472 | 11,089 | 80,299 |
| - | - | - | 25,000 | 54,455 |
| - | - | 6,187 | 1,913 | 23,768 |
| - | - | 850 | 594 | 2,598 |
| - | - | 7,037 | 27,507 | 80,822 |
| 160 | 364 | 22,434 | (16,418) | (523) |
| 5,948 | 13,522 | | 31,849 | 172,270 |
| \$ 6,108 | \$ 13,885 | \$ 22,434 | \$ 15,431 | \$ 171,747 |

CASS COUNTY GOVERNMENT
Combining Statement of Revenues , Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects Funds
For the Fiscal Year Ended December 31, 2005

| | <u>Forest River Subdivision</u> | <u>Round Hill Subdivision</u> |
|--|---|---------------------------------------|
| Revenues: | | |
| Intergovernmental Revenues | - | - |
| Miscellaneous Revenues | <u>\$ 633</u> | <u>\$ 1,055</u> |
| Total Revenues | <u>633</u> | <u>1,055</u> |
| Expenditures: | | |
| Capital Outlay | <u>-</u> | <u>20,575</u> |
| Total Expenditures | <u>-</u> | <u>20,575</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>633</u> | <u>(19,520)</u> |
| Other Financing Sources: | | |
| Transfer In | - | - |
| Transfer Out | - | - |
| Bond Discount | - | - |
| Bond/Lease Proceeds | <u>-</u> | <u>-</u> |
| Total Other Financing Sources | <u>-</u> | <u>-</u> |
| Revenues and Other Financing Sources over Expenditures | <u>633</u> | <u>(19,520)</u> |
| Fund Balance - Beginning | <u>23,532</u> | <u>51,549</u> |
| Fund Balance - Ending | <u>\$ 24,165</u> | <u>\$ 32,029</u> |

| <u>Greyhawks Estates Subdivision</u> | <u>Vector Building</u> | <u>Holmen's Third Subdivision</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|--|----------------------------|---|--|
| - | 80,000 | - | 80,000 |
| \$ 5,264 | \$ 13,964 | \$ 333 | \$ 21,249 |
| <u>5,264</u> | <u>93,964</u> | <u>333</u> | <u>101,249</u> |
| <u>298,011</u> | <u>1,020,168</u> | <u>-</u> | <u>1,338,755</u> |
| <u>298,011</u> | <u>1,020,168</u> | <u>-</u> | <u>1,338,755</u> |
| <u>(292,748)</u> | <u>(926,204)</u> | <u>333</u> | <u>(1,237,506)</u> |
| - | 20,000 | - | 20,000 |
| - | (5,000) | - | (5,000) |
| (5,700) | - | - | (5,700) |
| <u>380,000</u> | <u>900,000</u> | <u>-</u> | <u>1,280,000</u> |
| <u>374,300</u> | <u>915,000</u> | <u>-</u> | <u>1,289,300</u> |
| <u>81,552</u> | <u>(11,204)</u> | <u>333</u> | <u>51,794</u> |
| <u>-</u> | <u>-</u> | <u>12,377</u> | <u>87,458</u> |
| <u>\$ 81,552</u> | <u>\$ (11,204)</u> | <u>\$ 12,710</u> | <u>\$ 139,252</u> |

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2005

| | Special Revenue Funds | Debt Service Funds | Capital Project Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|--------------------------|-----------------------------|---|
| <u>REVENUES</u> | | | | |
| Taxes: | | | | |
| Property | \$ 364,886 | \$ 75,956 | \$ - | \$ 440,842 |
| Licenses, permits and fees | 77,761 | - | - | 77,761 |
| Intergovernmental revenues | 276,444 | - | 80,000 | 356,444 |
| Charges for services | 1,006,838 | - | - | 1,006,838 |
| Miscellaneous revenues | 80,779 | 4,343 | 21,249 | 106,371 |
| Total Revenues | 1,806,708 | 80,299 | 101,249 | 1,988,256 |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| General government | 467,472 | - | - | 467,472 |
| Public Safety | 699,628 | - | - | 699,628 |
| Culture and recreation | 524,923 | - | - | 524,923 |
| Conservation & economic development | 136,013 | - | - | 136,013 |
| Capital outlay | | | 1,338,755 | 1,338,755 |
| Debt service: | | | | |
| Principal retirement | - | 54,455 | - | 54,455 |
| Interest | - | 23,768 | - | 23,768 |
| Fiscal charges | - | 2,598 | - | 2,598 |
| Total Expenditures | 1,828,036 | 80,822 | 1,338,755 | 3,247,612 |
| Excess (deficiency) of revenues over (under) expenditures | (21,328) | (523) | (1,237,506) | (1,259,356) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers in | - | - | 20,000 | 20,000 |
| Transfers out | (40,171) | - | (5,000) | (45,171) |
| Bond Discounts | - | | (5,700) | (5,700) |
| Proceeds of Bond/Lease | - | | 1,280,000 | 1,280,000 |
| Total of other financing uses | (40,171) | - | 1,289,300 | 1,249,129 |
| Net change in fund balances | (61,499) | (523) | 51,794 | (10,227) |
| Fund Balances - Beginning | 1,453,840 | 172,270 | 87,458 | 1,713,568 |
| Fund Balances - Ending | \$ 1,392,342 | \$ 171,747 | \$ 139,252 | \$ 1,703,341 |

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CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2005

| | Sheriff Asset Forfeiture | | | Variance With Final Budget Positive (Negative) |
|--|--------------------------|------------------|------------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| License, Permits & Fees | 40,000 | 40,000 | 55,756 | 15,756 |
| Intergovernmental Revenues | 120,972 | 120,972 | 78,211 | (42,761) |
| Charges for Services | - | - | - | - |
| Miscellaneous Revenues | 200 | 200 | 1,626 | 1,426 |
| Total Revenues | 161,172 | 161,172 | 135,593 | (25,579) |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Safety | 142,330 | 142,330 | 103,794 | 38,536 |
| Culture and Recreation | - | - | - | - |
| Total Expenditures | 142,330 | 142,330 | 103,794 | 38,536 |
| Excess (deficiency) of revenues over (under) expenditures | 18,842 | 18,842 | 31,799 | 12,957 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Operating Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net change in fund balances | 18,842 | 18,842 | 31,799 | 12,957 |
| Fund Balance - Beginning | 26,922 | 26,922 | 26,922 | - |
| Fund Balance - Ending | \$ 45,764 | \$ 45,764 | \$ 58,722 | \$ 12,957 |

| JAIBG Fund | | | | Jail Commissary | | | |
|------------|-----------|-----------|---|-----------------|------------|------------|---|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9,000 | 9,000 | 4,772 | (4,228) | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 240,000 | 240,000 | 253,650 | 13,650 |
| 300 | 300 | 891 | 591 | 2,000 | 2,000 | 5,434 | 3,434 |
| 9,300 | 9,300 | 5,663 | (3,637) | 242,000 | 242,000 | 259,084 | 17,084 |
| - | - | - | - | - | - | - | - |
| 8,000 | 8,000 | 6,927 | 1,073 | 200,000 | 200,000 | 195,269 | 4,731 |
| - | - | - | - | - | - | - | - |
| 8,000 | 8,000 | 6,927 | 1,073 | 200,000 | 200,000 | 195,269 | 4,731 |
| 1,300 | 1,300 | (1,264) | (2,564) | 42,000 | 42,000 | 63,815 | 21,815 |
| - | - | - | - | - | (30,171) | (30,171) | - |
| - | - | - | - | - | (30,171) | (30,171) | - |
| 1,300 | 1,300 | (1,264) | (2,564) | 42,000 | 11,829 | 33,644 | 21,815 |
| 33,688 | 33,688 | 33,688 | - | 170,888 | 170,888 | 170,888 | - |
| \$ 34,988 | \$ 34,988 | \$ 32,425 | \$ (2,564) | \$ 212,888 | \$ 182,717 | \$ 204,532 | \$ 21,815 |

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2005

| | Hazardous Plan/Response | | | Variance With Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| License, Permits & Fees | - | - | - | - |
| Intergovernmental Revenues | 3,850 | 3,850 | 3,913 | 63 |
| Charges for Services | - | - | - | - |
| Miscellaneous Revenues | 230 | 230 | 868 | 638 |
| Total Revenues | <u>4,080</u> | <u>4,080</u> | <u>4,781</u> | <u>701</u> |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Safety | 7,500 | 7,500 | 309 | 7,191 |
| Culture and Recreation | - | - | - | - |
| Total Expenditures | <u>7,500</u> | <u>7,500</u> | <u>309</u> | <u>7,191</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,420)</u> | <u>(3,420)</u> | <u>4,472</u> | <u>7,892</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Operating Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>(3,420)</u> | <u>(3,420)</u> | <u>4,472</u> | <u>7,892</u> |
| Fund Balance - Beginning | <u>30,069</u> | <u>30,069</u> | <u>30,069</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 26,649</u> | <u>\$ 26,649</u> | <u>\$ 34,540</u> | <u>\$ 7,892</u> |

Continued from previous page

| Valley Water Rescue | | | | States Attorney Asset Forfeiture | | | |
|---------------------|--------|----------|---|----------------------------------|-----------|-----------|---|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 10,000 | 17,000 | 17,233 | 233 |
| 38,100 | 38,100 | 38,100 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 250 | 250 | 629 | 379 | 100 | 100 | 470 | 370 |
| 38,350 | 38,350 | 38,729 | 379 | 10,100 | 17,100 | 17,704 | 603 |
| - | - | - | - | - | 7,000 | 5,305 | 1,695 |
| 38,100 | 38,100 | 32,783 | 5,317 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 38,100 | 38,100 | 32,783 | 5,317 | - | 7,000 | 5,305 | 1,695 |
| 250 | 250 | 5,946 | 5,696 | 10,100 | 10,100 | 12,399 | 2,298 |
| - | - | - | - | (10,000) | (10,000) | (10,000) | - |
| - | - | - | - | (10,000) | (10,000) | (10,000) | - |
| 250 | 250 | 5,946 | 5,696 | 100 | 100 | 2,399 | 2,298 |
| 291 | 291 | 291 | - | 16,718 | 16,718 | 16,718 | - |
| \$ 541 | \$ 541 | \$ 6,237 | \$ 5,696 | \$ 16,818 | \$ 16,818 | \$ 19,117 | \$ 2,298 |

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2005

| | Senior Citizens | | | Variance With Final Budget Positive (Negative) |
|--|-----------------|------------|------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 311,591 | \$ 311,591 | \$ 315,050 | \$ 3,459 |
| License, Permits & Fees | - | - | - | - |
| Intergovernmental Revenues | 157,358 | 157,358 | 150,068 | (7,290) |
| Charges for Services | - | - | - | - |
| Miscellaneous Revenues | 364 | 364 | 853 | 489 |
| Total Revenues | 469,313 | 469,313 | 465,970 | (3,342) |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Safety | - | - | - | - |
| Culture and Recreation | 483,588 | 483,588 | 483,588 | - |
| Total Expenditures | 483,588 | 483,588 | 483,588 | - |
| Excess (deficiency) of revenues over (under) expenditures | (14,275) | (14,275) | (17,618) | (3,342) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Operating Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net change in fund balances | (14,275) | (14,275) | (17,618) | (3,342) |
| Fund Balance - Beginning | 42,205 | 42,205 | 42,205 | - |
| Fund Balance - Ending | \$ 27,930 | \$ 27,930 | \$ 24,587 | \$ (3,342) |

Continued from previous page

| 911 Service - Land Lines | | | | Emergency Fund | | | |
|--------------------------|-----------|-----------|---|----------------|------------|------------|---|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,570 | \$ 1,570 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 400,000 | 400,000 | 304,672 | (95,328) | - | - | - | - |
| - | - | 44,038 | 44,038 | 2,492 | 2,492 | 12,262 | 9,770 |
| 400,000 | 400,000 | 348,710 | (51,290) | 2,492 | 2,492 | 13,832 | 11,340 |
| - | - | - | - | 50,000 | 50,000 | - | 50,000 |
| 416,000 | 416,000 | 360,546 | 55,454 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 416,000 | 416,000 | 360,546 | 55,454 | 50,000 | 50,000 | - | 50,000 |
| (16,000) | (16,000) | (11,836) | 4,164 | (47,508) | (47,508) | 13,832 | 61,340 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| (16,000) | (16,000) | (11,836) | 4,164 | (47,508) | (47,508) | 13,832 | 61,340 |
| 78,874 | 78,874 | 78,874 | - | 454,777 | 454,777 | 454,777 | - |
| \$ 62,874 | \$ 62,874 | \$ 67,038 | \$ 4,164 | \$ 407,269 | \$ 407,269 | \$ 468,610 | \$ 61,340 |

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2005

| | NDRIN - County Recorder Project | | | Variance With Final Budget Positive (Negative) |
|--|---------------------------------|-------------------|-------------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| License, Permits & Fees | - | - | - | - |
| Intergovernmental Revenues | - | - | - | - |
| Charges for Services | 280,000 | 280,000 | 346,870 | 66,870 |
| Miscellaneous Revenues | 2,500 | 2,500 | 9,626 | 7,126 |
| Total Revenues | 282,500 | 282,500 | 356,496 | 73,996 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | 198,000 | 368,000 | 360,657 | 7,343 |
| Public Safety | - | - | - | - |
| Culture and Recreation | - | - | - | - |
| Total Expenditures | 198,000 | 368,000 | 360,657 | 7,343 |
| Excess (deficiency) of revenues over (under) expenditures | 84,500 | (85,500) | (4,161) | 81,339 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Operating Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net change in fund balances | 84,500 | (85,500) | (4,161) | 81,339 |
| Fund Balance - Beginning | 332,985 | 332,985 | 332,985 | - |
| Fund Balance - Ending | \$ 417,485 | \$ 247,485 | \$ 328,823 | \$ 81,339 |

Continued from previous page

| Document Preservation - ROD | | | | County Park | | | |
|-----------------------------|-----------|-----------|---|-------------|-----------|-----------|---|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ 46,724 | \$ 46,724 | \$ 48,266 | \$ 1,542 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 1,739 | 1,739 | 2,144 | 405 |
| 120,000 | 120,000 | 101,646 | (18,354) | - | - | - | - |
| 300 | 300 | 1,724 | 1,424 | 1,500 | 1,500 | 2,355 | 855 |
| 120,300 | 120,300 | 103,370 | (16,930) | 49,963 | 49,963 | 52,765 | 2,802 |
| 114,400 | 114,400 | 101,510 | 12,890 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 85,000 | 85,000 | 41,335 | 43,665 |
| 114,400 | 114,400 | 101,510 | 12,890 | 85,000 | 85,000 | 41,335 | 43,665 |
| 5,900 | 5,900 | 1,860 | (4,040) | (35,037) | (35,037) | 11,430 | 46,467 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 5,900 | 5,900 | 1,860 | (4,040) | (35,037) | (35,037) | 11,430 | 46,467 |
| 62,963 | 62,963 | 62,963 | - | 50,720 | 50,720 | 50,720 | - |
| \$ 68,863 | \$ 68,863 | \$ 64,823 | \$ (4,040) | \$ 15,683 | \$ 15,683 | \$ 62,150 | \$ 46,467 |

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Fiscal Year Ended December 31, 2005

| | Total Nonmajor Budgeted Special Revenue Funds | | | |
|--|---|---------------------|---------------------|---|
| | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$ 358,315 | \$ 358,315 | \$ 364,886 | \$ 6,571 |
| License, Permits & Fees | 59,000 | 66,000 | 77,761 | 11,761 |
| Intergovernmental Revenues | 322,019 | 322,019 | 272,436 | (49,583) |
| Charges for Services | 1,040,000 | 1,040,000 | 1,006,838 | (33,162) |
| Miscellaneous Revenues | 10,236 | 10,236 | 80,776 | 70,540 |
| Total Revenues | 1,789,570 | 1,796,570 | 1,802,697 | 6,127 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government | 362,400 | 539,400 | 467,472 | 71,928 |
| Public Safety | 811,930 | 811,930 | 699,628 | 112,302 |
| Culture and Recreation | 568,588 | 568,588 | 524,923 | 43,665 |
| Total Expenditures | 1,742,918 | 1,919,918 | 1,692,023 | 227,895 |
| Excess (deficiency) of revenues over (under) expenditures | 46,652 | (123,348) | 110,674 | 234,022 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Operating Transfers Out | - | (40,171) | (40,171) | - |
| Total Other Financing Sources (Uses) | - | (40,171) | (40,171) | - |
| Net change in fund balances | 46,652 | (163,519) | 70,503 | 234,022 |
| Fund Balance - Beginning | 1,301,101 | 1,301,101 | 1,301,101 | - |
| Fund Balance - Ending | \$ 1,347,753 | \$ 1,137,582 | \$ 1,371,604 | \$ 234,022 |

Continued from previous page

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CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Funds
For the Fiscal Year Ended December 31, 2005

| | Round Hill Subdivision | | | Variance With Final Budget Positive (Negative) |
|--|-------------------------------|---------------|---------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 22,197 | \$ 22,197 | \$ 22,197 | \$ - |
| Miscellaneous Revenues | 500 | 500 | 1,835 | 1,335 |
| Total Revenues | 22,697 | 22,697 | 24,031 | 1,335 |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal | 20,000 | 20,000 | 20,000 | - |
| Interest | 9,113 | 9,113 | 9,113 | - |
| Fiscal Charges | 650 | 650 | 615 | 35 |
| Total Expenditures | 29,763 | 29,763 | 29,728 | 35 |
| Excess (deficiency) of revenues over (under) expenditures | (7,066) | (7,066) | (5,696) | 1,370 |
| Fund Balance - Beginning | 70,500 | 70,500 | 70,500 | - |
| Fund Balance - Ending | \$ 63,434 | \$ 63,434 | \$ 64,803 | \$ 1,370 |

| Holmen's Third Sudvidison | | | | Borderud's Subdivision | | | |
|----------------------------------|----------|-----------|---|-------------------------------|-----------|-----------|---|
| Budget | | Actual | Variance With Final Budget Positive (Negative) | Budget | | Actual | Variance With Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ 8,589 | \$ 8,589 | \$ 9,034 | \$ 445 | \$ 4,734 | \$ 4,734 | \$ 4,733 | \$ (1) |
| 100 | 100 | 357 | 257 | 400 | 400 | 1,059 | 659 |
| 8,689 | 8,689 | 9,391 | 702 | 5,134 | 5,134 | 5,792 | 658 |
| 4,456 | 4,456 | 4,455 | 1 | 5,000 | 5,000 | 5,000 | - |
| 3,896 | 3,896 | 3,896 | - | 2,660 | 2,660 | 2,660 | - |
| - | - | - | - | 500 | 500 | 539 | (39) |
| 8,352 | 8,352 | 8,351 | 1 | 8,160 | 8,160 | 8,199 | (39) |
| 337 | 337 | 1,040 | 703 | (3,026) | (3,026) | (2,407) | 619 |
| 9,152 | 9,152 | 9,152 | - | 41,299 | 41,299 | 41,299 | - |
| \$ 9,489 | \$ 9,489 | \$ 10,192 | \$ 703 | \$ 38,273 | \$ 38,273 | \$ 38,892 | \$ 619 |

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Funds
For the Fiscal Year Ended December 31, 2005

| | Windsor Green Subdivision | | | Variance With Final Budget Positive (Negative) |
|--|----------------------------------|----------|----------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous Revenues | - | - | 160 | 160 |
| Total Revenues | - | - | 160 | 160 |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Fiscal Charges | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | - | - | 160 | 160 |
| Fund Balance - Beginning | 5,948 | 5,948 | 5,948 | - |
| Fund Balance - Ending | \$ 5,948 | \$ 5,948 | \$ 6,108 | \$ 160 |

Continued from previous page

| Sleepy Hollow Subdivision | | | | Greyhawks Subdivision | | | |
|----------------------------------|------------------|------------------|---|------------------------------|------------------|------------------|---|
| <u>Budget</u> | | <u>Actual</u> | Variance With Final Budget Positive (Negative) | <u>Budget</u> | | <u>Actual</u> | Variance With Final Budget Positive (Negative) |
| <u>Original</u> | <u>Final</u> | | | <u>Original</u> | <u>Final</u> | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 30,000 | \$ 29,371 | \$ (629) |
| - | - | 364 | 364 | - | - | 101 | 101 |
| - | - | 364 | 364 | - | 30,000 | 29,472 | (528) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 7,000 | 6,187 | 813 |
| - | - | - | - | - | 1,000 | 850 | 150 |
| - | - | - | - | - | 8,000 | 7,037 | 963 |
| - | - | 364 | 364 | - | 22,000 | 22,434 | 434 |
| 13,522 | 13,522 | 13,522 | - | - | - | - | - |
| <u>\$ 13,522</u> | <u>\$ 13,522</u> | <u>\$ 13,885</u> | <u>\$ 364</u> | <u>\$ -</u> | <u>\$ 22,000</u> | <u>\$ 22,434</u> | <u>\$ 434</u> |

Continued

CASS COUNTY GOVERNMENT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Funds
For the Fiscal Year Ended December 31, 2005

| | Forest River Subdivision | | | Variance With Final Budget Positive (Negative) |
|--|---------------------------------|---------------|---------------|---|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 11,149 | \$ 11,149 | \$ 10,621 | \$ (528) |
| Miscellaneous Revenues | 300 | 300 | 468 | 168 |
| Total Revenues | 11,449 | 11,449 | 11,089 | (361) |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal | 25,000 | 25,000 | 25,000 | - |
| Interest | 1,913 | 1,913 | 1,913 | - |
| Fiscal Charges | 700 | 700 | 594 | 106 |
| Total Expenditures | 27,613 | 27,613 | 27,507 | 106 |
| Excess (deficiency) of revenues over (under) expenditures | (16,164) | (16,164) | (16,418) | (255) |
| Fund Balance - Beginning | 31,849 | 31,849 | 31,849 | - |
| Fund Balance - Ending | \$ 15,685 | \$ 15,685 | \$ 15,431 | \$ (255) |

Continued from previous page

Total Nonmajor Debt Service Funds

| Budget | | Actual | Variance With Final Budget Positive (Negative) |
|-------------------|-------------------|-------------------|---|
| Original | Final | | |
| \$ 46,669 | \$ 76,669 | \$ 75,956 | \$ (713) |
| 1,300 | 1,300 | 4,343 | 3,043 |
| <u>47,969</u> | <u>77,969</u> | <u>80,299</u> | <u>2,330</u> |
| 54,456 | 54,456 | 54,455 | - |
| 17,582 | 24,582 | 23,768 | 814 |
| 1,850 | 2,850 | 2,598 | 252 |
| <u>73,888</u> | <u>81,888</u> | <u>80,822</u> | <u>1,066</u> |
| <u>(25,919)</u> | <u>(3,919)</u> | <u>(523)</u> | <u>3,395</u> |
| <u>172,270</u> | <u>172,270</u> | <u>172,270</u> | <u>-</u> |
| <u>\$ 146,351</u> | <u>\$ 168,351</u> | <u>\$ 171,747</u> | <u>\$ 3,395</u> |

CASS COUNTY GOVERNMENT

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the county, on a cost reimbursement basis.

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.

Dental Insurance Trust

This fund accounts for a self-funded dental 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 plan holder has a choice of a single or family policy. The county covers only the cost of the single policy.

Motor Pool Operating

The Motor Pool Operating Fund is used to account for the operations of the Cass County's motor pool. The fund pays for the purchase and operation of cars that are "rented" to Cass County departments. Departments pay for the use of the vehicles on per mile basis.

CASS COUNTY GOVERNMENT
Combining Statement of Net Assets
Internal Service Funds
December 31, 2005

| | Health Insurance Trust | Dental Insurance Trust | Telephone Trust | Motor Pool Operating | Total |
|--------------------------------|------------------------------|------------------------------|--------------------|----------------------------|---------------------|
| <u>ASSETS</u> | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 1,229,998 | \$ 17,657 | \$ 92,862 | \$ 1,440 | \$ 1,341,957 |
| Accounts Receivable | - | - | 2,931 | - | 2,931 |
| Total Current Assets | \$ 1,229,998 | \$ 17,657 | \$ 95,793 | \$ 1,440 | \$ 1,344,888 |
| Noncurrent Assets: | | | | | |
| Capital Assets | - | - | 310,446 | 77,386 | 387,832 |
| Less: Accumulated Depreciation | - | - | (166,976) | (44,945) | (211,921) |
| Total Noncurrent Assets | - | - | 143,470 | 32,441 | 175,911 |
| Total Assets | 1,229,998 | 17,657 | 239,263 | 33,880 | 1,520,799 |
| <u>LIABILITIES</u> | | | | | |
| <u>Current Liabilities:</u> | | | | | |
| Accounts Payable | - | - | 3,510 | 216 | 3,726 |
| Deposits | 176,323 | 17,657 | - | - | 193,980 |
| IBNR Claims | 215,938 | - | - | - | 215,938 |
| Total Liabilities | 392,261 | 17,657 | 3,510 | 216 | 413,644 |
| <u>Net Assets:</u> | | | | | |
| Invested in Capital Assets | - | - | 143,470 | 32,441 | 175,911 |
| Unrestricted | 837,737 | - | 92,283 | 1,223 | 931,244 |
| Total Net Assets | \$ 837,737 | \$ - | \$ 235,753 | \$ 33,664 | \$ 1,107,155 |

CASS COUNTY GOVERNMENT
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
For the Year Ended December 31, 2005

| | Health Insurance Trust | Telephone Trust | Motor Pool | Total |
|--|------------------------------|--------------------|------------------|---------------------|
| <u>Operating Revenues:</u> | | | | |
| Premiums | \$ 2,022,133 | \$ - | \$ - | \$ 2,022,133 |
| Charges for Services | - | 150,523 | 19,517 | 170,039 |
| Miscellaneous | 14,604 | - | 2,362 | 16,966 |
| Total Operating Revenues | <u>2,036,737</u> | <u>150,523</u> | <u>21,878</u> | <u>2,209,138</u> |
| <u>Operating Expenses:</u> | | | | |
| Premiums | 212,154 | - | - | 212,154 |
| Medical Services | 3,275 | - | - | 3,275 |
| Telephone Service | - | 46,685 | - | 46,685 |
| Maintenance Agreements | - | 26,698 | - | 26,698 |
| Equipment Repair | - | 48,516 | - | 48,516 |
| Administrative Fees | 113,210 | - | - | 113,210 |
| Maintenance and Repairs | - | 18,994 | 10,932 | 29,926 |
| Benefit Payments | 1,402,361 | - | - | 1,402,361 |
| IBNR Claims | 215,938 | - | - | 215,938 |
| Depreciation Expense | - | 27,786 | 6,602 | 34,388 |
| Total Operating Expenses | <u>1,946,938</u> | <u>168,679</u> | <u>17,534</u> | <u>2,133,151</u> |
| Operating Income | <u>89,799</u> | <u>(18,156)</u> | <u>4,344</u> | <u>75,987</u> |
| <u>Nonoperating Revenues (Expenses):</u> | | | | |
| Interest Income | 33,395 | 1,792 | 87 | 35,274 |
| Loss on Disposal of Fixed Assets | - | - | (264) | (264) |
| Total Nonoperating Revenues (Expenses) | <u>33,395</u> | <u>1,792</u> | <u>(177)</u> | <u>35,010</u> |
| Change in Net Assets | <u>123,194</u> | <u>(16,364)</u> | <u>4,167</u> | <u>110,997</u> |
| Total Net Assets Beginning | <u>714,542</u> | <u>252,117</u> | <u>29,497</u> | <u>996,156</u> |
| Total Net Assets Ending | <u>\$ 837,737</u> | <u>\$ 235,753</u> | <u>\$ 33,664</u> | <u>\$ 1,107,155</u> |

CASS COUNTY GOVERNMENT
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2005

| | Health Insurance Trust | Dental Insurance Trust | Telephone Trust | Motor Pool | Total |
|---|------------------------------|------------------------------|--------------------|------------------|-------------------|
| <u>Cash Flows From Operating Activities:</u> | | | | | |
| Receipts from customers | \$ 2,022,133 | \$ 17,657 | \$ 150,133 | \$ 19,517 | \$ 2,209,439 |
| Payments to Suppliers | (320,059) | - | (138,621) | (11,401) | (470,081) |
| Claims Paid | (1,520,061) | - | - | - | (1,520,061) |
| Other Receipts | 14,604 | - | - | 2,362 | 16,966 |
| Net Cash provided by operating activities | <u>196,617</u> | <u>17,657</u> | <u>11,512</u> | <u>10,477</u> | <u>236,263</u> |
| <u>Cash Flows From Capital and Related Financing Activities:</u> | | | | | |
| Purchase of Capital Assets | - | - | (100,829) | (25,012) | (125,841) |
| Proceeds on Sale of Fixed Assets | - | - | - | 736 | 736 |
| Net Cash Used in Capital and Related Financing Activities | <u>-</u> | <u>-</u> | <u>(100,829)</u> | <u>(24,276)</u> | <u>(125,105)</u> |
| <u>Cash Flows From Investing Activities:</u> | | | | | |
| Interest Income | 33,395 | - | 1,792 | 87 | 35,274 |
| Net Increase in cash and cash equivalents | 230,012 | 17,657 | (87,525) | (13,712) | 146,432 |
| Balances -Beginning of the Year | 999,986 | - | 180,387 | 15,152 | 1,195,525 |
| Balances - End of the Year | <u>1,229,998</u> | <u>17,657</u> | <u>92,862</u> | <u>1,440</u> | <u>1,341,957</u> |
| <u>Reconciliation of Operating Income to net cash provided by operating activities:</u> | | | | | |
| Operating Income (Loss) | 89,799 | - | (18,156) | 4,344 | 75,987 |
| Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities: | | | | | |
| Depreciation | - | - | 27,786 | 6,602 | 34,388 |
| Changes in Assets and Liabilities: | | | | | |
| (Increase) Decrease in Accounts Receivable | - | - | (390) | - | (390) |
| Increase (Decrease) in Accounts Payable | - | - | 2,272 | (469) | 1,803 |
| Increase (Decrease) in Premium Deposit Funds | 8,579 | 17,657 | - | - | 26,236 |
| Increase (Decrease) in IBNR Claims | 98,238 | - | - | - | 98,238 |
| Net Cash Provided by Operating Activities | <u>\$ 196,617</u> | <u>\$ 17,657</u> | <u>\$ 11,512</u> | <u>\$ 10,477</u> | <u>\$ 236,263</u> |

CASS COUNTY GOVERNMENT

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.

County Funds

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

Tax Collection Funds

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

Funds of Other Governmental Units

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

CASS COUNTY GOVERNMENT
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2005

| | Agency Funds | | | Total Agency Funds |
|---------------------------|------------------|----------------------------|--|-----------------------|
| | County Funds | Tax Collection Funds | Funds of Other Governmental Units | |
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 52,352 | \$ 53,601,756 | \$ 521,516 | \$ 54,175,624 |
| Total Assets | <u>\$ 52,352</u> | <u>\$ 53,601,756</u> | <u>\$ 521,516</u> | <u>\$ 54,175,624</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | 26,712 | - | - | 26,712 |
| Due to Component Units | - | 167,623 | - | 167,623 |
| Deposits | 25,640 | 53,434,133 | 521,516 | 53,981,289 |
| Total Liabilities | <u>\$ 52,352</u> | <u>\$ 53,601,756</u> | <u>\$ 521,516</u> | <u>\$ 54,175,624</u> |

CASS COUNTY GOVERNMENT
Statement of Changes in Fuduciary Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005

| | Balance 1/1/2005 | Additions | Deductions | Balance 12/31/05 |
|---|----------------------|-----------------------|-----------------------|----------------------|
| <u>COUNTY FUNDS</u> | | | | |
| Assets | | | | |
| Cash and Investments | \$ 36,725 | \$ 1,113,251 | \$ 1,097,623 | \$ 52,352 |
| Total Assets | <u>36,725</u> | <u>1,113,251</u> | <u>1,097,623</u> | <u>52,352</u> |
| Liabilities | | | | |
| Accounts Payable | 23,197 | 26,712 | 23,197 | 26,712 |
| Funds Held for County Departments | 13,528 | 1,086,539 | 1,074,426 | 25,641 |
| Total Liabilities | <u>36,725</u> | <u>1,113,251</u> | <u>1,097,623</u> | <u>52,352</u> |
| <u>TAX COLLECTION FUNDS</u> | | | | |
| Assets | | | | |
| Cash and Investments | 46,168,853 | 161,600,973 | 154,168,070 | 53,601,756 |
| Total Assets | <u>46,168,853</u> | <u>161,600,973</u> | <u>154,168,070</u> | <u>53,601,756</u> |
| Liabilities | | | | |
| Due to Component Units | 26,299 | 167,623 | 26,299 | 167,623 |
| Accounts Payable | 201,482 | - | 201,482 | - |
| Tax Collections Due to Other Governmental Units | 46,142,554 | 161,433,350 | 154,141,771 | 53,434,133 |
| Total Liabilities | <u>46,168,853</u> | <u>161,600,973</u> | <u>154,168,070</u> | <u>53,601,756</u> |
| <u>FUNDS OF OTHER GOVERNMENTAL UNITS</u> | | | | |
| Assets | | | | |
| Cash and Investments | 393,074 | 800,335 | 671,892 | 521,516 |
| Total Assets | <u>393,074</u> | <u>800,335</u> | <u>671,892</u> | <u>521,516</u> |
| Liabilities | | | | |
| Accounts Payable | 1,931 | - | 1,931 | - |
| Funds Held for Other Governmental Units | 391,143 | 800,335 | 669,961 | 521,516 |
| Total Liabilities | <u>393,074</u> | <u>800,335</u> | <u>671,892</u> | <u>521,516</u> |
| TOTALS: | | | | |
| Assets | | | | |
| Cash and Investments | 46,598,652 | 163,514,559 | 155,937,585 | 54,175,624 |
| Total Assets | <u>46,598,652</u> | <u>163,514,559</u> | <u>155,937,585</u> | <u>54,175,624</u> |
| Liabilities | | | | |
| Accounts Payable | 25,128 | 26,712 | 226,610 | 26,712 |
| Funds Held for Other Governmental Units | 46,533,697 | 162,233,685 | 154,811,732 | 53,955,649 |
| Funds Held for County Government | 13,528 | 1,086,539 | 1,074,426 | 25,641 |
| Total Liabilities | <u>\$ 46,598,652</u> | <u>\$ 163,514,559</u> | <u>\$ 155,937,585</u> | <u>\$ 54,175,624</u> |

STATISTICAL SECTION

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, 2005.

CASS COUNTY GOVERNMENT
Government-wide Expenses by Function

| Fiscal Year | General Government | Public Safety | Highways & Streets | Relief & Charities | Conservation & Econ. Development | Culture & Recreation | Interest on Long Term Debt | Total |
|-------------|--------------------|---------------|--------------------|--------------------|----------------------------------|----------------------|----------------------------|---------------|
| 2003 | \$ 5,125,526 | \$ 11,233,154 | \$ 6,372,040 | \$ 7,959,846 | \$ 1,578,168 | \$ 474,987 | \$ 39,075 | \$ 32,782,796 |
| 2004 | 5,004,958 | 11,898,296 | 7,343,638 | 8,442,340 | 2,025,487 | 437,164 | 32,142 | 35,184,024 |
| 2005 | \$ 6,938,087 | 15,379,112 | 6,929,374 | 8,974,484 | 1,529,573 | 531,426 | 46,550 | 40,328,605 |

Only three years available due to initial year of GASB presentation in 2003.

CASS COUNTY GOVERNMENT
Government-wide Revenues

| Fiscal Year | Program Revenues | | | General Revenues | | | | | Total |
|-------------|----------------------|------------------------------------|----------------------------------|------------------|---|----------------------------------|---------------|---------------|-------|
| | Charges For Services | Operating Grants and Contributions | Capital Grants and Contributions | Taxes | Grants and Contributions not Restricted | Unrestricted Investment Earnings | Miscellaneous | | |
| 2003 | \$ 4,588,483 | \$ 9,345,731 | \$ 2,515,614 | \$ 21,113,605 | \$ 2,066,262 | \$ 262,776 | \$ 106,094 | \$ 39,998,565 | |
| 2004 | 4,079,633 | 8,425,555 | - | 20,253,776 | 2,520,002 | 266,067 | 78,771 | 35,623,804 | |
| 2005 | \$ 4,209,856 | \$ 13,528,229 | \$ 2,909,749 | \$ 22,011,366 | 2,553,626 | 731,093 | 91,804 | 46,035,723 | |

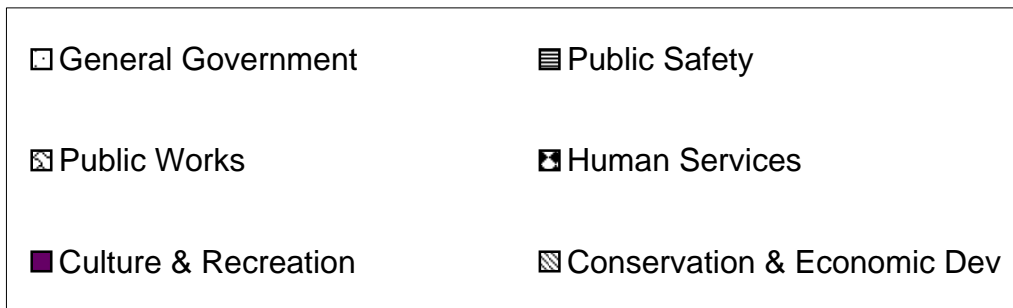
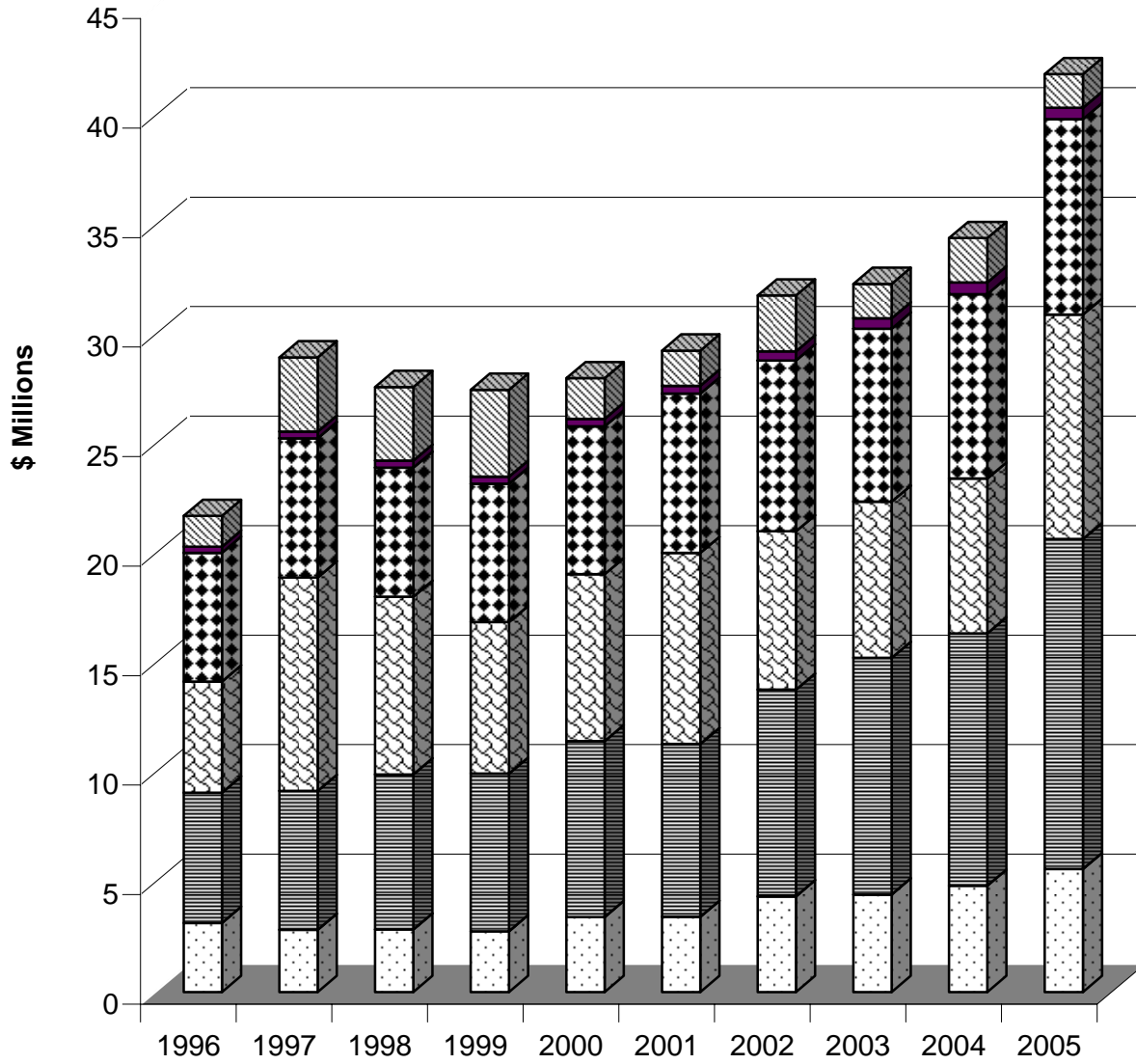
Only three years available due to initial year of GASB 34 presentation in 2003.

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> |
|-------------|-------------------------------|--------------------------|-------------------------|---------------------------|-------------------------------------|--|---------------|
| 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 | 31,805,276 |
| 2003 | 4,453,607 | 10,801,885 | 7,129,641 | 7,903,898 | 468,984 | 1,574,123 | 32,332,137 |
| 2004 | 4,854,347 | 11,522,810 | 7,069,254 | 8,420,107 | 531,719 | 2,021,770 | 34,420,007 |
| 2005 | 5,620,893 | 15,061,699 | 10,247,603 | 8,917,652 | 524,923 | 1,536,733 | 41,909,503 |

NOTE: Includes General Fund and all Special Revenue Funds.

CASS COUNTY GOVERNMENT General Governmental Expenditures by Function



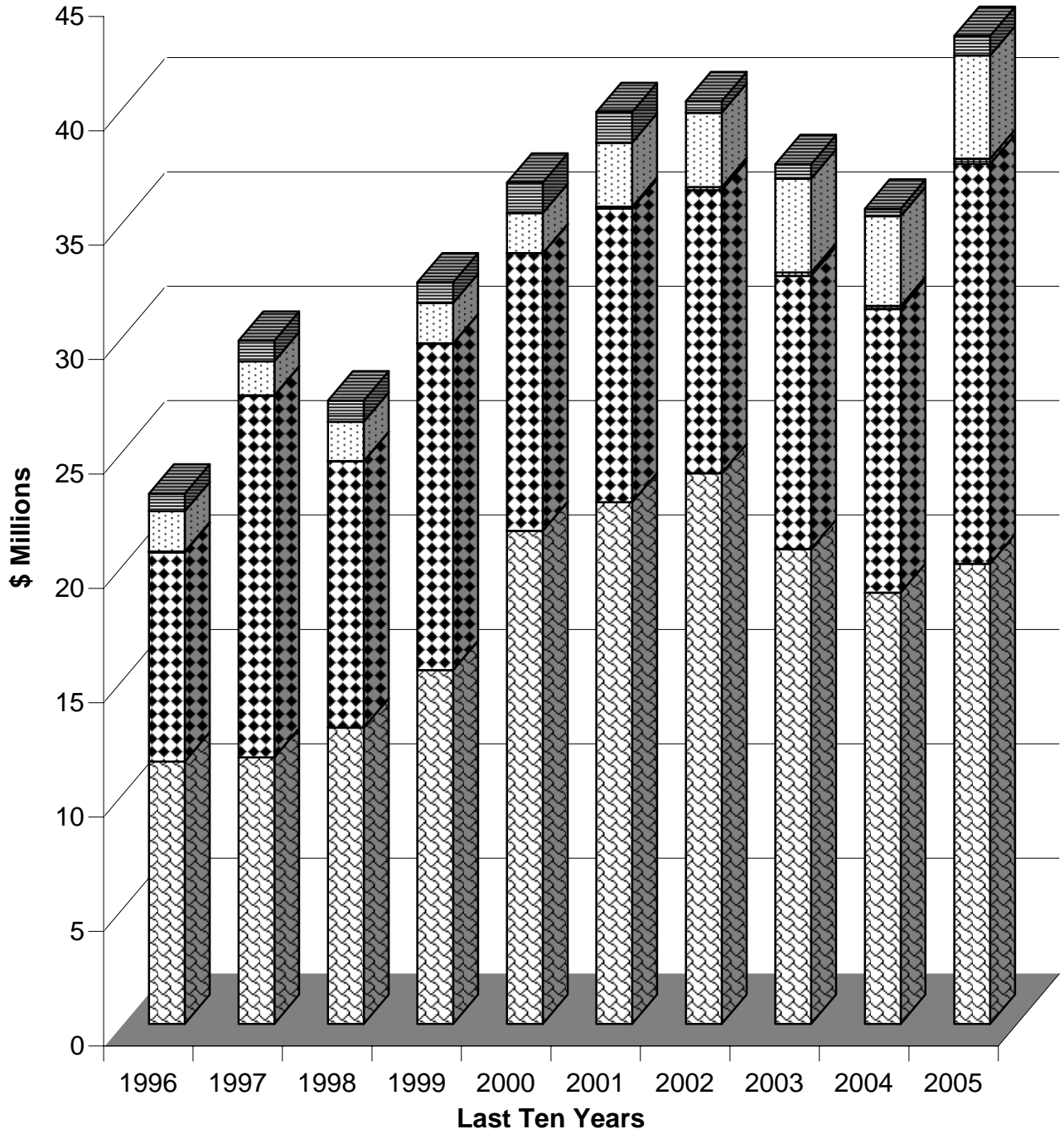
CASS COUNTY GOVERNMENT
 General Governmental Revenues by Source
 Last Ten Fiscal Years
 (Unaudited)

| <u>Year</u> | <u>Taxes</u> | <u>Inter- governmental Revenues</u> | <u>Licenses, Permits and Fees</u> | <u>Charges for Services</u> | <u>Miscellaneous</u> | <u>Total</u> |
|-------------|--------------|---|---|---------------------------------|----------------------|---------------|
| 1996 | 11,469,236 | 9,148,905 | 30,261 | 1,759,943 | 772,514 | \$ 23,180,859 |
| 1997 | 11,646,909 | 15,809,754 | 20,853 | 1,483,951 | 904,160 | 29,865,627 |
| 1998 | 12,950,635 | 11,640,209 | 13,150 | 1,717,635 | 926,528 | 27,248,157 |
| 1999 | 15,464,625 | 14,278,670 | 9,532 | 1,756,552 | 905,263 | 32,414,642 |
| 2000 | 21,547,575 | 12,132,538 | 9,921 | 1,748,851 | 1,334,497 | 36,773,382 |
| 2001 (1) | 22,801,190 | 12,839,214 | 83,476 | 2,794,182 | 1,342,492 | 39,860,554 |
| 2002 (1) | 24,071,828 | 12,363,922 | 147,139 | 3,245,721 | 508,498 | 40,337,108 |
| 2003 (1) | 20,752,619 | 11,945,099 | 151,204 | 4,095,338 | 635,086 | 37,579,346 |
| 2004 (1) | 18,848,240 | 12,398,342 | 135,541 | 3,921,100 | 329,919 | 35,633,142 |
| 2005 (1) | 20,119,716 | 17,464,515 | 231,789 | 4,514,596 | 856,042 | 43,186,658 |

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> |
|-----------------------------------|---------------------------|----------------------------|--|
| 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 | 90,914,988 | 95.68% |
| 2000 | 101,055,402 | 96,649,459 | 95.64% |
| 2001 | 108,506,706 | 103,708,582 | 95.58% |
| 2002 | 116,461,131 | 111,231,861 | 95.51% |
| 2003 | 124,917,764 | 118,935,593 | 95.21% |
| 2004 | 133,396,022 | 125,252,316 | 93.90% |
| 2005 | 145,573,783 | 137,282,652 | 94.30% |

(1) NOTES ON PROPERTY TAX COLLECTIONS:

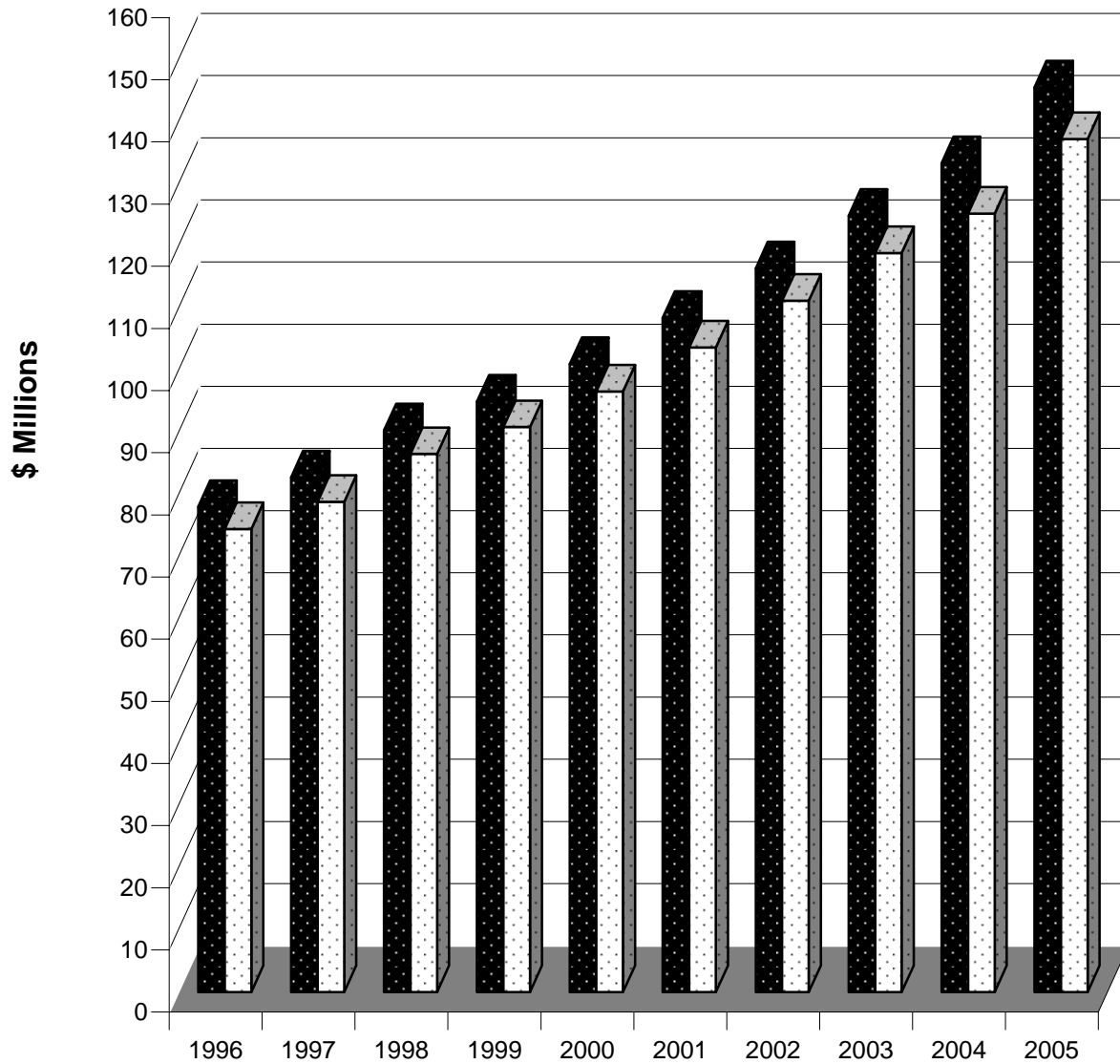
Taxpayers receive a 5% discount if taxes are paid before February 15, which reduces the Percent of Levy Collected.

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> |
|-------------|---|-------------------------------|------------------------------|
| 1996 | 3,856,613,420 | 1,928,306,710 | 190,872,097 (3) |
| 1997 | 4,113,383,670 | 2,056,691,835 | 202,917,086 (3) |
| 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) |
| 2003 | 6,171,022,580 | 3,085,511,290 | 297,734,736 (3) |
| 2004 | 6,759,695,298 | 3,379,847,649 | 325,152,068 (3) |
| 2005 | 7,456,455,580 | 3,728,227,790 | 357,775,914 (3) |

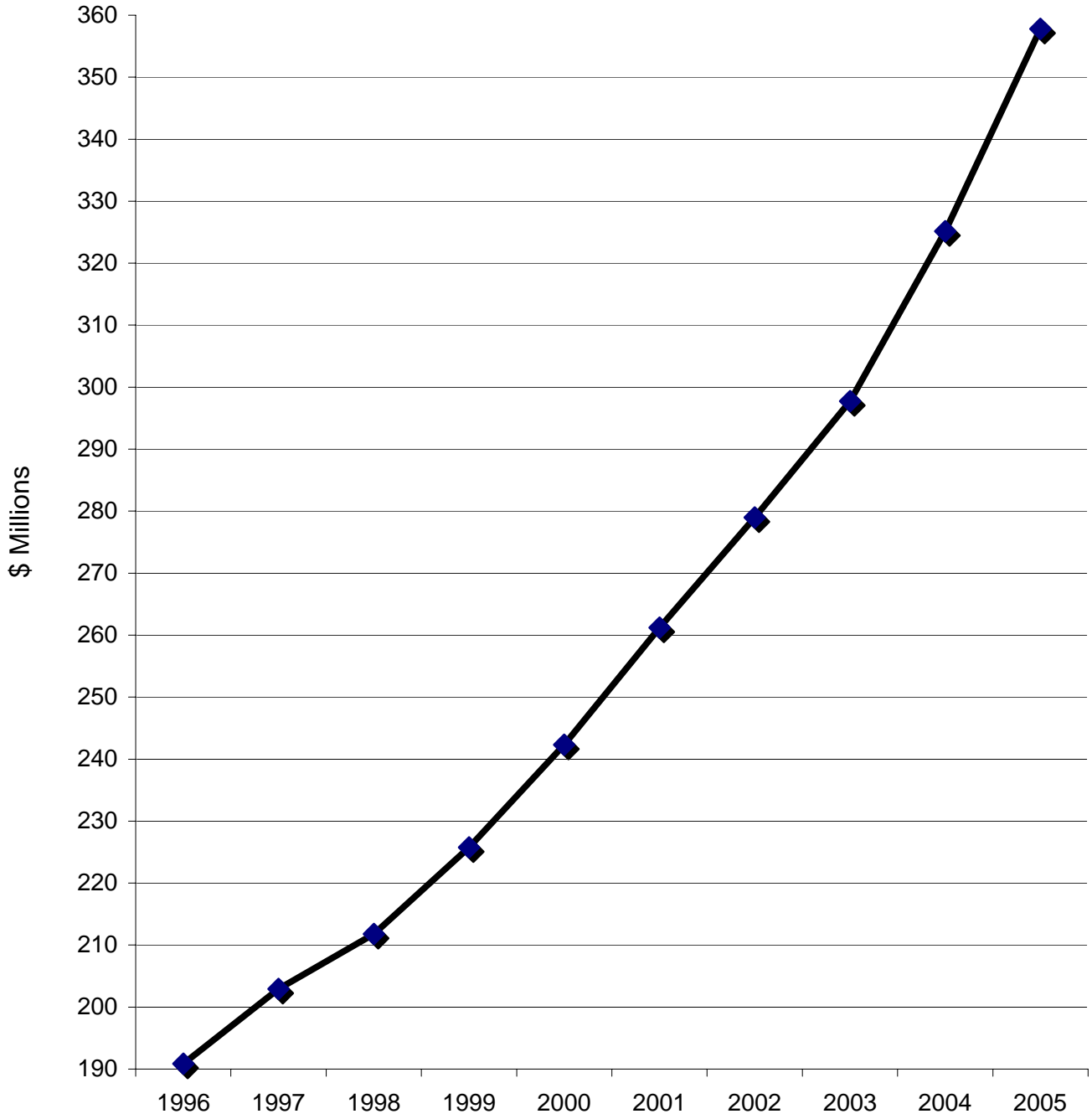
(1) Assessed Value is 50% of Market Value

(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



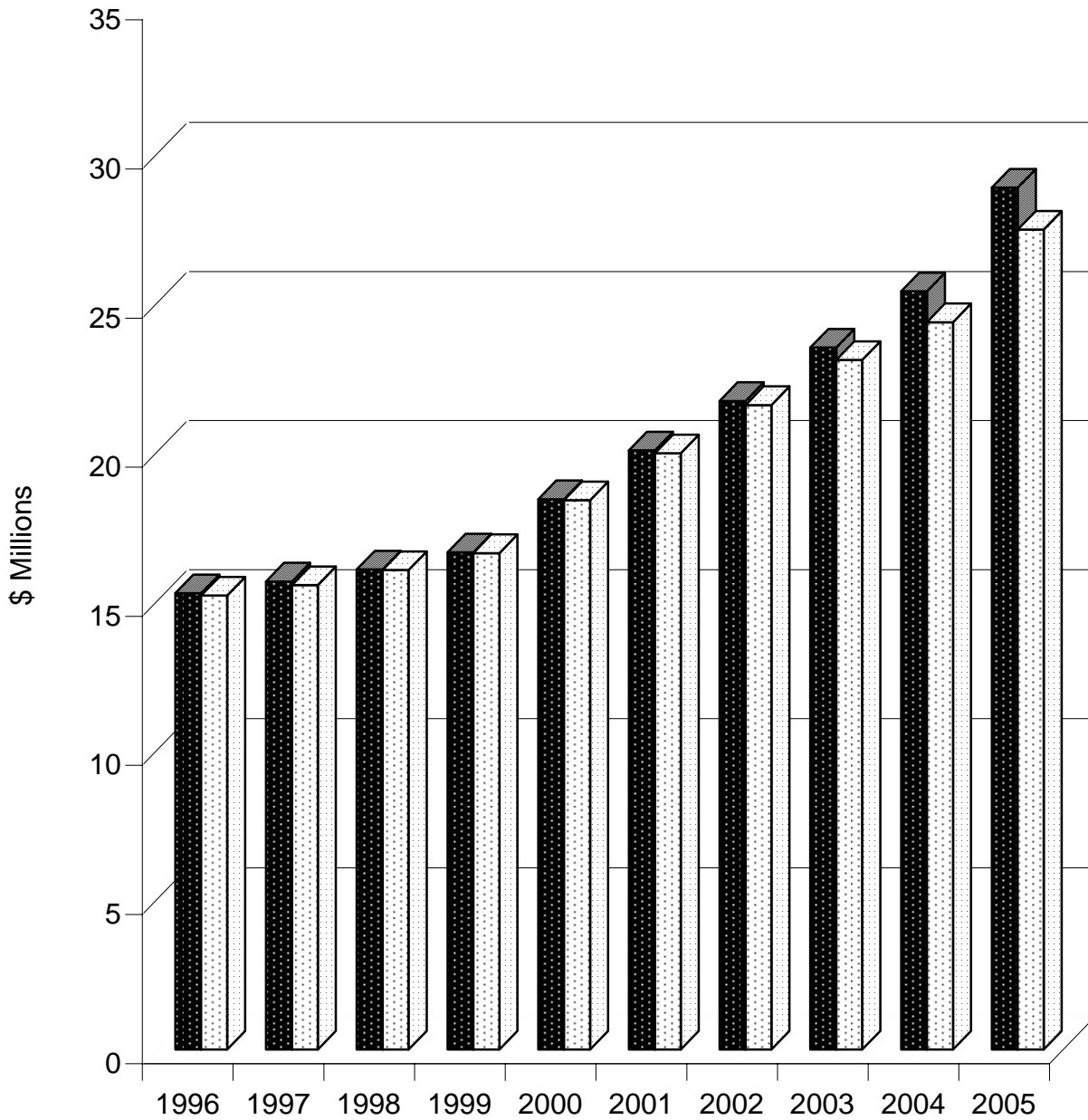
CASS COUNTY GOVERNMENT
Special Assessment Billings and Collections
Last Ten Fiscal Years
(Unaudited)

| <u>Year Ended December 31</u> | <u>Total Billings</u> | <u>Total Collections</u> | <u>Percent Collected</u> |
|-----------------------------------|---------------------------|------------------------------|------------------------------|
| 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 | 16,651,446 | 99.85% |
| 2000 | 18,457,478 | 18,422,372 | 99.81% |
| 2001 | 20,095,915 | 19,997,417 | 99.51% |
| 2002 | 21,751,682 | 21,613,967 | 99.37% |
| 2003 | 23,545,442 | 23,124,673 | 98.21% |
| 2004 | 25,426,092 | 24,393,235 | 95.94% |
| 2005 | 28,905,758 | 27,497,817 | 95.13% |

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)



■ Billings ▨ Collections

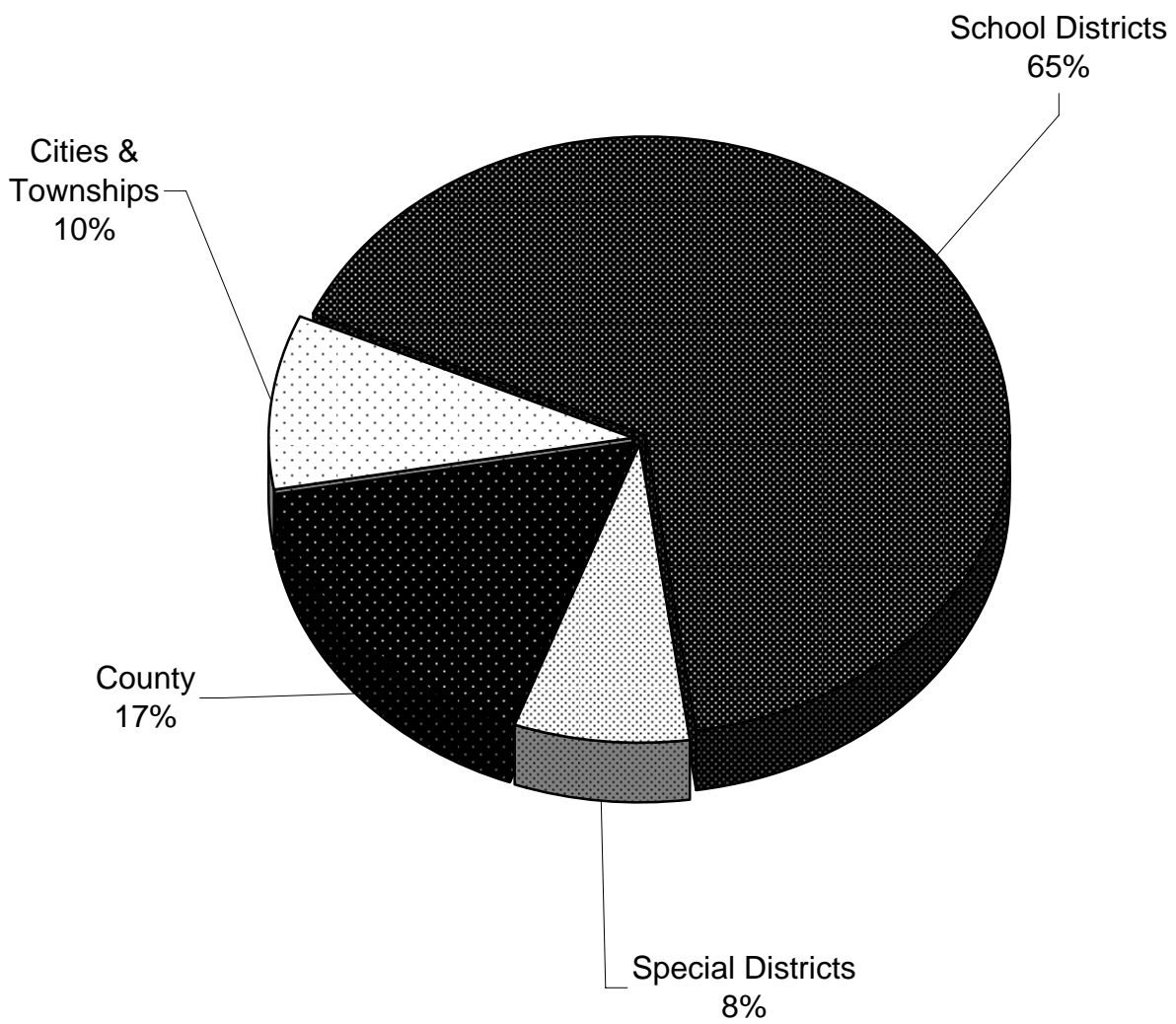
CASS COUNTY GOVERNMENT
Property Tax Rates and Distribution of General Levy Property Taxes
Direct and Overlapping Governments
Last Ten Years
(Unaudited)

| 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 |
| | | | | | | | |
| 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% |
| 2003 | 257.26 | 486.58 | 17.48% | 9.91% | 64.83% | 7.78% | 100% |
| 2004 | 265.23 | 484.06 | 17.35% | 9.64% | 65.35% | 7.67% | 100% |
| 2005 | 265.40 | 480.76 | 16.62% | 9.56% | 66.10% | 7.71% | 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
2005 Property Tax Distribution



CASS COUNTY GOVERNMENT
 Computation of Legal Debt Margin
 December 31, 2005
 (Unaudited)

| | Amount | Percent |
|--|------------------|---------|
| Assessed Value of all property | \$ 3,728,227,790 | |
| Debt Limit - 5% of Assessed Value | \$ 186,411,390 | 100.0% |
| <u>Legal Debt Margin:</u> | | |
| Debt Applicable to Limitation: | | |
| Total general obligation bonded debt | \$ - | |
| Total Leases Payable | 980,445 | |
| Less: Amount available for repayment of general obligation bonds | \$ - | |
| Total debt applicable to limitation | \$ 980,445 | 0.5% |
| LEGAL DEBT MARGIN | \$ 185,430,945 | 99.5% |

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)

| <u>Year</u> | <u>Estimated Population</u> | <u>Total Assessed Valuation</u> | <u>General Bonded Debt</u> | <u>Debt Service Monies Available (1)</u> | <u>Net Bonded Debt</u> | <u>Percent of Net Bonded Debt to Assessed Value</u> | <u>Net Bonded Debt per Capita</u> |
|-------------|-----------------------------|---------------------------------|----------------------------|--|------------------------|---|-----------------------------------|
| 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 | 520,000 | 161,747 | 358,253 | 0.01% | 3 |
| 2001 | 118,405 | 2,696,238,860 | - | - | - | - | - |
| 2002 | 118,405 | 2,887,745,500 | - | - | - | - | - |
| 2003 | 118,405 | 3,085,511,290 | - | - | - | - | - |
| 2004 | 118,405 | 3,379,847,649 | - | - | - | - | - |
| 2005 | 131,097 | 3,728,227,790 | - | - | - | - | - |

(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, 2005
 (Unaudited)

| <u>Name of Entity</u> | <u>Debt (1) December 31, 2005</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 | \$ 830,000 | 100.0% | \$ 830,000 |
| Fargo | 35,777 | 100.0% | 35,777 |
| Prairie Rose | 60,000 | 100.0% | 60,000 |
| <u>Public School Districts:</u> | | | |
| Fargo PSD | \$ 107,295,000 | 100.0% | \$ 107,295,000 |
| West Fargo PSD | 65,392,685 | 100.0% | 65,392,685 |
| Kindred PSD | 2,144,000 | 66.0% | 1,415,040 |
| Enderlin PSD | 1,956,444 | 28.6% | 559,543 |
| Central Cass PSD | 3,645,000 | 100.0% | 4,040,000 |
| Northern Cass PSD | <u>6,015,248</u> | 91.0% | <u>5,473,876</u> |
| Total Overlapping Bonded Debt | <u>\$ 187,374,154</u> | | <u>\$ 185,101,921</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, 2005
 (Unaudited)

| Name | Type of Business | Taxable Value | Percentage of Total Taxable Value |
|--|------------------------|-----------------------|-----------------------------------|
| Northern States Power Company | Electric & Gas Utility | \$ 4,049,932 | 1.13% |
| West Acres Development Company | Shopping Center | 3,495,570 | 0.98% |
| Dakota Specialty Institute | Health Services | 2,928,705 | 0.82% |
| Meritcare Medical Group | Health Services | 2,441,814 | 0.68% |
| Blue Cross of North Dakota | Health Insurance | 1,385,400 | 0.39% |
| Matrix Properties Corp. | Developer | 1,283,670 | 0.36% |
| Medical Properties Inc. | Health Services | 1,212,800 | 0.34% |
| Case Equipment Corporation | Manufacturing | 935,300 | 0.26% |
| Vanraden Homes Inc. | Property Management | 863,086 | 0.20% |
| Lexus Tower LTD Parnership | Real Estate | <u>731,060</u> | <u>0.24%</u> |
| Total Attributable to Ten Largest Property Taxpayers | | <u>19,327,337</u> | <u>4.27%</u> |
| TOTAL GROSS TAXABLE VALUE | | <u>\$ 357,775,914</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 |
| 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 | 664 | 110,235 | 2,059 |
| 2002 | 118,648 | 639 | 135,397 | 2,201 |
| 2003 | 131,260 | 772 | 130,170 | 2,262 |
| 2004 | 148,393 | 816 | 198,497 | 2,774 |
| 2005 | 221,523 | 839 | 203,793 | 3,656 |

(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) |
|------|--------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| 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% |
| 2003 | 126,769 | * | 19,584 | 2.5% |
| 2004 | 128,615 | * | ** | 2.8% |
| 2005 | 131,097 | 33,063 | 19,683 | 2.7% |

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, 2005
 (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

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 | 14 |
| Water Districts | 4 |

CASS COUNTY GOVERNMENT
 Ten Largest Employers
 December 31, 2005
 (Unaudited)

| Employer | Type of Business | Number of Employees |
|--|----------------------|---------------------|
| Meritcare Health Systems | Health Services | 3,961 |
| North Dakota State University | Educational Services | 2,127 |
| Blue Cross Blue Shield of North Dakota | Insurance | 1,492 |
| Fargo Public School District #1 | Educational Services | 1,383 |
| U.S. Bank Service Center | Financial | 1,089 |
| Microsoft Business Solutions | Computers-Software | 1055 |
| Case New Holland Corporation | Manufacturing | 660 |
| City of Fargo | Government | 632 |
| West Fargo Public Schools | Educational Services | 584 |
| Dakota Clinic | Health Services | 575 |

SOURCE: Economic Development Corporation
www.fedc.com/pages/labor_leading_employers.cfm

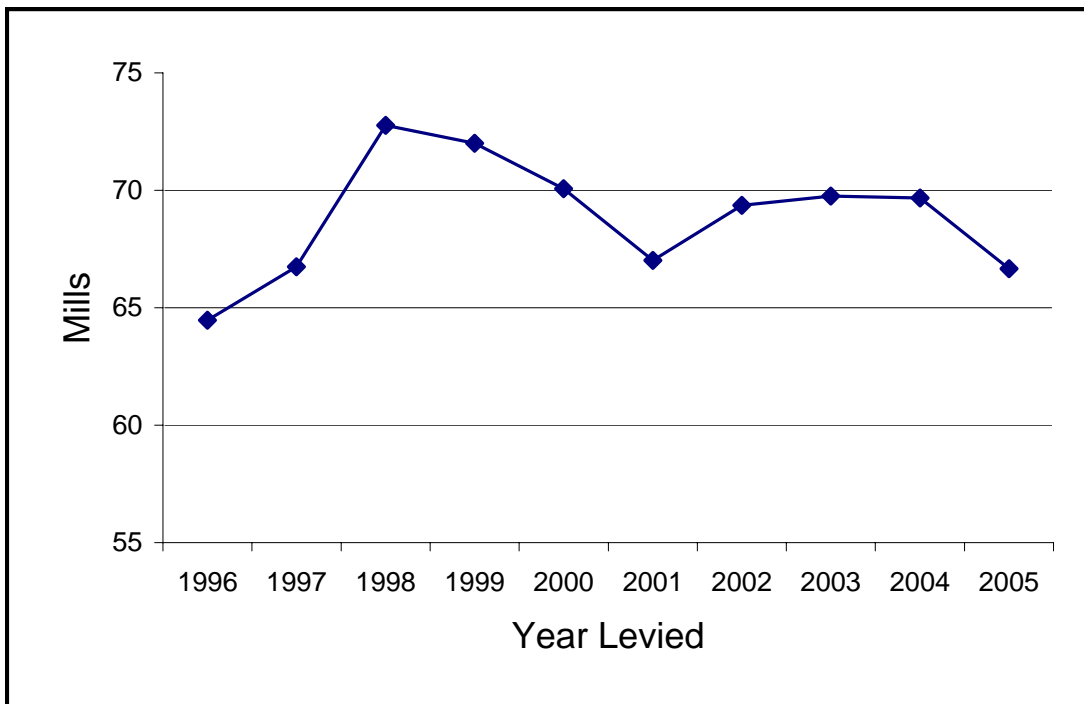
CASS COUNTY GOVERNMENT
 Elected Officials and Full-Time Employees by Function (1)
 Last Ten Years
 (Unaudited)

| <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> |
|-------------|-------------------------------|--------------------------|-------------------------|---------------------------|------------------------------|--------------|
| 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 | 343.7 |
| 2002 | 35.5 | 160 | 36 | 121 | 10 | 362.5 |
| 2003 | 35 | 164 | 35.5 | 122 | 10 | 366.5 |
| 2004 | 34 | 169 | 33 | 124 | 10 | 370 |
| 2005 | 34 | 172 | 34 | 125 | 10 | 374.4 |

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

CASS COUNTY GOVERNMENT
 County Mill Levies
 Last Ten Years

| Year | Total General and Special Mill Levies |
|------|--|
| 1996 | 64.47 |
| 1997 | 66.74 |
| 1998 | 72.77 |
| 1999 | 72.00 |
| 2000 | 70.07 |
| 2001 | 67.02 |
| 2002 | 69.36 |
| 2003 | 69.76 |
| 2004 | 69.67 |
| 2005 | 66.66 |



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

| Year | Taxable Sales and Purchases (In Thousands) | Percent Increase |
|------|--|---------------------|
| 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% |
| 2003 | 1,939,111 | 5.2% |
| 2004 | 2,109,978 | 8.1% |
| 2005 | 2,201,103 | 4.1% |

SOURCE: North Dakota State Tax Commissioner

