



ROBERT R. PETERSON
STATE AUDITOR

Dickey County

Ellendale, North Dakota

Audit Report

For the Year Ended
December 31, 2014

Office of the State Auditor

DICKEY COUNTY
Ellendale, North Dakota

TABLE OF CONTENTS
For the Year Ended December 31, 2014

	<u>Page(s)</u>
County Officials	1
Independent Auditor's Report	2 - 3
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet - Governmental Funds	6 - 7
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9 - 10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	11
Statement of Fiduciary Assets and Liabilities - Agency Funds	12
Combining Statement of Net Position - All Discretely Presented Component Units	13
Combining Statement of Activities - All Discretely Presented Component Units	14
Notes to the Financial Statements	15 - 30
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	31 - 38
Notes to Required Supplementary Information	39
SUPPLEMENTARY INFORMATION	
Schedule of Fund Activity	40 - 41
Schedule of Expenditures of Federal Awards	42
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards	43 - 44
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	45 - 46
Schedule of Findings and Questioned Costs	47
Management's Letter	48 - 50

DICKEY COUNTY
Ellendale, North Dakota

COUNTY OFFICIALS

At December 31, 2014

Dean Simek	Commissioner - Chairman
Thor Sand	Commissioner - Vice Chairman
John Hokana	Commissioner
Joel Hamar	Commissioner
Gary White	Commissioner
Beverly Kuska	Auditor
Gail Veland	Treasurer
Jim Bohannon	Sheriff
Deb Anderson	Recorder
Gary Neuharth	State's Attorney

STATE AUDITOR

ROBERT R. PETERSON
Phone (701) 328-2241
Fax (701) 328-1406



Local Government Division:
FARGO OFFICE
MANAGER – DAVID MIX
Phone: (701) 239-7252 Fax: (701) 239-7251

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE - DEPT. 117
BISMARCK, NORTH DAKOTA 58505

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Dickey County
Ellendale, North Dakota

Report on the Financial Statements

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 Dickey County, Ellendale, North Dakota, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Dickey County, Ellendale, North Dakota, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the *management's discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the *budgetary comparison information* on pages 31-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dickey County's basic financial statements. The *schedule of fund activity arising from cash transactions* and *schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the financial statements.

The *schedule of fund activity arising from cash transactions* and *schedule of expenditures of federal awards* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *schedule of fund activity arising from cash transactions* and *the schedule of expenditures of federal awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 on our consideration of Dickey County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dickey County's internal control over financial reporting and compliance.



Robert R. Peterson
State Auditor

Fargo, North Dakota
December 15, 2015

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF NET POSITION
December 31, 2014

	Primary Government Governmental Activities	Component Units
ASSETS:		
Cash and Investments	\$ 5,565,158	\$ 1,022,325
Taxes Receivable	41,337	4,836
Intergovernmental Receivable	361,209	-
Road Receivables	23,874	-
Loans Receivable	-	13,305
Capital Assets not being depreciated:		
Land	40,398	-
Construction in Progress	3,160,062	251,980
Capital Assets net of accumulated depreciation:		
Buildings	1,066,608	-
Equipment	1,012,660	-
Vehicles	269,236	-
Infrastructure	1,709,609	-
Total Capital Assets	<u>\$ 7,258,573</u>	<u>\$ 251,980</u>
Total Assets	<u>\$ 13,250,151</u>	<u>\$ 1,292,446</u>
LIABILITIES:		
Accounts Payable	\$ 173,315	\$ 214,721
Salary and Benefits Payable	9,552	140
Grants Received in Advance	484,737	-
Retainages Payable	260,708	-
Interest Payable	12,027	1,478
Long-Term Liabilities:		
Due Within One Year:		
Capital Leases Payable	110,226	-
Loan / CI's Payable	39,161	4,329
Compensated Absences Payable	7,407	478
Due After One Year:		
Capital Leases Payable	520,312	-
Loan / CI's Payable	8,777	8,474
Disaster Drawdown	1,017,874	-
Compensated Absences Payable	66,668	4,304
Total Liabilities	<u>\$ 2,710,764</u>	<u>\$ 233,924</u>
DEFERRED INFLOWS OF RESOURCES:		
Taxes Received in Advance	<u>\$ 912,913</u>	<u>\$ 41,425</u>
Total Liabilities & Deferred Inflows of Resources	<u>\$ 3,623,677</u>	<u>\$ 275,349</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 6,580,097	\$ 220,477
Restricted for:		
Debt Service	194,349	-
Public Safety	3,156	-
Highways and Bridges	734,265	-
Health and Welfare	684,588	177,742
Culture and Recreation	-	99,996
Conservation of Natural Resources	208,092	235,967
Emergencies	433,617	-
Economic Development	-	282,915
General Government	360,697	-
Unrestricted	427,613	-
Total Net Position	<u>\$ 9,626,474</u>	<u>\$ 1,017,097</u>

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
<u>Primary Government:</u>						
<u>Governmental Activities:</u>						
General Government	\$ 1,820,766	\$ 164,618	\$ 63,392	\$ -	\$ (1,592,756)	\$ -
Public Safety	604,716	101,881	24,910	-	(477,925)	-
Highways and Bridges	4,219,198	286,306	3,593,654	3,160,063	2,820,825	-
Flood Repair	1,001,676	-	459,418	-	(542,258)	-
Health and Welfare	712,138	295	319,892	-	(391,951)	-
Culture and Recreation	20,012	-	-	-	(20,012)	-
Conserv. of Natural Resources	170,930	16,900	18,963	-	(135,067)	-
Interest on Long-Term Debt	31,052	-	1,105	-	(29,947)	-
Total Primary Government	<u>\$ 8,580,488</u>	<u>\$ 570,000</u>	<u>\$ 4,481,334</u>	<u>\$ 3,160,063</u>	<u>\$ (369,091)</u>	<u>\$ -</u>
Component Units	<u>\$ 692,347</u>	<u>\$ 253,165</u>	<u>\$ 101,441</u>	<u>\$ -</u>		<u>\$ (337,741)</u>
<u>General Revenues:</u>						
<u>Taxes:</u>						
Property taxes; levied for general purposes					\$ 608,095	\$ 356,895
Property taxes; levied for special purposes					1,952,526	-
Property taxes; levied for debt service					259,231	-
Non restricted grants and contributions					802,745	27,226
Earnings on investments					16,866	451
Miscellaneous revenue					156,802	24,869
Total General Revenues					<u>\$ 3,796,265</u>	<u>\$ 409,441</u>
Change in Net Position					<u>\$ 3,427,174</u>	<u>\$ 71,700</u>
Net Position - January 1					\$ 6,032,818	\$ 828,976
Prior Period Adjustment					166,482	116,421
Net Position - January 1 - As Restated					<u>\$ 6,199,300</u>	<u>\$ 945,397</u>
Net Position - December 31					<u>\$ 9,626,474</u>	<u>\$ 1,017,097</u>

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

DICKEY COUNTY
Ellendale, North Dakota

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2014

	Major Funds						
	General	Farm to Market Roads	State Funded Road Proj.	DC ER Projects	County Road and Bridge	Social Services	Oasis and Social Security
ASSETS							
Cash and Investments	\$ 589,940	\$ 254,825	\$ 589,530	\$ 55,019	\$ 1,214,843	\$ 619,196	\$ 346,120
Taxes Receivable	7,909	4,411	-	-	2,257	5,781	8,541
Intergovernmental Receivable	134,384	19,319	-	-	103,384	32,792	4,212
Road Receivables	-	-	-	-	23,874	-	-
Total Assets	\$ 732,233	\$ 278,555	\$ 589,530	\$ 55,019	\$ 1,344,358	\$ 657,769	\$ 358,873
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ 150,692	\$ 22,623	\$ -	\$ -
Salaries and Benefits Payable	3,780	-	-	-	1,823	2,271	-
Grants Received in Advance	-	-	-	-	-	-	-
Total Liabilities	\$ 3,780	\$ -	\$ -	\$ 150,692	\$ 24,446	\$ 2,271	\$ -
Deferred Inflows of Resources:							
Taxes Receivable	\$ 7,909	\$ 4,411	\$ -	\$ -	\$ 2,257	\$ 5,781	\$ 8,541
Road Receivables	-	-	-	-	23,874	-	-
Taxes Received in Advance	191,712	103,562	-	-	48,881	90,719	181,543
Total Deferred Inflows of Resources	\$ 199,621	\$ 107,973	\$ -	\$ -	\$ 75,012	\$ 96,500	\$ 190,084
Total Liabilities & Deferred Inflows	\$ 203,401	\$ 107,973	\$ -	\$ 150,692	\$ 99,458	\$ 98,771	\$ 190,084
Fund Balances:							
Committed For:							
County Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted For:							
General Government	-	-	-	-	-	-	168,789
Public Safety	-	-	-	-	-	-	-
Highways and Bridges	-	170,582	589,530	-	1,244,900	-	-
Health and Welfare	-	-	-	-	-	558,998	-
Conservation of Natural Resources	-	-	-	-	-	-	-
Emergencies	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Unassigned	528,832	-	-	(95,673)	-	-	-
Total Fund Balances	\$ 528,832	\$ 170,582	\$ 589,530	\$ (95,673)	\$ 1,244,900	\$ 558,998	\$ 168,789
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 732,233	\$ 278,555	\$ 589,530	\$ 55,019	\$ 1,344,358	\$ 657,769	\$ 358,873

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

FEMA Funds	Other Governmental Funds	Total Governmental Funds
\$ 484,737	\$ 1,410,948	\$ 5,565,158
-	12,438	41,337
-	67,118	361,209
-	-	23,874
<u>\$ 484,737</u>	<u>\$ 1,490,504</u>	<u>\$ 5,991,578</u>

\$ -	\$ -	\$ 173,315
-	1,678	9,552
<u>484,737</u>	-	<u>484,737</u>
<u>\$ 484,737</u>	<u>\$ 1,678</u>	<u>\$ 667,604</u>

\$ -	\$ 12,438	\$ 41,337
-	-	23,874
-	296,496	912,913
<u>\$ -</u>	<u>\$ 308,934</u>	<u>\$ 978,124</u>
<u>\$ 484,737</u>	<u>\$ 310,612</u>	<u>\$ 1,645,728</u>

\$ -	\$ 11,063	\$ 11,063
-	168,679	337,468
-	18,505	18,505
-	-	2,005,012
-	139,174	698,172
-	208,357	208,357
-	432,545	432,545
-	201,569	201,569
-	-	433,159
<u>\$ -</u>	<u>\$ 1,179,892</u>	<u>\$ 4,345,850</u>
<u>\$ 484,737</u>	<u>\$ 1,490,504</u>	<u>\$ 5,991,578</u>

DICKEY COUNTY
Ellendale, North Dakota

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2014

Total *Fund Balances* for Governmental Funds \$ 4,345,850

Total net position reported for government activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.

Cost of Capital Assets	\$ 9,990,102	
Less Accumulated Depreciation	<u>(2,731,529)</u>	
Net Capital Assets		7,258,573

Property taxes 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. 41,337

Road receivables 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. 23,874

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position. Balances at December 31, 2014 are:

Capital Leases Payable	\$ (630,538)	
Loans / CI's Payable	(47,938)	
Disaster Drawdowns Payable	(1,017,874)	
Interest Payable	(12,027)	
Retainages Payable	(260,708)	
Compensated Absences Payable	<u>(74,075)</u>	
Total Long-Term Liabilities		<u>(2,043,160)</u>

Total Net Position of Governmental Activities \$ 9,626,474

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

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DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Major Funds						
	General	Farm to Market Roads	State Funded Road Proj.	DC ER Projects	County Road and Bridge	Social Services	Oasis and Social Security
<u>Revenues:</u>							
Taxes	\$ 610,265	\$ 314,991	\$ -	\$ -	\$ 130,258	\$ 394,780	\$ 610,127
Licenses, Permits and Fees	51,285	-	-	-	-	295	-
Intergovernmental	455,820	69,329	2,846,846	-	799,757	331,669	39,959
Charges for Services	113,333	-	-	-	311,784	-	-
Interest Income	12,614	-	4,252	-	-	-	-
Miscellaneous	-	-	-	-	-	4,465	4,766
Total Revenues	\$ 1,243,317	\$ 384,320	\$ 2,851,098	\$ -	\$ 1,241,799	\$ 731,209	\$ 654,852
<u>Expenditures:</u>							
Current:							
General Government	\$ 786,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 609,284
Public Safety	409,090	-	-	-	-	-	-
Highways	-	128,145	2,512,458	-	1,093,644	-	-
Flood Repair	-	-	-	560,722	-	-	-
Health and Welfare	375	-	-	-	-	617,564	-
Culture and Recreation	16,428	-	-	-	-	-	-
Conserv. of Natural Resources	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	125,418	-	-
Interest and Fees	-	-	-	-	17,157	-	-
Total Expenditures	\$ 1,212,079	\$ 128,145	\$ 2,512,458	\$ 560,722	\$ 1,236,219	\$ 617,564	\$ 609,284
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,238	\$ 256,175	\$ 338,640	\$ (560,722)	\$ 5,580	\$ 113,645	\$ 45,568
<u>Other Financing Sources (Uses):</u>							
Drawdown Proceeds	\$ -	\$ -	\$ -	\$ 450,000	\$ -	\$ -	\$ -
Transfers In	19,106	69,266	320,155	-	3,445	90,000	-
Transfers Out	(6)	(320,155)	(69,265)	-	-	-	(2,091)
Total Other Financing Sources and Uses	\$ 19,100	\$ (250,889)	\$ 250,890	\$ 450,000	\$ 3,445	\$ 90,000	\$ (2,091)
Net Change in Fund Balances	\$ 50,338	\$ 5,286	\$ 589,530	\$ (110,722)	\$ 9,025	\$ 203,645	\$ 43,477
Fund Balance - January 1	\$ 478,494	\$ 165,296	\$ -	\$ 15,049	\$ 1,235,875	\$ 355,353	\$ 125,312
Fund Balance - December 31	\$ 528,832	\$ 170,582	\$ 589,530	\$ (95,673)	\$ 1,244,900	\$ 558,998	\$ 168,789

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

FEMA Funds	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 778,957	\$ 2,839,378
-	-	51,580
452,818	287,881	5,284,079
-	118,781	543,898
-	-	16,866
-	147,571	156,802
<u>\$ 452,818</u>	<u>\$ 1,333,190</u>	<u>\$ 8,892,603</u>
\$ -	\$ 399,242	1,794,712
-	205,577	614,667
-	-	3,734,247
440,756	-	1,001,478
-	100,242	718,181
-	-	16,428
-	213,011	213,011
-	347,141	472,559
-	24,888	42,045
<u>\$ 440,756</u>	<u>\$ 1,290,101</u>	<u>\$ 8,607,328</u>
<u>\$ 12,062</u>	<u>\$ 43,089</u>	<u>\$ 285,275</u>
\$ -	\$ -	\$ 450,000
-	12,645	514,617
(12,062)	(111,038)	(514,617)
<u>\$ (12,062)</u>	<u>\$ (98,393)</u>	<u>\$ 450,000</u>
<u>\$ -</u>	<u>\$ (55,304)</u>	<u>\$ 735,275</u>
<u>\$ -</u>	<u>\$ 1,235,196</u>	<u>\$ 3,610,575</u>
<u>\$ -</u>	<u>\$ 1,179,892</u>	<u>\$ 4,345,850</u>

DICKEY COUNTY
Elendale, North Dakota

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Net Change in *Fund Balances* - Total Governmental Funds \$ 735,275

The change in net position reported for governmental activities in the statement of activities is different because:

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 contributions and capital outlay exceeded depreciation in the current year.

Current Year Capital Outlay	\$ 212,632	
Capital Contribution	3,160,063	
Current Year Depreciation Expense	<u>(376,863)</u>	2,995,832

In the Statement of Activities, the loss or gain on sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales.

Loss on Disposals of Capital Assets		(45,582)
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The proceeds of debt issuances are reporting as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position issuing debt increases long-term liabilities and does not affect the statement of activities. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is amount by which debt repayment exceeded debt proceeds.

Bond Proceeds	\$ (450,000)	
Repayment of Debt	<u>472,559</u>	22,559

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

Net Change in Compensated Absences	\$ 13,809	
Net Change in Retainages Payable	(260,708)	
Net Change in Interest Payable	<u>10,993</u>	(235,906)

Some revenues reported on the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures. This consists of the increase in taxes receivable.

Net Change in Taxes Receivable	\$ (19,525)	
Net Change in Road Receivables	<u>(25,479)</u>	(45,004)

Change in Net Position of Governmental Activities		<u><u>\$3,427,174</u></u>
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The notes to the financial statements are an integral part of this statement.

DICKEY COUNTY
Elendale, North Dakota

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

December 31, 2014

<u>Assets:</u>	
Cash and Investments	\$ 1,536,420
Other Asset	<u>9,693</u>
Total Assets	<u>\$ 1,546,113</u>
<u>Liabilities:</u>	
Due to Other Governments	\$ 1,475,657
Taxes Received in Advance	<u>70,456</u>
Total Liabilities	<u>\$ 1,546,113</u>

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2014

	Water Resource District	Dickey-Sargent Joint Water Resource District	Health District	County Park	County Fair	JDA	Totals
ASSETS:							
Cash and Investments	\$ 418,220	\$ -	\$ 212,102	\$ 56,930	\$ 56,411	\$ 278,662	\$ 1,022,325
Taxes Receivable	965	-	1,630	284	652	1,305	4,836
Loans Receivable	-	-	-	-	-	13,305	13,305
Capital Assets not being depreciated:							
Construction in Progress	31,503	220,477	-	-	-	-	251,980
Total Assets	\$ 450,688	\$ 220,477	\$ 213,732	\$ 57,214	\$ 57,063	\$ 293,272	\$ 1,292,446
LIABILITIES:							
Accounts Payable	\$ -	\$ 214,721	\$ -	\$ -	\$ -	\$ -	\$ 214,721
Salary and Benefits Payable	-	-	140	-	-	-	140
Interest Payable	-	-	-	-	1,478	-	1,478
Long-Term Liabilities:							
Due Within One Year:							
Loan Payable	-	-	-	-	4,329	-	4,329
Compensated Absences	-	-	478	-	-	-	478
Due After One Year:							
Loan Payable	-	-	-	-	8,474	-	8,474
Compensated Absences	-	-	4,304	-	-	-	4,304
Total Liabilities	\$ -	\$ 214,721	\$ 4,922	\$ -	\$ 14,281	\$ -	\$ 233,924
DEFERRED INFLOWS:							
Taxes Received in Advance	\$ -	\$ -	\$ 31,068	\$ -	\$ -	\$ 10,357	\$ 41,425
Total Liabilities & Deferred Inflows	\$ -	\$ 214,721	\$ 35,990	\$ -	\$ 14,281	\$ 10,357	\$ 275,349
NET POSITION:							
Net Investment in Capital Assets	\$ -	\$ 220,477	\$ -	\$ -	\$ -	\$ -	\$ 220,477
Restricted For:							
Health and Welfare	-	-	177,742	-	-	-	177,742
Culture and Recreation	-	-	-	57,214	42,782	-	99,996
Economic Development	-	-	-	-	-	282,915	282,915
Conservation of Natural Resources	450,688	(214,721)	-	-	-	-	235,967
Total Net Position	\$ 450,688	\$ 5,756	\$ 177,742	\$ 57,214	\$ 42,782	\$ 282,915	\$ 1,017,097

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

DICKEY COUNTY
Ellendale, North Dakota

STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended December 31, 2014

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position						Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Water Resource District	Dickey-Sargent Joint Water Resource District	Health District	County Park	County Fair	JDA	
Component Units:										
Dickey County Water Resource Dist.	\$ 44,655	\$ -	\$ 47	\$ (44,608)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (44,608)
Dickey-Sargent Joint Water Resource Dist.	110,665	-	-	-	(110,665)	-	-	-	-	(110,665)
Dickey County Health District	355,500	224,435	90,157	-	-	(40,908)	-	-	-	(40,908)
Dickey County Park	38,526	-	10,578	-	-	-	(27,948)	-	-	(27,948)
Dickey County Fair	59,789	11,365	-	-	-	-	-	(48,424)	-	(48,424)
Dickey Job Development Authority	83,212	17,365	659	-	-	-	-	-	(65,188)	(65,188)
Total Component Units	\$ 692,347	\$ 253,165	\$ 101,441	\$ (44,608)	\$ (110,665)	\$ (40,908)	\$ (27,948)	\$ (48,424)	\$ (65,188)	\$ (337,741)
General Revenues:										
Taxes:										
Property taxes				\$ 66,875	\$ -	\$ 122,568	\$ 26,660	\$ 46,755	\$ 94,037	\$ 356,895
Non restricted grants and contributions				3,065	-	16,505	3,908	2,650	1,098	27,226
Earnings on investments				440	-	-	-	11	-	451
Miscellaneous revenue				2,650	-	-	-	22,219	-	24,869
Total General Revenues				\$ 73,030	\$ -	\$ 139,073	\$ 30,568	\$ 71,635	\$ 95,135	\$ 409,441
Change in Net Position				\$ 28,422	\$ (110,665)	\$ 98,165	\$ 2,620	\$ 23,211	\$ 29,947	\$ 71,700
Net Position - January 1				\$ 422,266	\$ -	\$ 79,577	\$ 54,594	\$ 19,571	\$ 252,968	\$ 828,976
Prior Period Adjustment				-	116,421	-	-	-	-	116,421
Net Position - January 1, As Restated				\$ 422,266	\$ 116,421	\$ 79,577	\$ 54,594	\$ 19,571	\$ 252,968	\$ 945,397
Net Position - December 31				\$ 450,688	\$ 5,756	\$ 177,742	\$ 57,214	\$ 42,782	\$ 282,915	\$ 1,017,097

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

DICKEY COUNTY
Ellendale, North Dakota
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Dickey 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 county's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements present the activities of Dickey County. The county has considered all potential component units for which the county is financially accountable and other organizations for which the nature and significance of their relationships with the county such that exclusion would cause the county's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of Dickey 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 Dickey County.

Based on these criteria, the component units discussed below are included within the county's reporting entity because of the significance of their operational or financial relationship with the county.

COMPONENT UNITS

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the component units have been included in the financial reporting entity as discretely presented component units.

Aggregate Discretely Presented Component Units: The component unit columns in the basic financial statements include the financial data of the county's six component units. . Combining component unit statements also exist to separately show each component unit.

Dickey County Job Development Authority - The County's governing board appoints a voting majority of the members of the Dickey County Job Development Authority. The county has the authority to approve or modify the Job Development Authority's operational and capital budgets. The county's governing board must approve the tax levy established by the Job Development Authority. The Job Development Authority has the authority to issue bonded debt.

Dickey County Water Resource District - The County's governing board appoints a voting majority of the members of the Dickey County Water Resource District Board. The county has the authority to approve or modify the Water Resource District operational and capital budgets. The county also must approve the tax levy established by the Water Resource District.

Dickey-Sargent Joint Water Resource District – The Dickey-Sargent Joint Water Resource District was formed by the Sargent County Water Resource District and the Dickey County Water Resource District under the provisions of North Dakota Century Code section 61-16.1-11. Each county's water district board appoints 3 member to the joint board. Administration and record keeping for the joint board are maintained at the Dickey County Water Resource District office.

DICKEY COUNTY

Notes to the Financial Statements – Continued

Dickey County Fair Association - The County's governing board appoints a voting majority of the members of the Dickey County Fair Association. The county has the authority to approve or modify the Fair Association's operational and capital budgets. The county's governing board must approve the tax levy established by the Fair Association.

Dickey County Park Board - The County's governing board appoints a voting majority of the members of the Dickey County Park Board. The county has the authority to approve or modify the Park Board's operational and capital budgets. The county's governing board must approve the tax levy established by the Park Board.

Dickey County Health District - The County's governing board appoints a voting majority of the members of the Dickey County Health District. The county has the authority to approve or modify the Health District's operational and capital budgets. The county's governing board must approve the tax levy established by Health District.

Component Unit Financial Statements: The financial statements of the aggregate e discretely presented component units are presented in the County's basic financial statements. Complete financial statements of the component units can be obtained from the Dickey County Auditor/Treasurer Dickey County, PO Box 215, Ellendale, ND 58436-0215.

Related Organizations - The County is accountable for the following legally separate entities because it appoints a voting majority to their governing boards. Although the County is not financially accountable for these entities, as defined by GASB statement 14, the County did provide operating grants to them as follows:

	2014
Historical Society	\$ 7,383
Senior Citizens	58,080

B. Government-wide and Fund Financial Statements

Government-wide statements: The statement of net position and the statement of activities display information about the primary government, Dickey County and the component units aggregated. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, charges for services, and other non-exchange transactions.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental 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.

Fund Financial Statements: The fund financial statements provide information about the county's funds including its fiduciary funds. Separate statements for each fund category-*governmental* and *fiduciary*-are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 county considers revenues to be available if they are collected within sixty days of the end of the current 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 and claims and judgments, are recorded only when payment is due.

All revenues are considered to be susceptible to accrual and so have been recognized as revenues of the current 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:

General Fund. This is the county's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Farm-to-Market Roads Fund. This fund accounts for repair and improvement of highways and bridges that are legally restricted from taxes levied. The major primary sources of revenues are a restricted tax levy and State/Federal grants/reimbursements.

State Funded Road Projects. This fund accounts for all financial resources related to highway project CNOA-1114(067) and other state funded projects. The major primary sources of revenue is restricted project reimbursement from the state

DC ER Projects Fund. This fund accounts for financial resources related to specific highway repairs/projects. The major primary source of revenue is State/Federal grants/reimbursements.

County Road & Bridge Fund. This fund accounts for all financial resources related to highway maintenance, except those required to be accounted for in another fund. The major primary sources of revenues are a restricted tax levy and restricted highway tax distribution from the state.

Social Services Fund. This fund accounts for the costs of providing social service benefits and programs to needy residents of the county. The major primary sources of revenues are a restricted tax levy and State/Federal grants/reimbursements.

Oasis and Social Security Fund. This fund accounts for amounts levied and legally restricted to meet the County's share of social security payments on wages and salaries paid to employees. The major primary sources of revenues are a restricted tax levy and State/Federal grants/reimbursements.

DICKEY COUNTY

Notes to the Financial Statements – Continued

FEMA Funds. This fund accounts for state and federal grants for flood disaster repairs and the related disbursements. The major primary source of revenue is restricted Federal and State grants/reimbursements for flood related repairs.

The County reports the following fund type:

Agency Funds. These fund accounts for assets by the County in a custodial capacity as an agent on behalf of others. The County’s agency funds are used to account for property taxes collected on behalf of other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the county’s policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, money market accounts, and certificates of deposit with a maturity of 3 months or less. Investments consist of certificates of deposit with a maturity of more than 3 months.

E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$3,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings & Infrastructure	30 - 75
Vehicles & Equipment	3 - 7

F. Compensated Absences

Vacation leave is earned at the rate of 10 to 15 days per year depending on years of service. Vacation leave may be carried over from one year to the next, but it must be used within that next year or forfeited. Upon termination vacation benefits that have accrued through the last day of work will be paid. Employees accrue sick leave benefits at the rate of 10 days per year. Unused sick leave benefits will be allowed to accumulate to a limit of 30 days. Vacation and sick leave may not be used until a six month probationary period is completed. Once an employee has reached their maximum accrued sick leave level, they are eligible to trade any additional sick leave awarded that year, at a rate of one day of vacation for three days of sick leave. This trade must occur within the calendar year in which the sick leave is earned.

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, discounts and issuance costs are recognized in the current period since the amounts are not material.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

H. Interfund Transactions

In the governmental fund statements, 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 reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers.

In the government-wide financial statements, interfund transactions have been eliminated.

J. Fund Balances / Net Position

GASB Statement No. 54 requires fund balance classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints (restrictions or limitations) imposed upon the use of the resources reported in governmental funds.

Fund Balance Spending Policy:

It is the policy of Dickey County to spend restricted resources first, followed by unrestricted resources. It is also the policy of the Board to spend unrestricted resources of funds in the following order: committed, assigned and then unassigned.

Minimum Fund Balance Policy:

Dickey County established a \$300,000 general fund carryover balance target to help with financial stability. The fund balance range is a part of the county's fiscal policies. This level provides sufficient unassigned resources to avoid short-term cash flow borrowing for the county. Unassigned general fund balance of \$528,832 at December 31, 2014 represented 44% of actual 2014 general fund expenditures.

DICKEY COUNTY

Notes to the Financial Statements – Continued

Replenishing Deficiencies

When fund balances fall below the minimum 15% range, the County will replenish shortages/deficiencies using the budget strategies and time frames described as follows:

- County will reduce recurring expenditures to eliminate any structural deficit;
- County will increase revenues or pursue other funding sources;
- Some combination of the two options above;

Minimum fund balance deficiencies will be replenished within the following timeframes:

- Deficiency resulting in a minimum fund balance between 12.5% and 15% shall be replenished over a period not to exceed one year;
- Deficiency resulting in a minimum fund balance between 10% and 12.5% shall be replenished over a period not to exceed three years;
- Deficiency resulting in a minimum fund balance of less than 10% shall be replenished over a period not to exceed five years;

Major Special Revenue Fund Purposes & Revenue Sources:

Purposes and major revenue sources of the major special revenue funds (farm to market roads, state funded road projects, DC ER project, county road and bridge, social services, FEMA, and OASIS/social security) are disclosed in more detail in Note 1B.

Fund Balance Reporting and Governmental Fund Type Definitions

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

CLASSIFICATION	DEFINITION	EXAMPLES
Nonspendable	Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.	Inventories, prepaid amounts (expenses), long-term receivables, endowment funds.
Restricted	Fund balance is reported as restricted when constraints are placed on the use of resources that are either (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments. (b) Imposed by law through constitutional provisions or enabling legislation.	Funds restricted by State Statute, unspent bond proceeds, grants earned but not spent, debt covenants, taxes raised for a specific purpose.
Committed	A committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the governing board. Formal action is required to be taken to establish, modify or rescind a fund balance commitment.	By board action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Assigned	Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes, but are under the direction of the board and the county auditor.	By board action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Unassigned	Unassigned fund balance is the lowest classification for the General Fund. This is fund balance that has not been reported in any other classification. (a) The General Fund is the only fund that can report a positive unassigned fund balance; (b) A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.	Available for any remaining general fund expenditure.

DICKEY COUNTY

Notes to the Financial Statements – Continued

Dickey County reports committed, restricted, and unassigned fund balances at December 31, 2014.

Committed Fund Balance:

Committed fund balance of \$11,063 is reported in the land rental and sale fund (total non-major funds) for county improvements. This fund balance was committed by the governing board to be used for county improvements.

Restricted Fund Balances – consist of the following items at December 31, 2014:

Restricted fund balances totaling \$3,901,628 are shown by applicable function on the balance sheet for general government, public safety, highways and bridges, flood repair, health and welfare, culture and recreation, conservation of resources, emergencies, and debt service. Restricted fund balances are restricted by enabling legislation (primarily state law for tax levies) and by outside 3rd parties (State & Federal governments for various grants & reimbursements).

Special Revenue Funds – Restricted & Committed Fund Balances:

(a) Restricted by specified tax levies and/or restricted Federal & State grants/reimbursements:

- Restricted tax levies – includes fund balances for various tax levies other than the general fund.
- Restricted grants/reimbursements – primarily includes FEMA funds, other grant funds, and highway tax distribution.

Unassigned fund balances:

Unassigned fund balances at year-end 2014 consist of an amount in the general fund totaling \$528,832, and negative fund balance of (\$95,673) reported in the DC ER Projects fund. Unassigned general fund balance represents 44% of total general fund expenditures.

Net Position:

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Unrestricted net position is primarily unrestricted amounts related to general fund governmental activities, and is the portion of net position that is not restricted or reported as net investment in capital assets. The unrestricted net position is available to meet the district's ongoing obligations.

Net investment in capital assets is reported for capital assets less accumulated depreciation, as well as net of any related debt used to purchase or finance capital assets. The resources needed to repay this related debt must be provided from other sources, since the capital assets are not used to liquidate these liabilities. These assets are not available for future spending.

Restrictions of net position shown in the net position statement are due to restricted tax levies and restricted Federal & State grants/reimbursements. Restricted net position is also shown by primary function and is restricted for public safety, highways and bridges, health & welfare, culture & recreation, conservation of natural resources, emergencies, and general government (health insurance, insurance reserve, veteran's service officer, and social security).

DICKEY COUNTY

Notes to the Financial Statements – Continued

J. Interfund Transactions

In the governmental fund statements, 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 reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers.

In the government-wide financial statements, interfund transactions have been eliminated.

NOTE 2: LEGAL COMPLIANCE - BUDGETS

BUDGET AMENDMENTS

The Board of County Commissioners did not amend the county budget for the year ended December 31, 2014.

NOTE 3: DEPOSITS

In accordance with North Dakota Statutes, Dickey County maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in other financial institution situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities equal to 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal land bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies or instrumentalities or by any county, city, township, school district, park district, or other political subdivision of the state of North Dakota. Whether payable from special revenues or supported by the full faith and credit of the issuing body and bonds issued by any other state of the United States or such other securities approved by the banking board.

At year ended December 31, 2014, the county's carrying amount of deposits was \$8,064,480 and the bank balances totaled \$8,219,988. Of the bank balances, \$1,248,177 was covered by Federal Depository. Of the remaining bank balances totaling \$6,971,811, all were collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2014, the fair board's carrying amount of deposits was \$56,411 and the bank balances totaled \$57,547, all of which was covered by Federal Depository Insurance.

Credit Risk:

The county may invest idle funds as authorized in North Dakota Statutes, as follows:

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

DICKEY COUNTY

Notes to the Financial Statements – Continued

As of December 31, 2014, the County had certificates of deposit totaling \$739,501, all of which were considered deposits.

Concentration of Credit Risk:

The county does not have a limit on the amount it may invest in any one issuer.

NOTE 4: TAXES RECEIVABLE

The taxes receivable represents the past three years of delinquent uncollected taxes. No allowance has been established for uncollectible taxes receivable because any defaults will be covered by enforcement of the liens.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Any material collections are distributed after the end of the month.

Property taxes are levied as of January 1. The 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 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 5% discount is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed.

Most property owners choose to pay property taxes on or before February 15 and receive the 5% discount on the property taxes.

NOTE 5: ROAD ACCOUNTS RECEIVABLE

Road accounts receivable consist of amounts due for road work for townships, cities and private citizens.

NOTE 6: INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivables consist of amounts due from the state for the state and federal share of various social service programs, highway tax distribution, state aid and other state and federal grants.

NOTE 7: JOB DEVELOPMENT LOANS RECEIVABLE

The Job Development Authority, a discretely presented component unit of Dickey County, provides loans to businesses for either startup costs or expansion costs. The Authority receives applications from various businesses within the community and either approves or denies the applications based on majority board decision.

The Authority had the following activity in loans outstanding for the year ended December 31, 2014:

Name/Business	Balance January 1	New Loans/ Additions	Principal Payments	Balance December 31
Serenita	\$ 8,605	\$ -	\$ 300	\$ 8,305
Ellendale Vet Service	2,750	-	2,750	-
Donna's Café	6,000	-	1,000	5,000
Total	\$17,355	\$ -	\$4,050	\$13,305

DICKEY COUNTY

Notes to the Financial Statements – Continued

Collateral on Loans Outstanding:

The Job Development Authority, one of the aggregate discretely presented component units of Dickey County, has provided collateral of CD's to cover loans made to various businesses during the year ended December 31, 2014. The County reports the cash in the CD's, while the bank reports the loans receivable. Starion Financial and First State Bank is responsible for collecting loan payments, and are ultimately responsible for uncollectible loans. The amount of the balances outstanding totaled \$83,943 at December 31, 2014.

NOTE 8: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2014:

Governmental Activities:	Balance January 1	Transfers/ Increases	Transfers/ Decreases	Balance December 31
<i>Capital assets not being depreciated:</i>				
Land	\$ 40,398	\$ -	\$ -	\$ 40,398
Construction in Progress	44,706	3,195,173	79,817	3,160,062
Total Capital Assets, Not Being Depreciated	\$ 85,104	\$3,195,173	\$ 79,817	\$3,200,460
<i>Capital assets, being depreciated:</i>				
Buildings	\$1,599,847	\$ 96,319	\$ -	\$1,696,166
Equipment	2,394,540	45,505	34,644	2,405,401
Vehicles	720,961	115,515	46,003	790,473
Infrastructure	1,897,601	-	-	1,897,601
Total Capital Assets, Being Depreciated	\$6,612,949	\$ 257,339	\$ 80,647	\$6,789,641
<i>Less accumulated depreciation for:</i>				
Buildings	\$ 591,571	\$ 37,987	\$ -	\$ 629,558
Equipment	1,150,711	246,979	4,949	1,392,741
Vehicles	484,757	66,596	30,116	521,237
Infrastructure	162,691	25,301	-	187,992
Total Accumulated Depreciation	\$2,389,730	\$ 376,863	\$ 35,065	\$2,731,528
Total Capital Assets Being Depreciated, Net	\$4,223,219	\$ (119,524)	\$ 45,482	\$4,058,113
Governmental Activities-Capital Assets, Net	\$4,308,323	\$3,086,649	\$125,399	\$7,258,573

Depreciation expense was charged to functions/programs of the county as follows for the year ended December 31, 2014:

Governmental Activities:	2014
General Government	\$ 33,336
Public Safety	24,583
Highways	308,494
Culture and Recreation	3,584
Conservation of Natural Resources	6,866
Total Depreciation Expense - Governmental Activities	\$376,863

Component Unit – Dickey County Water Resource District:

The Dickey County Water Resource District had the following changes in capital assets for the year ended December 31, 2014

Dickey County WRD:	Balance January 1	Increases	Decreases	Balance December 31
<i>Capital assets not being depreciated:</i>				
Construction in Progress	\$ -	\$31,503	\$ -	\$31,503

DICKEY COUNTY

Notes to the Financial Statements – Continued

Component Unit – Dickey County Water Resource District:

The Joint Water Resource District had the following changes in capital assets for the year ended December 31, 2014

Joint WRD:	Balance January 1	Increases	Decreases	Balance December 31
<i>Capital assets not being depreciated:</i>				
Construction in Progress	\$116,421	\$104,056	\$ -	\$220,477

NOTE 9: ACCOUNTS PAYABLE

Accounts payable consists of a liability account reflecting amounts on open accounts owing to private persons or organizations for goods and services received prior to December 31.

NOTE 10: DUE TO/FROM OTHER FUNDS

Due to and due from other funds on the governmental funds modified accrual balance sheet at December 31, 2014 represents the amount of cash borrowed by the grants fund totaling \$23,460 covered by the General Fund.

NOTE 11: SALARIES/BENEFITS PAYABLE

Salaries and benefits payable consists of a liability account related to payroll withholdings related to various payroll deductions withheld but not yet paid at year end.

NOTE 12: GRANTS RECEIVED IN ADVANCE

Grants received in advance is a liability consisting of funds received in the FEMA fund where the cash has been received but the eligibility requirements have not been met at December 31, 2014.

NOTE 13: INTEREST PAYABLE

Interest payable consists of the portion of interest accrued on long term debt outstanding at December 31, 2014.

NOTE 14: RETAINAGES PAYABLE

Retainages payable consists of amounts retained until project completion for project CNOA-1112(046) at December 31, 2014.

NOTE 15: LONG TERM LIABILITIES**PRIMARY GOVERNMENT:**

Changes in Long-Term Liabilities - During the year ended December 31, 2014, the following changes occurred in governmental activities long-term liabilities for the primary government:

Governmental Activities:	Balance 1-1-14	Increases	Decreases	Balance 12-31-14	Due Within One Year
Leases Payable	\$ 755,956	\$ -	\$125,418	\$ 630,538	\$110,226
Disaster Drawdown	877,127	450,000	309,253	1,017,874	-
Loans Payable	85,826	-	37,888	47,938	39,161
Compensated Absences *	87,884	-	13,809	74,075	7,407
Total Governmental Activities	\$1,806,793	\$450,000	\$486,368	\$1,770,425	\$156,794

DICKEY COUNTY

Notes to the Financial Statements – Continued

* The change in compensated absences is shown as a net change because changes in salary prohibit exact calculations of additions and reductions at a reasonable cost.

Outstanding debt (excluding compensated absences) at December 31, 2014 consists of the following issues:

Capital Leases:

\$268,727 – Capital Lease for a John Deere 772G Motor Grader due in annual installments of \$30,167 through Sept. 2018, interest at 2.3%.	\$ 244,807
\$113,219 – Capital Lease for a John Deere 772G Motor Grader due in annual installments of \$29,683 through April 2017 with interest at 2.3%.	85,065
\$126,345 – Capital Lease for a John Deere 772G Motor Grader due in annual installments of \$27,060 through April 2017 with interest at 2.3%.	77,538
\$260,719 – Capital Lease for a John Deere 772G Motor Grader due in annual installments of \$31,174 through April 2017 with interest at 2.3%.	209,908
\$32,500 – Capital Lease for a Columbia Truck due in annual installments of \$6,975 through April 2016 with interest at 3.6%.	<u>13,221</u>
Total Primary Government Capital Leases Payable	<u>\$ 630,538</u>

Capital Financing Program – Disaster Loan Drawdown

\$3,616,343 – Disaster Loan drawdown for road projects that required payment before reimbursement was obtained. Interest is calculated at intervals throughout the year at 2.25%. Payments vary throughout the year based on reimbursements received.	<u>\$1,017,874</u>
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Loans/Certificate of Indebtedness:

\$30,718 – Certificate of Indebtedness for a County Boiler due in annual installments of \$4,587 to \$5,392 through March 2017 with interest at 3.75%.	\$ 13,165
\$168,000 – Certificate of Indebtedness for an International Truck due in annual installments of \$31,515 to \$35,939 through April 2015 with interest at 3.8%.	<u>34,773</u>
Total Primary Government Loans/Certificate of Indebtedness	<u>\$ 47,938</u>

Total Primary Government Long-Term Debt (Excluding Compensated Absences)	<u>\$1,696,351</u>
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The annual requirements to amortize the outstanding debt, excluding disaster loan drawdown (no set payment schedule) and compensated absences are as follows:

GOVERNMENTAL ACTIVITIES				
Year Ending December 31	Capital Leases		Loans/CI's	
	Principal	Interest	Principal	Interest
2015	\$110,226	\$14,832	\$39,162	\$1,823
2016	112,875	12,184	4,388	334
2017	237,780	9,480	4,388	167
2018	169,657	3,945	-	-
Total	<u>\$630,538</u>	<u>\$40,441</u>	<u>\$47,938</u>	<u>\$2,324</u>

DICKEY COUNTY

Notes to the Financial Statements – Continued

Note: The ND Finance Authority does not currently have a schedule of future payments for the Disaster Loan Drawdown (\$1,017,874 balance at December 31, 2014).

DISCRETELY PRESENTED COMPONENT UNITS:

Health District:

Changes in Long-Term Liabilities - During the year ended December 31, 2014, the following changes occurred in governmental long-term liabilities of the Health District:

	Balance 1-1-14	Increases	Decreases	Balance 12-31-14	Due Within One Year
Compensated Absences *	\$5,723	\$ -	\$941	\$4,782	\$478

* The change in compensated absences is shown as a net change because changes in salary prohibit exact calculations of additions and reductions at a reasonable cost.

County Fair:

Changes in Long-Term Liabilities - During the year ended December 31, 2014, the following changes occurred in governmental long-term liabilities of the County Fair:

	Balance 1-1-14	Increases	Decreases	Balance 12-31-14	Due Within One Year
Loan Payable	\$18,215	\$ -	\$5,412	\$12,803	\$4,329

Loans Payable:

\$32,000 Loans Payable to Starion Financial, due in annual installments of \$2,901 through 2016, interest at 4.25% \$ 1,400

\$30,000 Loans Payable to Starion Financial, due in annual installments of \$3,954 through 2019, interest at 5.9% 11,403

Total Loans Payable \$12,803

Debt service requirements on long-term debt at December 31, 2014 are as follows:

Year Ending December 31	Loans Payable	
	Principal	Interest
2015	\$ 4,328	\$1,970
2016	3,192	763
2017	3,480	475
2018	1,803	160
Total	\$12,803	\$3,368

NOTE 16: DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the balance sheet represent the amount of uncollected taxes and the road accounts receivable in the fund financial statements for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, uncollected taxes and road accounts receivable are measurable but not available.

DICKEY COUNTY

Notes to the Financial Statements – Continued

NOTE 17: TRANSFERS

The following is reconciliation between transfers in and transfers out as reported in the basic financial statements of the governmental activities for the year ended December 31, 2014:

	Transfers In	Transfers Out
General Fund	\$ 19,107	\$ 6
Farm to Market Road	69,265	320,155
County Road and Bridge	3,455	-
State Funded Road Projects	320,155	69,265
Oasis and Social Security	-	2,091
Social Services	90,000	-
FEMA Funds	-	12,062
County Bond Fund	-	10,988
Grants	6	-
Emergency	2,639	-
Land Rental and Sale	-	50
Emergency Poor	-	100,000
Family Focus	10,000	-
Total Transfers	\$514,617	\$514,617

NOTE 18: PENSION PLAN

Dickey County contributes to the North Dakota Public Employee's 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, P.O. Box 1214, Bismarck, North Dakota, 58502-1214.

Plan members are required to contribute 6% of their annual covered salary. Dickey County has elected to contribute the employees required contribution. The county is required to contribute 7.26% of the employee's salary, which consists of 6.12% for employee retirement and 1.14% for the retiree health benefits fund. 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, 2014, 2013, and 2012 were \$156,816, \$136,190, and \$113,163, respectively, equal to the required contributions for the year.

NOTE 19: RISK MANAGEMENT

Dickey County is exposed to various risks of loss relating 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 (NDRIF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. Dickey County pays an annual premium to NDRIF for its general liability, automobile, and inland marine insurance coverage. The coverage by NDRIF is limited to losses of one million dollars per occurrence for general liability and automobile and \$3,293,675 for public assets (mobile equipment and portable property).

DICKEY COUNTY

Notes to the Financial Statements – Continued

Dickey County also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. Dickey County pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of one million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides Dickey 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.

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

NOTE 20: DEFICIT CASH FUND BALANCE

At December 31, 2014, the grants fund had a \$23,460 negative cash balance.

NOTE 21: PRIOR PERIOD ADJUSTMENT

Dickey County – Primary Government:

There were prior period adjustments for the period ending December 31, 2013 to properly restate January 1, 2014 amounts for governmental activities that involved adjustments to capital assets and long-term debt.

Governmental Activities:	Amounts
Beginning Net Position, as previously reported	\$6,032,818
Adjustments to restate the January 1, 2014 Net Position:	
Cost adjustment – vehicles	(25,762)
Accumulated depreciation adjustment – vehicles	3,680
Debt - lease & certificates of indebtedness principal reduction	188,564
Net Position January 1, as restated	<u>\$6,199,300</u>

Dickey-Sargent Water Resource District:

There were prior period adjustments for the period ending December 31, 2013 to properly restate January 1, 2014 amounts for governmental activities for the Dickey-Sargent Water Resource District to report beginning construction in progress.

Governmental Activities:	Amounts
Beginning Net Position, as previously reported	\$ -
Adjustments to restate the January 1, 2014 Net Position:	
Construction in progress	116,421
Net Position January 1, as restated	<u>\$116,421</u>

NOTE 22: COMMITMENTS

Dickey County had the following commitment for construction contracts as of December 31 2014.

Project	Contract Amount	Total Completed	Remaining Balance	Retainage	Total
CNOA-1112(067)	\$3,114,422	\$2,767,446	\$346,976	\$260,708	\$607,684

DICKEY COUNTY

Notes to the Financial Statements – Continued

NOTE 23: SUBSEQUENT EVENT

Dickey-Sargent Joint Water Resource District:

The water resource district issued bonds in the amount of \$5,320,000 (Dated October 2, 2015) for a construction of a drain between two counties. Specials collected from individuals from both counties will be used to make bond payments for the bond.

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 607,380	\$ 607,380	\$ 610,265	\$ 2,885
Licenses, Permits and Fees	39,900	39,900	51,285	11,385
Intergovernmental	435,918	435,918	455,820	19,902
Charges for Services	84,602	84,602	113,333	28,731
Interest Income	12,000	12,000	12,614	614
Total Revenues	<u>\$ 1,179,800</u>	<u>\$ 1,179,800</u>	<u>\$ 1,243,317</u>	<u>\$ 63,517</u>
<u>Expenditures:</u>				
Current:				
General Government	\$ 890,248	\$ 890,248	\$ 786,186	\$ 104,062
Public Safety	455,562	455,562	409,090	46,472
Health and Welfare	375	375	375	-
Culture and Recreation	18,203	18,203	16,428	1,775
Total Expenditures	<u>\$ 1,364,388</u>	<u>\$ 1,364,388</u>	<u>\$ 1,212,079</u>	<u>\$ 152,309</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (184,588)</u>	<u>\$ (184,588)</u>	<u>\$ 31,238</u>	<u>\$ 215,826</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	\$ 2,890	\$ 2,890	\$ 19,106	\$ 16,216
Transfers Out	(15,000)	(15,000)	(6)	14,994
Total Other Financing Sources and Uses	<u>\$ (12,110)</u>	<u>\$ (12,110)</u>	<u>\$ 19,100</u>	<u>\$ 31,210</u>
Net Change in Fund Balances	<u>\$ (196,698)</u>	<u>\$ (196,698)</u>	<u>\$ 50,338</u>	<u>\$ 247,036</u>
Fund Balance - January 1	<u>\$ 478,494</u>	<u>\$ 478,494</u>	<u>\$ 478,494</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 281,796</u>	<u>\$ 281,796</u>	<u>528,832</u>	<u>\$ 247,036</u>

The accompanying required supplementary information notes are an integral part of this schedule.

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
FARM TO MARKET ROADS FUND
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 321,535	\$ 321,535	\$ 314,991	\$ (6,544)
Intergovernmental	2,914,179	2,914,179	69,329	(2,844,850)
Total Revenues	<u>\$ 3,235,714</u>	<u>\$ 3,235,714</u>	<u>\$ 384,320</u>	<u>\$ (2,851,394)</u>
<u>Expenditures:</u>				
Current:				
Highways	<u>\$ 3,439,911</u>	<u>\$ 3,439,911</u>	<u>\$ 128,145</u>	<u>\$ 3,311,766</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (204,197)</u>	<u>\$ (204,197)</u>	<u>\$ 256,175</u>	<u>\$ 460,372</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,266</u>	<u>\$ 69,266</u>
Net Change in Fund Balances	<u>\$ (204,197)</u>	<u>\$ (204,197)</u>	<u>\$ 5,286</u>	<u>\$ 209,483</u>
Fund Balance - January 1	<u>\$ 165,296</u>	<u>\$ 165,296</u>	<u>\$ 165,296</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ (38,901)</u>	<u>\$ (38,901)</u>	<u>\$ 170,582</u>	<u>\$ 209,483</u>

The accompanying required supplementary information notes are an integral part of this schedule.

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
STATE FUNDED ROAD PROJECT FUND
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ 2,846,846	\$ 2,846,846
Interest Income	-	-	4,252	4,252
Total Revenues	\$ -	\$ -	\$ 2,851,098	\$ 2,851,098
<u>Expenditures:</u>				
Current:				
Highways	\$ -	\$ -	\$ 2,512,458	\$ (2,512,458)
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	\$ 338,640	\$ 338,640
<u>Other Financing Sources (Uses):</u>				
Transfer In	\$ -	\$ -	\$ 320,155	\$ 320,155
Transfers Out	-	-	(69,265)	(69,265)
Total Other Financing Sources and Uses	\$ -	\$ -	\$ 250,890	\$ 250,890
Net Change in Fund Balances	\$ -	\$ -	\$ 589,530	\$ 589,530
Fund Balance - January 1	\$ -	\$ -	\$ -	\$ -
Fund Balance - December 31	\$ -	\$ -	\$ 589,530	\$ 589,530

The accompanying required supplementary information notes are an integral part of this schedule.

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
DC ER PROJECTS FUND
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
Highways	\$ 593,077	\$ 593,077	\$ 560,722	\$ 32,355
Excess (Deficiency) of Revenues Over Expenditures	\$ (593,077)	\$ (593,077)	\$ (560,722)	\$ 32,355
<u>Other Financing Sources (Uses):</u>				
Bond Proceeds	\$ -	\$ -	\$ 450,000	\$ 450,000
Net Change in Fund Balances	\$ (593,077)	\$ (593,077)	\$ (110,722)	\$ 482,355
Fund Balance - January 1	\$ 15,049	\$ 15,049	\$ 15,049	\$ -
Fund Balance - December 31	\$ (578,028)	\$ (578,028)	\$ (95,673)	\$ 482,355

The accompanying required supplementary information notes are an integral part of this schedule.

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
COUNTY ROAD AND BRIDGE FUND
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 132,151	\$ 132,151	\$ 130,258	\$ (1,893)
Intergovernmental	791,744	791,744	799,757	8,013
Charges for Services	150,000	150,000	311,784	161,784
Total Revenues	<u>\$ 1,073,895</u>	<u>\$ 1,073,895</u>	<u>\$ 1,241,799</u>	<u>\$ 167,904</u>
<u>Expenditures:</u>				
Current:				
Highways	\$ 1,718,640	\$ 1,718,640	\$ 1,093,644	\$ 624,996
Debt Service:				
Principal	-	-	125,418	(125,418)
Interest	-	-	17,157	(17,157)
Total Expenditures	<u>\$ 1,718,640</u>	<u>\$ 1,718,640</u>	<u>\$ 1,236,219</u>	<u>\$ 482,421</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (644,745)</u>	<u>\$ (644,745)</u>	<u>\$ 5,580</u>	<u>\$ 650,325</u>
<u>Other Financing Sources (Uses):</u>				
Transfer In	\$ -	\$ -	\$ 3,445	\$ 3,445
Net Change in Fund Balances	<u>\$ (644,745)</u>	<u>\$ (644,745)</u>	<u>\$ 9,025</u>	<u>\$ 653,770</u>
Fund Balance - January 1	<u>\$ 1,235,875</u>	<u>\$ 1,235,875</u>	<u>\$ 1,235,875</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 591,130</u>	<u>\$ 591,130</u>	<u>\$ 1,244,900</u>	<u>\$ 653,770</u>

The accompanying required supplementary information notes are an integral part of this schedule.

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES FUND
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 401,884	\$ 401,884	\$ 394,780	\$ (7,104)
Intergovernmental	277,350	277,350	331,669	54,319
License, Permits and Fees	365	365	295	(70)
Miscellaneous	-	-	4,465	4,465
Total Revenues	\$ 679,599	\$ 679,599	\$ 731,209	\$ 51,610
<u>Expenditures:</u>				
Current:				
Health and Welfare	\$ 713,944	\$ 713,944	\$ 617,564	\$ 96,380
Excess (Deficiency) of Revenues Over Expenditures	\$ (34,345)	\$ (34,345)	\$ 113,645	\$ 147,990
<u>Other Financing Sources (Uses):</u>				
Transfers In	\$ 90,000	\$ 90,000	\$ 90,000	\$ -
Transfers Out	(100,000)	(100,000)	-	100,000
Net Change in Fund Balances	\$ (44,345)	\$ (44,345)	\$ 203,645	\$ 247,990
Fund Balance - January 1	\$ 355,353	\$ 355,353	\$ 355,353	\$ -
Fund Balance - December 31	\$ 311,008	\$ 311,008	\$ 558,998	\$ 247,990

The accompanying required supplementary information notes are an integral part of this schedule.

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
OASIS AND SOCIAL SECURITY FUND
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	\$ 623,069	\$ 623,069	\$ 610,127	\$ (12,942)
Intergovernmental	33,928	33,928	39,959	6,031
Miscellaneous	-	-	4,766	4,766
Total Revenues	<u>\$ 656,997</u>	<u>\$ 656,997</u>	<u>\$ 654,852</u>	<u>\$ (2,145)</u>
<u>Expenditures:</u>				
Current:				
General Government	<u>\$ 681,176</u>	<u>\$ 681,176</u>	<u>\$ 609,284</u>	<u>\$ 71,892</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (24,179)</u>	<u>\$ (24,179)</u>	<u>\$ 45,568</u>	<u>\$ 69,747</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	<u>\$ (2,100)</u>	<u>\$ (2,100)</u>	<u>\$ (2,091)</u>	<u>\$ 9</u>
Net Change in Fund Balances	<u>\$ (26,279)</u>	<u>\$ (26,279)</u>	<u>\$ 43,477</u>	<u>\$ 69,756</u>
Fund Balance - January 1	<u>\$ 125,312</u>	<u>\$ 125,312</u>	<u>\$ 125,312</u>	<u>\$ -</u>
Fund Balance - December 31	<u><u>\$ 99,033</u></u>	<u><u>\$ 99,033</u></u>	<u><u>\$ 168,789</u></u>	<u><u>\$ 69,756</u></u>

The accompanying required supplementary information notes are an integral part of this schedule.

DICKEY COUNTY
Ellendale, North Dakota

BUDGETARY COMPARISON SCHEDULE
FEMA FUNDS
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Intergovernmental	\$ 1,232,700	\$ 1,232,700	\$ 452,818	\$ (779,882)
<u>Expenditures:</u>				
Current:				
Flood Repair	\$ 1,522,825	\$ 1,522,825	\$ 440,756	\$ 1,082,069
Excess (Deficiency) of Revenues Over Expenditures	\$ (290,125)	\$ (290,125)	\$ 12,062	\$ 302,187
<u>Other Financing Sources (Uses):</u>				
Transfers Out	\$ (790)	\$ (790)	\$ (12,062)	\$ (11,272)
Net Change in Fund Balances	\$ (290,915)	\$ (290,915)	\$ -	\$ 290,915
Fund Balance - January 1	\$ -	\$ -	\$ -	\$ -
Fund Balance - December 31	\$ (290,915)	\$ (290,915)	\$ -	\$ 290,915

The accompanying required supplementary information notes are an integral part of this schedule.

DICKEY COUNTY
Ellendale, North Dakota

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information:

- The county commission adopts an “appropriated budget” on a basis consistent with accounting principles generally accepted in the United States (GAAP).
- The county auditor prepares an annual budget for the general fund and each special revenue fund of the county. NDCC 11-23-02. The budget includes proposed expenditures and means of financing them.
- The county commission holds a public hearing where any taxpayer may appear and shall be heard in favor of or against any proposed disbursements or tax levies. When the hearing shall have been concluded, the board shall adopt such estimate as finally is determined upon. All taxes shall be levied in specific amounts and shall not exceed the amount specified in the published estimates. NDCC 11-23-04
- The board of county commissioners, on or before the October meeting shall determine the amount of taxes that shall be levied for county purposes and shall levy all such taxes in specific amounts. NDCC 11-23-05
- Each budget is controlled by the county auditor at the revenue and expenditure function/object level.
- The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared. NDCC 57-15-31.1
- All appropriations lapse at year-end.

NOTE 2: EXPENDITURES IN EXCESS OF BUDGET

During fiscal year 2014, Dickey County had the following fund expenditures in excess of budgeted amounts:

	Budget	Actual	Excess
<u>Special Revenue Funds:</u>			
State Funded Road	\$ -	\$2,512,458	\$2,512,458
Family Focus	69,003	70,111	1,108
Horizons	1,500	1,793	293
Correctional Center	45,000	61,017	16,017
Homeland Security	5,000	23,185	18,185
Extension	2,000	2,784	784
Designated Funds	-	3,056	3,056

DICKEY COUNTY
Ellendale, North Dakota

SCHEDULE OF FUND ACTIVITY - CLIENT BASIS
For the Year Ended December 31, 2014

	Balance 1-1-14	Receipts	Transfers In	Debt Issuances	Transfers Out	Disbursements	Balance 12-31-14
Primary Government:							
General Fund	\$ 376,258.27	\$ 1,215,400.69	\$ 19,106.57	\$ -	\$ 5.94	\$ 1,216,311.46	\$ 394,448.13
Major Funds (other than General):							
Farm to Market Road	\$ 163,231.77	\$ 382,791.23	\$ 69,265.45	\$ -	\$ 320,155.03	\$ 143,870.66	\$ 151,262.76
State Funded Road Projects	-	2,851,098.19	320,155.03	-	69,265.45	2,512,457.97	589,529.80
DC ER Projects	15,049.29	-	-	450,000.00	-	410,029.94	55,019.35
County Road and Bridge	1,183,964.70	1,230,737.42	3,445.44	-	-	1,254,008.06	1,164,139.50
Social Services	329,254.48	724,515.65	90,000.00	-	-	617,564.60	526,205.53
Oasis and Social Security	117,356.17	658,595.93	-	-	2,091.20	609,283.88	164,577.02
FEMA	654,157.31	283,397.99	-	-	12,062.32	440,755.84	484,737.14
Total Major Funds	\$ 2,839,271.99	\$ 7,346,537.10	\$ 501,972.49	\$ 450,000.00	\$ 403,579.94	\$ 7,204,282.41	\$ 3,529,919.23
Special Revenue Funds:							
Emergency Poor	\$ 117,504.01	\$ 65,971.72	\$ -	\$ -	\$ 100,000.00	\$ -	\$ 83,475.73
Family Focus	4,184.41	70,729.15	10,000.00	-	-	70,110.55	14,803.01
Parent Aid	4,431.30	-	-	-	-	-	4,431.30
Designated Funds	-	5,000.00	-	-	-	3,056.16	1,943.84
24-7	1,208.00	4,305.00	-	-	-	4,555.00	958.00
Horizons	2,989.27	2,055.99	-	-	-	1,792.99	3,252.27
Emergency Fund	357,894.32	69,802.29	2,638.96	-	-	-	430,335.57
County Corrections Center	15,555.10	46,891.90	-	-	-	61,017.28	1,429.72
Veterans Service Officer	4,256.40	25,824.29	-	-	-	25,282.09	4,798.60
Insurance Levy	23,138.39	76,191.47	-	-	-	66,798.67	32,531.19
Health Insurance	114,603.99	332,422.53	-	-	-	318,102.68	128,923.84
County Agent	7,749.67	67,068.72	-	-	-	65,051.01	9,767.38
Weed Control	187,048.11	136,490.10	-	-	-	145,224.07	178,314.14
911	23,549.25	104,164.36	-	-	-	116,161.27	11,552.34
Hazard	664.85	1,000.00	-	-	-	658.35	1,006.50
Homeland Security	4,516.01	23,185.16	-	-	-	23,185.16	4,516.01
Grants	(21,459.94)	10,744.59	5.94	-	-	12,750.53	(23,459.94)
Document Preservation	5,455.67	8,067.00	-	-	-	1,590.50	11,932.17
Extension	1,890.32	1,628.00	-	-	-	2,783.89	734.43
Land Rental and Sale	11,106.85	5.88	-	-	50.00	-	11,062.73
Total Special Revenue Funds	\$ 866,285.98	\$ 1,051,548.15	\$ 12,644.90	\$ -	\$ 100,050.00	\$ 918,120.20	\$ 912,308.83
Debt Service Fund:							
Special Assessment	\$ 2,825.85	\$ 73.69	\$ -	\$ -	\$ -	\$ -	2,899.54
County Loan	14,398.05	41,056.91	-	-	10,987.45	41,164.23	3,303.28
County Bond 2011	298,714.24	226,412.09	-	-	-	330,865.00	194,261.33
Total Debt Service Funds	\$ 315,938.14	\$ 267,542.69	\$ -	\$ -	\$ 10,987.45	\$ 372,029.23	\$ 200,464.15
Total Non-Major Funds	\$ 1,182,224.12	\$ 1,319,090.84	\$ 12,644.90	\$ -	\$ 111,037.45	\$ 1,290,149.43	\$ 1,112,772.98
Total Governmental Funds	\$ 4,021,496.11	\$ 8,665,627.94	\$ 514,617.39	\$ 450,000.00	\$ 514,617.39	\$ 8,494,431.84	\$ 4,642,692.21
Agency Funds:							
State Tax	\$ 9,134.34	\$ 33,494.00	\$ -	\$ -	\$ -	\$ 31,994.73	\$ 10,633.61
County Ambulance	276.37	124,583.87	-	-	-	123,971.55	888.69
County Airport	52.10	31,011.71	-	-	-	30,801.24	262.57
Senior Citizens	78.98	58,254.61	-	-	-	58,079.78	253.81
County Historical Society	703.07	8,894.01	-	-	-	7,382.77	2,214.31
Fines	708.01	-	-	-	-	708.01	-
Water Conservancy - Garrison	9,134.34	38,538.91	-	-	-	37,039.64	10,633.61
Soil Conservation Service	10,173.20	40,604.86	-	-	-	38,870.05	11,908.01
Kedish House	-	3,951.31	-	-	-	3,951.31	-
Taxes Paid Under Protest	8,338.68	7,610.70	-	-	-	15,265.89	683.49
Cancer Insurance	-	32,678.78	-	-	-	32,678.78	-
Blue Cross Blue Shield	6,957.05	508,963.90	-	-	-	508,460.73	7,460.22
Income Tax Withholding	-	176,170.75	-	-	-	176,170.75	-
Life Insurance	629.63	6,709.51	-	-	-	6,801.85	537.29
Retirement	-	56,962.99	-	-	-	56,962.99	-
Dues/Garnishments	-	17,977.15	-	-	-	17,977.15	-

Continued on next page...

DICKEY COUNTY
Ellendale, North Dakota

SCHEDULE OF FUND ACTIVITY - CLIENT BASIS
For the Year Ended December 31, 2014

	Balance 1-1-14	Receipts	Transfers In	Debt Issuances	Transfers Out	Disbursements	Balance 12-31-14
CONTINUED...							
<u>Agency Funds (Cont'd):</u>							
Deferred Comp.	\$ -	\$ 54,976.08	\$ -	\$ -	\$ -	\$ 54,976.08	\$ -
Mobile Home	16,458.64	16,858.71	-	-	-	18,302.58	15,014.77
Flex	1,958.89	30,442.15	-	-	-	30,705.85	1,695.19
Dental/Vision	719.95	14,880.99	-	-	-	15,600.94	-
State Game and Fish	20,035.88	71,300.00	-	-	-	49,219.00	42,116.88
Township Debt	(18,063.53)	18,063.53	-	-	-	-	-
County Fair	118.49	49,831.43	-	-	-	49,569.04	380.88
District Court Special	19,263.00	413,944.79	-	-	-	415,046.77	18,161.02
Total Cities, Parks and Townships	378,009.08	2,223,748.43	-	-	-	2,229,329.37	372,428.14
Total Rural Fire Protection District	31,519.59	109,947.24	-	-	-	107,197.38	34,269.45
Total School Districts	816,062.82	3,096,113.27	-	-	-	2,966,061.74	946,114.35
Total Agency Funds	\$ 1,312,268.58	\$ 7,246,513.68	\$ -	\$ -	\$ -	\$ 7,083,125.97	\$ 1,475,656.29
Total Primary Government	\$ 5,333,764.69	\$ 15,912,141.62	\$ 514,617.39	\$ 450,000.00	\$ 514,617.39	\$ 15,577,557.81	\$ 6,118,348.50
<u>Component Units:</u>							
County Water Resource District:							
General	\$ 376,906.96	\$ 57,543.29	\$ 5,356.90	\$ -	\$ -	\$ 72,678.70	\$ 367,128.45
Riverdale Improvement District	41.07	-	-	-	-	-	41.07
Drain #1	5,104.23	11,552.42	-	-	5,356.90	300.00	10,999.75
Oakes Pilot Drain	38,038.82	5,191.13	-	-	-	3,179.64	40,050.31
Total County Water Resource Dist.	\$ 420,091.08	\$ 74,286.84	\$ 5,356.90	\$ -	\$ 5,356.90	\$ 76,158.34	\$ 418,219.58
Job Development Authority	\$ 233,821.64	\$ 117,695.55	\$ -	\$ -	\$ -	\$ 83,212.25	\$ 268,304.94
County Park	54,210.62	41,244.43	-	-	-	38,525.16	56,929.89
Health District	83,393.37	453,942.18	-	-	-	356,441.47	180,894.08
County Fair	38,052.71	83,164.14	-	-	-	64,805.83	56,411.02
Total Component Units	\$ 829,569.42	\$ 770,333.14	\$ 5,356.90	\$ -	\$ 5,356.90	\$ 619,143.05	\$ 980,759.51
Total Reporting Entity	\$ 6,163,334.11	\$ 16,682,474.76	\$ 519,974.29	\$ 450,000.00	\$ 519,974.29	\$ 16,196,700.86	\$ 7,099,108.01

DICKEY COUNTY
Ellendale, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	2014 Expenditures
<u>U.S. DEPARTMENT OF JUSTICE:</u>		
<u>Passed Through State's Attorney General:</u>		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 3,951
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>		
<u>Passed Through State Department of Human Services:</u>		
Promoting Safe and Stable Families	93.556	\$ 2,058
Temporary Assistance for Needy Families	93.558	43,768
Substance Abuse and Mental Health Service-Projects of Regional and National Significance	99.243	20,773
Child Care and Development Block Grant	93.596	5,572
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.645	1,944
Children's Justice Grants to States (Recovery)	93.658	35,330
Adoption Assistance (Recovery)	93.659	565
Stephanie Tubbs Jones Child Welfare Services Program	93.767	219
Foster Care-Title IV-E	93.994	1,043
Total U.S. Department of Health and Human Services		\$ 111,272
<u>U.S. DEPARTMENT OF INTERIOR:</u>		
<u>Passed Through North Dakota Game and Fish:</u>		
Sport Fish Restoration Program	15.605	\$ 7,826
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>		
<u>Passed Through State Department of Emergency Services:</u>		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	\$ 388,901
Homeland Security Grant Program	97.067	23,185
Total U.S. Department of Homeland Security		\$ 412,086
Total Expenditure of Federal Awards		\$ 535,135

** - Major Program

NOTE 1: BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Dickey County under programs of the federal government for the year ended December 31, 2014. The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of Dickey County, it is not intended to and does not present the financial position or changes in net position of Dickey County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribe Governments, wherein certain types of expenditures are allowable or are limited as to reimbursement.

STATE AUDITOR

ROBERT R. PETERSON
Phone (701) 328-2241
Fax (701) 328-1406



Local Government Division:
FARGO OFFICE
MANAGER – DAVID MIX
Phone: (701) 239-7252 Fax: (701) 239-7251

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE - DEPT. 117
BISMARCK, NORTH DAKOTA 58505

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

Board of County Commissioners
Dickey County
Ellendale, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dickey County, Ellendale, North Dakota, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Dickey County's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dickey County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dickey County's internal control. Accordingly, we do not express an opinion on the effectiveness of Dickey County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dickey County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

DICKEY COUNTY

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards - Continued

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Robert R. Peterson
State Auditor

Fargo, North Dakota
December 15, 2015

STATE AUDITOR

ROBERT R. PETERSON
Phone (701) 328-2241
Fax (701) 328-1406



Local Government Division:
FARGO OFFICE
MANAGER – DAVID MIX
Phone: (701) 239-7252 Fax: (701) 239-7251

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE - DEPT. 117
BISMARCK, NORTH DAKOTA 58505

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

Board of County Commissioners
Dickey County
Ellendale, North Dakota

Report on Compliance for Each Major Federal Program

We have audited Dickey County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Dickey County's major federal program for the year ended December 31, 2014. Dickey County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Dickey County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dickey County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Dickey County's compliance.

Opinion on Each Major Federal Program

In our opinion, Dickey County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2014.

DICKEY COUNTY

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 - Continued

Report on Internal Control Over Compliance

Management of Dickey County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dickey County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dickey County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Dickey County as of and for the year ended December 31, 2014, and have issued our report thereon dated December 15, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Robert R. Peterson
State Auditor

Fargo, North Dakota
December 15, 2015

DICKEY COUNTY
 Ellendale, North Dakota
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of Report Issued?	
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Unmodified
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:

Material weaknesses identified?	_____ Yes	_____ <u>X</u> None noted
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None noted
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> None noted

Federal Awards

Internal control over major programs:

Material weakness identified?	_____ Yes	_____ <u>X</u> None noted
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None noted
Type of auditor's report issued on compliance for major programs?	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____ Yes	_____ <u>X</u> None noted

Identification of Major Programs:

CFDA Numbers	Name of Federal Program
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and B programs:

\$300,000

Auditee qualified as low-risk auditee?	_____ Yes	_____ <u>X</u> No
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Section II - Financial Statement Findings

No matters reported.

Section III - Federal Award Findings and Questioned Costs

No matters reported.

STATE AUDITOR

ROBERT R. PETERSON
Phone (701) 328-2241
Fax (701) 328-1406



Local Government Division:
FARGO OFFICE
MANAGER – DAVID MIX
Phone: (701) 239-7252 Fax: (701) 239-7251

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE - DEPT. 117
BISMARCK, NORTH DAKOTA 58505

Board of County Commissioners
Dickey County
Ellendale, North Dakota

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Dickey County, Ellendale, North Dakota, for the year ended December 31, 2014, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 15, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and, OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 15, 2015. Professional standards also require that we communicate to you the following information related to our audit.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, GOVERNMENT AUDITING STANDARDS AND OMB CIRCULAR A-133

As stated in our engagement letter dated October 15, 2015, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the basic financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, or fraud may exist and not be detected by us.

In planning and performing our audit, we considered Dickey County’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance, and for reporting on the schedule of expenditures of federal awards required by OMB Circular A-133.

As part of obtaining reasonable assurance about whether Dickey County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Dickey County’s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the purpose of expressing an opinion on Dickey County’s compliance with those requirements over each major federal program. While our audit provides a reasonable basis for our opinion over compliance for each major federal program, it does not provide a legal determination on Dickey County’s compliance with those requirements.

SIGNIFICANT ACCOUNTING POLICIES/QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Dickey County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2014. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements presented by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is useful lives and method of depreciation of capital assets.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and report them to the appropriate level of management. Management has corrected all such misstatements.

The attached schedule titled "Audit Adjustments" lists material misstatements detected as a result of audit procedures were corrected by management. It also includes a summary of uncorrected misstatements of the financial statements. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and the in the aggregate, to the financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, or reporting matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated December 15, 2015.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the county's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The following presents our informal recommendations:

OVERSPENT FUNDS - COUNTY

It was noted that Dickey County overspent several funds during 2014. Funds overspent during 2014 included the following funds: state funded road projects (\$2,512,458), family focus (\$1,108), horizons (\$293), correctional center (\$16,017), homeland security (\$18,185), extension (\$784), and designated funds (\$3,056).

NDCC 11-23-06 states "No county expenditure may be made or liability incurred, nor may a bill be paid for any purpose, in excess of the appropriation, except as provided in section 11-23-06".

We recommend Dickey County carefully budget and amend applicable fund budgets for any unforeseen expenditures in excess of budgeted amounts to comply with NDCC 11-23-06.

This information is intended solely for the use of the Board of County Commissioners and management of Dickey County, is not intended to be, and should not be used by anyone than these specified parties. We would be happy to meet with you and any member of your staff to discuss any of the items in this letter in more detail if you so desire.

Thank you and the employees of Dickey County for the courteous and friendly assistance we received during the course of our audit. It is a pleasure for us to be able to serve Dickey County.



Robert R. Peterson
State Auditor

Fargo, North Dakota
December 15, 2015

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