BURLEIGH COUNTY
Bismarck, North Dakota

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For the Year Ended December 31, 2010

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BURLEIGH COUNTY
Bismarck, North Dakota

COUNTY OFFICIALS

December 31, 2010

Mark Armstrong	Commissioner - Chairman
Brian Bitner	Commissioner - Vice-Chairman
Jim Peluso	Commissioner
Doug Schonert	Commissioner
Jerry Woodcox	Commissioner
Kevin Glatt	Auditor/Treasurer
Pat Heinert	Sheriff
Debbie Kroshus	Recorder
Richard Riha	State's Attorney

STATE AUDITOR
ROBERT R. PETERSON
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(701) 328-2241
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LOCAL GOVERNMENT DIVISION:
FARGO OFFICE
MANAGER - DAVID MIX
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STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
600 E. BOULEVARD AVENUE - DEPT. 117
BISMARCK, ND 58505

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Burleigh County
Bismarck, North Dakota

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Burleigh County, Bismarck, North Dakota, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Burleigh County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Burleigh County, Bismarck, North Dakota, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2011, on our consideration of Burleigh 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 9 and pages 29 through 32 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Burleigh County's basic financial statements. The accompanying supplementary information, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Burleigh County, Bismarck, North Dakota. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Robert R. Peterson
State Auditor

April 14, 2011

As management of Burleigh County, we offer readers of Burleigh County's financial statements this narrative overview and analysis of the financial activities of Burleigh County for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which can be found on pages 10-28 of this report.

Financial Highlights

- The assets of Burleigh County exceeded its liabilities at the close of the most recent fiscal year by $53,384,588 (*net assets*). Of this amount, $7,810,533 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by $1,390,577 in 2010.
- As of the close of the current fiscal year, Burleigh County's governmental funds reported combined ending fund balances of $26,481,194, an increase of $243,142 in comparison with the prior year. Approximately 92% of this total amount, $24,297,162 is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was $5,276,613 or 58 percent of total general fund expenditures.
- Burleigh County's bond debt decreased by $610,000 (15%) for the year ended December 31, 2010.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Burleigh County's basic financial statements. Burleigh County's basic financial statements comprise three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Burleigh County's finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of Burleigh County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of Burleigh County include general government, public safety, highways, health and welfare, culture and recreation, conservation of natural resources, economic development, capital outlay and other.

The government-wide financial statements include not only Burleigh County itself (known as the *primary government),* but also a legally separate Water Resource District for which the County is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. The Water Resource District, although also legally separate, functions for all practical purposes as a department of Burleigh County, and therefore has been included as a discretely presented component unit.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Burleigh County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Burleigh County can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities.*

Burleigh County maintains seventy-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, highway tax fund and the social service fund, all of which are considered to be major funds. Data from the other seventy-five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Burleigh County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for all major funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

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

The basic fiduciary fund financial statement can be found on page 16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-28 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Burleigh County, assets exceeded liabilities by $53,384,588 at the close of the most recent fiscal year.

By far the largest portion of Burleigh County's net assets totaling $28,044,572 (53 percent) reflects its investment in capital assets (e.g., land, building, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. Burleigh County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Burleigh County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The government's net assets increased by $1,390,577 for the year ended December 31, 2010.

TABLE 1
NET ASSETS
As of December 31, 2010 and 2009

	Governmental Activities	
Assets:	2010	2009
Current Assets	$32,529,541	$32,139,600
Long-Term Assets	3,061,632	3,449,945
Capital Assets (net of accumulated depreciation)	28,044,572	27,137,354
Total Assets	$63,635,745	$62,776,899
Liabilities:		
Current Liabilities	$ 5,744,175	$ 5,645,571
Long-Term Liabilities	4,506,982	5,137,317
Total Liabilities	$10,251,157	$10,782,888
Net Assets:		
Invested in Capital Assets, net of related debt	$28,044,572	$27,137,354
Restricted	17,529,483	18,521,769
Unrestricted	7,810,533	6,334,888
Total Net Assets	$53,384,588	$51,994,011

An additional portion of Burleigh County's net assets (33 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* totaling $7,810,533 (15 percent) may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, Burleigh County is able to report positive balances in all three categories of net assets. The same situation held true for the prior year.

Governmental activities. Governmental activities increased net assets by $1,390,577. Key elements of the increase are as follows:

TABLE II
CHANGES IN NET ASSETS
As of December 31, 2010 and 2009

	Governmental Activities	
	2010	2009
Revenues		
Program Revenues:		
Charges for Services	$ 4,319,624	$ 7,411,059
Operating Grants & Contributions	7,023,290	6,610,196
General Revenues:		
Property Taxes	14,270,625	13,821,549
Non-restricted Grants and Contributions	3,130,611	2,387,040
Interest Earnings	159,898	311,780
Miscellaneous Revenues	362,367	394,086
Total Revenues	$29,266,415	$30,935,710

TABLE II – CONTINUED
CHANGES IN NET ASSETS
As of December 31, 2010 and 2009

	Governmental Activities	
	2010	2009
Expenses		
General Government	$ 5,875,073	$ 5,554,789
Public Safety	6,344,620	6,011,017
Highways and Bridges	7,633,964	4,599,741
Health and Welfare	5,874,576	5,622,235
Culture and Recreation	773,624	1,104,258
Conservation of Natural Resources	496,838	448,093
Economic Development	154,985	159,069
Other	534,324	478,372
Capital Outlay	33,593	495,630
Interest & Service Charges	154,241	172,444
Total Expenses	$27,875,838	$24,645,648
Change in Net Assets	$ 1,390,577	$ 6,290,062
Net Assets – January 1	$51,994,011	$45,687,756
Prior Period Adjustment	-	16,193
Net Assets – January 1, as restated	$51,994,011	$45,703,949
Net Assets – December 31	$53,384,588	$51,994,011

- Charges for services decreased $3,091,435 (42 percent) due to weather related funds received by Road and Bridge from State and Federal sources in 2009.
- Property taxes increased $449,076 (3 percent).
- Non restricted grants and contributions increased by $743,571 (31 percent) due to increased state revenue sharing received and accrued in 2010.
- Highways and bridge expenses increased $3,034,223 (66 percent). This increase was primarily due to unorganized townships and county road repair and maintenance.
- Culture and Recreation expense decreased $330,634 (30 percent) due to reduced enhancements to the Missouri Valley Fair Complex and boat ramp facilities..

Financial Analysis of the Government's Funds

As noted earlier, Burleigh County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, Burleigh County's governmental funds reported combined ending fund balances of $26,481,194 an increase of $243,142 in comparison with the prior year. Approximately 92% of this total amount ($24,297,162) constitutes *unreserved fund balance,* which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service ($765,374) and reserved for inventories ($1,418,658).

The general fund is the chief operating fund of Burleigh County. At the end of the current fiscal year, unreserved fund balance of the general fund was $5,276,613. As a measure of the general fund liquidity, it may be useful to compare the unreserved fund balance to total expenditures. Unreserved fund balance represents 58 percent of the total general fund expenditure.

The Burleigh County general fund balance increased $638,490 during the current fiscal year. The key factors in this change were budgeted appropriations not expended by general government and increased state revenue sharing received and accrued in 2010.

General Fund Budgetary Highlights

During the year, no amendments were made to general fund appropriation or revenues.

During the year, revenues were more than budgetary estimates by $406,326 (4 percent). Expenditures were less than budgetary estimates by $852,986 (9 percent). Other financing sources and uses were less than budgetary estimates by $150,000; therefore ending fund balances exceeded budgetary estimates by $1,409,312.

Additional information on Burleigh County's budget amendments can be found in note 2 on pages 20-21 of this report.

Capital Asset and Debt Administration

Capital assets. Burleigh County's investment in capital assets for its governmental type activities as of December 31, 2010 amounts to $28,044,572 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, land improvements, machinery and equipment. The total increase in Burleigh County's investment in capital assets for the current fiscal year was $907,218 (3.3 percent).

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

- Capital assets additions were $3,314,917 with Road and Bridge accounting for $2,826,700.
- Increase in accumulated depreciation totaled $2,221,342.

TABLE III
CAPITAL ASSETS
December 31, 2010 and 2009

	Governmental Activities	
	2010	2009
Land	$ 1,051,483	$ 940,637
Construction in Progress	1,489,074	-
Infrastructure	11,008,139	11,387,029
Land Improvements	755,437	665,127
Buildings	8,221,106	8,567,699
Machinery and Vehicles	4,768,415	4,737,652
Furniture and Equipment	750,918	839,210
Total Capital Assets (net of accumulated depreciation)	$28,044,572	$27,137,354

Additional information on Burleigh County's capital assets can be found in note 9 on pages 23-24.

Long-Term Debt. At the end of the current fiscal year, Burleigh County had total debt outstanding of $4,506,982. Of this amount, $721,698 is due within one year. Rural special assessment bonds represent $3,440,000 (76 percent) of debt.

TABLE IV
OUTSTANDING GENERAL OBLIGATION DEBT
December 31, 2010

	Balance 1-1-10	Increases	Decreases	Balance 12-31-10	Due Within One Year
Governmental Activities:					
Special Assessments Bonds	$4,050,000	$ -	$610,000	$3,440,000	$615,000
Compensated Absences	1,087,317	-	20,335	1,066,982	106,698
Total Governmental Activities	$5,137,317	$ -	$630,335	$4,506,982	$721,698

TABLE IV
OUTSTANDING GENERAL OBLIGATION DEBT
December 31, 2009

	Balance 1-1-09	Increases	Decreases	Balance 12-31-09	Due Within One Year
Governmental Activities:					
Special Assessment	$ 23,447	$ -	$ 23,447	$ -	$ -
Special Assessments Bonds	4,400,000	215,000	565,000	4,050,000	610,000
Compensated Absences	974,932	112,385	-	1,087,317	108,732
Total Governmental Activities	$5,398,379	$327,385	$588,447	$5,137,317	$718,732

Burleigh County's debt decreased by a net total of $630,335 during the current fiscal year due to normal scheduled debt retirement of $610,000 and a decrease in compensated absences of $20,335.

Additional information on long-term debt can be found in note 11 on pages 24-25 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Burleigh County is currently 4.0 percent (2010 average). This compares favorably to the state's average unemployment rate of 4.5 percent and the national average rate of 9.2 percent.
- The occupancy rate of the government's central business district has remained at 90 percent for the past three years.
- Inflationary trends in the region compare favorably to national indices.
- Continued demand for residential housing both within City of Bismarck and extraterritorial areas.
- Real estate values increased 4.0% in 2010 marking a 5 year trend of at least 4% annual growth.

All of these factors were considered in preparing Burleigh County's budget for the 2011 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Burleigh County's finances for all those with an interest in the government's finance. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Burleigh County Auditor/Treasurer, 221 N 5th St, PO Box 5518, Bismarck, North Dakota 58506.

BURLEIGH COUNTY
Bismarck, North Dakota

STATEMENT OF NET ASSETS
December 31, 2010

	Primary Government	Component Unit
	Governmental Activities	Water Resource Board
ASSETS:		
Cash and Investments	$ 28,987,777	$ 337,863
Accounts Receivable	540,526	-
Intergovernmental Receivable	1,256,122	117,832
Taxes Receivable	320,086	11,754
Special Assessments Receivable	6,372	-
Uncertified Special Assessments Receivable	3,061,632	-
Inventories	1,418,658	-
Capital Assets (net of accumulated depreciation):		
Land	1,051,483	112,482
Construction in Progress	1,489,074	-
Infrastructure	11,008,139	18,570
Land Improvements	755,437	779,594
Buildings	8,221,106	39,176
Machinery and Vehicles	4,768,415	-
Furniture and Equipment	750,918	1,719
Total Capital Assets	$ 28,044,572	$ 951,541
Total Assets	$ 63,635,745	$ 1,418,990
LIABILITIES:		
Accounts Payable	$ 721,238	$ 15,959
Unearned Revenue	5,000,651	187,956
Interest Payable	22,286	-
Long-Term Liabilities:		
Due Within One Year:		
Special Assessment Bonds Payable	615,000	-
Compensated Absences Payable	106,698	-
Due After One Year:		
Special Assessment Bonds Payable	2,825,000	-
Compensated Absences Payable	960,284	-
Total Liabilities	$ 10,251,157	$ 203,915
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	$ 28,044,572	$ 951,541
Restricted for:		
Debt Service	367,256	-
Captial Projects	971,536	-
Emergencies	1,010,095	-
Public Safety	618,876	-
Highways	11,721,962	-
Health and Welfare	1,337,504	-
Culture and Recreation	1,102,673	-
Conservation of Natural Resources	333,035	263,534
Economic Development	15,989	-
Other	50,557	-
Unrestricted	7,810,533	-
Total Net Assets	$ 53,384,588	$ 1,215,075

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

BURLEIGH COUNTY
Bismarck, North Dakota

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit: Water Resource Board
Primary Government:					
Governmental Activities:					
General Government	$ 5,875,073	$ 1,308,542	$ 36,420	$ (4,530,111)	$ -
Public Safety	6,344,620	1,652,728	118,974	(4,572,918)	-
Highways and Bridges	7,633,964	1,299,150	5,182,437	(1,152,377)	-
Health and Welfare	5,874,576	3,185	1,491,035	(4,380,356)	-
Culture and Recreation	773,624	-	177,123	(596,501)	-
Conservation of Natural Resources	496,838	51,429	-	(445,409)	-
Economic Development	154,985	-	-	(154,985)	-
Other	534,324	4,590	17,301	(512,433)	-
Capital Outlay	33,593	-	-	(33,593)	-
Interest & Service Charges	154,241	-	-	(154,241)	-
Total Primary Government	$ 27,875,838	$ 4,319,624	$ 7,023,290	$ (16,532,924)	$ -
Component Unit:					
Water Resource Board	$ 513,962	$ -	$ 269,367	$ -	$ (244,595)
	General Revenues:				
	Taxes:				
	Property taxes; levied for general purposes			$ 6,032,244	$ 537,554
	Property taxes; levied for special purposes			7,847,622	-
	Property taxes; levied for debt service			390,759	-
	Non restricted grants and contributions			3,130,611	50,521
	Earnings on investments			159,898	3,615
	Miscellaneous revenue			362,367	3,585
	Total General Revenues			$ 17,923,501	$ 595,275
	Change in Net Assets			$ 1,390,577	$ 350,680
	Net Assets - January 1			$ 51,994,011	$ 864,395
	Net Assets - December 31			$ 53,384,588	$1,215,075

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

BURLEIGH COUNTY
Bismarck, North Dakota

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2010

	General	County Road and Bridge	Highway Gas Tax	Social Services	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	$ 7,019,983	$ 9,882,152	$ -	$ 2,811,352	$ 9,274,290	$ 28,987,777
Accounts Receivable	65,535	303,502	-	738	170,751	540,526
Taxes Receivable	138,405	1,441	-	93,589	86,651	320,086
Special Assessments Receivable	-	-	-	-	6,372	6,372
Intergovernmental Receivable	506,606	-	618,203	126,689	4,624	1,256,122
Inventories	-	1,418,658	-	-	-	1,418,658
Total Assets	$ 7,730,529	$ 11,605,753	$ 618,203	$ 3,032,368	$ 9,542,688	$ 32,529,541
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 278,448	$ 76,447	$ -	$ 28,567	$ 337,776	$ 721,238
Deferred Revenue	2,175,468	23,195	-	1,512,832	1,615,614	5,327,109
Total Liabilities	$ 2,453,916	$ 99,642	$ -	$ 1,541,399	$ 1,953,390	$ 6,048,347
Fund Balances:						
Reserved for Inventories	$ -	$ 1,418,658	$ -	$ -	$ -	$ 1,418,658
Reserved for Debt Service	-	-	-	-	765,374	765,374
Unreserved, reported in:						
General Fund	5,276,613	-	-	-	-	5,276,613
Special Revenue Fund	-	10,087,453	618,203	1,490,969	964,361	13,160,986
Capital Projects Fund	-	-	-	-	5,859,563	5,859,563
Total Fund Balances	$ 5,276,613	$ 11,506,111	$ 618,203	$ 1,490,969	$ 7,589,298	$ 26,481,194
Total Liabilities and Fund Balances	$ 7,730,529	$ 11,605,753	$ 618,203	$ 3,032,368	$ 9,542,688	$ 32,529,541

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

BURLEIGH COUNTY
Bismarck, North Dakota

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
December 31, 2010

Total *Fund Balances* for Governmental Funds		$ 26,481,194
Total *net assets* reported for government activities in the statement of net assets 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	$ 70,806,181	
Less Accumulated Depreciation	(42,761,609)	
Net Capital Assets		28,044,572
Property taxes and special assessments receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds.		
Taxes Receivable	$ 320,086	
Special Assesments Receivable	6,372	326,458
Uncertified special assessments will be certified and in future years, but are not available to pay for the current period's expenditures and therefore are not reported in the funds.		3,061,632
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 assets. Balances at December 31, 2010 are:		
Special Assesment Bonds Payable	$ (3,440,000)	
Interest Payable	(22,286)	
Compensated Absences	(1,066,982)	
Total Long-Term Liabilities		(4,529,268)
Total Net Assets of Governmental Activities		$ 53,384,588

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

BURLEIGH COUNTY
Bismarck, North Dakota

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	General	County Road and Bridge	Highway Gas Tax	Social Services	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 6,018,774	$ 62,451	$ -	$ 4,046,684	$ 3,705,423	$ 13,833,332
Special Assessments	-	-	-	-	827,740	827,740
Licenses, Permits and Fees	5,715	2,900	-	-	-	8,615
Intergovernmental	2,493,234	19,331	5,168,842	1,865,443	607,051	10,153,901
Charges for Services	1,215,067	1,296,250	-	3,185	1,796,507	4,311,009
Interest Income	36,584	76,152	-	5,236	41,926	159,898
Miscellaneous	52,952	172,178	-	11,164	126,073	362,367
Total Revenues	$ 9,822,326	$ 1,629,262	$ 5,168,842	$ 5,931,712	$ 7,104,720	$ 29,656,862
Expenditures:						
Current:						
General Government	$ 3,739,417	$ -	$ -	$ -	$ 1,956,220	$ 5,695,637
Public Safety	5,255,786	-	-	-	999,680	6,255,466
Highways and Bridges	-	7,463,624	-	-	1,404,494	8,868,118
Health and Welfare	96,633	-	-	4,910,853	885,611	5,893,097
Culture and Recreation	-	-	-	-	720,369	720,369
Conservation of Natural Resources	-	-	-	-	492,666	492,666
Economic Development	-	-	-	-	154,985	154,985
Other	-	-	-	-	535,219	535,219
Capital Outlay	-	-	-	-	33,593	33,593
Debt Service:						
Principal	-	-	-	-	610,000	610,000
Interest & Service Charges	-	-	-	-	154,570	154,570
Total Expenditures	$ 9,091,836	$ 7,463,624	$ -	$ 4,910,853	$ 7,947,407	$ 29,413,720
Excess (Deficiency) of Revenues Over Expenditures	$ 730,490	$ (5,834,362)	$ 5,168,842	$ 1,020,859	$ (842,687)	$ 243,142
Other Financing Sources (Uses):						
Transfers In	$ -	$ 5,112,175	$ -	$ -	$ 1,667,061	$ 6,779,236
Transfers Out	(92,000)	-	(5,112,175)	(600,000)	(975,061)	(6,779,236)
Total Other Financing Sources and Uses	$ (92,000)	$ 5,112,175	$ (5,112,175)	$ (600,000)	$ 692,000	$ -
Net Change in Fund Balances	$ 638,490	$ (722,187)	$ 56,667	$ 420,859	$ (150,687)	$ 243,142
Fund Balance - January 1	$ 4,638,123	$ 12,228,298	$ 561,536	$ 1,070,110	$ 7,739,985	$ 26,238,052
Fund Balance - December 31	$ 5,276,613	$ 11,506,111	$ 618,203	$ 1,490,969	$ 7,589,298	$ 26,481,194

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

BURLEIGH COUNTY
Bismarck, 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, 2010

Net Change in *Fund Balances* - Total Governmental Funds		$ 243,142
The change in net assets 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 outlays exceeded depreciation in the current year.		
Current Year Capital Outlay	$ 3,314,917	
Current Year Depreciation Expense	(2,221,342)	1,093,575
The net result of miscellaneous transactions involving capital assets was a net decrease to capital assets.		(186,357)
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 assets, 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 assets. This is the amount of debt payments.		
Repayment of Debt - Bonds		610,000
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 Decrease in Compensated Absences	$ 20,335	
Net Decrease in Interest Payable	329	20,664
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 taxes and special assessments receivable.		
Increase in Taxes Receivable	$ 46,540	
Increase in Special Assessments Receivable	1,326	
Decrease in Long-Term Uncertified Special Assessments Receivable	(438,313)	(390,447)
Change in Net Assets of Governmental Activities		$ 1,390,577

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

BURLEIGH COUNTY
Bismarck, North Dakota

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2010

	Agency Funds
Assets:	
Cash and Investments	$ 24,828,921
Due from Other Governments	16,943
Total Assets	$ 24,845,864
Liabilities:	
Due to Other Governments	$ 24,845,864

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Burleigh County have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements present the activities of Burleigh 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 are 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 Burleigh 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 Burleigh County.

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

COMPONENT UNIT

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

Discretely Presented Component Unit: The component unit column in the government wide financial statements includes the financial data of the county's one component unit. This unit is reported in a separate column to emphasize that it is legally separate from the county.

Burleigh County Water Resource District: The Burleigh County Water Resource District governing board is appointed by the county's governing body. The county's governing body has the authority to disapprove, amend, or approve the water resource district budget.

Complete financial statements of Burleigh County Water Resource District are included in these financial statements. Additional information may be obtained from the Burleigh County Director of Finance; 221 North 5th Street; Bismarck, ND 58501.

B. Government-wide and fund financial statements

Government-wide statements: The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 segment. 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 and blended component unit. 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 items 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.

County Road and Bridge Fund. This is the County's primary road maintenance fund. It accounts for all financial resources related to highway maintenance, except those required to be accounted for in another fund.

Highway Gas Tax Fund. This is the County's clearing account for State Highway Tax revenue. It accounts for State Highway Tax distribution. These funds are transferred to the Road and Bridge Fund.

Social Services Fund. This is the County's primary health and welfare fund. It accounts for all financial resources related health and welfare, except those required to be accounted for in another fund.

Additionally, the County reports the following fund type:

Agency Funds. These funds account for assets held 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.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and special assessments

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 and Investments

Cash include amounts in demand deposits and money market accounts.

The investments consist of certificates of deposit and an investment in an investment pool stated at cost.

E. Inventories

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

F. Capital Assets

Capital assets include plant and equipment. Assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 or more. Such assets are recorded at 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:

Infrastructure	40 – 50 years
Land Improvements	15 – 40 years
Buildings	40 years
Building Improvements	15 – 20 years
Office Equipment & Furn.	3 – 10 years
Vehicles	3 – 10 years
Machinery & Equipment	3 – 15 years

G. Compensated Absences

Vested or accumulated vacation leave is reported in the government-wide statement of net assets. Compensation for unused vacation leave will be granted to all full-time employees upon termination of employment with the county. The employees may carry forward unused leave not to exceed 240 hours.

Compensation for unused sick leave will be granted to all full time employees upon termination of employment of 5 or more years. Employees may carry forward unlimited unused sick leave. The severance payment will be based on 25% of accumulated sick leave for employees hired prior to January 1, 1991 and 10% of accumulated sick leave for those hired on or after January 1, 1991.

H. 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 assets. 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.

I. Fund Equity

Reserves or restrictions represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

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 amended the county revenues budget for 2010 as follows:

	REVENUES		
	Original Budget	**Amendment**	**Amended Budget**
Highway Tax Distribution	$5,032,000	$81,000	$5,113,000

	EXPENDITURES / TRANSFERS OUT		
	Original Budget	Amendment	Amended Budget
Riverview Unorganized Township	$183,000	$527,000	$710,000
Burnt Creek Unorganized Township	25,000	115,000	140,000
Lincoln Unorganized Township	499,000	147,000	646,000
Highway Tax Distribution (Transfers)	5,032,000	81,000	5,113,000
Cellular Phone Tax	614,600	82,000	696,600
Veteran's Service	205,483	1,517	207,000
Special Assessments	22,000	17,000	39,000
East Ridge First - SAD	-	500	500
Prairie Place - SAD	-	7,000	7,000
Prairie Pines Paving - SAD	-	1,000	1,000
Brookfield Drainage - SAD	-	7,600	7,600

NOTE 3: DEPOSITS AND INVESTMENTS

In accordance with North Dakota Statutes, the 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 institutions 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, 2010, the County's carrying amount of deposits was $45,721,976 and the bank balances totaled $46,329,620. Of the bank balances, $1,250,000 was covered by Federal Depository Insurance. Of the remaining bank balances, $32,961,545 was collateralized with securities held by the pledging financial institution's agent in the government's name. Additionally, bank balances totaling $322,996 are not collateralized since the funds are held at the Bank of North Dakota, which does not carry FDIC insurance and is not required to provide security pledges. Additionally, bank balances totaling $4,566,321 held at BNC didn't require pledges as this institution distributes the deposits into multiple banks so that $250,000 is covered at each location.

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.

As of December 31, 2010, the County held certificates of deposit in the amount of $16,658,000, which are all considered deposits.

The investments of the County pooled funds are an investment in the MBBM investment pool. The MBBM investment pool was undertaken through a joint powers agreement with the City of Bismarck, City of Mandan, Morton County, Burleigh County, Bismarck Park District, Mandan Park District, and Mandan Public School District. The pool invests in securities authorized by State Statutes. At December 31, 2010, the County's portion of MBBM had a fair market value of $7,228,759; the pool portfolio had an average credit quality rating of Aaa and average days to maturity of 51 days.

Concentration of Credit Risk:

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

NOTE 4: TAXES RECEIVABLE AND SPECIAL ASSESSMENT RECEIVABLE

The taxes and special assessment receivables represent the past four years of delinquent uncollected taxes and special assessments. No allowance has been established for uncollectible taxes and special assessment receivables.

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 each month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments and 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 and special assessments in a single payment on or before February 15 and receive the 5% discount on the property taxes.

NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivable consists of money due the county at December 31, 2010. No allowance has been established for estimated uncollectible accounts receivable.

NOTE 6: UNCERTIFIED SPECIAL ASSESSMENTS RECEIVABLE

Uncertified special assessments receivable represents a long-term receivable in the government-wide financial statements showing the amount of uncertified special assessments.

NOTE 7: INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivables consist of reimbursements due for expenses in the operation of various programs. These amounts consist of a mix of State and Federal dollars.

NOTE 8: INVENTORY

Inventories consist of road materials and culverts of the County Road and Bridge Fund. Reported inventories are equally offset by a fund balance reserve which indicates they do not constitute "available spendable resources" even though they are a component of net current assets.

NOTE 9: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2010:

Primary Government

Governmental Activities:	Balance 1-1-10	Increases	Decreases	Balance 12-31-10
Capital assets not being depreciated:				
Land	$ 940,637	$ 110,846	$ -	$ 1,051,483
Construction in Progress	-	1,489,074	-	1,489,074
Total Capital Assets Not Being Depreciated, Net	$ 940,637	$1,599,920	$ -	$ 2,540,557
Capital assets being depreciated:				
Infrastructure	$39,779,995	$ 578,875	$ -	$40,358,870
Land Improvements	1,090,462	159,651	35,877	1,214,236
Buildings	15,396,592	90,932	-	15,487,524
Machinery and Vehicles	7,981,961	775,243	516,596	8,240,608
Furniture and Equipment	2,872,089	110,295	17,999	2,964,385
Total Capital Assets, Being Depreciated	$67,121,099	$1,714,996	$570,472	$68,265,623
Less Accumulated Depreciation for:				
Infrastructure	$28,392,966	$ 957,765	$ -	$29,350,731
Land Improvements	425,335	60,820	27,356	458,799
Buildings	6,828,893	437,525	-	7,266,418
Machinery and Vehicles	3,244,310	567,644	339,761	3,472,193
Furniture and Equipment	2,032,879	197,587	16,999	2,213,467
Total Accumulated Depreciation	$40,924,383	$2,221,341	$384,116	$42,761,608
Total Capital Assets Being Depreciated, Net	$26,196,716	$ (506,345)	$186,356	$25,504,015
Governmental Activities Capital Assets, Net	$27,137,353	$1,093,575	$186,356	$28,044,572

Depreciation expense was charged to functions/programs of the county as follows:

Governmental Activities:	Amounts
General Government	$ 340,714
Public Safety	369,502
Highways and Bridges	1,451,016
Health and Welfare	3,283
Conservation of Natural Resources	3,471
Culture and Recreation	53,255
Total Depreciation Expense - Governmental Activities	$2,221,341

Component Unit – Water Resource District:

	Balance 1-1-10	Increases	Decreases	Balance 12-31-10
Capital assets not being depreciated:				
Land	$ 112,482	$ -	$ -	$ 112,482
Capital assets being depreciated:				
Infrastructure	$ 92,848	$ -	$ -	$ 92,848
Land Improvements	1,056,961	162,816	-	1,219,777
Buildings	160,536	-	-	160,536
Furniture and Equipment	72,030	-	-	72,030
Total Capital Assets, Being Depreciated	$1,382,375	$162,816	$ -	$1,545,190
Less Accumulated Depreciation for:				
Infrastructure	$ 71,957	$ 2,321	$ -	$ 74,278
Land Improvements	397,458	42,724	-	440,183
Buildings	117,496	3,865	-	121,359
Furniture and Equipment	67,958	2,353	-	70,311
Total Accumulated Depreciation	$ 654,869	$ 51,263	$ -	$ 706,131
Total Capital Assets Being Depreciated, Net	$ 727,506	$111,553	$ -	$ 839,059
Governmental Activities Capital Assets, Net	$ 839,988	$111,553	$ -	$ 951,541

NOTE 10: ACCOUNTS PAYABLE

Accounts payable consists of amounts on open account for goods and services received prior to December 31, 2010 and chargeable to the appropriations for the year then ended, but paid for subsequent to that date.

NOTE 11: LONG-TERM DEBT

Changes in Long-Term Liabilities - During the year ended December 31, 2010, the following changes occurred in liabilities reported in long-term liabilities:

Governmental Activities:	Balance 1-1-10	Increases	Decreases	Balance 12-31-10	Due Within One Year
Special Assessment Bonds	$4,050,000	$ -	$(610,000)	$3,440,000	$615,000
Compensated Absences *	1,087,317	-	(20,335)	1,066,982	106,698
Total Governmental Activities	$5,137,317	$ -	$(630,335)	$4,506,982	$721,698

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

Outstanding debt at December 31, 2010 consists of the following issues:

Special Assessment Bonds:

$230,000 Refunding Improvement Bonds of 1999; due in annual installments of $15,000 to $20,000 through May 2011; interest at 5.4%.	$ 15,000
$840,000 Refunding Improvement Bonds of 2001, Series A; due in annual installments of $80,000 through May 2012; interest at 4.6%.	160,000
$575,000 Refunding Improvement Bonds of 2001, Series B; due in annual installments of $50,000 to $55,000 through May 2012; interest at 4.7% to 4.8%.	100,000
$430,000 Refunding Improvement Bonds of 2001, Series C; due in annual installments of $30,000 to $40,000 through May 2013; interest at 4.4%.	110,000
$645,000 Refunding Improvement Bonds of 2003; due in annual installments of $60,000 through May 2014; interest at 3.75% to 4.2%.	240,000
$1,015,000 Refunding Improvement Bonds of 2005; due in annual installments of $90,000 to $95,000 through April 2016; interest at 3.05% to 3.65%.	540,000
$1,490,000 Refunding Improvement Bonds of 2006 A; due in annual installments of $140,000 through May 2017; interest at 3.75% to 4.15%.	980,000
$755,000 Refunding Improvement Bonds of 2006 B; due in annual installments of $65,000 to $70,000 through May 2018; interest at 3.8% to 4.00%.	545,000
$215,000 Refunding Improvement Bonds of 2010; due in annual installments of $15,000 to $20,000 through May 2021; interest at 2.4% to 3.4%.	215,000

Special Assessment Bonds: (Continued)

$590,000 Refunding Improvement Bonds of 2008 due in annual installments of $50,000 to $55,000 through May 2020; interest at 2.7% to 4.75%	$ 535,000
Total Special Assessment Bonds	$3,440,000

Debt service requirements on long-term debt at December 31, 2010 are as follows:

GOVERNMENTAL ACTIVITIES		
Year Ending December 31	Special Assessment Bonds	
	Principal	Interest
2011	$ 615,000	$120,438
2012	605,000	97,057
2013	465,000	76,731
2014	435,000	59,951
2015	375,000	44,739
2016 - 2020	925,000	65,243
2021	20,000	340
TOTALS	$3,440,000	$464,499

NOTE 12: DEFERRED/UNEARNED REVENUES

Deferred revenues on the fund financial statements consist of amounts 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, such amounts are measurable but not available.

Unearned revenues on the government wide financial statements consist of prepaid property taxes.

NOTE 13: RELATED ORGANIZATION

The County is also responsible for levying a property tax for the Senior Citizens but the county's accountability for this entity does not extend beyond levying the tax. In 2010, the county remitted $358,217 to the Senior Citizens.

NOTE 14: RISK MANAGEMENT

Burleigh 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 (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. Burleigh County pays an annual premium to NDIRF for its general liability, automobile, and public assets insurance coverage. The coverage by NDIRF is limited to losses of two million dollars per occurrence for general liability and automobile and $3,398,464 for public assets (mobile equipment and portable property).

Burleigh County also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The County pays an annual premium to the Fire and Tornado Fund to cover property damage to 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 the County with blanket fidelity bond coverage in the amount of $2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

Burleigh County has workers compensation with the North Dakota Workforce Safety and Insurance and purchases commercial insurance for employee health and accident insurance.

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

NOTE 15: CONDUIT DEBT OBLIGATIONS

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

Since 1995 there were 41 series of Municipal Industrial Development Bonds issued, with an aggregate principal amount payable of $192,875,003. The amount outstanding at 12-31-10 is not known.

As of December 31, 2010, there was one community development block grant loan outstanding, with an aggregate principal amount payable of $11,602 (Bismarck Canvas).

NOTE 16: LEASE PAYMENTS RECEIVABLE

Operating Leases - The County has five leases of building and tower space with other entities. These leases are considered for accounting purposes to be operating leases. Lease revenues were $304,830 for 2010. The leases expire at various times through October 31, 2021. Future minimum lease revenue is as follows:

Year Ended December 31	Amount
2011	$305,942
2012	94,408
2013	45,382
2014	31,740
2015	31,740
2016 – 2020	177,744
2021 - 2021	36,501
TOTAL	$723,457

NOTE 17: PENSION PLAN

North Dakota Public Employee's Retirement System

Burleigh 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.

During January 1, 2010 through June 30, 2010, plan members were required to contribute 4% of their annual covered salary. The county was required to contribute 5.12% of the employee's salary, which consists of 4.12% for employee retirement and 1% for the retiree health benefits fund. Beginning July 1, 2010, plan members are required to contribute 4% of their annual covered salary. The county is required to contribute 5.26% of the employee's salary, which consists of 4.12% 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, 2010, 2009, and 2008 were $540,554, $528,651, and $486,974, respectively, equal to the required contributions for the year.

NOTE 18: TRANSFERS

The following is reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2010:

Funds	Transfers In	Transfers Out
General Fund	$ -	$ 92,000
County Road and Bridge	5,112,175	-
Highway Gas Tax	-	5,112,175
Social Services	-	600,000
Riverview Unorganized	120,000	-
Special Road and Bridge	110,920	670,000
Lincoln Unorganized	550,000	100,000
County Poor	650,000	-
Victim Witness Advocate Program	40,000	-
Phoenix Unorganized	-	1,474
Lyman Unorganized	-	1,691
Fort Rice Unorganized	-	7,755
Communications Center	127,316	-
Cellular Phone Tax	-	127,316
County Park	66,826	-
City Recreation Area	-	66,826
Abandoned Cemetery	2,000	-
Total Transfers	$6,779,237	$6,779,237

NOTE 19: DEFICIT BALANCES

The following funds were in a deficit position at December 31, 2010:

Governmental Funds	Balance
Riverview Unorganized Township	$(516,686)
Burnt Creek Unorganized Township	(72,848)
Special Assessments	(11,747)
Prairiewood Estates 2nd	(7,545)
4 K's Chip Seal	(7,543)
149th Avenue Landfill	(46,700)
East Ridge 1st	(22,250)
Prairewoods Paving	(612)

The County anticipates alleviating negative fund balances from annual revenues, transfers and possible debt issuance for capital projects.

NOTE 20: JOINT VENTURE

Under authorization of state statutes Burleigh County Water Resource District joined the water resource districts of Morton County, Oliver County, Mercer County, Dunn County, Emmons County, Mountrail County and Sioux County to establish and operate a joint exercise of powers agreement for water management districts located along the Missouri River. The joint agreement created Missouri River Joint Water Board. The agreement was established for the mutual advantage of the governments. One member of the directors for the joint venture is appointed by each government. The operating and capital expenses are funded by contributions from each government. Each participating district's share of the cost of operations is determined by the number of river miles in each district.

Unaudited summary financial information for the year ended December 31, 2008, the most current information available, is as follows:

Cash and Investments	$ 20,279
Total Revenues	$ 27,204
Total Expenses	(27,167)
Net Decrease in Equity	$ 37

Complete financial information can be obtained from Missouri River Joint Water Board, P.O. Box 488, Hazen, ND 58545.

NOTE 21: CONSTRUCTION COMMITMENTS

Burleigh County had several open construction commitments as of December 31, 2010 as follows:

Project	Contract Amount	Total Completed	Retainage	Remaining Balance
Tavis Road Causeway - Double Culvert	$ 941,303	$ 750,940	$15,325	$205,688
Road Re-grade/Overlay - 158th St.	821,788	354,414	18,653	486,027
149th St. NW Culvert Improvement	839,756	764,245	15,597	91,108
Total	$2,602,847	$1,869,599	$49,575	$782,823

BURLEIGH COUNTY
Bismarck, North Dakota

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 6,050,000	$ 6,050,000	$ 6,018,774	$ (31,226)
Licenses, Permits and Fees	7,000	7,000	5,715	(1,285)
Intergovernmental	2,077,000	2,077,000	2,493,234	416,234
Charges for Services	1,060,000	1,060,000	1,215,067	155,067
Interest Income	200,000	200,000	36,584	(163,416)
Miscellaneous	22,000	22,000	52,952	30,952
Total Revenues	$ 9,416,000	$ 9,416,000	$ 9,822,326	$ 406,326
Expenditures:				
Current:				
General Government	$ 4,020,039	$ 4,020,039	$ 3,739,417	$ 280,622
Public Safety	5,819,543	5,819,543	5,255,786	563,757
Health and Welfare	105,240	105,240	96,633	8,607
Total Expenditures	$ 9,944,822	$ 9,944,822	$ 9,091,836	$ 852,986
Excess (Deficiency) of Revenues Over Expenditures	$ (528,822)	$ (528,822)	$ 730,490	$ 1,259,312
Other Financing Sources (Uses):				
Transfers Out	$ (242,000)	$ (242,000)	$ (92,000)	$ 150,000
Net Change in Fund Balances	$ (770,822)	$ (770,822)	$ 638,490	$ 1,409,312
Fund Balance - January 1	$ 4,638,123	$ 4,638,123	$ 4,638,123	$ -
Fund Balance - December 31	$ 3,867,301	$ 3,867,301	$ 5,276,613	$ 1,409,312

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

BURLEIGH COUNTY
Bismarck, North Dakota

BUDGETARY COMPARISON SCHEDULE
COUNTY ROAD AND BRIDGE FUND
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 62,700	$ 62,700	$ 62,451	$ (249)
Licenses, Permits and Fees	1,500	1,500	2,900	1,400
Intergovernmental	8,900	8,900	19,331	10,431
Charges for Services	452,600	452,600	1,296,250	843,650
Interest Income	90,000	90,000	76,152	(13,848)
Miscellaneous	150,500	150,500	172,178	21,678
Total Revenues	$ 766,200	$ 766,200	$ 1,629,262	$ 863,062
Expenditures:				
Current:				
Highways	$ 15,172,783	$ 15,172,783	$ 7,463,624	$ 7,709,159
Excess (Deficiency) of Revenues Over Expenditures	$(14,406,583)	$(14,406,583)	$ (5,834,362)	$ 8,572,221
Other Financing Sources (Uses):				
Transfers In	$ 5,032,000	$ 5,032,000	$ 5,112,175	$ 80,175
Net Change in Fund Balances	$ (9,374,583)	$ (9,374,583)	$ (722,187)	$ 8,652,396
Fund Balance - January 1	$ 12,228,298	$ 12,228,298	$ 12,228,298	$ -
Fund Balance - December 31	$ 2,853,715	$ 2,853,715	$ 11,506,111	$ 8,652,396

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

BURLEIGH COUNTY
Bismarck, North Dakota

BUDGETARY COMPARISON SCHEDULE
HIGHWAY GAS TAX FUND
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	$ 5,032,000	$ 5,113,000	$ 5,168,842	$ 55,842
Expenditures:	$ -	$ -	$ -	$ -
Excess (Deficiency) of Revenues Over Expenditures	$ 5,032,000	$ 5,113,000	$ 5,168,842	$ 55,842
Other Financing Sources (Uses):				
Transfers Out	$ (5,032,000)	$ (5,113,000)	$ (5,112,175)	$ 825
Net Change in Fund Balances	$ -	$ -	$ 56,667	$ 56,667
Fund Balance - January 1	$ 561,536	$ 561,536	$ 561,536	$ -
Fund Balance - December 31	$ 561,536	$ 561,536	$ 618,203	$ 56,667

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

BURLEIGH COUNTY
Bismarck, North Dakota

BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES FUND
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 4,064,500	$ 4,064,500	$ 4,046,684	$ (17,816)
Intergovernmental	1,827,740	1,827,740	1,865,443	37,703
Charges for Services	3,960	3,960	3,185	(775)
Interest Income	6,200	6,200	5,236	(964)
Miscellaneous	6,600	6,600	11,164	4,564
Total Revenues	$ 5,909,000	$ 5,909,000	$ 5,931,712	$ 22,712
Expenditures:				
Current:				
Health and Welfare	$ 5,075,363	$ 5,075,363	$ 4,910,853	$ 164,510
Excess (Deficiency) of Revenues Over Expenditures	$ 833,637	$ 833,637	$ 1,020,859	$ 187,222
Other Financing Sources (Uses):				
Transfers Out	$ (600,000)	$ (600,000)	$ (600,000)	$ -
Net Change in Fund Balances	$ 233,637	$ 233,637	$ 420,859	$ 187,222
Fund Balance - January 1	$ 1,070,110	$ 1,070,110	$ 1,070,110	$ -
Fund Balance - December 31	$ 1,303,747	$ 1,303,747	$ 1,490,969	$ 187,222

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

BURLEIGH COUNTY
Bismarck, North Dakota

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information:

- The county commission adopts an "appropriated budget" on the modified accrual basis of accounting.
- 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.

BURLEIGH COUNTY
Bismarck, North Dakota

SCHEDULE OF FUND ACTIVITY
For the Year Ended December 31, 2010

	Balance 1-1-10	Revenues	Transfers In	Transfers Out	Expenditures	Balance 12-31-10
Major Funds:						
General Fund	$ 4,638,123	$ 9,822,326	$ -	$ 92,000	$ 9,091,836	$ 5,276,613
County Road & Bridge	12,228,295	1,629,262	5,112,175	-	7,463,624	11,506,108
Highway Gas Tax	561,535	5,168,842	-	5,112,175	-	618,202
Social Services	1,070,112	5,931,712	-	600,000	4,910,853	1,490,971
Total Major Funds	$ 18,498,065	$ 22,552,142	$ 5,112,175	$ 5,804,175	$ 21,466,313	$ 18,891,894
Nonmajor Funds:						
Special Revenue Funds:						
Phoenix Unorganized Township	$ 6,548	$ 5,144	$ -	$ 1,474	$ 2,434	$ 7,784
Lyman Unorganized Township	8,396	5,827	-	1,691	2,872	9,660
Riverview Unorganized Township	21,997	50,419	120,000	-	709,102	(516,686)
Burnt Creek Unorganized Township	(40,822)	107,264	-	-	139,290	(72,848)
Lincoln Unorganized Township	6,943	196,644	550,000	100,000	545,566	108,021
Fort Rice Unorganized Township	30,737	27,230	-	7,755	5,229	44,983
Special Road and Bridge	716,078	-	110,920	670,000	-	156,998
County Poor	150,492	-	650,000	-	679,453	121,039
Job Development Authority	1,168	98,794	-	-	99,960	2
County Library	-	234,200	-	-	234,199	1
Insurance	16,836	193,173	-	-	152,677	57,332
Senior Citizens	67,297	436,378	-	-	358,217	145,458
Communications Center	738,337	460,780	127,316	-	406,774	919,659
Victim/Witness Advocate Program	13,269	94,277	40,000	-	136,437	11,109
Emergency Fund	1,001,775	8,321	-	-	-	1,010,096
Cellular Phone Tax	-	695,294	-	127,316	567,978	-
Provident Building	1,175,834	565,990	-	-	476,410	1,265,414
Veterans Service Officer	71,207	186,240	-	-	206,158	51,289
Social Security	211,955	1,091,659	-	-	641,643	661,971
Comprehensive Health	241,171	686,610	-	-	678,235	249,546
County Advertising	13,185	54,560	-	-	55,025	12,720
County Agent	81,669	294,872	-	-	259,505	117,036
Weed Control	209,711	231,887	-	-	233,161	208,437
County Park	324,566	80,112	66,826	-	79,123	392,381
County Fair	805,504	8,810	-	-	268,255	546,059
County Preservation	44,945	36,818	-	-	3,182	78,581
Sheriff's Drug Asset Foreit	21,924	8,062	-	-	8,503	21,483
State's Attorney Asset Foreit	175,498	16,009	-	-	4,074	187,433
Hazardous Chemical Preparedness	5,965	1,288	-	-	18	7,235
City Recreation Area	(1)	205,617	-	66,826	138,792	(2)
Sobriety 24/7 Program	10,747	27,295	-	-	16,407	21,635
County Parking	30,219	4,590	-	-	136	34,673
Abandoned Cemetery	1,785	-	2,000	-	2,720	1,065
Total Special Revenue Funds	$ 6,164,935	$ 6,114,164	$ 1,667,062	$ 975,062	$ 7,111,535	$ 5,859,564
Debt Service Funds:						
Special Assessment	$ 5,082	$ 21,888	$ -	$ -	$ 38,717	$ (11,747)
Rural Spl. Assess. Dist. Falconer Estates Paving	6,906	8,026	-	-	9,004	5,928
Rural Spl. Assess. Dist. Falconer Estate II	4,735	8,364	-	-	7,984	5,115
Rural Spl. Assess. Dist. Falconer Estate III	5,434	3,896	-	-	4,816	4,514
Rural Spl. Assess. Dist. Grand Prairie Paving II	86,735	60,064	-	-	74,065	72,734
Rural Spl. Assess. Dist. Hoge Island	69,078	45,489	-	-	46,901	67,666

CONTINUED ON NEXT PAGE...

BURLEIGH COUNTY
Bismarck, North Dakota

SCHEDULE OF FUND ACTIVITY
For the Year Ended December 31, 2010

	Balance 1-1-10	Revenues	Transfers In	Transfers Out	Expenditures	Balance 12-31-10
Debt Service Funds - Continued:						
Rural Spl. Assess. Dist. Briardale #15	$ 10,923	$ 8,838	$ -	$ -	$ 11,145	$ 8,616
Rural Spl. Assess. Dist. Riverside I & II	22,164	14,169	-	-	14,811	21,522
Rural Spl. Assess. Dist. Ponderosa #3	5,946	4,416	-	-	5,121	5,241
Rural Spl. Assess. Dist. Apple Valley Paving	17,995	7,048	-	-	7,915	17,128
Rural Spl. Assess. Dist. Sunnyview #22	34,231	27,880	-	-	33,522	28,589
Rural Spl. Assess. Dist. Lindteigen's #23	15,964	11,294	-	-	11,484	15,774
Rural Spl. Assess. Dist. Northwood Estates	30,149	17,905	-	-	20,816	27,238
Rural Spl. Assess. Dist. Prairie View	19,852	10,872	-	-	12,920	17,804
Rural Spl. Assess. Dist. Circle K	42,893	23,088	-	-	26,558	39,423
Rural Spl. Assess. Dist. North Star Acres	19,854	6,499	-	-	5,770	20,583
Rural Spl. Assess. Dist. Prairiewood Est.	20,767	25,904	-	-	21,926	24,745
Rural Spl. Assess. Dist. Ashwood Est. I-III	33,124	43,684	-	-	36,929	39,879
Rural Spl. Assess. Dist. Foxhaven II & IV	10,053	20,614	-	-	13,848	16,819
Rural Spl. Assess. Dist. Rolling Meadows	30,262	23,281	-	-	26,543	27,000
Rural Spl. Assess. Dist. Ashwood Est. IV	12,078	9,642	-	-	10,386	11,334
Rural Spl. Assess. Dist. Broofield Estates	37,273	27,603	-	-	31,032	33,844
Rural Spl. Assess. Dist. Westwood/Briese	14,010	13,076	-	-	12,778	14,308
Rural Spl. Assess. Dist. Shamrock Acres 2005	52,400	43,248	-	-	40,159	55,489
Rural Spl. Assess. Dist. Harvest Grove 1st	28,364	33,577	-	-	27,381	34,560
Rural Spl. Assess. Dist. Falconer 2005	11,048	18,168	-	-	12,778	16,438
Rural Spl. Assess. Dist. Brentwood Estates	48,124	29,818	-	-	32,857	45,085
Rural Spl. Assess. Dist. High Top Acres	30,389	25,164	-	-	25,556	29,997
Rural Spl. Assess. Dist. Green Acres	98,803	77,109	-	-	59,943	115,969
Rural Spl. Assess. Dist. Three Bears	15,354	3,391	-	-	4,683	14,062
Rural Spl. Assess. Dist. Spruce Hill/Creek	6,160	58,436	-	-	29,035	35,561
149th Avenue Northwest	(68,204)	28,430	-	-	-	(39,774)
Rural Spl. Assess. Dist. Prairiewood Estates II	15,171	48,760	-	-	71,476	(7,545)
4 K's Chip Seal Project	(16,899)	9,356	-	-	-	(7,543)
Rural Spl. Assess. Dist. Crescent Ridge	2,864	9,921	-	-	7,069	5,716
149th Avenue Landfill	(55,000)	8,300	-	-	-	(46,700)
Total Debt Service Funds	$ 724,082	$ 837,218	$ -	$ -	$ 795,928	$ 765,372
Capital Projects Funds:						
County Jail Maintenance and Construction	$ 833,436	$ 140,928	$ -	$ -	$ 24,762	$ 949,602
East Ridge 1st	(21,992)	-	-	-	258	(22,250)
Prairie Place	41,647	-	-	-	6,782	34,865
Praire Pines Paving	-	-	-	-	612	(612)
Brookfield Drain	(2,125)	12,409	-	-	7,527	2,757
Total Capital Projects Funds	$ 850,966	$ 153,337	$ -	$ -	$ 39,941	$ 964,362
Total Nonmajor Funds	$ 7,739,983	$ 7,104,719	$ 1,667,062	$ 975,062	$ 7,947,404	$ 7,589,298
Total Reporting Entity	$ 26,238,048	$ 29,656,861	$ 6,779,237	$ 6,779,237	$ 29,413,717	$ 26,481,192

BURLEIGH COUNTY
Bismarck, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION:		
Passed through State Department of Transportation:		
State and Community Highway Safety	20.600	$ 5,674
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	9,028
Total U.S. Department of Transportation		$ 14,702
U.S. ENVIRONMENTAL PROTECTION AGENCY:		
Passed through State Department of Health:		
Nonpoint Source Implementation Grants	66.460	$ 5,933
Water Quality Management Planning - Recovery	ARRA 66.454	7,965
Total U.S. Environmental Protection Agency		$ 13,898
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:		
Passed through State Department of Human Services:		
Foster Care-Title IV-E - Recovery	93.658	$ 265,627
Adoption Assistance - Recovery	93.659	628
Children's Health Insurance Program	93.767	7,257
Medical Assistance Program	93.778	55,916
Child Welfare Services - State Grants	93.645	128,636
Maternal and Child Health Services Block Grant to the States	93.994	5,926
Child Abuse and Neglect State Grants	93.669	3,455
Promoting Safe and Stable Families	93.556	29,432
Temporary Assistance for Needy Families	93.558	580,311
Child Support Enforcement	93.563	32,404
Low-Income Home Energy Assistance	93.568	219
Child Care Mandatory and Matching Funds of the Child Care & Development Fund	93.596	36,320
Total State Department of Human Services		$ 1,146,131
U.S. DEPARTMENT OF AGRICULTURE:		
Passed through State Department of Human Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Recovery	ARRA 10.561	$ 1,050
Total Department of Health and Human Services		$ 1,147,181
U.S. DEPARTMENT OF JUSTICE:		
Passed through the North Dakota Association of Counties:		
Juvenile Justice and Delinquency Prevention-Allocation to States	16.540	$ 3,474
Passed through the State Attorney General's Office:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6,500
Recovery Act - Edward Byrne Memoial Justice Assistance Grant (JAG) Program/ Grants to States and Territories (ARRA)	ARRA 16.803	30,446
Total U.S. Department of Justice		$ 40,420

Continued on next page....

BURLEIGH COUNTY
Bismarck, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
Continued....		
U.S. DEPARTMENT OF HOMELAND SECURITY:		
Passed through the State Division of Homeland Security:		
Emergency Management Performance Grants	97.042	$ 61,686
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	16,810
Homeland Security Grant Program	97.067	392,800
Total Division of Homeland Security		$ 471,296
Passed through North Dakota Game and Fish Department:		
Boating Safety Financial Assistance	97.012	$ 6,004
Total U.S. Department of Homeland Security		$ 477,300
U.S. DEPARTMENT OF INTERIOR:		
Passed through North Dakota Game and Fish Department:		
Safety of Dams on Indian Lands	15.065	$ 14,372
Total Expenditures of Federal Awards		$ 1,707,873

NOTES: BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards represents amounts expended from Federal Programs during the year ended December 31, 2010 as determined based on the modified accrual basis of accounting. The amounts reported on the schedule have been reconciled to and are in material agreement with amounts recorded in the accounting records from which the financial statements have been reported.

STATE AUDITOR
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LOCAL GOVERNMENT DIVISION:
FARGO OFFICE
MANAGER - DAVID MIX
(701) 239-7252
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STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
600 E. BOULEVARD AVENUE - DEPT. 117
BISMARCK, ND 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*

Board of County Commissioners
Burleigh County
Bismarck, North Dakota

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Burleigh County as of and for the year ended December 31, 2010, which collectively comprise Burleigh County's basic financial statements and have issued our report thereon dated April 14, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Burleigh County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Burleigh County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Burleigh County's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Burleigh 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 are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the county, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert R. Peterson
State Auditor

April 14, 2011

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LOCAL GOVERNMENT DIVISION:
FARGO OFFICE
MANAGER - DAVID MIX
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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

Independent Auditor's Report

Board of County Commissioners
Burleigh County
Bismarck, North Dakota

Compliance

We have audited Burleigh 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 each of Burleigh County's major federal programs for the year ended December 31, 2010. Burleigh County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Burleigh County's management. Our responsibility is to express an opinion on Burleigh County's compliance based on our audit.

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. 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 Burleigh 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. Our audit does not provide a legal determination of Burleigh County's compliance with those requirements.

In our opinion, Burleigh County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

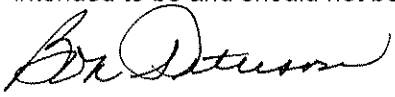
Internal Control Over Compliance

Management of Burleigh County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Burleigh County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Burleigh 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the County, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Robert R. Peterson
State Auditor

April 14, 2011

BURLEIGH COUNTY
Bismarck, North Dakota

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2010

Section I - Summary of Auditor's Results

Financial Statements

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

Internal Control over financial reporting:		
Material weaknesses identified?	____ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes	X No
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal Control over major programs:		
Material weaknesses identified?	____ Yes	X No
Reportable conditions identified not considered to be material weaknesses?	____ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	____ Yes	X No

Identification of major programs:

CFDA Numbers	Name of Federal Program Or Cluster
97.067	Homeland Security Grant Program
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and B programs:	$300,000	
Auditee qualified as low-risk auditee?	X Yes	____ No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.