BURLEIGH COUNTY
Bismarck, North Dakota

Audit for the Year Ended

December 31, 2011

BURLEIGH COUNTY
Bismarck, North Dakota

TABLE OF CONTENTS
For the Year Ended December 31, 2011

	Page(s)
County Officials	1
Independent Auditor's Report	2 - 3
Management's Discussion and Analysis	4 - 9
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	10
Statement of Activities	11
Balance Sheet - Governmental Funds	12
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Statement of Fiduciary Assets and Liabilities	16
Notes to the Financial Statements	17 - 30
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	
General Fund	31
County Road and Bridge Fund	32
Highway Gas Tax Fund	33
Social Services Fund	34
Emergency Fund	35
Notes to the Required Supplementary Information	36
SUPPLEMENTARY INFORMATION	
Schedule of Fund Activity	37 - 38
Schedule of Expenditures of Federal Awards	39 - 40
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	41
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	42 - 43
Schedule of Findings and Questioned Costs	44

BURLEIGH COUNTY
Bismarck, North Dakota

COUNTY OFFICIALS

December 31, 2011

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

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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, 2011, 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.

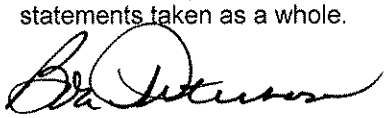
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 previously 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, 2011, 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 July 19, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 31 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Burleigh County's basic financial statements. The schedule of fund activity and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of fund activity and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken as a whole.



Robert R. Peterson
State Auditor

July 19, 2012

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, 2011. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which can be found on pages 10-30 of this report.

Financial Highlights

- The assets of Burleigh County exceeded its liabilities at the close of the most recent fiscal year by $56,011,118 (*net assets*). Of this amount, $8,034,764 (*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 $3,253,509 (6.2%) in 2011.
- As of the close of the current fiscal year, Burleigh County's governmental funds reported combined ending fund balances of $28,556,367, an increase of $2,075,173 in comparison with the prior year. Approximately 16% of this total amount, $4,459,451 is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was $6,148,071 or 65 percent of total general fund expenditures.
- Burleigh County's bond debt decreased by $240,000 (7%) for the year ended December 31, 2011. Bonds issued in 2011 totaled $375,000.
- A prior period adjustment of ($626,979) was done to reduce long-term uncertified special assessments receivable.

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 eighty 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, social service fund, and emergency 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 17-30 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 $56,011,118 at the close of the most recent fiscal year.

By far the largest portion of Burleigh County's net assets totaling $29,670,401 (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 $3,253,509 for the year ended December 31, 2011.

Table 1
Net Assets
December 31, 2011 and 2010

	Governmental Activities	
	2011	2010
Assets:		
Current Assets	$ 35,198,447	$ 32,529,541
Long-Term Receivable	1,931,558	2,434,653
Capital Assets (net of accumulated depreciation)	29,670,401	28,044,572
Total Assets	$ 66,800,406	$ 63,008,766
Liabilities:		
Current Liabilities	$ 7,096,485	$ 5,744,175
Long-Term Liabilities	3,692,803	4,506,982
Total Liabilities	$ 10,789,288	$ 10,251,157
Net Assets:		
Invested in Capital Assets, net of Related Debt	$ 29,670,401	$ 28,044,572
Restricted	18,305,953	16,902,504
Unrestricted	8,034,764	7,810,533
Total Net Assets	$ 56,011,118	$ 52,757,609

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 $8,034,764 (14 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 $3,253,509. Key elements of the increase are as follows:

Table II
Changes in Net Assets
As of December 31, 2011 and 2010

	Governmental Activities	
Revenues	2011	2010
Program Revenues:		
Charges for Services	$ 7,524,468	$ 4,319,624
Operating Grants & Contributions	12,616,562	7,023,290
General Revenues:		
Property Taxes	14,238,181	14,270,625
Non Restricted Grants and Contributions	3,819,800	3,130,611
Interest Earnings	83,536	159,898
Miscellaneous Revenue	759,694	362,367
Total Revenues	$ 39,042,241	$ 29,266,415

	Governmental Activities	
Expenses	2011	2010
General Government	$ 6,009,183	$ 5,875,073
Public Safety	13,106,787	6,344,620
Highways and Bridges	8,009,494	7,633,964
Health and Welfare	6,245,792	5,874,576
Culture and Recreation	700,222	773,624
Conservation & Econ. Dev.	621,601	651,823
Other	514,610	534,324
Capital Outlay	448,571	33,593
Interest and Service Charges	132,472	154,241
Total Expenses	$ 35,788,732	$ 27,875,838
Change in Net Assets	$ 3,253,509	$ 1,390,577
Net Assets - January 1	$ 53,384,588	$ 51,994,011
Prior Period Adjustment	$ (626,979)	$ -
Net Assets - January 1, as restated	$ 52,757,609	$ 51,994,011
Net Assets - December 31	$ 56,011,118	$ 53,384,588

- Charges for services increased $3,204,844 (74 percent) due to a one-time funding source for local roads appropriation by the Legislature.
- Operating grants and contributions increased $5,593,272 (80 percent) due to FEMA reimbursement of Missouri River flooding and increased State Highway Distribution Funds.
- Non-restricted grants and contributions increased by $689,189 (22 percent) due to increased State Aid Distribution Funds
- Miscellaneous revenue increased by $397,327 (110 percent) due to sale of assets.
- Public safety expense increased $6,762,167 (107 percent) due to expense of Missouri River flooding.
- Capital outlay expense increased $414,978 (1235 percent) due to an increase in rural special assessment districts in 2011.

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, *unassigned 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 $28,556,367 an increase of $2,075,173 in comparison with the prior year. Approximately 16% of this total amount ($4,459,451) constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted and committed to indicate that it is not available for new spending because it is non-spendable (inventory), restricted (debt service $768,515, etc.) and committed (building and parking lot).

The general fund is the chief operating fund of Burleigh County. At the end of the current fiscal year, unassigned fund balance of the general fund was $6,148,071. As a measure of the general fund liquidity, it may be useful to compare the unassigned fund balance to total expenditures. Unassigned fund balance represents 65 percent of the total general fund expenditure.

The Burleigh County general fund balance increased $871,457 during the current fiscal year. The key factors in this change were budgeted appropriations not expended by general government and increased state revenue sharing.

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 $1,074,063 (12 percent). Expenditures were less than budgetary estimates by $583,624 (6 percent). Other financing sources and uses were less than budgetary estimates by $52,000; therefore ending fund balance exceeded budgetary estimates by $1,605,687.

Additional information on Burleigh County's budget amendments can be found in note 2 on page 22 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, 2011 amounts to $29,670,401 (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 $1,625,829 (6 percent).

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

- Capital assets additions were $6,549,983 with Road and Bridge accounting for $3,313,289
- Increase in accumulated depreciation totaled $1,748,803

Table III
Capital Assets
December 31, 2011 and 2010

	Governmental Activities	
	2011	2010
Land	$ 1,264,259	$ 1,051,483
Construction in Progress	5,310,520	1,489,074
Infrastructure	8,858,732	11,008,139
Land Improvements	690,839	755,437
Buildings	7,782,965	8,221,106
Machinery and Vehicles	5,146,335	4,768,415
Furniture and Vehicles	616,751	750,918
Total Capital Assets (net of accumulated depreciation)	$ 29,670,401	$ 28,044,572

Additional information on Burleigh County's capital assets can be found in note 9 on page 25.

Long-Term Debt. At the end of the current fiscal year, Burleigh County had total debt outstanding of $4,419,781. Of this amount, $726,978 is due within one year. Rural special assessment bonds represent $3,200,000 (72 percent) of debt.

Table IV
Outstanding General Obligation Debt
December 31, 2011

	Balance 1-1-11	Increases	Decreases	Balance 12-31-11	Due Within One Year
Special Assessment Bonds	$ 3,440,000	$ 375,000	$ 615,000	$ 3,200,000	$ 605,000
Compensated Absences	1,066,982	152,799	-	1,219,781	121,978
Total Governmental Activities	$ 4,506,982	$ 527,799	$ 615,000	$ 4,419,781	$ 726,978

	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

Burleigh County's debt decreased by a net total of $87,201 during the current fiscal year due to normal scheduled debt retirement of $615,000, new debt issued of $375,000 and an increase in compensated absences of $152,799.

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 2.3 percent (2012 average). This compares favorably to the state's average unemployment rate of 2.7 percent and the national average rate of 8.4 percent.
- The occupancy rate of the government's central business district has remained at over 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 4.4% in 2012 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 2012 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, 2011

	Primary Government	Component Unit
	Governmental Activities	Water Resource Board
ASSETS:		
Cash and investments	$ 30,895,029	$ 683,284
Accounts receivable	312,731	-
Intergovernmental receivable	2,411,136	18,469
Taxes receivable	284,834	11,064
Special assessments receivable	6,106	-
Uncertified special assessments receivable	1,931,558	-
Inventories	1,288,611	-
Capital Assets (not being depreciated):		
Land	1,264,259	112,481
Construction in progress	5,310,520	-
Capital Assets (being depreciated)		
Infrastructure	8,858,732	16,248
Land improvements	690,839	742,052
Buildings	7,782,965	35,312
Machinery and vehicles	5,146,335	-
Furniture and equipment	616,751	34,097
Total Capital Assets	$ 29,670,401	$ 940,190
Total Assets	$ 66,800,406	$ 1,653,007
LIABILITIES:		
Accounts payable	$ 1,741,142	$ 30,380
Unearned revenue	4,609,998	159,987
Interest payable	18,367	-
Long-Term Liabilities:		
Due Within One Year:		
Special assessment bonds payable	605,000	-
Compensated absences payable	121,978	-
Due After One Year:		
Special assessment bonds payable	2,595,000	-
Compensated absences payable	1,097,803	-
Total Liabilities	$ 10,789,288	$ 190,367
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	$ 29,670,401	$ 940,190
Restricted for:		
Captial projects	1,124,986	-
Public safety	698,443	-
Highways and bridges	13,042,362	-
Health and welfare	1,921,264	-
Culture and recreation	872,983	-
Conservation of natural resources & econ. development	345,226	522,450
Other	300,689	-
Unrestricted	8,034,764	-
Total Net Assets	$ 56,011,118	$ 1,462,640

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, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital 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	$ 6,009,182	$ 1,140,524	$ 73,123	-	$ (4,795,535)	$ -
Public safety	13,106,787	1,829,788	4,455,917	-	(6,821,082)	-
Highways and bridges	8,009,494	4,462,544	6,077,715	277,766	2,808,531	-
Health and welfare	6,245,792	3,760	1,559,375	-	(4,682,657)	-
Culture and recreation	700,222	-	-	-	(700,222)	-
Conservation & econ. develop.	621,601	35,243	-	-	(586,358)	-
Other	514,610	52,609	172,665	-	(289,336)	-
Capital outlay	448,571	-	-	-	(448,571)	-
Interest & service charges	132,472	-	-	-	(132,472)	-
Total Primary Government	$ 35,788,731	$ 7,524,468	$ 12,338,795	$ 277,766	$ (15,647,702)	$ -
Component Unit:						
Water Resource Board	$ 473,099	$ -	$ 42,325	$ 42,325	$ -	$ (430,774)
General Revenues:						
Taxes:						
Property taxes; levied for general purposes					$ 6,220,217	$ 563,526
Property taxes; levied for special purposes					8,017,964	-
Non restricted grants and contributions					3,819,800	80,547
Earnings on investments					83,536	1,748
Miscellaneous revenue					759,694	15,336
Total General Revenues					$ 18,901,211	$ 661,157
Change in Net Assets					$ 3,253,509	$ 230,383
Net Assets - January 1					$ 53,384,588	$1,215,075
Prior Period Adjustment					(626,979)	17,182
Net Assets - January 1, as restated					$ 52,757,609	$1,232,257
Net Assets - December 31					$ 56,011,118	$1,462,640

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

BURLEIGH COUNTY
Bismarck, North Dakota

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2011

	General	County Road and Bridge	Highway Gas Tax	Social Services	Emergency	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	$ 6,892,200	$ 11,840,941	$ -	$ 3,100,029	$ -	$ 9,061,859	$ 30,895,029
Accounts receivable	97,104	26,441	-	677	-	188,509	312,731
Taxes receivable	120,777	1,282	-	83,498	-	79,275	284,832
Special assessments receivable	-	-	-	-	-	6,106	6,106
Intergovernmental receivable	760,992	77,898	713,015	308,619	418,662	131,950	2,411,136
Due from Other Funds	472,569	-	-	-		-	472,569
Inventories	-	1,288,611	-	-	-	-	1,288,611
Total Assets	$ 8,343,642	$ 13,235,173	$ 713,015	$ 3,492,823	$ 418,662	$ 9,467,699	$ 35,671,014
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 219,267	$ 335,514	$ -	$ 20,592	$ 624,761	$ 541,008	$ 1,741,142
Unearned revenue	1,855,527	20,099	-	1,267,033	159,987	1,307,352	4,609,998
Deferred revenue	120,777	1,282	-	83,498	-	85,381	290,938
Due to Other Funds	-	-	-	-	472,569	-	472,569
Total Liabilities	$ 2,195,571	$ 356,895	$ -	$ 1,371,123	$ 1,257,317	$ 1,933,741	$ 7,114,647
Fund Balances:							
Non-Spendable:							
Inventory	$ -	$ 1,288,611	$ -	$ -	$ -	$ -	$ 1,288,611
Restricted:							
Debt service	-	-	-	-	-	768,515	768,515
Capital project funds	-	-	-	-	-	1,122,423	1,122,423
General government	-	-	-	-	-	1,784,952	1,784,952
Highways and bridges	-	11,589,667	713,015	-	-	469,335	12,772,017
Health and welfare	-	-	-	2,121,700	-	148,083	2,269,783
Public Safety	-	-	-	-	-	1,117,694	1,117,694
Culture and recreation	-	-	-	-	-	860,949	860,949
Conservation & econ. develop.	-	-	-	-	-	338,990	338,990
Other	-	-	-	-	-	254,890	254,890
Committed:							
Building & parking lot	-	-	-	-	-	1,518,092	1,518,092
Unassigned:							
General fund	6,148,071	-	-	-	-	-	6,148,071
Negative funds	-	-	-	-	(838,655)	(849,965)	(1,688,620)
Total Fund Balances	$ 6,148,071	$ 12,878,278	$ 713,015	$ 2,121,700	$ (838,655)	$ 7,533,958	$ 28,556,367
Total Liabilities and Fund Balances	$ 8,343,642	$ 13,235,173	$ 713,015	$ 3,492,823	$ 418,662	$ 9,467,699	$ 35,671,014

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, 2011

Total *Fund Balances* for Governmental Funds		$ 28,556,367
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	$ 74,180,813	
Less Accumulated Depreciation	(44,510,412)	
Net Capital Assets		29,670,401
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	$ 284,834	
Special Assesments Receivable	6,106	290,940
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.		1,931,558
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, 2011 are:		
Special Assesment Bonds Payable	$ (3,200,000)	
Interest Payable	(18,367)	
Compensated Absences	(1,219,781)	
Total Long-Term Liabilities		(4,438,148)
Total Net Assets of Governmental Activities		$ 56,011,118

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, 2011

	General	County Road and Bridge	Highway Gas Tax	Social Services	Emergency	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	$ 6,237,845	$ 65,549	$ -	$ 4,276,158	$ -	$ 3,693,882	$ 14,273,434
Special assessments	-	-	-	-	-	781,126	781,126
Licenses, permits and fees	6,790	3,900	-	-	-	-	10,690
Intergovernmental	2,764,412	10,929	6,034,180	2,157,484	4,368,161	823,429	16,158,595
Charges for services	1,219,737	4,458,644	-	3,760	-	1,831,637	7,513,778
Interest income	31,150	35,410	-	1,496	1,955	13,525	83,536
Miscellaneous	53,629	500,989	-	80,817	747	123,512	759,694
Total Revenues	$ 10,313,563	$ 5,075,421	$ 6,034,180	$ 6,519,715	$ 4,370,863	$ 7,267,111	$ 39,580,853
Expenditures:							
Current:							
General government	$ 3,627,986	$ -	$ -	$ -	$ -	$ 1,993,564	$ 5,621,550
Public safety	5,670,230	-	-	-	6,219,613	982,558	12,872,401
Highways and bridges	-	9,642,622	-	-	-	546,547	10,189,169
Health and welfare	100,890	-	-	5,188,983	-	927,775	6,217,648
Culture and recreation	-	-	-	-	-	641,440	641,440
Conservation & econ. develop.	-	-	-	-	-	619,016	619,016
Other	-	-	-	-	-	512,658	512,658
Capital outlay	-	-	-	-	-	448,571	448,571
Debt Service:							
Principal	-	-	-	-	-	621,836	621,836
Interest & service charges	-	-	-	-	-	131,704	131,704
Total Expenditures	$ 9,399,106	$ 9,642,622	$ -	$ 5,188,983	$ 6,219,613	$ 7,425,669	$ 37,875,993
Excess (Deficiency) of Revenues Over Expenditures	$ 914,457	$ (4,567,201)	$ 6,034,180	$ 1,330,732	$ (1,848,750)	$ (158,558)	$ 1,704,860
Other Financing Sources (Uses):							
Transfers in	$ -	$ 5,939,368	$ -	$ -	$ -	$ 1,034,925	$ 6,974,293
Bond proceeds	-	-	-	-	-	375,000	375,000
Bond discount	-	-	-	-	-	(4,687)	(4,687)
Transfers out	(43,000)	-	(5,939,368)	(700,000)	-	(291,925)	(6,974,293)
Total Other Financing Sources and Uses	$ (43,000)	$ 5,939,368	$ (5,939,368)	$ (700,000)	$ -	$ 1,113,313	$ 370,313
Net Change in Fund Balances	$ 871,457	$ 1,372,167	$ 94,812	$ 630,732	$ (1,848,750)	$ 954,755	$ 2,075,173
Fund Balance - January 1	$ 5,276,614	$ 11,506,111	$ 618,203	$ 1,490,968	$ 1,010,095	$ 6,579,203	$ 26,481,194
Fund Balance - December 31	$ 6,148,071	$ 12,878,278	$ 713,015	$ 2,121,700	$ (838,655)	$ 7,533,958	$ 28,556,367

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, 2011

Net Change in *Fund Balances* - Total Governmental Funds		$ 2,075,173
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	$ 4,366,894	
Current Year Depreciation Expense	(2,277,736)	2,089,158
The net result of miscellaneous transactions involving capital assets was a net decrease to capital assets.		(463,329)
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 exceeded debt issuance.		
Bond Proceeds	$ (375,000)	
Repayment of Debt - Bonds	615,000	240,000
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 Increase in Compensated Absences	$ (152,799)	
Net Decrease in Interest Payable	3,919	(148,880)
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.		
Decrease in Taxes Receivable	$ (35,253)	
Decrease in Special Assessments Receivable	(265)	
Decrease in Long-Term Uncertified Special Assessments Receivable	(503,095)	(538,613)
Change in Net Assets of Governmental Activities		$ 3,253,509

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, 2011

	Agency Funds
Assets:	
Cash and investments	$ 23,260,870
Due from other governments	125
Total Assets	$ 23,260,995
Liabilities:	
Due to other governments	$ 23,260,995

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. Primary sources of revenue in this fund include committed/restricted charges for services revenue, and restricted tax levy.

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. Primary source of revenue in this fund is restricted highway gas tax distribution.

Social Services Fund. This is the County's primary health and welfare fund. It accounts for all financial resources related to health and welfare, except those required to be accounted for in another fund. Primary sources of revenue in this fund are restricted tax levy and restricted intergovernmental grants/reimbursements.

Emergency Fund. This is the County's fund to accumulate costs and reimbursements for various disaster related events. It accounts for financial resources related to snow and flood emergencies. Primary source of revenue in this fund is restricted intergovernmental grants/reimbursements.

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, money market accounts and short-term certificates of deposit.

The investments consist of an investment in an investment pool stated at market value.

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 Balances/Net Assets Equity

Prior to GASB Statement No. 54, in the fund financial statements, the governmental funds reported reservations of fund balances for amounts that were not available for appropriation or were legally restricted by outside parties for use for a specific purpose. Designations of fund balances represented tentative management plans that were subject to change. GASB Statement No. 54 established new fund balance classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints (restrictions or limitations) imposed upon the use of the resources reported in governmental funds.

Fund Balance Spending Policy:

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

Minimum Fund Balance Policy:

Burleigh County has in "informal" 40% general fund carryover balance target to help with financial stability. This level provides sufficient unassigned resources to avoid short-term cash flow borrowing for the county. Unassigned general fund balance of $6,148,071 at December 31, 2011 represented 65.4% of annual 2011 general fund expenditures.

Major Special Revenue Fund Purposes & Revenue Sources:

Purposes and major revenue sources of the major special revenue funds (social services, county road & bridge, highway gas tax, and emergency) are disclosed in more detail in Note 1C in the discussion of major funds.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

On March 11, 2009 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal periods that begin after June 15, 2010. This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

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

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

Burleigh County reported non-spendable, committed, restricted and unassigned fund balances in the balance sheet at December 31, 2011.

Restricted Fund Balances – consist of the following items at December 31, 2011:

Restricted fund balances are shown by primary function on the balance sheet for debt service, capital projects, general government, public safety, highways & bridges, health & welfare, conservation & economic development, culture & recreation, and other purposes (reported in the other governmental funds). Restricted fund balances are restricted by enabling legislation (primarily state law for various tax levies) and by outside 3rd parties (State & Federal governments for various grants & reimbursements and bond indentures).

Special Revenue Funds – Restricted & Committed Fund Balances:

(a) Restricted by specified tax levies and/or restricted Federal & State grants/reimbursements:
- Restricted tax levies – includes fund balances for various tax levies other than the general fund.
- Restricted grants/reimbursements – primarily includes social welfare/services and highways & bridges, as well as disaster type grants in emergency fund, and other grant funds.

(b) Committed fund balances (special revenue funds) – committed by governing board county commission action;
- Committed in special revenue funds for the provident building fund and the county parking fund.

Net Assets Equity:

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

Restrictions of net assets equity shown in the net assets statement are due to restricted tax levies, restricted Federal & State grants/reimbursements, and restricted amounts for unspent bond proceeds reported in debt service and capital projects funds. Additionally, invested in capital assets, net of related debt equity is shown. Unrestricted net assets equity consists of activity primarily related to the general fund.

Restricted net assets equity in the statement of net assets is shown by primary function and restricted for debt service, capital projects, public works, public safety, loans, job/economic development, culture & recreation, and other purposes.

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, expenditures, and transfer out budgets for 2011 as follows:

	REVENUES		
	Original Budget	**Amendment**	**Amended Budget**
Highway Tax Distribution	$4,920,000	$1,020,000	$5,940,000

	EXPENDITURES / TRANSFERS OUT		
	Original Budget	**Amendment**	**Amended Budget**
Riverview Unorganized Township	$ 50,000	$ 1,000	$ 51,000
Burnt Creek Unorganized Township	55,000	326,000	381,000
Lincoln Unorganized Township	255,000	13,000	268,000
Highway Tax Distribution (Transfers)	4,920,000	1,020,000	5,940,000
County Library	239,209	14,691	253,900
Insurance	164,000	4,000	168,000
Emergency Fund	1,017,000	5,203,000	6,220,000
Cellular Phone Tax	662,500	56,700	719,200
City Recreational Areas	213,096	11,904	225,000
Abandoned Cemeteries	3,000	200	3,200
Falconer Estates Paving	8,450	50	8,500
Falconer Estates II Paving	7,500	100	7,600
Prairie Pines Paving	-	348,000	348,000
Northridge Estates Chip Seal	-	96,000	96,000

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, 2011, the County's carrying amount of deposits was $51,524,951 and the bank balances totaled $51,788,859. Of the bank balances, $12,835,108 was covered by Federal Depository Insurance (including the temporary liquidity program). Of the remaining bank balances, $38,630,432 was collateralized with securities held by the pledging financial institution's agent in the government's name. Additionally, bank balances totaling $323,319 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.

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, 2011, the County held certificates of deposit in the amount of $16,108,000, 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, 2011, the County's portion of MBBM had a fair market value of $7,237,241; 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 two 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, 2011. 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, 2011:

Primary Government

Governmental Activities:	Balance 1-1-11	Increases	Decreases	Balance 12-31-11
Capital assets not being depreciated:				
Land	$ 1,051,483	$ 212,776	$ -	$ 1,264,259
Construction in Progress	1,489,074	3,821,446	-	5,310,520
Total Capital Assets Not Being Depreciated, Net	$ 2,540,557	$4,034,222	$ -	$ 6,574,779
Capital assets being depreciated:				
Infrastructure	$40,358,870	$1,031,035	$2,183,089	$39,206,816
Land Improvements	1,214,236	-	-	1,214,236
Buildings	15,487,524	-	-	15,487,524
Machinery and Vehicles	8,240,608	1,417,212	862,538	8,795,282
Furniture and Equipment	2,964,385	67,514	129,724	2,902,175
Total Capital Assets, Being Depreciated	$68,265,623	$2,515,761	$3,175,351	$67,606,033
Less Accumulated Depreciation for:				
Infrastructure	$29,350,731	$ 997,354	$ -	$30,348,085
Land Improvements	458,799	64,598	-	523,397
Buildings	7,266,418	438,140	-	7,704,558
Machinery and Vehicles	3,472,193	575,963	399,209	3,648,947
Furniture and Equipment	2,213,467	201,681	129,724	2,285,424
Total Accumulated Depreciation	$42,761,608	$2,277,736	$ 528,933	$44,510,411
Total Capital Assets Being Depreciated, Net	$25,504,015	$ 238,025	$2,646,418	$23,095,622
Governmental Activities Capital Assets, Net	$28,044,572	$4,272,247	$2,646,418	$29,670,401

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

Governmental Activities:	Amounts
General Government	$ 343,678
Public Safety	370,989
Highways and Bridges	1,496,352
Health and Welfare	4,465
Conservation of Natural Resources	3,471
Culture and Recreation	58,782
Total Depreciation Expense - Governmental Activities	$2,277,736

Component Unit – Water Resource District:

	Balance 1-1-11	Increases	Decreases	Balance 12-31-11
Capital assets not being depreciated:				
Land	$ 112,482	$ -	$ -	$ 112,482
Capital assets being depreciated:				
Infrastructure	$ 92,848	$ -	$ -	$ 92,848
Land Improvements	1,236,959	-	-	1,236,959
Buildings	160,536	-	-	160,536
Furniture and Equipment	72,030	33,465	-	105,495
Total Capital Assets, Being Depreciated	$1,562,373	$ 33,465	$ -	$1,595,838
Less Accumulated Depreciation for:				
Infrastructure	$ 74,278	$ 2,321	$ -	$ 76,599
Land Improvements	440,182	54,725	-	494,907
Buildings	121,360	3,865	-	125,225
Furniture and Equipment	70,312	1,087	-	71,399
Total Accumulated Depreciation	$ 706,132	$ 61,998	$ -	$ 768,130
Total Capital Assets Being Depreciated, Net	$ 856,241	$(28,533)	$ -	$ 827,708
Governmental Activities Capital Assets, Net	$ 968,723	$(28,533)	$ -	$ 940,190

Special Assessment Bonds: Continued

$375,000 Refunding Improvement Bonds of 2011; due in annual installments of $35,000 to $40,000 through May 2012; interest at .8% to 2.0%.	$ 375,000
$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%	480,000
Total Special Assessment Bonds	$3,200,000

Debt service requirements on long-term debt at December 31, 2011 are as follows:

GOVERNMENTAL ACTIVITIES		
Year Ending	**Special Assessment Bonds**	
December 31	**Principal**	**Interest**
2012	$ 605,000	$101,661
2013	505,000	81,884
2014	475,000	64,784
2015	415,000	49,251
2016	410,000	34,670
2017 - 2021	755,000	46,824
2022	35,000	350
TOTALS	$3,200,000	$379,424

NOTE 13: 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 14: 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 2011, the county remitted $367,771 to the Senior Citizens.

NOTE 15: 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 $3,798,452 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.

NOTE 10: DUE FROM / DUE TO OTHER FUNDS

The due to other funds reported in the emergency fund represents the amount of negative cash at year-end that was covered by the general fund ($472,569).

NOTE 11: ACCOUNTS PAYABLE

Accounts payable consists of amounts on open account for goods and services received prior to December 31, 2011 and chargeable to the appropriations for the year then ended, but paid for subsequent to that date.

NOTE 12: LONG-TERM DEBT

Changes in Long-Term Liabilities - During the year ended December 31, 2011, the following changes occurred in liabilities reported in long-term liabilities:

Governmental Activities:	Balance 1-1-11	Increases	Decreases	Balance 12-31-11	Due Within One Year
Special Assessment Bonds	$3,440,000	$375,000	$(615,000)	$3,200,000	$605,000
Compensated Absences *	1,066,982	152,799	-	1,219,781	121,978
Total Governmental Activities	$4,506,982	$527,799	$(615,000)	$4,419,781	$726,978

* - 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, 2011 consists of the following issues:

Special Assessment Bonds:

$840,000 Refunding Improvement Bonds of 2001, Series A; due in annual installments of $80,000 through May 2012; interest at 4.6%.	$ 80,000
$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%.	50,000
$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%.	70,000
$645,000 Refunding Improvement Bonds of 2003; due in annual installments of $60,000 through May 2014; interest at 3.75% to 4.2%.	180,000
$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%.	450,000
$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%.	840,000
$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%.	475,000
$215,000 Refunding Improvement Bonds of 2009 A; due in annual installments of $15,000 to $20,000 through May 2021; interest at 2.4% to 3.4%.	200,000

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 16: 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 $225,375,003. The amount outstanding at 12-31-11 is not known.

NOTE 17: 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 $305,942 for 2011. The leases expire at various times through October 31, 2021. Future minimum lease revenue is as follows:

Year Ended December 31	Amount
2012	$275,645
2013	226,620
2014	212,977
2015	31,740
2016	177,744
2017 – 2021	36,501
TOTAL	$961,227

NOTE 18: 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, 2011 through June 30, 2011, 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, 2011, 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, 2011, 2010, and 2009 were $555,426, $540,554, and $528,651, respectively, equal to the required contributions for the year.

NOTE 19: TRANSFERS

The following is reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2011:

Funds	Transfers In	Transfers Out
General Fund	$ -	$ 43,000
County Road and Bridge	5,939,368	-
Highway Gas Tax	-	5,939,368
Social Services	-	700,000
Special Road and Bridge	219,000	-
Lincoln Unorganized	-	164,000
County Poor	700,000	-
Victim Witness Advocate Program	40,000	-
Phoenix Unorganized	-	5,000
Lyman Unorganized	-	5,000
Fort Rice Unorganized	-	45,000
County Park	72,925	-
City Recreation Area	-	72,925
Abandoned Cemetery	3,000	-
Total Transfers	$6,974,293	$6,974,293

NOTE 20: DEFICIT BALANCES

The following funds were in a deficit position at December 31, 2011:

Governmental Funds	Balance
Riverview Unorganized Township	$(509,144)
Burnt Creek Unorganized Township	(329,934)
Emergency Fund	(838,654)
4 K's Chip Seal	(2,708)
149th Avenue Landfill	(38,700)
East Ridge 1st	(16,549)
149 Avenue Northwest	(16,438)

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

NOTE 21: JOINT VENTURE

On July 28, 2005, 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 powers 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, 2011, the most current information available, is as follows:

Cash and Investments	$ 10,463
Total Revenues	$ 36,100
Total Expenses	(44,077)
Net Change in Equity	$ (7,977)

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

NOTE 22: CONSTRUCTION COMMITMENTS

Burleigh County had several open construction commitments as of December 31, 2011 as follows:

Project	Contract Amount	Total Completed	Retainage	Remaining Balance
Burleigh County Shop	$931,735	$828,079	$82,808	$186,464

NOTE 23: PRIOR PERIOD ADJUSTMENTS

There were prior period adjustments for the period ending December 31, 2011 for Governmental Activities involving adjustments to the long-term uncertified special assessments receivable (decrease), and in the Water Resource District for capital assets (increase).

Governmental Activities (County):	**Amounts**
Beginning Net Assets, as previously reported	$53,384,588
Adjustments to restate the January 1, 2011 Net Assets:	
Long-term uncertified special assessments receivable	(626,979)
Net Assets January 1, as restated	$52,757,609

Governmental Activities (Water Resource District):	**Amounts**
Beginning Net Assets, as previously reported	$1,215,075
Adjustments to restate the January 1, 2011 Net Assets:	
Capital Assets net adjustment for cost of land reduction	17,182
Net Assets January 1, as restated	$1,232,257

BURLEIGH COUNTY
Bismarck, North Dakota

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 6,187,000	$ 6,187,000	$ 6,237,845	$ 50,845
Licenses, permits and fees	6,500	6,500	6,790	290
Intergovernmental	1,858,000	1,858,000	2,764,412	906,412
Charges for services	1,116,000	1,116,000	1,219,737	103,737
Interest income	50,000	50,000	31,150	(18,850)
Miscellaneous	22,000	22,000	53,629	31,629
Total Revenues	$ 9,239,500	$ 9,239,500	$ 10,313,563	$ 1,074,063
Expenditures:				
Current:				
General government	$ 4,035,435	$ 4,035,435	$ 3,627,986	$ 407,449
Public safety	5,836,669	5,836,669	5,670,230	166,439
Health and welfare	110,626	110,626	100,890	9,736
Total Expenditures	$ 9,982,730	$ 9,982,730	$ 9,399,106	$ 583,624
Excess (Deficiency) of Revenues Over Expenditures	$ (743,230)	$ (743,230)	$ 914,457	$ 1,657,687
Other Financing Sources (Uses):				
Transfers In	$ 250,000	$ 250,000	$ -	$ (250,000)
Transfers out	(241,000)	(241,000)	(43,000)	198,000
Total Other Financing Sources and Uses	$ 9,000	$ 9,000	$ (43,000)	$ (52,000)
Net Change in Fund Balances	$ (734,230)	$ (734,230)	$ 871,457	$ 1,605,687
Fund Balance - January 1	$ 5,276,614	$ 5,276,614	$ 5,276,614	$ -
Fund Balance - December 31	$ 4,542,384	$ 4,542,384	$ 6,148,071	$ 1,605,687

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 64,900	$ 64,900	$ 65,549	$ 649
Licenses, permits and fees	2,000	2,000	3,900	1,900
Intergovernmental	8,300	8,300	10,929	2,629
Charges for services	455,000	455,000	4,458,644	4,003,644
Interest income	45,000	45,000	35,410	(9,590)
Miscellaneous	408,400	408,400	500,989	92,589
Total Revenues	$ 983,600	$ 983,600	$ 5,075,421	$ 4,091,821
Expenditures:				
Current:				
Highways and bridges	$ 13,190,751	$ 13,190,751	$ 9,642,622	$ 3,548,129
Excess (Deficiency) of Revenues Over Expenditures	$ (12,207,151)	$ (12,207,151)	$ (4,567,201)	$ 7,639,950
Other Financing Sources (Uses):				
Transfers In	$ 4,920,000	$ 5,940,000	$ 5,939,368	$ (632)
Net Change in Fund Balances	$ (7,287,151)	$ (6,267,151)	$ 1,372,167	$ 7,639,318
Fund Balance - January 1	$ 11,506,111	$ 11,506,111	$ 11,506,111	$ -
Fund Balance - December 31	$ 4,218,960	$ 5,238,960	$ 12,878,278	$ 7,639,318

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	$ 4,920,000	$ 5,940,000	$ 6,034,180	$ 94,180
Expenditures:	$ -	$ -	$ -	$ -
Excess (Deficiency) of Revenues Over Expenditures	$ 4,920,000	$ 5,940,000	$ 6,034,180	$ 94,180
Other Financing Sources (Uses):				
Transfers out	$ (4,920,000)	$ (5,940,000)	$ (5,939,368)	$ 632
Net Change in Fund Balances	$ -	$ -	$ 94,812	$ 94,812
Fund Balance - January 1	$ 618,203	$ 618,203	$ 618,203	$ -
Fund Balance - December 31	$ 618,203	$ 618,203	$ 713,015	$ 94,812

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 4,232,100	$ 4,232,100	$ 4,276,158	$ 44,058
Intergovernmental	1,965,100	1,965,100	2,157,484	192,384
Charges for services	5,000	5,000	3,760	(1,240)
Interest income	5,000	5,000	1,496	(3,504)
Miscellaneous	5,950	5,950	80,817	74,867
Total Revenues	$ 6,213,150	$ 6,213,150	$ 6,519,715	$ 306,565
Expenditures:				
Current:				
Health and welfare	$ 5,442,638	$ 5,442,638	$ 5,188,983	$ 253,655
Excess (Deficiency) of Revenues Over Expenditures	$ 770,512	$ 770,512	$ 1,330,732	$ 560,220
Other Financing Sources (Uses):				
Transfers out	$ (750,000)	$ (750,000)	$ (700,000)	$ 50,000
Net Change in Fund Balances	$ 20,512	$ 20,512	$ 630,732	$ 610,220
Fund Balance - January 1	$ 1,490,968	$ 1,490,968	$ 1,490,968	$ -
Fund Balance - December 31	$ 1,511,480	$ 1,511,480	$ 2,121,700	$ 610,220

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

BURLEIGH COUNTY
Bismarck, North Dakota

BUDGETARY COMPARISON SCHEDULE
EMERGENCY FUND
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	$ -	$ -	$ 4,368,161	$ 4,368,161
Interest income	7,500	7,500	1,955	(5,545)
Miscellaneous	-	-	747	747
Total Revenues	$ 7,500	$ 7,500	$ 4,370,863	$ 4,363,363
Expenditures:				
Current:				
Public safety	$ 1,017,000	$ 6,220,000	$ 6,219,613	$ 387
Excess (Deficiency) of Revenues Over Expenditures	$ (1,009,500)	$ (6,212,500)	$ (1,848,750)	$ 4,363,750
Fund Balance - January 1	$ 1,010,095	$ 1,010,095	$ 1,010,095	$ -
Fund Balance - December 31	$ 595	$ (5,202,405)	$ (838,655)	$ 4,363,750

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, 2011

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, 2011

	Balance 1-1-11	Revenues	Transfers In	Debt Proceeds	Transfers Out	Expenditures	Balance 12-31-11
Major Funds:							
General Fund	$ 5,276,614	$ 10,313,563	$ -	$ -	$ 43,000	$ 9,399,107	$ 6,148,070
County Road & Bridge	11,506,110	5,075,421	5,939,368	-	-	9,642,622	12,878,277
Highway Gas Tax	618,203	6,034,180	-	-	5,939,368	-	713,015
Emergency Fund	1,010,095	4,370,864	-	-	-	6,219,613	(838,654)
Social Services	1,490,968	6,519,716	-	-	700,000	5,188,983	2,121,701
Total Major Funds	$ 19,901,990	$ 32,313,744	$ 5,939,368	$ -	$ 6,682,368	$ 30,450,325	$ 21,022,409
Nonmajor Funds:							
Special Revenue Funds:							
Phoenix Unorganized Township	$ 7,784	$ 6,403	$ -	$ -	$ 5,000	$ 4,440	$ 4,747
Lyman Unorganized Township	9,659	7,920	-	-	5,000	2,473	10,106
Riverview Unorganized Township	(516,686)	57,670	-	-	-	50,128	(509,144)
Burnt Creek Unorganized Township	(72,848)	123,725	-	-	-	380,811	(329,934)
Lincoln Unorganized Township	108,021	213,736	-	-	164,000	103,243	54,514
Fort Rice Unorganized Township	44,983	29,439	-	-	45,000	5,454	23,968
Special Road and Bridge	157,000	-	219,000	-	-	-	376,000
County Poor	121,039	-	700,000	-	-	746,956	74,083
Job Development Authority	3	81,894	-	-	-	75,000	6,897
County Library	-	253,849	-	-	-	253,849	-
Insurance	57,331	166,158	-	-	-	167,719	55,770
Senior Citizens	145,457	472,461	-	-	-	367,771	250,147
Communications Center	919,658	380,500	-	-	-	256,404	1,043,754
Victim/Witness Advocate Program	11,111	94,381	40,000	-	-	141,655	3,837
Cellular Phone Tax	-	719,106	-	-	-	719,106	-
Provident Building	1,265,414	577,897	-	-	-	366,750	1,476,561
Veterans Service Officer	51,289	203,530	-	-	-	180,819	74,000
Social Security	661,970	1,005,741	-	-	-	678,740	988,971
Comprehensive Health	249,546	925,714	-	-	-	745,507	429,753
County Advertising	12,721	46,778	-	-	-	39,749	19,750
County Agent	117,037	250,389	-	-	-	271,295	96,131
Weed Control	208,437	240,748	-	-	-	232,973	216,212
County Park	392,381	72,982	72,925	-	-	52,614	485,674
County Fair	546,060	12,646	-	-	-	183,517	375,189
County Preservation	78,582	71,002	-	-	-	30,236	119,348
Sheriff's Drug Asset Foreit	21,482	-	-	-	-	-	21,482
State's Attorney Asset Foreit	187,433	8,289	-	-	-	4,612	191,110
Hazardous Chemical Preparedness	7,235	1,475	-	-	-	20	8,690
City Recreation Area	-	224,471	-	-	72,925	151,460	86
Sobriety 24/7 Program	21,635	29,161	-	-	-	7,028	43,768
County Parking	34,672	6,930	-	-	-	71	41,531
Abandoned Cemetery	1,066	-	3,000	-	-	3,160	906
Total Special Revenue Funds	$ 4,849,472	$ 6,284,995	$ 1,034,925	$ -	$ 291,925	$ 6,223,560	$ 5,653,907
Debt Service Funds:							
Special Assessment	$ (11,747)	$ 47,417	$ -	$ -	$ -	$ 7,676	$ 27,994
Rural Spl. Assess. Dist. Falconer Estates Paving	5,927	7,822	-	-	-	8,461	5,288
Rural Spl. Assess. Dist. Falconer Estate II	5,115	7,449	-	-	-	7,503	5,061
Rural Spl. Assess. Dist. Falconer Estate III	4,513	3,413	-	-	-	4,621	3,305
Rural Spl. Assess. Dist. Grand Prairie Paving II	72,734	52,274	-	-	-	71,052	53,956
Rural Spl. Assess. Dist. Hoge Island Paving	67,666	37,818	-	-	-	41,244	64,240
Rural Spl. Assess. Dist. Briardale #15	8,616	7,405	-	-	-	10,692	5,329
Rural Spl. Assess. Dist. Riverside I & II	21,522	13,458	-	-	-	13,024	21,956
Rural Spl. Assess. Dist. Ponderosa #3	5,241	4,193	-	-	-	4,927	4,507
Rural Spl. Assess. Dist. Apple Valley Paving	17,128	6,198	-	-	-	7,615	15,711
Rural Spl. Assess. Dist. Sunnyview #22	28,589	24,095	-	-	-	32,252	20,432

Continued on next page.....

BURLEIGH COUNTY
Bismarck, North Dakota

SCHEDULE OF FUND ACTIVITY
For the Year Ended December 31, 2011

	Balance 1-1-11	Revenues	Transfers In	Debt Proceeds	Transfers Out	Expenditures	Balance 12-31-11
CONTINUED.....							
Debt Service Funds (Continued):							
Rural Spl. Assess. Dist. Lindteigen's #23	$ 15,774	$ 9,607	$ -	$ -	$ -	$ 11,124	$ 14,257
Rural Spl. Assess. Dist. Northwood Estates	27,238	16,340	-	-	-	20,162	23,416
Rural Spl. Assess. Dist. Prairie View	17,804	10,313	-	-	-	12,514	15,603
Rural Spl. Assess. Dist. Circle K	39,421	21,164	-	-	-	25,724	34,861
Rural Spl. Assess. Dist. North Star Acres	20,584	4,639	-	-	-	5,381	19,842
Rural Spl. Assess. Dist. Prairiewood Est.	24,745	25,186	-	-	-	20,449	29,482
Rural Spl. Assess. Dist. Ashwood Est. I-III	39,878	39,228	-	-	-	34,440	44,666
Rural Spl. Assess. Dist. Foxhaven II & IV	16,820	15,574	-	-	-	12,915	19,479
Rural Spl. Assess. Dist. Rolling Meadows	27,000	26,550	-	-	-	24,754	28,796
Rural Spl. Assess. Dist. Ashwood Est. IV	11,333	13,015	-	-	-	9,686	14,662
Rural Spl. Assess. Dist. Broofield Estates	33,844	26,340	-	-	-	30,145	30,039
Rural Spl. Assess. Dist. Westwood/Briese	14,308	10,401	-	-	-	12,412	12,297
Rural Spl. Assess. Dist. Shamrock Acres 2005	55,490	40,206	-	-	-	39,011	56,685
Rural Spl. Assess. Dist. Harvest Grove 1st	34,560	27,724	-	-	-	26,598	35,686
Rural Spl. Assess. Dist. Falconer 2005	16,440	15,984	-	-	-	12,412	20,012
Rural Spl. Assess. Dist. Brentwood Estates	45,083	33,789	-	-	-	31,918	46,954
Rural Spl. Assess. Dist. High Top Acres	29,997	24,217	-	-	-	24,825	29,389
Rural Spl. Assess. Dist. Green Acres	115,968	44,808	-	-	-	58,250	102,526
Rural Spl. Assess. Dist. Three Bears	14,062	3,265	-	-	-	4,551	12,776
Rural Spl. Assess. Dist. Spruce Hill/Creek	35,560	37,808	-	-	-	28,215	45,153
149th Avenue Northwest	(39,774)	23,336	-	-	-	-	(16,438)
Rural Spl. Assess. Dist. Prairiewood Estates II	(7,545)	88,497	-	-	-	69,970	10,982
4 K's Chip Seal Project	(7,543)	4,835	-	-	-	-	(2,708)
Rural Spl. Assess. Dist. Crescent Ridge	5,716	11,487	-	-	-	6,920	10,283
149th Avenue Landfill	(46,700)	8,000	-	-	-	-	(38,700)
East Ridge 1st	(22,250)	5,701	-	-	-	-	(16,549)
Prairie Place	34,864	28,988	-	-	-	22,097	41,755
Northridge Estates Chip Seal	-	-	-	-	-	95,359	(95,359)
Total Debt Service Funds	$ 777,981	$ 828,544	$ -	$ -	$ -	$ 848,899	$ 757,626
Capital Projects Funds:							
County Jail Maintenance and Construction	$ 949,603	$ 153,427	$ -	$ -	$ -	$ 9,569	$ 1,093,461
Praire Pines Paving	(612)	148	-	375,000	-	347,950	26,586
Brookfield Drain	2,756	-	-	-	-	380	2,376
Total Capital Projects Funds	$ 951,747	$ 153,575	$ -	$ 375,000	$ -	$ 357,899	$ 1,122,423
Total Nonmajor Funds	$ 6,579,200	$ 7,267,114	$ 1,034,925	$ 375,000	$ 291,925	$ 7,430,358	$ 7,533,956
Total Reporting Entity	$ 26,481,190	$ 39,580,858	$ 6,974,293	$ 375,000	$ 6,974,293	$ 37,880,683	$ 28,556,365

BURLEIGH COUNTY
Bismarck, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION:		
Passed through State Department of Transportation:		
Highway Planning and Construction - Recovery	ARRA 20.205	$ 178,256
State and Community Highway Safety	20.600	1,779
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	2,121
Total U.S. Department of Transportation		$ 182,156
U.S. ENVIRONMENTAL PROTECTION AGENCY:		
Passed through State Department of Health:		
Nonpoint Source Implementation Grants	66.460	$ 3,832
Water Quality Management Planning - Recovery	ARRA 66.454	10,735
Total U.S. Environmental Protection Agency		$ 14,567
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:		
Passed through the State Department of Human Services:		
Foster Care-Title IV-E - Recovery	93.658	$ 300,616
Special Programs for the Aging-Title IV-and Titel II-Discretionary Projects - Recovery	ARRA 93.048	94,230
Children's Health Insurance Program	93.767	5,670
Medical Assistance Program	93.778	669
Child Welfare Services - State Grants	93.645	3,187
Adoption Assistance	93.659	3,407
Maternal and Child Health Services Block Grant to the States	93.994	6,436
Child Abuse and Neglect State Grants	93.669	35
Promoting Safe and Stable Families	93.556	42,101
Temporary Assistance for Needy Families	93.558	494,420
Child Support Enforcement	93.563	68,939
Low-Income Home Energy Assistance	93.568	203
Child Care Mandatory and Matching Funds of the Child Care & Development Fund	93.596	38,818
Total State Department of Human Services		$ 1,058,731
Total Department of Health and Human Services		$ 1,058,731
U.S. DEPARTMENT OF JUSTICE:		
Passed through the North Dakota Association of Counties:		
Juvenile Justice and Delinquency Prevention-Allocation to States	16.540	$ 1,841
Passed through the State Attorney General's Office:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	7,800
Recovery Act - Edward Byrne Memoial Justice Assistance Grant (JAG) Program/ Grants to States and Territories - Recovery	ARRA 16.803	29,143
Total U.S. Department of Justice		$ 38,784

Continued on next page....

BURLEIGH COUNTY
Bismarck, North Dakota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
Continued....		
U.S. DEPARTMENT OF AGRICULTURE:		
Passed through the State Department of Human Services:		
Recovery Act - Edward Byrne Memoial Justice Assistance Grant (JAG) Program/ Grants to States and Territories - Recovery	16.803	$ 556
U.S. DEPARTMENT OF HOMELAND SECURITY:		
Passed through the State Division of Homeland Security:		
Emergency Management Performance Grants	97.042	$ 32,162
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	5,461,915
Homeland Security Grant Program	97.067	61,412
Total Division of Homeland Security		$ 5,555,489
Passed through North Dakota Game and Fish Department:		
Boating Safety Financial Assistance	97.012	$ 433
Total U.S. Department of Homeland Security		$ 5,555,922
U.S. DEPARTMENT OF INTERIOR:		
Passed through North Dakota Game and Fish Department:		
Sport Fish Restoration Program	15.605	$ 5,693
Wildlife Restoration and Basic Hunter Education	15.611	2,372
Total U.S. Department of Interior		$ 8,065
Total Expenditures of Federal Awards		$ 6,858,781

NOTE 1: BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Burleigh County under programs of the federal government for the year ended December 31, 2011. The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Burleigh County, it is not intended to and does not present the financial position or changes in net assets of Burleigh County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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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, 2011, which collectively comprise Burleigh County's basic financial statements and have issued our report thereon dated July 19, 2012. 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

Management of Burleigh County is responsible for establishing and maintaining effective 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 opinions 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 previously.

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

July 19, 2012

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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, 2011. 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2011.

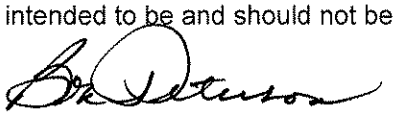
Internal Control Over Compliance

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

July 19, 2012

BURLEIGH COUNTY
Bismarck, North Dakota

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2011

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	
Significant deficiencies 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
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
93.658	Foster Care-Title IV-E
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.