



# NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

## Stutsman County

Jamestown, North Dakota

Audit Report for the Year Ended December 31, 2020

Client Code: PS47000



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Office of the  
State Auditor

**STUTSMAN COUNTY**

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For the Year Ended December 31, 2020

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**STUTSMAN COUNTY**

County Officials and Audit Personnel

December 31, 2020

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**COUNTY OFFICIALS**

Mark T. Klose	Commissioner - Chairman
Dennis Ova	Commissioner - Vice Chairman
Joan Morris	Commissioner
Steve Cichos	Commissioner
Ramone Gumke	Commissioner

Jessica Alonge	Interim Auditor/COO
Shannon Larson	Human Resources Director
Jessica Moser	Treasurer/Recorder
Chad Kaiser	Sheriff
Fritz Fremgen	State's Attorney
Mickey Nenow	Road Superintendent

**AUDIT PERSONNEL**

Heath Erickson, CPA	Audit Manager
Michael Scherr	Audit In-Charge

STATE AUDITOR  
Joshua C. Gallion



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## INDEPENDENT AUDITOR'S REPORT

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Board of County Commissioners  
Stutsman County  
Jamestown, North Dakota

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Stutsman County, North Dakota, as of and for the years ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Stutsman County's basic financial statements as listed in the table of contents.

### Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## STUTSMAN COUNTY

### Independent Auditor's Report - Continued

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#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Stutsman County, North Dakota, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Emphasis of a Matter

As discussed in Note 2 to the financial statements, the 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

#### Other Matters

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *budgetary comparison schedules, schedule of employer's share of net pension liability and employer contributions, schedule of employer's share of net OPEB liability and employer contributions, and notes to the required supplementary information* as listed in the table of contents 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.

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

##### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stutsman County's basic financial statements. The *schedule of expenditures of federal awards and notes to the schedule of expenditures of federal awards*, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements.

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

**STUTSMAN COUNTY**

Independent Auditor's Report - Continued

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2021 on our consideration of Stutsman 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Stutsman County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stutsman County's internal control over financial reporting and compliance.

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
September 22, 2021

**STUTSMAN COUNTY**  
Statement of Net Position  
December 31, 2020

	Primary	Component Units	
	Governmental Activities	Water Resource District	James River Valley Library System
<b>ASSETS</b>			
Cash and Investments	\$ 25,389,541	\$ 115,628	\$ 420,075
Intergovernmental Receivables	712,192	-	-
Accounts Receivable	436,518	-	-
Taxes Receivable	168,615	-	-
Road Receivables	482,324	-	-
Loans Receivable - Other	12,000	-	-
Job Development Loans Receivable	1,146,677	-	-
Due from Other Govt. Agencies	-	-	668,467
Prepaid Expenses	-	-	10,240
Restricted Assets			
Hodge Fund	-	-	86,790
Capital Campaign	-	-	37,256
Centennial Initiative	-	-	2,560
Capital Assets			
Nondepreciable	1,348,940	-	6,000
Depreciable, Net	54,127,944	-	914,115
<b>Total Assets</b>	<b>\$ 83,824,751</b>	<b>\$ 115,628</b>	<b>\$ 2,145,503</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Derived from Pensions & OPEB	\$ 12,905,559	\$ -	\$ 723,862
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 216,339	\$ -	\$ 5,495
Salaries Payable	67,283	-	-
Grants Received in Advance	1,087,372	-	-
Interest Payable	52,991	-	-
Retainages Payable	3,000	-	-
Long-Term Liabilities			
Due Within One Year			
Long-Term Debt	227,104	-	-
Compensated Absences	323,581	-	-
Due After One Year			
Long-Term Debt	5,868,381	-	-
Compensated Absences	485,372	-	18,935
Net Pension and OPEB Liability	21,572,152	-	1,150,672
<b>Total Liabilities</b>	<b>\$ 29,903,575</b>	<b>\$ -</b>	<b>\$ 1,175,102</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Derived from Pensions & OPEB	\$ 3,006,159	\$ -	\$ 162,477
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 49,350,892	\$ -	\$ 920,115
Restricted For			
Debt Service	1,583	-	-
Capital Projects	3,077,309	-	-
Highways and Bridges	7,730,123	-	-
Flood Repair	535,406	-	-
Emergencies	607,913	-	-
Conservation of Natural Resources	291,914	-	-
Culture and Recreation	430,401	-	-
Economic Development	2,155,126	-	-
Hodge Fund	-	-	86,790
Capital Campaign	-	-	37,256
Centennial Initiative	-	-	2,560
Unrestricted	(360,091)	115,628	485,065
<b>Total Net Position</b>	<b>\$ 63,820,576</b>	<b>\$ 115,628</b>	<b>\$ 1,531,786</b>

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

**STUTSMAN COUNTY**  
Statement of Activities  
For the Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Governmental Activities	Water Resource District	James River Valley Library System
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Government	\$ 4,278,940	\$ 81,522	\$ 17,547	\$ -	\$ (4,179,871)	\$ -	\$ -
Public Safety	6,480,582	1,724,588	363,250	-	(4,392,744)	-	-
Highways	6,041,766	816,731	1,635,542	34,309	(3,555,184)	-	-
Flood Repair	721,300	-	773,551	-	52,251	-	-
Health and Welfare	4,552,585	1,445	3,938,476	-	(612,664)	-	-
Culture and Recreation	499,016	251,645	19,695	177,087	(50,589)	-	-
Conserv. of Natural Resources	662,366	54,178	6,047	-	(602,141)	-	-
Economic Development	229,663	-	-	-	(229,663)	-	-
Emergency	-	-	4,234	-	4,234	-	-
Interest on Long-Term Debt	218,738	-	-	-	(218,738)	-	-
<b>Total Primary Government</b>	<b>\$ 23,684,956</b>	<b>\$ 2,930,109</b>	<b>\$ 6,758,342</b>	<b>\$ 211,396</b>	<b>\$ (13,785,109)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Component Units</b>							
Water Resource District	\$ 56,808	\$ -	\$ -	\$ -		\$ (56,808)	\$ -
James River Valley Library System	1,147,927	4,228	67,608	3,653		-	(1,072,438)
<b>Total Component Units</b>	<b>\$ 1,204,735</b>	<b>\$ 4,228</b>	<b>\$ 67,608</b>	<b>\$ 3,653</b>		<b>\$ (56,808)</b>	<b>\$ (1,072,438)</b>
<b>General Revenues</b>							
Property Taxes					\$ 8,229,840	\$ 34,034	\$ 957,360
Non Restricted Grants And Contributions					2,170,765	-	1,674
Restricted Investment Earnings					-	-	942
Earnings on Investments					350,122	2,338	-
Miscellaneous Revenue					339,307	243	-
Net Gain on Sale of Capital Assets					88,747	-	-
<b>Total General Revenues</b>					<b>\$ 11,178,781</b>	<b>\$ 36,615</b>	<b>\$ 959,976</b>
<b>Change in Net Position</b>					<b>\$ (2,606,328)</b>	<b>\$ (20,193)</b>	<b>\$ (112,462)</b>
<b>Net Position - January 1</b>					<b>\$ 66,488,939</b>	<b>\$ 135,821</b>	<b>\$ 1,644,248</b>
<b>Prior Period Adjustment</b>					<b>(62,035)</b>	<b>-</b>	<b>-</b>
<b>Net Position - January 1, as restated</b>					<b>\$ 66,426,904</b>	<b>\$ 135,821</b>	<b>\$ 1,644,248</b>
<b>Net Position - December 31</b>					<b>\$ 63,820,576</b>	<b>\$ 115,628</b>	<b>\$ 1,531,786</b>

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

**STUTSMAN COUNTY**  
 Balance Sheet – Governmental Funds  
 December 31, 2020

	General	County Road & Bridge	Human Service Zone	Highway Tax	FEMA Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Investments	\$ 8,045,647	\$ 2,862,393	\$ 695,817	\$ 5,765,556	\$ 1,014,506	\$ 7,005,622	\$ 25,389,541
Intergovernmental Receivables	413,785	-	-	178,186	-	120,221	712,192
Accounts Receivable	250,618	79,513	-	-	-	106,387	436,518
Taxes Receivable	104,864	21,571	-	-	-	42,180	168,615
Road Receivable	-	482,324	-	-	-	-	482,324
Loans Receivable - Other	12,000	-	-	-	-	-	12,000
JSDC Loans Receivable	-	-	-	-	-	1,146,677	1,146,677
<b>Total Assets</b>	<b>\$ 8,826,914</b>	<b>\$ 3,445,801</b>	<b>\$ 695,817</b>	<b>\$ 5,943,742</b>	<b>\$ 1,014,506</b>	<b>\$ 8,421,087</b>	<b>\$ 28,347,867</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 105,403	\$ 26,198	\$ 3,537	\$ -	\$ 1,856	\$ 79,345	\$ 216,339
Salaries Payable	26,971	38,537	1,504	-	-	271	67,283
Grants Received in Advance	-	-	-	-	1,087,372	-	1,087,372
<b>Total Liabilities</b>	<b>\$ 132,374</b>	<b>\$ 64,735</b>	<b>\$ 5,041</b>	<b>\$ -</b>	<b>\$ 1,089,228</b>	<b>\$ 79,616</b>	<b>\$ 1,370,994</b>
<b>Deferred Inflows of Resources:</b>							
Taxes Receivable	\$ 104,864	\$ 21,571	\$ -	\$ -	\$ -	\$ 42,180	\$ 168,615
Road Receivables	-	482,324	-	-	-	-	482,324
<b>Total Deferred Inflows of Resources</b>	<b>\$ 104,864</b>	<b>\$ 503,895</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,180</b>	<b>\$ 650,939</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 237,238</b>	<b>\$ 568,630</b>	<b>\$ 5,041</b>	<b>\$ -</b>	<b>\$ 1,089,228</b>	<b>\$ 121,796</b>	<b>\$ 2,021,933</b>
<b>Fund Balances</b>							
<b>Non-Spendable</b>							
Loans Receivable	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 1,146,677	\$ 1,158,677
<b>Restricted</b>							
Debt Service	-	-	-	-	-	1,583	1,583
Capital Project Funds	-	-	-	-	-	3,077,309	3,077,309
General Government	-	-	-	-	-	45,107	45,107
Public Safety	-	-	-	-	-	994,758	994,758
Highways and Bridges	-	2,877,171	-	5,943,742	-	118,024	8,938,937
Health and Welfare	-	-	690,776	-	-	115,252	806,028
Emergencies	-	-	-	-	-	578,008	578,008
Conservation of Natural Resources	-	-	-	-	-	591,176	591,176
Culture and Recreation	-	-	-	-	-	622,948	622,948
Economic Development	-	-	-	-	-	1,008,449	1,008,449
<b>Assigned</b>							
General Government	2,895,814	-	-	-	-	-	2,895,814
<b>Unassigned</b>							
General Fund	5,681,862	-	-	-	-	-	5,681,862
Negative Fund Balances	-	-	-	-	(74,722)	-	(74,722)
<b>Total Fund Balances</b>	<b>\$ 8,589,676</b>	<b>\$ 2,877,171</b>	<b>\$ 690,776</b>	<b>\$ 5,943,742</b>	<b>\$ (74,722)</b>	<b>\$ 8,299,291</b>	<b>\$ 26,325,934</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,826,914</b>	<b>\$ 3,445,801</b>	<b>\$ 695,817</b>	<b>\$ 5,943,742</b>	<b>\$ 1,014,506</b>	<b>\$ 8,421,087</b>	<b>\$ 28,347,867</b>

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

**STUTSMAN COUNTY**

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position  
December 31, 2020

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**Total Fund Balances for Governmental Funds** \$ 26,325,934

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 55,476,884

Certain receivables will be collected after year-end, but are not available soon enough to

Taxes Receivable	\$ 168,614	
Road Receivables	<u>482,324</u>	650,938

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions and OPEB	\$ 12,905,559	
Deferred Inflows Related to Pensions and OPEB	<u>(3,006,159)</u>	9,899,400

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term are reported in the statement of net position.

Long Term Debt	\$ (6,095,484)	
Interest Payable	(52,991)	
Retainages Payable	(3,000)	
Net Pension and OPEB Liability	(21,572,152)	
Compensated Absences	<u>(808,953)</u>	<u>(28,532,580)</u>

**Total Net Position of Governmental Activities** \$ 63,820,576

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

**STUTSMAN COUNTY**

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds  
For the Year Ended December 31, 2020

	General	County Road & Bridge	Human Service Zone	Highway Tax	FEMA Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes and Special Assessments	\$ 5,707,122	\$ 1,138,275	\$ -	\$ -	\$ -	\$ 1,414,674	\$ 8,260,071
Intergovernmental	2,519,129	25,458	3,662,555	1,589,700	773,551	535,803	9,106,196
Charges for Services	1,409,111	872,135	-	-	-	697,691	2,978,937
Licenses, Permits and Fees	6,575	5,775	-	-	-	-	12,350
Interest Income	146,662	45,814	-	85,842	-	71,804	350,122
Miscellaneous	134,621	22,156	-	-	-	182,529	339,306
<b>Total Revenues</b>	<b>\$ 9,923,220</b>	<b>\$ 2,109,613</b>	<b>\$ 3,662,555</b>	<b>\$ 1,675,542</b>	<b>\$ 773,551</b>	<b>\$ 2,902,501</b>	<b>\$ 21,046,982</b>
<b>EXPENDITURES</b>							
<b>Current</b>							
General Government	\$ 2,898,632	\$ -	\$ -	\$ -	\$ -	\$ 593,299	\$ 3,491,931
Public Safety	5,105,418	-	-	-	-	126,850	5,232,268
Highways and Bridges	-	3,183,487	-	-	74,722	1,241,924	4,500,133
Flood Repair	-	-	-	-	721,300	-	721,300
Health and Welfare	175,137	-	3,426,205	-	-	2,582	3,603,924
Culture and Recreation	-	-	-	-	-	833,214	833,214
Conserv. of Natural Resources	-	-	-	-	-	550,517	550,517
Economic Development	-	-	-	-	-	229,663	229,663
<b>Debt Service</b>							
Principal	7,104	-	-	-	-	215,000	222,104
Interest and Fees	-	-	-	-	-	219,813	219,813
<b>Total Expenditures</b>	<b>\$ 8,186,291</b>	<b>\$ 3,183,487</b>	<b>\$ 3,426,205</b>	<b>\$ -</b>	<b>\$ 796,022</b>	<b>\$ 4,012,862</b>	<b>\$ 19,604,867</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,736,929</b>	<b>\$ (1,073,874)</b>	<b>\$ 236,350</b>	<b>\$ 1,675,542</b>	<b>\$ (22,471)</b>	<b>\$ (1,110,361)</b>	<b>\$ 1,442,115</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	\$ 134,600	\$ 1,725,000	\$ -	\$ -	\$ -	\$ 1,551,310	\$ 3,410,910
Sales of Capital Assets	-	-	-	-	-	138,000	138,000
Transfers Out	(829,910)	(561,400)	-	(1,725,000)	-	(294,600)	(3,410,910)
<b>Total Other Financing Sources and Uses</b>	<b>\$ (695,310)</b>	<b>\$ 1,163,600</b>	<b>\$ -</b>	<b>\$ (1,725,000)</b>	<b>\$ -</b>	<b>\$ 1,394,710</b>	<b>\$ 138,000</b>
<b>Net Changes in Fund Balance</b>	<b>\$ 1,041,619</b>	<b>\$ 89,726</b>	<b>\$ 236,350</b>	<b>\$ (49,458)</b>	<b>\$ (22,471)</b>	<b>\$ 284,349</b>	<b>\$ 1,580,115</b>
<b>Fund Balance - January 1</b>	<b>\$ 7,548,057</b>	<b>\$ 2,787,445</b>	<b>\$ 454,426</b>	<b>\$ 5,993,200</b>	<b>\$ (52,251)</b>	<b>\$ 8,014,942</b>	<b>\$ 24,745,819</b>
<b>Fund Balance - December 31</b>	<b>\$ 8,589,676</b>	<b>\$ 2,877,171</b>	<b>\$ 690,776</b>	<b>\$ 5,943,742</b>	<b>\$ (74,722)</b>	<b>\$ 8,299,291</b>	<b>\$ 26,325,934</b>

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

**STUTSMAN COUNTY**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2020

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,580,115

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

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

Capital Outlay	\$ 1,413,171	
Capital Contributions	34,309	
Depreciation Expense	<u>(2,302,298)</u>	(854,818)

In the statement of activities, only the gain on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources.

Gain on Sale of Capital Assets	\$ 88,747	
Proceeds from Sale of Capital Assets	<u>(138,000)</u>	(49,253)

The proceeds of debt issuances are reporting as other financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of Debt		222,104
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The net pension liability and related deferred outflows of resources and deferred inflows of resources are reported in the government wide statements; however, activity related to these pension items do not involve current financial resources, and are not reported in the funds.

Net Change in Net Pension Liability and OPEB	\$ (13,730,454)	
Net Change in Deferred Outflows of Resources Related to Pensions and OPEB	9,587,537	
Net Change in Deferred Intflows of Resources Related to Pensions and OPEB	<u>805,605</u>	(3,337,312)

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

Net Change in Compensated Absences Liability	\$ (80,554)	
Net Change in Retainage Payable	3,725	
Net Change in Interest Payable	<u>1,074</u>	(75,755)

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.

Net Change in Taxes Receivable	\$ (30,230)	
Net Change in Road Receivable	<u>(61,179)</u>	<u>(91,409)</u>

**Change in Net Position of Governmental Activities** \$ (2,606,328)

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

**STUTSMAN COUNTY**

Statement of Fiduciary Net Position – Fiduciary Funds

December 31, 2020

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	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 10,639,623</u>
<b>LIABILITIES &amp; DERRERED INFLOWS OF RESOURCES</b>	
Liabilities	
Funds Held for Other Government Units	<u>\$ 70,877</u>
Deferred Inflows of Resources	
Taxes Received in Advance	<u>\$ 10,568,746</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 10,639,623</u>

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

**STUTSMAN COUNTY**

Statement of Changes in Fiduciary Net Position – Fiduciary Funds  
December 31, 2020

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	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Tax Collections for Other Governments	\$ 1,194,865
Grant Collections for Other Governments	<u>691,867</u>
Total Additions	<u>\$ 1,886,732</u>
<b>DEDUCTIONS</b>	
Tax Disbursements to Other Government Units	\$ 1,194,865
Grant Disbursements to Other Government Units	<u>691,867</u>
Total Deductions	<u>\$ 1,886,732</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>\$ -</u>
Net Position - Beginning	<u>\$ -</u>
Net Position - Ending	<u>\$ -</u>

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

**STUTSMAN COUNTY**

Notes to the Financial Statements  
For the Year Ended December 31, 2020

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Stutsman County (“County”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

**Reporting Entity**

The accompanying financial statements present the activities of the County. The County has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationships with the County such that exclusion would cause its 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 the 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 the County.

Based on these criteria, there are two component units to be included within the County as a reporting entity.

**Component Units**

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 Units. The component units’ column in the basic financial statements includes the financial data of the County’s two component units. These units are reported in separate columns to emphasize that they are legally separate from the County.

James River Valley Library System - The County’s governing board appoints a voting majority of the members of the James River Valley Library System’s governing board. Although the County does not have the authority to approve or modify the library board operational and capital budgets, the tax levy established by the library board must be approved by the County’s governing board.

Stutsman County Water Resource District - The County’s governing board appoints a voting majority of the members of the water resource district’s board. The County has the authority to approve or modify the water resource district operational and capital budgets. The County also must approve the tax levy established by the water resource district.

Complete financial statements of James River Valley Library System are included in these financial statements. Additional information may be obtained from the County Auditor; 511 2<sup>nd</sup> Avenue SE; Jamestown, ND 58401-4298.

**Basis of Presentation**

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, interest, and non-restricted grants and contributions, are presented as general revenues.

## STUTSMAN COUNTY

### Notes to the Financial Statements – Continued

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*Fund Financial Statements.* The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category, *governmental* and *fiduciary*, are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

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. The major sources of revenues are a restricted tax levy and State/Federal grants/reimbursements.

Human Service 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. The major sources of revenues are State/Federal grants/reimbursements.

Highway 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. The major sources of revenues are restricted State/Federal grants/reimbursements.

FEMA Fund - This is the County's primary FEMA liability account and is restricted for FEMA projects. The major source of revenues is from FEMA.

Additionally, the County reports the following fiduciary fund type:

Custodial Funds - These funds account for assets by the County in a custodial capacity as an agent on behalf of others. The County's custodial funds are used to account for property taxes collected on behalf of other governments.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

*Government-Wide and Fiduciary Fund Financial Statements.* The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. All revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, and then by general revenues.

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.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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**Cash and Investments**

Cash includes amounts in demand deposits and money market accounts.

The investments of the County consist of certificates of deposit stated at cost with maturities in excess of three months.

**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 for the County are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Land	Indefinite
Buildings	15-50 Years
Machinery & Equipment	8-10 Years
Infrastructure	50 Years
Vehicles	7-10 Years
Office Equipment	5-20 Years

The Library has established a capitalization threshold of \$100. Capital assets of the James River Valley Library System are depreciated using the straight-line method over the following useful lives:

<b>Assets</b>	<b>Years</b>
Buildings & Improve.	25 Years
Bookmobile	20 Years
Books, Periodicals, AV	10 Years
Equipment & Furniture	5-10 Years

**Compensated Absences**

Vacation leave is earned at the rate of one to two days per month depending on years of service. Up to 240 hours of vacation leave may be carried over at each year-end. Upon termination vacation benefits that have accrued through the last day of work will be paid. A liability for the vested or accumulated vacation leave is reported in the statement of net position.

Sick leave benefits are earned at the rate of one day per month regardless of the years of service. An unlimited number of sick leave hours may be carried over at each year-end. Sick leave benefits are not paid out upon termination.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

In the fund financial statements, the face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs are reported as debt service expenditures.

## STUTSMAN COUNTY

### Notes to the Financial Statements – Continued

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#### Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Fund Balances

*Minimum Fund Balance Policy.* The County established a 15% - 20% general fund carryover balance target to help with financial stability. The 15% - 20% fund balance range is a part of the county's fiscal policies. This level provides sufficient unassigned resources to avoid short-term cash flow borrowing for the county.

*Replenishing deficiencies* – when fund balance falls below the minimum 15% range, the County will replenish shortages/deficiencies using the budget strategies and time frames described below.

The following budgetary strategies shall be utilized by the County to replenish funding fund balance deficiencies:

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

Minimum fund balance deficiencies shall be replenished within the following time frames:

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

*Fund Balance Spending Policy.* It is the policy of the 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.

*Restricted Fund Balances.* Restricted fund balances are shown by primary function on the balance sheet. Restricted fund balances are restricted by tax levies (enabling legislation) and by outside 3<sup>rd</sup> parties (state and federal governments for various grants & reimbursements).

*Assigned Fund Balances.* Amounts reported as assigned fund balance in the general fund are for general government purposes based on a management determined formula as a percentage of cash flows (20% of total expenditures and transfers out), and compensated absences and accounts payable.

*Unassigned Fund Balances.* Unassigned fund balances are reported in the general fund and for negative fund balances at year-end.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**Net Position**

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

Net investment in capital assets is reported for capital assets less accumulated depreciation, as well as net of any related debt to purchase or finance the capital assets. These assets are not available for future spending.

Restrictions of net position in the statement of net position are due to restricted tax levies and restricted Federal & State grants/reimbursements.

Unrestricted net position is primarily unrestricted amounts related to the general fund and negative fund balances.

**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 PRIOR PERIOD ADJUSTMENTS**

Net position of the County as of January 1, 2020 has been restated for a capital asset adjustment and a special assessment receivable adjustment as shown below. The results of the adjustment increased the beginning net position of the County.

<b>Primary Government</b>	<b>Amounts</b>
Beginning Net Position, as Previously Reported	\$ 66,488,939
Prior Period Adjustment	
Capital Assets, Net	(62,035)
Net Position January 1, Restated	\$ 66,426,904

**NOTE 3 DEPOSITS**

**Custodial Credit Risk**

Custodial credit risk is the risk associated with the failure of a depository institution, such that in the event of a depository financial institution’s failure, the County would not be able to recover the deposits or collateralized securities that in the possession of the outside parties. The County does not have a formal policy regarding deposits that limits the amount they may invest in any one issuer.

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

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

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

At December 31, 2020, the County’s carrying amount of deposits was \$35,394,942, and the bank balances were \$35,687,945. Of the bank balances, \$1,483,717 was covered by Federal Depository Insurance. Additionally, the County is currently holding \$22,056,400 of short term, high-credit-quality, money market instruments through Wells Fargo Investments, which are guaranteed by the full faith of the United States Government. The remaining balances were collateralized with securities held by the pledging institution’s agent in the government’s name.

At December 31, 2020, the Stutsman County Water Resource District had a carrying amount of deposits of \$110,841 and the bank balances were \$124,297, all of which was covered by Federal Depository Insurance.

At December 31, 2020, the James River Valley Library System had a carrying amount of deposits of \$509,301 and the bank balances were \$525,303 all of which was covered by Federal Depository Insurance.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The County does not have a formal deposit policy that limits maturities as a means of managing exposure to potential fair value losses arising from increasing interest rates.

As authorized in North Dakota Statutes, idle funds may be invested 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.
- (e) Commercial paper issued by a United States corporation rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less.

Below is a schedule of maturity dates of the County’s investments:

Investment Type	Total Fair Value	Less than 1 year	1-2 years	2-5 years	5-10 years
Government Obligation Bonds	\$ 14,795,312	\$ 13,181,040	\$ -	\$ 1,614,272	\$ -
Municipal Bonds	7,217,184	986,570	1,091,522	5,139,092	-
Total Investments	\$ 22,012,496	\$ 14,167,611	\$ 1,091,522	\$ 6,753,364	\$ -

**NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS**

In accordance with GASB Statement No. 72, assets, deferred outflows of resources, liabilities and deferred inflows of resources are grouped at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Valuation is based upon quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Valuation is based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

The following table below presents the balances of assets measured at fair value on a recurring basis at December 31, 2020:

<b>Assets</b>	<b>Total</b>	<b>Quoted Prices In Active Markets Level 1</b>	<b>Significant Other Observable Inputs Level 2</b>	<b>Significant Unobservable Inputs Level 3</b>
Government Obligation Bonds	\$ 14,795,312	\$ 14,795,312	\$ -	\$ -
Municipal Bonds	7,217,184	-	7,217,184	-
Total Investments	\$ 22,012,496	\$ 14,795,312	\$ 7,217,184	\$ -

**NOTE 5 PROPERTY TAXES**

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1. The tax levy may be paid in two installments: the first installment includes one-half of the real estate taxes and all the special assessments; the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5% discount is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent, and penalties are assessed.

**NOTE 6 LOANS RECEIVABLE**

The Job Development Authority provides loans to businesses for either startup costs or expansion costs. The Job Development Authority had the following loans receivable activity for the year ended December 31, 2020.

	<b>Balance January 1</b>	<b>New Loans</b>	<b>Principal Payments</b>	<b>Balance December 31</b>
Loans Receivable	\$ 1,090,113	\$ 90,635	\$ 34,071	\$ 1,146,677
Total Loans Receivable	\$ 1,090,113	\$ 90,635	\$ 34,071	\$ 1,146,677

**NOTE 7 CAPITAL ASSETS**

**Primary Government**

The following is a summary of changes in capital assets for the County for the year ended December 31, 2020:

<b>Primary Government</b>	<b>Restated Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
Capital Assets Not Being Depreciated					
Land	\$ 596,200	\$ -	\$ -	\$ -	\$ 596,200
Construction in Progress	2,106,589	699,854	-	(2,053,703)	752,740
Total Capital Assets, Not Being Depreciated	\$ 2,702,789	\$ 699,854	\$ -	\$ (2,053,703)	\$ 1,348,940
Capital Assets Being Depreciated					
Infrastructure	\$ 72,328,652	\$ -	\$ -	\$ 1,985,513	\$ 74,314,165
Buildings	11,917,168	-	-	-	11,917,168
Equipment	9,262,275	810,503	(502,996)	68,190	9,637,972
Total Capital Assets, Being Depreciated	\$ 93,508,095	\$ 810,503	\$ (502,996)	\$ 2,053,703	\$ 95,869,305
Less Accumulated Depreciation					
Infrastructure	\$ 28,471,505	\$ 1,353,132	\$ -	\$ -	\$ 29,824,637
Buildings	6,662,081	219,473	-	-	6,881,554
Equipment	4,696,343	729,692	(390,865)	-	5,035,170
Total Accumulated Depreciation	\$ 39,829,929	\$ 2,302,297	\$ (390,865)	\$ -	\$ 41,741,361
Total Capital Assets Being Depreciated, Net	\$ 53,678,166	\$ (1,491,794)	\$ (112,131)	\$ 2,053,703	\$ 54,127,944
Governmental Capital Assets, Net	\$ 56,380,955	\$ (791,940)	\$ (112,131)	\$ -	\$ 55,476,884

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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

General Government	\$ 213,157
Public Safety	249,729
Highways and Bridges	1,739,183
Health and Welfare	13,579
Conservation of Natural Resources	24,287
Culture and Recreation	62,362
<b>Total Depreciation Expense</b>	<b>\$ 2,302,297</b>

**Discretely Presented Component Unit**

The following is a summary of changes in capital assets for the year ended December 31, 2020 for the James River Valley Library System:

<b>Library</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31</b>
Capital Assets Not Being Depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
<b>Total Capital Assets, Not Being Depreciated</b>	<b>\$ 6,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,000</b>
Capital Assets Being Depreciated				
Buildings	\$ 519,656	\$ -	\$ -	\$ 519,656
BookMobile	239,502	-	-	239,502
Equipment	254,685	63,576	10,189	308,072
Books, Periodicals	1,381,606	97,538	80,749	1,398,395
<b>Total Capital Assets, Being Depreciated</b>	<b>\$ 2,395,449</b>	<b>\$ 161,114</b>	<b>\$ 90,938</b>	<b>\$ 2,465,625</b>
Less Accumulated Depreciation				
Buildings	\$ 311,638	\$ 10,631	\$ -	\$ 322,269
BookMobile	35,925	11,976	-	47,901
Equipment	171,040	38,406	10,189	199,257
Books, Periodicals	913,717	149,115	80,749	982,083
<b>Total Accumulated Depreciation</b>	<b>\$ 1,432,320</b>	<b>\$ 210,128</b>	<b>\$ 90,938</b>	<b>\$ 1,551,510</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 963,129</b>	<b>\$ (49,014)</b>	<b>\$ -</b>	<b>\$ 914,115</b>
<b>Governmental Capital Assets, Net</b>	<b>\$ 969,129</b>	<b>\$ (49,014)</b>	<b>\$ -</b>	<b>\$ 920,115</b>

Depreciation expense was charged to the culture and recreation function.

**NOTE 8 LONG-TERM LIABILITIES**

**Primary Government**

During the year ended December 31, 2020, the following changes occurred in liabilities reported in long-term liabilities:

<b>Primary Government</b>	<b>Balance Jan 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec 31</b>	<b>Due Within One Year</b>
Long-Term Debt					
GO Bonds	\$ 6,285,000	\$ -	\$ 215,000	\$ 6,070,000	\$ 220,000
Special Assessment Bonds	32,588	-	7,103	25,485	7,104
<b>Total Long-Term Debt</b>	<b>\$ 6,317,588</b>	<b>\$ -</b>	<b>\$ 222,103</b>	<b>\$ 6,095,485</b>	<b>\$ 227,104</b>
Compensated Absences *	\$ 728,399	\$ 80,554	\$ -	\$ 808,953	\$ 323,581
Net Pension and OPEB Liability	7,841,698	13,730,454	-	21,572,152	-
<b>Total Primary Government</b>	<b>\$14,887,685</b>	<b>\$13,811,008</b>	<b>\$ 222,103</b>	<b>\$28,476,590</b>	<b>\$ 550,685</b>

\* The change in compensated absences is shown as a net change

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

Debt service requirements on long-term debt is as follows:

Year Ending Dec 31	Loans Payable		Special Assessments Payable	
	Principal	Interest	Principal	Interest
2021	\$ 220,000	\$ 211,963	\$ 7,104	\$ 803
2022	225,000	205,363	7,104	580
2023	235,000	196,363	5,638	357
2024	245,000	186,963	5,639	179
2025	250,000	177,163	-	-
2026-2030	2,430,000	719,000	-	-
2031-2035	2,465,000	240,000	-	-
Total	\$ 6,070,000	\$ 1,936,815	\$ 25,485	\$ 1,919

**Discretely Presented Component Units**

During the year ended December 31, 2020, the following changes occurred in governmental long-term liabilities of the James River Valley Library System:

Library	Balance Jan 1	Increases	Decreases	Balance Dec 31	Due Within One Year
Compensated Absences *	\$ 9,889	\$ 9,046	\$ -	\$ 18,935	\$ -
Net Pension and OPEB Liability	539,757	610,915	-	1,150,672	-
Total Primary Government	\$ 549,646	\$ 619,961	\$ -	\$ 1,169,607	\$ -

\* The change to compensated absences are the net changes for the year.

**NOTE 9 PENSION PLAN**

**General Information about the NDPERS Pension Plan**

***North Dakota Public Employees Retirement System (Main System)***

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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***Pension Benefits***

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

***Death and Disability Benefits***

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

***Refunds of Member Account Balance***

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

***Member and Employer Contributions***

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25, and the maximum may not exceed the following:

1 to 12 months of service	Greater of one percent of monthly salary or \$25
13 to 24 months of service	Greater of two percent of monthly salary or \$25
25 to 36 months of service	Greater of three percent of monthly salary or \$25
Longer than 36 months of service	Greater of four percent of monthly salary or \$25

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2020, the following net pension liabilities were reported:

	<b>Net Pension Liability</b>
Primary Government	\$ 21,044,618
Library	1,121,651

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on their respective share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2020 the entities had the following proportions, change in proportions, and pension expense:

	<b>Proportion</b>	<b>Increase (Decrease) in Proportion from June 30, 2019 Measurement</b>	<b>Pension Expense</b>
Primary Government	0.668928%	0.040310%	\$ 3,880,821
Library	0.035653%	0.004421%	219,588

At December 31, 2020, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

<b>Primary Government</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 81,897	\$ 1,066,351
Changes in Assumptions	11,281,244	1,865,068
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	679,214	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	433,969	57,805
Employer Contributions Subsequent to the Measurement Date	263,663	-
<b>Total Primary Government</b>	<b>\$ 12,739,987</b>	<b>\$ 2,989,224</b>

<b>Library</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 4,365	\$ 56,835
Changes in Assumptions	601,276	99,406
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	36,201	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	56,496	5,540
Employer Contributions Subsequent to the Measurement Date	14,387	-
<b>Total Library System</b>	<b>\$ 712,725</b>	<b>\$ 161,781</b>

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

The following amounts were reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021:

Primary Government	\$ 263,663
Library	14,387

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Primary Government	Library
2021	\$ 2,796,714	\$ 159,967
2022	2,444,184	136,673
2023	2,006,242	114,784
2024	2,239,960	125,133
2025	-	-

**Actuarial Assumptions**

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.5% to 17.75% including inflation
Investment rate of return	7.00%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	30%	6.30%
International Equities	21%	6.85%
Private Equity	7%	9.75%
Domestic Fixed Income	23%	1.25%
International Fixed Income	0%	0.00%
Global Real Assets	19%	5.01%
Cash Equivalents	0%	0.00%

**Discount rate**

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.45%; and the resulting Single Discount Rate is 4.64%.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 4.64 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.64 percent) or 1-percentage-point higher (5.64 percent) than the current rate:

<b>Proportionate Share of the Net Pension Liability</b>	<b>1% Decrease (3.64%)</b>	<b>Current Discount Rate (4.64%)</b>	<b>1% Increase (5.64%)</b>
Primary Government	\$ 27,303,812	\$ 21,044,618	\$ 15,923,073
Library	1,455,258	1,121,651	848,679

***Pension plan fiduciary net position.***

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

**NOTE 10 OPEB PLAN**

**General Information about the OPEB Plan**

***North Dakota Public Employees Retirement System***

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. The Retiree Health Insurance Credit Fund is advance funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**OPEB Benefits**

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "prefunded credit applied" on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2020, the following net OPEB liabilities were reported:

	<b>Net OPEB Liability</b>
Primary Government	\$ 527,534
Library	29,021

The net OPEB liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net OPEB liability was based on their respective share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2020, the entities had the following proportions, change in proportions, and pension expense:

	<b>Proportion</b>	<b>Increase (Decrease) in Proportion from June 30, 2019 Measurement</b>	<b>OPEB Expense</b>
Primary Government	0.627123%	0.037174%	\$ 81,268
Library	0.034500%	0.005386%	4,957

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

At December 31, 2020, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

<b>Primary Government</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 11,715	\$ 12,648
Changes in Assumptions	70,732	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	18,141	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	22,769	4,287
Employer Contributions Subsequent to the Measurement Date	42,215	-
<b>Total Primary Government</b>	<b>\$ 165,572</b>	<b>\$ 16,935</b>

<b>Library</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 644	\$ 696
Changes in Assumptions	3,891	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	998	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,300	-
Employer Contributions Subsequent to the Measurement Date	2,304	-
<b>Total Library System</b>	<b>\$ 11,137</b>	<b>\$ 696</b>

The following amounts were reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021:

Primary Government	\$ 42,215
Library	2,304

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

	<b>Primary Government</b>	<b>Library</b>
2021	\$ 22,325	\$ 1,714
2022	27,014	1,972
2023	26,154	1,925
2024	20,906	1,621
2025	9,497	857
2026	526	48
Thereafter	-	-

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**Actuarial assumptions**

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable
Investment rate of return	6.50%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the MortalityPub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC’s target asset allocation as of July 1, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	6.10%
Small Cap Domestic Equities	6%	7.00%
International Equities	21%	6.45%
Domestic Fixed Income	40%	1.15%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2018, and July 1, 2017, HPRS actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the Plans as of June 30, 2020, calculated using the discount rate of 6.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

Proportionate Share of the Net OPEB Liability	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Primary Government	\$ 691,873	\$ 527,534	\$ 388,564
Library	38,062	29,021	21,376

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**NOTE 11 TRANSFERS**

The following table shows amounts reported for transfers in and transfers out as reported in the basic financial statements in the governmental funds for the year ended December 31, 2020:

	Transfers In	Transfers Out
<b>Major Funds</b>		
General Fund	\$ 134,600	\$ 829,910
Road & Bridge	1,725,000	561,400
Highway Aid	-	1,725,000
<b>Nonmajor Funds</b>		
9-1-1 Emerg. Telephone Fund	-	134,600
Park Fund	324,645	-
Weed Control Fund	-	150,000
County Agent Fund	-	10,000
Courthouse Building Fund	50,000	-
Law Enforcement Construction Fund	127,260	-
Information Tech. Cap. Proj. Fund	110,805	-
Road & Bridge Building Fund	561,400	-
County Sheriff Capital Fund	227,200	-
Weed Board Cap. Imp. Fund	150,000	-
<b>Total Transfers</b>	<b>\$ 3,410,910</b>	<b>\$ 3,410,910</b>

**NOTE 12 RISK MANAGEMENT**

The County and the James River Valley Library System are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986, state agencies and political subdivisions 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. The County pays an annual premium to NDIRF for its general liability, automobile, and inland marine insurance coverage. For the County the coverage by NDIRF is limited to losses of five million dollars per occurrence for general liability and automobile and \$6,533,004 for public assets/mobile equipment and portable property. The James River Valley Library System participates in the NDIRF to provide liability coverage.

The County also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The County pays an annual premium to the Fire and Tornado Fund to cover property damage to 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.

The County and the James River Valley Library have worker's compensation with the North Dakota Workforce Safety and Insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

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

The County has worker's compensation with the ND Workforce Safety and Insurance.

**NOTE 13 CONDUIT DEBT OBLIGATIONS**

**Community Development Block Grant Loans**

From time to time, the County has issued 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 loans are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the loans, ownership of the acquired facilities transfers to the private-sector entity served by the loan issuance. Neither the County, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the loans. Accordingly, the loans are not reported as liabilities in the accompanying financial statements. At December 31, 2020, there were three Community Development Block Grant Loans outstanding with a principal amount outstanding of \$320,290.

**Industrial Revenue Bonds**

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, 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. At December 31, 2020, there were two series of Industrial Revenue Bonds with a balance in the amount of \$4,201,351.

**Housing Finance Agency Bonds**

From time to time, the County has issued Housing Finance Bonds which is a program that issues tax-exempt bonds that state and local governments issue through housing finance agencies to help fund below-market-interest-rate mortgages for first-time qualifying homebuyers. Eligible borrowers are first-time homebuyers with low to moderate incomes below 115 percent of median family income. Neither the County, 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. At December 31, 2020, there was one nontaxable issuance with a balance of \$4,296,965.

**Facility Passenger Fee Revenue Bonds**

From time to time, the County has issued Facility Passenger Fee Revenue Bonds to provide financial assistance for Airport facilities and projects. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, 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. At December 31, 2020, there were two Facility Passenger Fee Revenue Bonds with a principal amount outstanding of \$717,159.

**Senior Housing Revenue Bonds**

From time to time, the County has issued Senior Housing Revenue Bonds which is a program that issues tax-exempt bonds that state and local governments issue through nonprofit agencies to help fund the acquisition and construction of housing facilities for senior housing and assisted living. Neither the County, 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. At December 31, 2019, there was one nontaxable issuance with a balance of \$6,218,668.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**NOTE 14 OPEN CONSTRUCTION CONTRACTS**

**Primary Government**

The County had one construction projects open at year-end:

<b>Project</b>	<b>Contract Amount</b>	<b>Total Completed</b>	<b>Retainage</b>	<b>Remaining Balance</b>
PPL Expansion 2019	\$ 320,066	\$ 320,066	\$ 3,000	\$ 3,000
<b>Total</b>	<b>\$ 320,066</b>	<b>\$ 320,066</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>

**NOTE 15 JOINT VENTURES**

**Jamestown/Stutsman Development Corporation**

Under authorization of state statutes, the County and the City of Jamestown established and jointly operate a Job Development Authority, known as the Jamestown/Stutsman Development Corporation (JSDC). The agreement was established for the mutual advantage of the governments. Each government appoints two members of the board of directors for the joint venture. The operating and capital expenses are funded by contributions from each government. Each government's share of assets, liabilities, and fund equity can be determined as to the location of the separate loan applicants.

The following is a summary of financial information on the joint venture as of and for the year ended December 31, 2020, which is the most current audited information available:

	<b>JSDC</b>
Total Assets	\$ 13,709,683
Total Liabilities	6,415,291
Total Net Position	\$ 7,294,392
Total Revenues	\$ 643,360
Total Expenses	781,926
Change in Net Position	\$ (138,566)

**Central Valley Health District**

Under authorization of state statutes, the County, Logan County, and the City of Jamestown established and jointly operate a Health District, known as the Central Valley Health District. The agreement was established for the mutual advantage of the governments. Each government appoints one member of the board of directors for the joint venture. The operating and capital expenses are funded by contributions from each government. Each government's share of assets, liabilities, and fund equity can be determined as to the location of the separate loan applicants.

The following is a summary of financial information on the joint venture as of and for the year ended June 30, 2020, which is the most current audited information available:

	<b>Central Valley Health District</b>
Total Assets & Def. Outflows	\$ 3,405,724
Total Liabilities & Def. Inflows	2,244,640
Total Net Position	\$ 1,161,084
Total Revenues	\$ 2,922,715
Total Expenses	2,717,827
Change in Net Position	\$ 204,888

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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Complete financial statements for each joint venture can be obtained from the County Auditor's Office at 511 2nd Ave SE Jamestown, ND 58401-4210.

Complete financial statements for the Park River Joint Water Resource District may be obtained from the Park River Joint Water Resource District, 308 Courthouse Drive #5, Cavalier, ND 58220.

**STUTSMAN COUNTY**Budgetary Comparison Schedule – General Fund  
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 5,576,730	\$ 5,662,165	\$ 5,707,122	\$ 44,957
Intergovernmental	1,605,654	2,191,879	2,519,129	327,250
Charges for Services	1,605,690	1,491,190	1,409,111	(82,079)
Licenses, Permits and Fees	5,700	5,700	6,575	875
Interest Income	135,000	135,000	146,662	11,662
Miscellaneous	85,330	138,380	134,621	(3,759)
<b>Total Revenues</b>	<b>\$ 9,014,104</b>	<b>\$ 9,624,314</b>	<b>\$ 9,923,220</b>	<b>\$ 298,906</b>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 2,894,278	\$ 3,088,738	\$ 2,898,632	\$ 190,106
Public Safety	5,476,685	5,557,055	5,105,418	451,637
Health and Welfare	150,050	236,295	175,137	61,158
Debt Service				
Principal	6,550	6,550	7,104	(554)
<b>Total Expenditures</b>	<b>\$ 8,527,563</b>	<b>\$ 8,888,638</b>	<b>\$ 8,186,291</b>	<b>\$ 702,347</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 486,541	\$ 735,676	\$ 1,736,929	\$ 1,001,253
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 134,600	\$ 134,600	\$ 134,600	\$ -
Transfers Out	(349,910)	(349,910)	(829,910)	(480,000)
<b>Total Other Financing Sources and Uses</b>	<b>\$ (215,310)</b>	<b>\$ (215,310)</b>	<b>\$ (695,310)</b>	<b>\$ (480,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 271,231</b>	<b>\$ 520,366</b>	<b>\$ 1,041,619</b>	<b>\$ 521,253</b>
Fund Balance - January 1	\$ 7,548,057	\$ 7,548,057	\$ 7,548,057	\$ -
Fund Balance - December 31	\$ 7,819,288	\$ 8,068,423	\$ 8,589,676	\$ 521,253

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

**STUTSMAN COUNTY**

Budgetary Comparison Schedule – County Road and Bridge Fund  
For the Year Ended December 31, 2020

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,126,445	\$ 1,157,330	\$ 1,138,275	\$ (19,055)
Intergovernmental	23,210	23,210	25,458	2,248
Charges for Services	1,185,100	845,100	872,135	27,035
Licenses, Permits and Fees	5,000	5,000	5,775	775
Interest Income	35,000	45,850	45,814	(36)
Miscellaneous	10,500	25,500	22,156	(3,344)
Total Revenues	<u>\$ 2,385,255</u>	<u>\$ 2,101,990</u>	<u>\$ 2,109,613</u>	<u>\$ 7,623</u>
<b>EXPENDITURES</b>				
Highways and Bridges	<u>\$ 2,887,195</u>	<u>\$ 3,257,655</u>	<u>\$ 3,183,487</u>	<u>\$ 74,168</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (501,940)</u>	<u>\$ (1,155,665)</u>	<u>\$ (1,073,874)</u>	<u>\$ 81,791</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 1,725,000	\$ 1,805,000	\$ 1,725,000	\$ (80,000)
Transfers Out	(561,400)	(561,400)	(561,400)	-
Total Other Financing Sources and Uses	<u>\$ 1,163,600</u>	<u>\$ 1,243,600</u>	<u>\$ 1,163,600</u>	<u>\$ (80,000)</u>
Net Change in Fund Balances	<u>\$ 661,660</u>	<u>\$ 87,935</u>	<u>\$ 89,726</u>	<u>\$ 1,791</u>
Fund Balance - January 1	<u>\$ 2,787,445</u>	<u>\$ 2,787,445</u>	<u>\$ 2,787,445</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 3,449,105</u>	<u>\$ 2,875,380</u>	<u>\$ 2,877,171</u>	<u>\$ 1,791</u>

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

**STUTSMAN COUNTY**

Budgetary Comparison Schedule – Human Service Fund  
For the Year Ended December 31, 2020

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental	\$ 3,807,900	\$ 3,664,000	\$ 3,662,555	\$ (145,345)
<b>EXPENDITURES</b>				
Health and Welfare	\$ 3,807,900	\$ 3,526,650	\$ 3,426,205	\$ 381,695
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ 137,350	\$ 236,350	\$ 236,350
Fund Balance - January 1	\$ 454,426	\$ 454,426	\$ 454,426	\$ -
Fund Balance - December 31	\$ 454,426	\$ 591,776	\$ 690,776	\$ 236,350

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

**STUTSMAN COUNTY**

Budgetary Comparison Schedule – Highway Tax Fund  
For the Year Ended December 31, 2020

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 1,589,100	\$ 1,725,000	\$ 1,589,700	\$ (135,300)
Interest Income	80,000	80,000	85,842	5,842
Total Revenues	<u>\$ 1,669,100</u>	<u>\$ 1,805,000</u>	<u>\$ 1,675,542</u>	<u>\$ (129,458)</u>
<b>EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,669,100</u>	<u>\$ 1,805,000</u>	<u>\$ 1,675,542</u>	<u>\$ (129,458)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>\$ (1,725,000)</u>	<u>\$ (1,805,000)</u>	<u>\$ (1,725,000)</u>	<u>\$ 80,000</u>
Net Change in Fund Balances	<u>\$ (55,900)</u>	<u>\$ -</u>	<u>\$ (49,458)</u>	<u>\$ (49,458)</u>
Fund Balance - January 1	<u>\$ 5,993,200</u>	<u>\$ 5,993,200</u>	<u>\$ 5,993,200</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 5,937,300</u>	<u>\$ 5,993,200</u>	<u>\$ 5,943,742</u>	<u>\$ (49,458)</u>

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

**STUTSMAN COUNTY**

Budgetary Comparison Schedule – FEMA Fund  
For the Year Ended December 31, 2020

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 25,000	\$ 2,203,525	\$ 773,551	\$ (1,429,974)
<b>EXPENDITURES</b>				
Highways and Bridges	\$ -	\$ 64,075	\$ 74,722	\$ (10,647)
Flood	-	742,575	721,300	21,275
Total Expenditures	\$ -	\$ 806,650	\$ 796,022	\$ 10,628
Fund Balance - January 1	\$ (52,251)	\$ (52,251)	\$ (52,251)	\$ -
Fund Balance - December 31	\$ (27,251)	\$ 1,344,624	\$ (74,722)	\$ (1,419,346)

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

**STUTSMAN COUNTY**

Schedule of Employer’s Share of Net Pension Liability and Employer Contributions  
 For the Year Ended December 31, 2020

**Schedule of Employer’s Share of Net Pension Liability  
 ND Public Employee’s Retirement System  
 Last 10 Fiscal Years**

<b>County</b>	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.668928%	\$ 21,044,618	\$ 7,379,082	285.19%	48.91%
2019	0.628618%	\$ 7,367,858	\$ 6,538,693	112.68%	71.66%
2018	0.633009%	10,682,717	6,503,013	164.27%	62.80%
2017	0.627922%	10,092,767	6,410,102	157.45%	61.98%
2016	0.634690%	6,185,673	6,396,175	96.71%	70.46%
2015	0.644744%	4,384,149	5,743,887	76.33%	77.15%
2014	0.602349%	3,823,238	5,074,056	75.35%	77.70%

<b>James River Valley Library System</b>	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.035653%	\$ 1,121,651	\$ 393,291	285.20%	48.91%
2019	0.031232%	366,062	324,868	112.68%	71.66%
2018	0.030641%	517,100	314,780	164.27%	62.80%
2017	0.030216%	485,670	308,456	157.45%	61.98%
2016	0.032932%	320,954	331,876	96.71%	70.46%
2015	0.027713%	193,744	246,891	78.47%	77.15%
2014	0.024979%	158,547	210,422	75.35%	77.70%

The notes to the required supplementary information are an integral part of this statement.

**STUTSMAN COUNTY**

Schedule of Employer's Share of Net Pension Liability and Employer Contributions – Continued  
 For the Year Ended December 31, 2020

**Schedule of Employer Contributions  
 ND Public Employees Retirement System  
 Last 10 Fiscal Years**

<b>County</b>	<b>Statutory Required Contribution</b>	<b>Contributions in Relation to the Statutory Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered-Employee Payroll</b>	<b>Contributions as a Percentage of Covered-Employee Payroll</b>
2020	\$ 522,503	\$ 519,635	\$ 2,868	\$ 7,708,606	6.74%
2019	476,054	477,146	(1,092)	6,538,693	7.30%
2018	478,974	471,996	6,978	6,503,013	7.26%
2017	464,810	462,905	1,905	6,410,102	7.22%
2016	463,073	457,888	5,185	6,396,175	7.16%
2015	436,294	434,840	1,454	5,743,887	7.57%
2014	361,273	361,273	-	5,074,056	7.12%

<b>James River Valley Library System</b>	<b>Statutory Required Contribution</b>	<b>Contributions in Relation to the Statutory Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered-Employee Payroll</b>	<b>Contributions as a Percentage of Covered-Employee Payroll</b>
2020	\$ 27,849	\$ 26,647	\$ 1,202	\$ 393,291	6.78%
2019	23,652	24,263	(611)	324,868	7.47%
2018	23,185	22,679	506	314,780	7.20%
2017	22,367	23,664	(1,297)	308,456	7.67%
2016	24,027	22,688	1,339	331,876	6.84%
2015	18,753	20,246	(1,493)	246,891	8.20%
2014	14,982	14,982	-	210,422	7.12%

The notes to the required supplementary information are an integral part of this statement.

**STUTSMAN COUNTY**

Schedule of Employer's Share of Net OPEB Liability and Employer Contributions  
For the Year Ended December 31, 2020

**Schedule of Employer Contributions  
ND Public Employees Retirement System  
Last 10 Fiscal Years**

<b>County</b>	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	0.627123%	\$ 527,534	\$ 7,149,012	7.38%	63.38%
2019	0.589949%	473,840	6,582,988	7.20%	63.13%
2018	0.598169%	471,099	6,545,261	7.20%	61.89%
2017	0.592518%	468,688	6,410,102	7.31%	59.78%

<b>James River Valley Library System</b>	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	0.034500%	\$ 29,021	\$ 393,291	7.38%	63.38%
2019	0.029114%	23,384	324,868	7.20%	63.13%
2018	0.028768%	22,657	314,780	7.20%	61.89%
2017	0.028512%	22,553	308,456	7.31%	59.78%

**Schedule of Employer Contributions  
ND Public Employees Retirement System  
Last 10 Fiscal Years**

<b>County</b>	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2020	\$ 83,986	\$ 82,962	\$ 1,024	\$ 7,708,606	1.08%
2019	76,560	76,902	(342)	6,582,988	1.17%
2018	76,772	75,572	1,200	6,545,261	1.15%
2017	74,513	74,116	397	6,410,102	1.16%

<b>James River Valley Library System</b>	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2020	\$ 4,620	\$ 4,267	\$ 353	\$ 393,291	1.08%
2019	3,778	3,885	(107)	324,868	1.20%
2018	3,692	3,631	61	314,780	1.15%
2017	3,586	3,789	(203)	308,456	1.23%

**STUTSMAN COUNTY**

Notes to the Required Supplementary Information  
For the Year Ended December 31, 2020

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**NOTE 1      STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

- The County Commission adopts an appropriated budget on a basis consistent with accounting principles generally accepted in the United States (GAAP).
- The County Auditor prepares an annual budget for the general fund and each special revenue fund of the County. N.D.C.C. 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. N.D.C.C. 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. N.D.C.C. 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. N.D.C.C. 57-15-31.1
- All appropriations lapse at year-end.

**NOTE 2      SCHEDULE OF EMPLOYER PENSION AND OPEB LIABILITY AND CONTRIBUTIONS**

GASB Statements No. 68 and 75 require ten years of information to be presented in these tables. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

**NOTE 3:      CHANGES OF BENEFIT TERMS – PENSION AND OPEB**

**Pension**

The interest rate earned on member contributions will decrease from 7.00 percent to 6.50 percent effective January 1, 2020 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2019.

**OPEB**

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2019.

**STUTSMAN COUNTY**

Notes to the Required Supplementary Information - Continued

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**NOTE 4: CHANGES OF ASSUMPTIONS – PENSION AND OPEB**

**Pension**

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019 valuation:

- The investment return assumption was lowered from 7.5% to 7.0%
- The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation
- The assumed rate of total payroll growth was updated for the July 1, 2020 valuation
- Mortality table updates were made for the July 1, 2020 valuation

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

**OPEB**

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020 valuation:

- The investment return assumption was lowered from 7.25% to 6.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

**NOTE 5 LEGAL COMPLIANCE - BUDGETS**

The board of County commissioners amended the budget for 2020 as follows:

	REVENUES		
	Original Budget	Amendment	Amended Budget
<b>Major Funds</b>			
General Fund	\$ 9,014,104	\$ 610,210	\$ 9,624,314
Road & Bridge	2,385,255	(283,265)	2,101,990
Human Service	3,807,900	(143,900)	3,664,000
FEMA Fund	25,000	2,178,525	2,203,525
Highway Tax	1,669,100	135,900	1,805,000

	EXPENDITURES		
	Original Budget	Amendment	Amended Budget
<b>Major Funds</b>			
General Fund	\$ 8,527,563	\$ 361,075	\$ 8,888,638
Road & Bridge	2,887,195	370,460	3,257,655
Human Service	3,807,900	(281,250)	3,526,650
FEMA Fund	-	806,650	806,650

**STUTSMAN COUNTY**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2020

Federal CFDA Number	Program Title	Pass-Through Grantor's Number	Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Passed Through State's Department of Commerce:			
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	N/A	\$ 20,054
	Total U.S Department of Housing and Urban Development		\$ 20,054
<b>U.S. DEPARTMENT OF JUSTICE:</b>			
Passed Through State's Association of Counties			
16.540	Juvenile Justice and Delinquency Prevention_Allocation to States	N/A	\$ 909
Passed Through State's Attorney General			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	19,218.00	\$ 50,055
Passed Through State Department of Corrections and Rehabilitation			
16.576	Crime Victim Compensation	2020 #2017-VA-GX-0039 2020 #2018-V2-GX-00081	\$ 48,675
	Total U.S. Department of Justice		\$ 99,639
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
Passed Through State Department of Human Services:			
93.778	Medical Assistance Program		\$ 48,932
	Total U.S. Department of Health and Human Services		\$ 48,932
<b>U.S. DEPARTMENT OF THE INTERIOR:</b>			
Passed Through State Department of Game and Fish:			
15.524	Recreation Resources Management		\$ 174,034
	Total U.S. Department of Interior		\$ 174,034
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>			
Passed Through State Department of Emergency Services:			
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DR 4475	\$ 675,715
97.042	Emergency Management Performance Grants		\$ 32,688
	Total U.S. Department of Homeland Security		\$ 708,403
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>			
Passed Through State Highway Department:			
20.600	State & Highway Community Safety	N/A	\$ 1,500
20.616	National Priority Safety Programs	HSP4020905	\$ 2,130
	Total U.S. Department of Transportation	N/A	\$ 3,630
<b>U.S. DEPARTMENT OF TREASURER</b>			
Passed through State Treasurer			
21.019	Coronavirus Relief Fund	N/A	\$ 847,090
	Total U.S. Department of Treasurer	N/A	\$ 847,090
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,901,782</b>
See notes to the Schedule of Expenditures of Federal Awards			

**STUTSMAN COUNTY**

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020

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**NOTE 1 BASIS OF PRESENTATION / ACCOUNTING**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2020. The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County. Expenditures represent only the federally funded portions of the program. County records should be consulted to determine amounts expended or matched from non-federal sources.

**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 Subpart E of the *Uniform Guidance*, wherein certain types of expenditures are allowable or are limited as to reimbursement.

**NOTE 3 PASS-THROUGH GRANT NUMBER**

For Federal programs marked "N/A", the County was unable to obtain a pass-through grant number.

**NOTE 4 INDIRECT COST RATE**

The County has not elected to use the 10-percent de minimis cost rate as allowed under Uniform Guidance

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## 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*

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### Independent Auditor's Report

Board of County Commissioners  
Stutsman County  
Jamestown, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Stutsman County as of and for the years ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Stutsman County's basic financial statements, and have issued our report thereon dated September 22, 2021.

### **Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying *schedule of audit findings and questioned costs*, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying *schedule of audit findings and questioned costs* as item 2020-001 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of audit findings as item 2020-002 to be a significant deficiency.

**STUTSMAN COUNTY**

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

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Stutsman County's financial statements are free from 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.

**Stutsman County's Response to Findings**

Stutsman County's response to the findings identified in our audit is described in the accompanying *schedule of audit findings and questioned costs*. Stutsman County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
September 22, 2021

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Bismarck, North Dakota, 58505

[ndsao@nd.gov](mailto:ndsao@nd.gov)

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## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAMS; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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### Independent Auditor's Report

Board of County Commissioners  
Stutsman County  
Jamestown, North Dakota

#### **Report on Compliance for Each Major Federal Program**

We have audited Stutsman County's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Stutsman County's major federal program for the year ended December 31, 2020. Stutsman County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for Stutsman County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 Stutsman County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

#### **Opinion on Each Major Federal Program**

In our opinion, Stutsman County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

**STUTSMAN COUNTY**

**Report on Compliance for Each Major Federal Programs; and Report on Internal Control Over Compliance - Continued**

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**Report on Internal Control Over Compliance**

Management of Stutsman County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Stutsman County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Stutsman 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
September 22, 2021

**STUTSMAN COUNTY**  
 Summary of Auditor's Results  
 For the Year Ended December 31, 2020

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**Financial Statements**

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

**Internal control over financial reporting**

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

**Federal Awards**

Internal Control Over Major Programs

Material weaknesses identified?	<u>      </u> Yes	<u>  X  </u> None	noted
Reportable conditions identified not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None	noted
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with CFR §200.516 (Uniform Guidance) requirements?	<u>      </u> Yes	<u>  X  </u> None	noted

**Identification of Major Programs**

CFDA Number	Name of Federal Program or Cluster
CFDA 21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and B programs:	<u>  \$ 750,000  </u>
Auditee qualified as low-risk auditee?	<u>      </u> Yes <u>  X  </u> No

**STUTSMAN COUNTY**

Schedule of Audit Findings and Questioned Costs  
For the Year Ended December 31, 2020

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**2020-001 – REVENUE RECLASSIFICATION – MATERIAL WEAKNESS**

**Condition**

Material auditor-identified revenue reclassifications of \$342,425 for COVID reimbursements were proposed and accepted by Stutsman County. These revenues were found in the Stutsman County’s FEMA fund, but should have been reported in its General Fund.

**Effect**

Stutsman County’s revenue recognition of COVID reimbursements would not have been reported in the correct fund without audit adjustments.

**Cause**

Management of Stutsman County may not have known which fund to report the COVID reimbursements during 2020.

**Criteria**

Stutsman County is responsible for ensuring its annual financial statements, including revenues and other financing sources, are reliable, appropriately classified, accurate, free of material misstatement, and in accordance with Generally Accepted Accounting Principles (GAAP).

**Repeat Finding**

No.

**Recommendation**

We recommend that Stutsman County review all revenue entries to ensure accurate reporting of revenues in each fund.

**Stutsman County’s Response**

See Corrective Action Plan

**STUTSMAN COUNTY**

Schedule of Audit Findings and Questioned Costs – Continued

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**2020-002 – FRAUD RISK ASSESSMENT – SIGNIFICANT DEFICIENCY**

**Condition**

Stutsman County does not currently prepare a fraud risk assessment of the entire entity.

**Effect**

If Stutsman County does not prepare an adequate fraud risk assessment, there is an increased risk of fraudulent financial reporting, asset misappropriation, and corruption.

**Cause**

Stutsman County has limited number of staff and decided it was not necessary to implement at this date.

**Criteria**

Fraud risk governance is a key component of entity-wide governance and the internal control environment according to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework principles. This entity-wide governance addresses the manner in which the board of directors and management meet their respective obligations to achieve the entities goals in reporting, reliance, and accountability.

**Repeat Finding**

Yes.

**Recommendation**

We recommend Stutsman County prepare a fraud risk assessment in order to identify areas of concern within entity to appropriately mitigate the risk of fraudulent financial reporting, misappropriation of assets, and corruption.

**Stutsman County’s Response**

See Corrective Action Plan

**SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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No matters were reported.



**STUTSMAN  
 COUNTY**



**Auditor's Office**

511 2<sup>nd</sup> Ave SE Suite 102  
 Jamestown, ND 58401  
 (701) 252-9035  
 auditor@stutsmancounty.gov  
 www.stutsmancounty.gov

**Date:** September 22, 2021  
**To:** Joshua C. Gallion, ND State Auditor  
**FROM:** Jessica Alonge, County Auditor  
**RE:** Stutsman County – 2020 Corrective Action Plan

**Contact Person Responsible for Corrective Action Plan:** Jessica Alonge, County Auditor  
**Section I – Financial Statement Findings:**

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**2020-001 – REVENUE RECLASSIFICATION – MATERIAL WEAKNESS**

**Condition**

Material auditor-identified revenue reclassifications of \$342,425 for COVID reimbursements were proposed and accepted by Stutsman County. These revenues were found in the Stutsman County's FEMA fund, but should have been reported in its General Fund.

**Corrective Action Plan:**

We agree. Stutsman county has currently implanted this recommendation and this issue will be fixed going forward.

**Anticipated Completion Date:**

Fiscal Year 2021

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**2020-002 – FRAUD RISK ASSESSMENT – SIGNIFICANT DEFICIENCY**

**Condition:**

Stutsman County does not currently prepare a fraud risk assessment of the entire entity.

**Corrective Action Plan:**

We agree. Stutsman County will attempt to create a formal fraud risk assessment and have it implemented by the board in 2021.

**Anticipated Completion Date:**

Fiscal Year 2021

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County Commissioners  
 Mark T. Klose – Jamestown  
 Ramone Gumke – Jamestown  
 Dennis Ova – Cleveland  
 Joan Morris – Jamestown  
 Steven J. Cichos – Jamestown

County Officials  
 Jessica Alonge – Interim Auditor/COO  
 Jessica Alonge – Chief Deputy Auditor  
 Jessica Moser – Treasurer/Recorder  
 Tyler Perleberg – Tax Director  
 Fritz Fremgen – States Attorney

Josh Smaage – Dir. Of Information Technology  
 Shannon Larson – Human Resource Director  
 Emeline Burkett – Human Service Zone Director  
 Chad Kaiser – Sheriff  
 Chad Jackson – Jail Administrator  
 Andrew Kirking – 911/Emergency Manager

David Bratton – Veterans Service Officer  
 Mickey Nenow – Road Superintendent  
 Karl Bergh – Park Superintendent  
 Christina Rittenbach – Extension Agent  
 Alicia Harstad – Extension Agent



**STUTSMAN  
COUNTY**



**Auditor's Office**

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Jamestown, ND 58401  
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www.stutsmancounty.gov

**2019-001 FINANCIAL STATEMENT PREPARATION – MATERIAL WEAKNESS**

**Condition:**

Stutsman County currently does not prepare the financial statements, including various adjusting entries and accompanying note disclosures, as required by generally accepted accounting principles (GAAP). Thus, management has elected to have the auditors assist in the preparation of the financial statements and note disclosures.

**Recommendation:**

We recommend Stutsman County consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future.

**Current Status of Recommendation:**

We prefer the State Auditor's prepare for us; we will consider preparing in the future.

Jessica Alonge  
County Auditor, Stutsman County

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**County Commissioners**  
Mark T. Klose – Jamestown  
Ramone Gumke – Jamestown  
Dennis Ova – Cleveland  
Joan Morris – Jamestown  
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Emeline Burkett – Human Service Zone Director  
Chad Kaiser – Sheriff  
Chad Jackson – Jail Administrator  
Andrew Kirking – 911/Emergency Manager

David Bratton – Veterans Service Officer  
Mickey Nenow – Road Superintendent  
Karl Bergh – Park Superintendent  
Christina Rittenbach – Extension Agent  
Alicia Harstad – Extension Agent

STATE AUDITOR  
Joshua C. Gallion



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Bismarck, North Dakota, 58505

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## GOVERNANCE COMMUNICATION

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Board of County Commissioners  
Stutsman County  
Jamestown, North Dakota

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Stutsman County, North Dakota, and the respective changes in financial position for the years ended December 31, 2020 which collectively comprise Stutsman County's basic financial statements and have issued our report thereon dated September 22, 2021. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility Under Auditing Standards Generally Accepted in the United States of America, Government Auditing Standards**

As stated in our engagement letter dated July 23, 2021, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the basic financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, or fraud may exist and not be detected by us. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

In planning and performing our audit, we considered Stutsman County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the effectiveness of internal control over financial reporting.

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

**Significant Accounting Policies/Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Stutsman County are described in Note 1 to the financial statements. Application of existing policies was not changed during the years ended December 31, 2020. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and report them to the appropriate level of management. Management has corrected all such misstatements. The schedules below list all misstatements detected as a result of audit procedures that were corrected by management.

<b>PRIMARY GOVERNMENT</b>	<b>Audit Adjustments</b>	
	<b>Debit</b>	<b>Credit</b>
<u>To reclassify COVID Funds:</u>		
Revenue - FEMA Fund	342,425	-
Cash - FEMA Fund	-	342,425
Cash - General Fund	342,425	-
Revenue - General Fund	-	342,425
<u>To reclassify COVID Receivable:</u>		
Intergovernmental Receivable - General Fund	83,445	-
Revenue - General Fund	-	83,445
Revenue - FEMA Fund	83,445	-
Intergovernmental Receivable - FEMA Fund	-	83,445
<u>To remove Loans Receivable issuance :</u>		
Revenue - Non Major Funds	70,000	-
JSDC Loans Receivable	-	70,000

**Disagreements with Management**

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

**STUTSMAN COUNTY**

Governance Communication – Continued

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**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated September 22, 2021.

**Management Consultations with Other Independent Accountants**

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

**Difficulties Encountered in Performing the Audit**

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

**Other Audit Findings or Issues**

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

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

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

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
September 22, 2021



Office of the  
State Auditor

NORTH DAKOTA STATE AUDITOR  
JOSHUA C. GALLION

**NORTH DAKOTA STATE AUDITOR'S OFFICE**

600 E. Boulevard Ave. Dept. 117 | Bismarck, North Dakota 58505