



# 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, 2021

*Client Code: PS47000*



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Office of the  
State Auditor

**STUTSMAN COUNTY**

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For the Year Ended December 31, 2021

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**STUTSMAN COUNTY**

County Officials

December 31, 2021

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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	County Auditor/COO
Mandi Freije	Human Resources Director
Maureen McGilvrey	Treasurer/Recorder
Chad Kaiser	Sheriff
Fritz Fremgen	State's Attorney
Jim Wentland	Road Superintendent

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

#### *Opinions*

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 year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Stutsman County's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the James River Valley Library System, which represent 96% and 97%, respectively, of the assets and revenues of the aggregate discretely presented component units as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the James River Valley Library System is based solely on the report of the other auditors.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stutsman County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Emphasis of Matter**

*Prior Period Restatement*

As discussed in Note 2 to the financial statements, the 2020 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

**Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Stutsman County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing our audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Stutsman County's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stutsman County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**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*, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, 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.

**Supplementary 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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

**Other Reporting Required by GAS**

In accordance with GAS, we have also issued our report dated October 11, 2023 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 GAS in considering Stutsman County's internal control over financial reporting and compliance.

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
October 11, 2023

**STUTSMAN COUNTY**  
**Statement of Net Position**  
**December 31, 2021**

	Primary Government		
	Governmental Activities	Component Units	
		Water Resource District	James River Valley Library System
<b>ASSETS</b>			
Cash and Investments	\$ 32,112,190	\$ 108,101	\$ 527,816
Intergovernmental Receivables	435,765	-	-
Accounts Receivable	405,887	-	-
Taxes Receivable	116,494	-	-
Certified Special Assessment Receivable	433,913	-	-
Uncertified Special Assessment Receivable	7,187,250	-	-
Road Receivables	598,380	-	-
Loans Receivable - Other	10,000	-	-
JSDC Loans Receivable	1,168,226	-	-
Due from Other Govt. Agencies	-	-	656,191
Prepaid Expenses	-	-	9,767
Inventory	278,467	-	-
Restricted Assets			
Hodge Fund	-	-	87,648
Capital Campaign	-	-	37,259
Centennial Initiative	-	-	2,561
Funds held by City	-	-	100,000
Capital Assets			
Nondepreciable	1,812,609	-	6,000
Depreciable, Net	52,936,210	-	921,529
<b>Total Assets</b>	<b>\$ 97,495,391</b>	<b>\$ 108,101</b>	<b>\$ 2,348,771</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Derived from Pensions & OPEB	\$ 8,596,839	\$ -	\$ 480,193
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 2,132,831	\$ -	\$ 15,407
Salaries Payable	82,026	-	-
Grants Received in Advance	2,007,783	-	-
Interest Payable	51,341	-	-
Retainages Payable	18,201	-	-
Contract Payable	67,100	-	-
Long-Term Liabilities			
Due Within One Year			
Long-Term Debt	230,783	-	-
Compensated Absences	295,999	-	-
Due After One Year			
Long-Term Debt	5,633,500	-	-
Compensated Absences	443,998	-	17,455
Net Pension and OPEB Liability	7,350,222	-	391,833
<b>Total Liabilities</b>	<b>\$ 18,313,784</b>	<b>\$ -</b>	<b>\$ 424,695</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid Taxes	\$ 2,542,480	\$ -	\$ -
Derived from Pensions & OPEB	13,573,536	-	722,043
<b>Total Deferred Inflows of Resources</b>	<b>\$ 16,116,016</b>	<b>\$ -</b>	<b>\$ 722,043</b>
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<b>\$ 34,429,800</b>	<b>\$ -</b>	<b>\$ 1,146,738</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 48,829,277	\$ -	\$ 927,529
Restricted For			
Debt Service	7,622,920	-	-
Capital Projects	3,645,868	-	-
Highways and Bridges	7,944,006	-	-
Emergencies	1,204,084	-	-
Conservation of Natural Resources	295,193	-	-
Culture and Recreation	613,147	-	-
Economic Development	2,053,127	-	-
Hodge Fund	-	-	87,648
Capital Campaign	-	-	37,259
Centennial Initiative	-	-	2,561
Building Fund Held by City	-	-	100,000
Unrestricted	(545,192)	108,101	527,229
<b>Total Net Position</b>	<b>\$ 71,662,430</b>	<b>\$ 108,101</b>	<b>\$ 1,682,226</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, 2021

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	\$ 3,204,751	\$ 163,000	\$ 35,300	\$ -	\$ (3,006,451)	\$ -	\$ -
Public Safety	5,947,908	1,499,483	509,309	22,191	(3,916,925)	-	-
Highways	5,096,358	895,000	1,728,043	709,489	(1,763,826)	-	-
Flood Repair	2,012,741	-	2,140,358	-	127,617	-	-
Health and Welfare	3,992,269	75	3,518,414	-	(473,780)	-	-
Culture and Recreation	484,113	225,195	7,914	-	(251,004)	-	-
Conserv. of Natural Resources	644,107	76,771	4,833	-	(562,503)	-	-
Economic Development	495,966	-	-	-	(495,966)	-	-
Interest on Long-Term Debt	214,751	-	-	-	(214,751)	-	-
<b>Total Primary Government</b>	<b>\$ 22,092,964</b>	<b>\$ 2,859,524</b>	<b>\$ 7,944,171</b>	<b>\$ 731,680</b>	<b>\$ (10,557,589)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Component Units</b>							
Water Resource District	\$ 43,772	\$ -	\$ -	\$ -	\$ (43,772)	\$ -	\$ -
James River Valley Library System	901,752	5,896	68,983	-	-	-	(826,873)
<b>Total Component Units</b>	<b>\$ 945,524</b>	<b>\$ 5,896</b>	<b>\$ 68,983</b>	<b>\$ -</b>	<b>\$ (43,772)</b>	<b>\$ -</b>	<b>\$ (826,873)</b>
<b>General Revenues</b>							
Property Taxes					\$ 7,670,441	\$ 33,827	\$ 975,299
Non Restricted Grants And Contributions					1,893,332	-	-
Restricted Investment Earnings					-	-	942
Earnings on Investments					161,615	2,338	1,072
Miscellaneous Revenue					382,614	80	-
Change in Market Value					(191,365)	-	-
Net Gain on Sale of Capital Assets					44,730	-	-
<b>Total General Revenues</b>					<b>\$ 9,961,367</b>	<b>\$ 36,245</b>	<b>\$ 977,313</b>
<b>Special Items</b>							
Revenue Related to Development Agreement Default					\$ 2,646,000	\$ -	\$ -
Expenditures Related to Development Agreement Default					(2,531,977)	-	-
<b>Total Special Items</b>					<b>\$ 114,023</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in Net Position</b>					<b>\$ (482,199)</b>	<b>\$ (7,527)</b>	<b>\$ 150,440</b>
<b>Net Position - January 1</b>					<b>\$ 63,820,576</b>	<b>\$ 115,628</b>	<b>\$ 1,531,786</b>
<b>Prior Period Adjustment</b>					<b>\$ 8,324,053</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Position - January 1, as restated</b>					<b>\$ 72,144,629</b>	<b>\$ 115,628</b>	<b>\$ 1,531,786</b>
<b>Net Position - December 31</b>					<b>\$ 71,662,430</b>	<b>\$ 108,101</b>	<b>\$ 1,682,226</b>

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

**STUTSMAN COUNTY**  
 Balance Sheet – Governmental Funds  
 December 31, 2021

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 9,682,666	\$ 18,823,950	\$ 4,557	\$ 3,601,017	\$ 32,112,190
Intergovernmental Receivables	212,978	182,787	-	40,000	435,765
Accounts Receivable	251,701	147,936	-	6,250	405,887
Taxes Receivable	86,501	29,993	-	-	116,494
Certified Special Assessment Receivable	-	-	433,913	-	433,913
Uncertified Special Assessment Receivable	-	-	7,187,250	-	7,187,250
Road Receivable	-	598,380	-	-	598,380
Loans Receivable - Other	10,000	-	-	-	10,000
JSDC Loans Receivable	-	1,168,226	-	-	1,168,226
Inventory	-	278,467	-	-	278,467
<b>Total Assets</b>	<b>\$ 10,243,846</b>	<b>\$ 21,229,739</b>	<b>\$ 7,625,720</b>	<b>\$ 3,647,267</b>	<b>\$ 42,746,572</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 84,207	\$ 2,044,425	\$ 2,800	\$ 1,399	\$ 2,132,831
Salaries Payable	31,809	50,217	-	-	82,026
Retainage Payable	-	18,201	-	-	18,201
Contracts Payable	-	67,100	-	-	67,100
Grants Received in Advance	-	2,007,783	-	-	2,007,783
<b>Total Liabilities</b>	<b>\$ 116,016</b>	<b>\$ 4,187,726</b>	<b>\$ 2,800</b>	<b>\$ 1,399</b>	<b>\$ 4,307,941</b>
<b>Deferred Inflows of Resources:</b>					
Taxes Receivable	\$ 86,501	\$ 29,993	\$ -	\$ -	\$ 116,494
Taxes Received in Advance	1,782,568	759,912	-	-	2,542,480
Certified Special Assessment Receivable	-	-	433,913	-	433,913
Uncertified Special Assessment Receivable	-	-	7,187,250	-	7,187,250
Road Receivables	-	598,380	-	-	598,380
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,869,069</b>	<b>\$ 1,388,285</b>	<b>\$ 7,621,163</b>	<b>\$ -</b>	<b>\$ 10,878,517</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 1,985,085</b>	<b>\$ 5,576,011</b>	<b>\$ 7,623,963</b>	<b>\$ 1,399</b>	<b>\$ 15,186,458</b>
<b>Fund Balances</b>					
<b>Non-Spendable</b>					
Loans Receivable	\$ 10,000	\$ 1,168,226	\$ -	\$ -	\$ 1,178,226
Inventory	-	278,467	-	-	278,467
<b>Restricted</b>					
Debt Service	-	-	1,757	-	1,757
Capital Project Funds	-	-	-	3,645,868	3,645,868
General Government	-	45,105	-	-	45,105
Public Safety	-	1,183,799	-	-	1,183,799
Highways and Bridges	-	8,783,465	-	-	8,783,465
Health and Welfare	-	720,496	-	-	720,496
Flood Repair	-	-	-	-	-
Emergencies	-	1,204,084	-	-	1,204,084
Conservation of Natural Resources	-	624,557	-	-	624,557
Culture and Recreation	-	802,218	-	-	802,218
Economic Development	-	884,901	-	-	884,901
<b>Assigned</b>					
General Government	3,378,388	-	-	-	3,378,388
<b>Unassigned</b>					
General Fund	4,870,373	-	-	-	4,870,373
Negative Fund Balances	-	(41,590)	-	-	(41,590)
<b>Total Fund Balances</b>	<b>\$ 8,258,761</b>	<b>\$ 15,653,728</b>	<b>\$ 1,757</b>	<b>\$ 3,645,868</b>	<b>\$ 27,560,114</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,243,846</b>	<b>\$ 21,229,739</b>	<b>\$ 7,625,720</b>	<b>\$ 3,647,267</b>	<b>\$ 42,746,572</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, 2021

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<b>Total Fund Balances for Governmental Funds</b>		\$ 27,560,114
<p>Total <i>net position</i> reported for government activities in the statement of net position is different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		54,748,816
Certain receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds.		
Taxes Receivable	\$ 116,494	
Special Assessments Receivable	7,621,163	
Road Receivables	<u>598,382</u>	8,336,039
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	\$ 8,596,839	
Deferred Inflows Related to Pensions and OPEB	<u>(13,573,536)</u>	(4,976,697)
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	\$ (5,864,283)	
Interest Payable	(51,341)	
Net Pension and OPEB Liability	(7,350,222)	
Compensated Absences	<u>(739,996)</u>	<u>(14,005,842)</u>
<b>Total Net Position of Governmental Activities</b>		<u>\$ 71,662,430</u>

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, 2021

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>					
Taxes and Special Assessments	\$ 5,411,441	\$ 2,281,215	\$ 435,861	\$ -	\$ 8,128,517
Intergovernmental	2,155,955	7,641,198	-	40,000	9,837,153
Charges for Services	1,332,009	1,398,347	-	-	2,730,356
Licenses, Permits and Fees	7,510	5,600	-	-	13,110
Interest Income	65,775	82,524	776	12,540	161,615
Miscellaneous	123,358	233,253	-	26,003	382,614
<b>Total Revenues</b>	<b>\$ 9,096,048</b>	<b>\$ 11,642,137</b>	<b>\$ 436,637</b>	<b>\$ 78,543</b>	<b>\$ 21,253,365</b>
<b>EXPENDITURES</b>					
Current					
General Government	\$ 2,552,500	\$ 295,760	\$ -	\$ 55,162	\$ 2,903,422
Public Safety	5,360,485	181,408	-	107,328	5,649,221
Highways and Bridges	-	3,587,569	-	472,535	4,060,104
Flood Repair	-	2,012,741	-	-	2,012,741
Health and Welfare	159,645	3,647,274	-	-	3,806,919
Culture and Recreation	-	452,542	-	-	452,542
Conserv. of Natural Resources	-	595,713	-	8,859	604,572
Economic Development	-	495,966	-	-	495,966
Debt Service					
Principal	7,248	-	220,000	-	227,248
Interest and Fees	691	-	215,710	-	216,401
<b>Total Expenditures</b>	<b>\$ 8,080,569</b>	<b>\$ 11,268,973</b>	<b>\$ 435,710</b>	<b>\$ 643,884</b>	<b>\$ 20,429,136</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,015,479	\$ 373,164	\$ 927	\$ (565,341)	\$ 824,229
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	\$ 134,600	\$ 2,478,740	\$ -	\$ 1,009,639	\$ 3,622,979
Sales of Capital Assets	17,534	31,450	-	139,000	187,984
Change in Market Value	(69,188)	(104,210)	(753)	(17,214)	(191,365)
Transfers Out	(1,429,340)	(2,193,639)	-	-	(3,622,979)
<b>Total Other Financing Sources and Uses</b>	<b>\$ (1,346,394)</b>	<b>\$ 212,341</b>	<b>\$ (753)</b>	<b>\$ 1,131,425</b>	<b>\$ (3,381)</b>
<b>SPECIAL ITEMS</b>					
Revenue Related to Development Agreement Default	\$ -	\$ 2,646,000	\$ -	\$ -	\$ 2,646,000
Expenditures Related to Development Agreement Default	-	(2,531,977)	-	-	(2,531,977)
<b>Total Special Items</b>	<b>\$ -</b>	<b>\$ 114,023.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 114,023.00</b>
<b>Net Changes in Fund Balance</b>	<b>\$ (330,915)</b>	<b>\$ 699,528</b>	<b>\$ 174</b>	<b>\$ 566,084</b>	<b>\$ 934,871</b>
<b>Fund Balance - January 1</b>	<b>\$ 8,589,676</b>	<b>\$ 14,654,891</b>	<b>\$ 1,583</b>	<b>\$ 3,079,784</b>	<b>\$ 26,325,934</b>
Prior Period Adjustments					
SCJDA Loan Receivable PPA	-	1,258	-	-	1,258
Inventory	-	301,051	-	-	301,051
Retainage	-	(3,000)	-	-	(3,000)
<b>Fund Balance - Jan. 1, as restated</b>	<b>8,589,676</b>	<b>14,954,200</b>	<b>1,583</b>	<b>3,079,784</b>	<b>26,625,243</b>
<b>Fund Balance - December 31</b>	<b>\$ 8,258,761</b>	<b>\$ 15,653,728</b>	<b>\$ 1,757</b>	<b>\$ 3,645,868</b>	<b>\$ 27,560,114</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, 2021

**Net Change in Fund Balances - Total Governmental Funds** \$ 934,871

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	\$ 1,057,752	
Capital Contributions	731,680	
Depreciation Expense	<u>(2,365,268)</u>	(575,836)

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	\$ 44,730	
Proceeds from Sale of Capital Assets	<u>(187,984)</u>	(143,254)

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		227,248
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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	\$ 14,221,930	
Net Change in Deferred Outflows of Resources Related to Pensions and OPEB	(4,308,720)	
Net Change in Deferred Intflows of Resources Related to Pensions and OPEB	<u>(10,567,377)</u>	(654,167)

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	\$ 68,957	
Net Change in Retainage Payable	-	
Net Change in Interest Payable	<u>1,650</u>	70,607

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	\$ (22,215)	
Net Change in Special Assessments Receivable	(435,512)	
Net Change in Road Receivable	<u>116,059</u>	<u>(341,668)</u>

**Change in Net Position of Governmental Activities** \$ (482,199)

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

**STUTSMAN COUNTY**

Statement of Fiduciary Net Position – Fiduciary Funds  
December 31, 2021

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	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 8,025,766</u>
<b>LIABILITIES &amp; DERRERED INFLOWS OF RESOURCES</b>	
Liabilities	
Funds Held for Other Government Units	<u>\$ 164,383</u>
Deferred Inflows of Resources	
Taxes Received in Advance	<u>\$ 7,861,383</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 8,025,766</u>
Total Net Position	<u>\$ -</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, 2021

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	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Tax Collections for Other Governments	\$ 25,407,853
Intergovernmental Collections for Other Governments	1,891,679
Grant Collections for Other Governments	<u>158,666</u>
 Total Additions	 <u>\$ 27,458,198</u>
<b>DEDUCTIONS</b>	
Tax Disbursements to Other Government Units	\$ 25,407,853
Intergovernmental Disbursements for Other Governments	1,891,679
Grant Disbursements to Other Government Units	<u>158,666</u>
 Total Deductions	 <u>\$ 27,458,198</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, 2021

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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.

Special Revenue Fund - This fund accounts for financial resources that exist for special purposes. The major sources of revenues are a restricted tax levy and state/federal grants/reimbursements.

Debt Service Fund - This fund accounts for the costs of paying off the County's bond obligations. The major sources of revenues are special assessments.

Capital Projects Fund – This fund accounts for the costs associated with construction of buildings and infrastructure.

Additionally, the County reports the following custodial 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.

### **Cash and Investments**

Cash includes amounts in demand deposits and money market accounts.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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The investments of the County consist of certificates of deposit stated at cost with maturities in excess of three months. County investments also include investments in government obligation bonds and municipal bonds stated at market value.

**Inventories**

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

**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. 10% of the sick leave benefits are 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.

*Non-Spendable Fund Balances.* Amounts that cannot be spent because they are legally or contractually required to be maintained intact and is shown for inventory in the special revenue fund.

*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**

Fund Balance/Net Position of the County as of January 1, 2021 has been restated for adjustments to receivables, payables, capital assets, and inventory as shown below. The results of the adjustments increased the beginning Fund Balance/Net Position of the County.

Adjustments to beginning Fund Balance/Net Position are as follows:

	<b>Special Revenue Fund</b>	<b>Government Wide</b>
Beginning Fund Balance/Net Position, as Previously Reported	\$ 14,654,891	\$ 63,820,576
Prior Period Adjustment		
Uncertified Special Assessments		7,621,162
Certified Special Assessments		435,513
Taxes Receivable	-	(29,905)
Special Assessments Payable	-	3,953
Loans Receivable	1,258	(1,743)
Capital Assets, Net	-	(8,978)
Inventory	301,051	301,051
Retainage Payable	(3,000)	3,000
Fund Balance/Net Position January 1, Restated	\$ 14,954,200	\$ 72,144,629

**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.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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.

At December 31, 2021, the County’s carrying amount of deposits was \$38,674,426, and the bank balances were \$39,028,471. Of the bank balances, \$1,454,260 was covered by Federal Depository Insurance. Additionally, the County is currently holding \$21,960,584 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, 2021, the Stutsman County Water Resource District had a carrying amount of deposits of \$108,101 and the bank balances were \$108,489, all of which was covered by Federal Depository Insurance.

At December 31, 2021, the James River Valley Library System had a carrying amount of deposits of \$617,745 and the bank balances were \$620,045 all of which was covered by Federal Depository Insurance. The Library also has funds invested through a local investment company in the amount of \$37,259 and \$100,000 in the custody of the City of Jamestown. All of the funds are either in money market accounts or certificates of deposit which are fully insured by the Federal Deposit Insurance Company at the banks where the funds are held.

**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:

<b>Investment Type</b>	<b>Total Fair Value</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>5-10 years</b>
Government Obligation Bonds	\$ 14,597,834	\$ 13,184,608	\$ 841,957	\$ 571,269	\$ -
Municipal Bonds	7,320,576	1,062,502	2,772,313	3,485,761	-
Total Investments	\$ 21,918,409	\$ 14,247,110	\$ 3,614,270	\$ 4,057,030	\$ -

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**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.

The following table below presents the balances of assets measured at fair value on a recurring basis at December 31, 2021:

		<b>Quoted Prices In Active Markets Level 1</b>	<b>Significant Other Observable Inputs Level 2</b>	<b>Significant Unobservable Inputs Level 3</b>
<b>Assets</b>	<b>Total</b>			
Government Obligation Bonds	\$ 14,597,834	\$ 14,597,834	\$ -	\$ -
Municipal Bonds	7,320,576	-	7,320,576	-
Total Investments	\$ 21,918,409	\$ 14,597,834	\$ 7,320,576	\$ -

**NOTE 5 SPECIAL ITEM**

In 2021, the Stutsman County Park Board entered into a land conveyance agreement with the U.S. Department of the Interior Bureau of Reclamation. This agreement quitclaimed the title and interest of the Recreation Land and Permitted Cabin Land to the Stutsman County Park Board. The Stutsman County Park Board assumed responsibility for all duties and costs associated with the ownership, operation, maintenance, replacement, enhancement, and betterment of the land. The Stutsman County Park Board sold portions of this land at fair market value in 2021 and paid back those monies less any costs incurred. In 2021, the Stutsman County sold 59 lots and collected \$2,646,000 from those sales. In 2021, Stutsman County remitted \$2,531,977 back to the U.S. Department of the Interior Bureau of Reclamation.

**NOTE 6 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.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**NOTE 7 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, 2021.

	<b>Restated Balance January 1</b>	<b>New Loans</b>	<b>Principal Payments</b>	<b>Balance December 31</b>
Loans Receivable	\$ 1,147,934	\$ 96,836	\$ 76,544	\$ 1,168,226

**NOTE 8 CAPITAL ASSETS**

**Primary Government**

The following is a summary of changes in capital assets for the County for the year ended December 31, 2021:

	<b>Restated Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
<b>Primary Government</b>					
Capital Assets Not Being Depreciated					
Land	\$ 596,200	\$ -	\$ -	\$ -	\$ 596,200
Construction in Progress	757,896	1,172,762	-	(714,249)	1,216,409
<b>Total Capital Assets, Not Being Depreciated</b>	<b>\$ 1,354,096</b>	<b>\$ 1,172,762</b>	<b>\$ -</b>	<b>\$ (714,249)</b>	<b>\$ 1,812,609</b>
Capital Assets Being Depreciated					
Buildings	\$ 11,985,358	\$ -	\$ -	\$ -	\$ 11,985,358
Equipment	9,407,816	671,673	(511,935)	211,918	9,779,472
Infrastructure	74,428,394	-	-	502,331	74,930,725
<b>Total Capital Assets, Being Depreciated</b>	<b>\$ 95,821,568</b>	<b>\$ 671,673</b>	<b>\$ (511,935)</b>	<b>\$ 714,249</b>	<b>\$ 96,695,555</b>
Less Accumulated Depreciation					
Buildings	\$ 6,881,553	\$ 219,250	\$ -	\$ -	\$ 7,100,803
Equipment	5,001,377	750,851	(313,682)	-	5,438,546
Infrastructure	29,824,828	1,395,168	-	-	31,219,996
<b>Total Accumulated Depreciation</b>	<b>\$ 41,707,758</b>	<b>\$ 2,365,269</b>	<b>\$ (313,682)</b>	<b>\$ -</b>	<b>\$ 43,759,345</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 54,113,810</b>	<b>\$ (1,693,596)</b>	<b>\$ (198,253)</b>	<b>\$ 714,249</b>	<b>\$ 52,936,210</b>
<b>Governmental Capital Assets, Net</b>	<b>\$ 55,467,906</b>	<b>\$ (520,834)</b>	<b>\$ (198,253)</b>	<b>\$ -</b>	<b>\$ 54,748,819</b>

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

General Government	\$ 213,638
Public Safety	254,230
Highways and Bridges	1,792,850
Health and Welfare	13,204
Conservation of Natural Resources	24,287
Culture and Recreation	67,060
<b>Total Depreciation Expense</b>	<b>\$ 2,365,269</b>

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**Discretely Presented Component Unit**

The following is a summary of changes in capital assets for the year ended December 31, 2021 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
Capital Assets Being Depreciated				
Buildings	\$ 519,656	\$ -	\$ -	\$ 519,656
BookMobile	239,502	-	-	239,502
Equipment	308,072	39,855	(7,945)	339,982
Books, Periodicals	1,398,395	86,065	(50,065)	1,434,395
<b>Total Capital Assets, Being Depreciated</b>	<b>\$ 2,465,625</b>	<b>\$ 125,920</b>	<b>\$ (58,010)</b>	<b>\$ 2,533,535</b>
Less Accumulated Depreciation				
Buildings	\$ 322,269	\$ 10,351	\$ -	\$ 332,620
BookMobile	47,901	11,975	-	59,876
Equipment	199,257	42,531	(7,945)	233,843
Books, Periodicals	982,083	53,649	(50,065)	985,667
<b>Total Accumulated Depreciation</b>	<b>\$ 1,551,510</b>	<b>\$ 118,506</b>	<b>\$ (58,010)</b>	<b>\$ 1,612,006</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 914,115</b>	<b>\$ 7,414</b>	<b>\$ -</b>	<b>\$ 921,529</b>
<b>Governmental Capital Assets, Net</b>	<b>\$ 920,115</b>	<b>\$ 7,414</b>	<b>\$ -</b>	<b>\$ 927,529</b>

Depreciation expense was charged to the culture and recreation function.

**NOTE 9 LONG-TERM LIABILITIES****Primary Government**

During the year ended December 31, 2021, the following changes occurred in liabilities reported in long-term liabilities:

	<b>Restated Balance Jan 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec 31</b>	<b>Due Within One Year</b>
<b>Primary Government</b>					
Long-Term Debt					
Special Assessments Bonds	\$ 6,070,000	\$ -	\$ 220,000	\$ 5,850,000	\$ 225,000
Special Assessments Payable	21,531	-	7,248	14,283	5,783
<b>Total Long-Term Debt</b>	<b>\$ 6,091,531</b>	<b>\$ -</b>	<b>\$ 227,248</b>	<b>\$ 5,864,283</b>	<b>\$ 230,783</b>
Compensated Absences *	\$ 808,953	\$ -	\$ 68,956	\$ 739,997	\$ 295,999
Net Pension and OPEB Liability	21,572,152	-	14,221,930	7,350,222	-
<b>Total Primary Government</b>	<b>\$28,472,636</b>	<b>\$ -</b>	<b>\$14,518,134</b>	<b>\$ 13,954,502</b>	<b>\$ 526,782</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	Special Assessment Bonds Payable		Special Assessments Payable	
	Principal	Interest	Principal	Interest
2022	\$ 225,000	\$ 205,363	\$ 5,783	\$ 463
2023	235,000	196,363	5,783	279
2024	245,000	186,963	145	95
2025	250,000	177,163	145	90
2026	260,000	169,663	145	85
2027-2031	2,755,000	641,938	723	346
2032-2036	1,880,000	147,562	543	222
2037-2041	-	-	423	143
2042-2046	-	-	423	71
2047-2052	-	-	170	9
<b>Total</b>	<b>\$ 5,850,000</b>	<b>\$ 1,725,015</b>	<b>\$ 14,283</b>	<b>\$ 1,803</b>

Special assessment bonds are paid directly from debt service sinking funds. Special assessments are certified annually in amounts sufficient to pay the debt service requirement. Whenever all special assessments appropriated and collected for a special improvement district are insufficient to pay principal and interest then due on the special improvement bonds issued against such improvement district, Stutsman County is to levy a tax upon all the taxable property in the County for the payment of such deficiency.

**Discretely Presented Component Units**

During the year ended December 31, 2021, 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 *	\$ 18,935	\$ -	\$ 1,480	\$ 17,455	\$ -
Net Pension and OPEB Liability	1,150,672	-	758,839	391,833	-
<b>Total Primary Government</b>	<b>\$ 1,169,607</b>	<b>\$ -</b>	<b>\$ 760,319</b>	<b>\$ 409,288</b>	<b>\$ -</b>

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

**NOTE 10 COMMITMENTS**

**Primary Government**

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

Project	Contract Amount	Total Completed	Retainage	Remaining Balance
SC-CVD-4707 (059)	\$ 1,011,038	\$ 876,442	\$ 18,201	\$ 152,797

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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**NOTE 11      CONTRACTS PAYABLE**

**Primary Government**

The County had contracts payable related to gravel royalties for inventory at year-end:

<b>Primary Government</b>	<b>Balance Jan 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec 31</b>
Contracts Payable	\$ 95,572	\$ -	\$ 28,472	\$ 67,100

**NOTE 12      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.

***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

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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

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

At December 31, 2021, the following net pension liabilities were reported:

	<b>Net Pension Liability</b>
Primary Government	\$ 7,001,216
Library	371,257

The net pension liability was measured as of June 30, 2021, 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, 2021 the entities had the following proportions, change in proportions, and pension expense:

	<b>Proportion</b>	<b>Increase (Decrease) in Proportion from June 30, 2020 Measurement</b>	<b>Pension Expense</b>
Primary Government	0.671708%	0.002780%	\$ 1,215,249
Library	0.035619%	-0.000034%	74,575

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

At December 31, 2021, 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	\$ 120,875	\$ 714,570
Changes in Assumptions	7,748,987	10,103,059
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	2,596,641
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	352,468	26,676
Employer Contributions Subsequent to the Measurement Date	243,318	-
<b>Total Primary Government</b>	<b>\$ 8,465,648</b>	<b>\$ 13,440,946</b>

<b>Library</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 6,410	\$ 37,892
Changes in Assumptions	410,909	535,740
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	137,693
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	37,492	3,104
Employer Contributions Subsequent to the Measurement Date	14,826	-
<b>Total Library System</b>	<b>\$ 469,637</b>	<b>\$ 714,429</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, 2022:

Primary Government	\$ 243,318
Library	14,826

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

	<b>Primary Government</b>	<b>Library</b>
2022	\$ (685,476)	\$ (30,715)
2023	(1,125,241)	(52,583)
2024	(890,521)	(42,246)
2025	(2,517,378)	(134,074)

**Actuarial Assumptions**

The total pension liability in the July 1, 2021 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

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equities	30%	6.00%
International Equities	21%	6.70%
Private Equity	7%	9.50%
Domestic Fixed Income	23%	0.73%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.77%
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 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 1.92%; and the resulting Single Discount Rate is 7.00%.

**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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

<b>Proportionate Share of the Net Pension Liability</b>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Primary Government	\$ 11,134,287	\$ 7,001,216	\$ 3,559,785
Library	590,423	371,257	188,767

***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 13 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.

**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.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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

At December 31, 2021, the following net OPEB liabilities were reported:

	<b>Net OPEB Liability</b>
Primary Government	\$ 349,006
Library	20,576

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The entities proportion of the net OPEB liability was based on the share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2021, the entities had the following proportions, change in proportions, and pension expense:

	<b>Proportion</b>	<b>Increase (Decrease) in Proportion from June 30, 2020 Measurement</b>	<b>OPEB Expense</b>
Primary Government	0.627513%	0.000390%	\$ 50,620
Library	0.036996%	0.002496%	3,734

At December 31, 2021, 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	\$ 20,045	\$ 9,566
Changes in Assumptions	54,047	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	119,578
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	18,141	3,446
Employer Contributions Subsequent to the Measurement Date	38,958	-
<b>Total Primary Government</b>	<b>\$ 131,191</b>	<b>\$ 132,590</b>

<b>Library</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 1,182	\$ 564
Changes in Assumptions	3,186	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	7,050
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,814	-
Employer Contributions Subsequent to the Measurement Date	2,374	-
<b>Total Library System</b>	<b>\$ 10,556</b>	<b>\$ 7,614</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, 2022:

Primary Government	\$ 38,958
Library	2,374

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

	Primary Government	Library
2022	\$ (4,293)	\$ 498
2023	(5,154)	447
2024	(10,405)	122
2025	(21,820)	(680)
2026	1,315	181

**Actuarial assumptions**

The total OPEB liability in the July 1, 2021 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	5.85%
Small Cap Domestic Equities	6%	6.75%
International Equities	21%	6.25%
Domestic Fixed Income	40%	0.50%

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**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 rates described in this report. 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, 2021, 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:

<b>Proportionate Share of the Net OPEB Liability</b>	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Primary Government	\$ 517,621	\$ 349,006	\$ 206,333
Library	30,517	20,576	12,165

**NOTE 14 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, 2021:

<b>Major Funds</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General	\$ 134,600	\$ 1,429,340
Special Revenue	2,478,740	2,193,639
Capital Projects	1,009,639	-
Debt Service	-	-
<b>Total Transfers</b>	<b>\$ 3,622,979</b>	<b>\$ 3,622,979</b>

Transfers are primarily used to move funds between the highway tax to the road and bridge department and to move funds between the general and special revenue funds to capital project funds for construction costs. The remaining transfers are for various purposes.

**NOTE 15 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 (NDRIF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The County pays an annual premium to NDRIF for its general liability, automobile, and inland marine insurance coverage. For the County the coverage by NDRIF is limited to losses of five million dollars per occurrence for general liability and automobile and \$6,753,928 for public assets/mobile equipment and portable property. The James River Valley Library System participates in the NDRIF 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

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

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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 16      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, 2021, there were three Community Development Block Grant Loans outstanding with a principal amount outstanding of \$72,193.

**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, 2021, there were two series of Industrial Revenue Bonds with a balance in the amount of \$4,175,143.

**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, 2021, there was one nontaxable issuance with a balance of \$4,729,991.

**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 form 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, 2021, there were two Facility Passenger Fee Revenue Bonds with a principal amount outstanding of \$677,159.

**STUTSMAN COUNTY**

Notes to the Financial Statements – Continued

**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, 2021, there was one nontaxable issuance with a balance of \$5,970,149.

**Municipal Industrial Development Bonds**

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

As of December 31, 2021, there were 1 outstanding issuances with a total balance of \$3,700,000.

**NOTE 17 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, 2021, which is the most current audited information available:

	<b>JSDC</b>
Total Assets	\$ 14,818,716
Total Liabilities	6,759,078
Total Net Position	\$ 8,059,638
Total Revenues	\$ 2,044,737
Total Expenses	1,279,491
Change in Net Position	\$ 765,246

**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, 2022, which is the most current audited information available:

**STUTSMAN COUNTY**Notes to the Financial Statements – Continued

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	<b>Central Valley Health District</b>
Total Assets & Def. Outflows	\$ 5,334,298
Total Liabilities & Def. Inflows	3,318,015
Total Net Position	\$ 2,016,283
Total Revenues	\$ 3,120,231
Total Expenses	2,818,316
Change in Net Position	\$ 301,915

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.

**STUTSMAN COUNTY**Budgetary Comparison Schedule – General Fund  
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 5,355,965	\$ 5,413,151	\$ 5,411,441	\$ (1,710)
Intergovernmental	1,682,795	1,881,160	2,155,955	274,795
Charges for Services	1,348,413	1,252,213	1,332,009	79,796
Licenses, Permits and Fees	5,700	5,700	7,510	1,810
Interest Income	142,500	142,500	65,775	(76,725)
Miscellaneous	91,200	91,200	123,358	32,158
<b>Total Revenues</b>	<b>\$ 8,626,573</b>	<b>\$ 8,785,924</b>	<b>\$ 9,096,048</b>	<b>\$ 310,124</b>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 2,834,458	\$ 2,763,128	\$ 2,552,500	\$ 210,628
Public Safety	5,583,315	5,678,200	5,360,485	317,715
Health and Welfare	207,250	211,625	159,645	51,980
Debt Service				
Principal	6,550	6,550	7,248	(698)
Interest	-	-	691	(691)
<b>Total Expenditures</b>	<b>\$ 8,631,573</b>	<b>\$ 8,659,503</b>	<b>\$ 8,080,569</b>	<b>\$ 578,934</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,000)	\$ 126,421	\$ 1,015,479	\$ 889,058
<b>OTHER FINANCING SOURCES (USES)</b>				
Change in Market Value	\$ -	\$ -	\$ (69,188)	\$ (69,188)
Sale of Capital Assets	-	-	17,534	17,534
Transfers In	134,600	134,600	134,600	-
Transfers Out	(1,254,340)	(1,429,340)	(1,429,340)	-
<b>Total Other Financing Sources and Uses</b>	<b>\$ (1,119,740)</b>	<b>\$ (1,294,740)</b>	<b>\$ (1,346,394)</b>	<b>\$ (51,654)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,124,740)</b>	<b>\$ (1,168,319)</b>	<b>\$ (330,915)</b>	<b>\$ 837,404</b>
Fund Balance - January 1	\$ 8,589,676	\$ 8,589,676	\$ 8,589,676	\$ -
Fund Balance - December 31	\$ 7,464,936	\$ 7,421,357	\$ 8,258,761	\$ 837,404

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

**STUTSMAN COUNTY**

Budgetary Comparison Schedule – Special Revenue Fund  
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 2,276,250	\$ 2,287,350	\$ 2,281,215	\$ (6,135)
Intergovernmental	5,558,485	8,789,250	7,641,198	(1,148,052)
Charges for Services	1,740,500	1,740,500	1,398,347	(342,153)
Licenses, Permits and Fees	5,000	5,000	5,600	600
Interest Income	182,510	182,510	82,524	(99,986)
Miscellaneous	91,300	240,605	233,253	(7,352)
<b>Total Revenues</b>	<b>\$ 9,854,045</b>	<b>\$ 13,245,215</b>	<b>\$ 11,642,137</b>	<b>\$ (1,603,078)</b>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 359,145	\$ 369,420	\$ 295,760	\$ 73,660
Public Safety	141,315	604,120	181,408	422,712
Highways and Bridges	4,252,840	4,411,090	3,587,569	823,521
Health and Welfare	3,829,235	3,809,575	3,647,274	162,301
Culture and Recreation	433,350	433,350	452,542	(19,192)
Conser. Of Natural Resources	581,290	612,690	595,713	16,977
Flood Repair	300,000	874,025	2,012,741	(1,138,716)
Economic Development	458,220	591,600	495,966	95,634
<b>Total Expenditures</b>	<b>\$ 10,355,395</b>	<b>\$ 11,705,870</b>	<b>\$ 11,268,973</b>	<b>\$ 436,897</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (501,350)	\$ 1,539,345	\$ 373,164	\$ (1,166,181)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 2,478,740	\$ 2,478,740	\$ 2,478,740	\$ -
Change in Market Value	-	-	(104,210)	(104,210)
Sale of Capital Assets	-	-	31,450	31,450
Transfers Out	(2,193,639)	(2,193,639)	(2,193,639)	-
<b>Total Other Financing Sources and Uses</b>	<b>\$ 285,101</b>	<b>\$ 285,101</b>	<b>\$ 212,341</b>	<b>\$ (72,760)</b>
<b>SPECIAL ITEMS</b>				
Revenue Related to Development Agreement Default	\$ -	\$ 2,691,115	\$ 2,646,000	\$ (45,115)
Expenditures Related to Development Agreement Default	-	(2,100,335)	(2,531,977)	(431,642)
<b>Total Special Items</b>	<b>\$ -</b>	<b>\$ 590,780.00</b>	<b>\$ 114,023.00</b>	<b>\$ (476,757.00)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (216,249)</b>	<b>\$ 2,415,226</b>	<b>\$ 699,528</b>	<b>\$ (1,715,698)</b>
Fund Balance - January 1	\$ -	\$ -	\$ 14,654,891	\$ -
Prior Period Adjustment	\$ -	\$ -	\$ 299,309	\$ 299,309
Fund Balance - January 1, as restated	\$ -	\$ -	\$ 14,954,200	\$ 299,309
<b>Fund Balance - December 31</b>	<b>\$ (216,249)</b>	<b>\$ 2,415,226</b>	<b>\$ 15,653,728</b>	<b>\$ (1,416,389)</b>

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, 2021

**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
2021	0.671708%	\$ 7,001,216	\$ 7,606,357	92.04%	78.26%
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
2021	0.035619%	\$ 371,257	\$ 403,348	92.04%	78.26%
2020	0.035653%	1,121,651	393,292	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, 2021

**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>
2021	\$ 560,936	\$ 552,935	\$ 8,001	\$ 7,778,027	7.11%
2020	522,503	519,635	2,868	7,708,607	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>
2021	\$ 29,745	\$ 28,794	\$ 951	\$ 403,348	7.14%
2020	27,849	26,647	1,202	393,292	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, 2021

**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
2021	0.627513%	\$ 349,006	\$ 6,841,508	5.10%	76.63%
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
2021	0.036966%	\$ 20,576	\$ 403,348	5.10%	76.63%
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
2021	\$ 82,271	\$ 82,369	\$ (98)	\$ 7,778,027	1.06%
2020	83,986	82,962	1,024	7,708,607	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
2021	\$ 4,850	\$ 4,610	\$ 240	\$ 403,348	1.14%
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%

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

**STUTSMAN COUNTY**

Notes to the Required Supplementary Information  
For the Year Ended December 31, 2021

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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, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2021 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, 2020.

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

**Pension**

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

**STUTSMAN COUNTY**

Notes to the Required Supplementary Information – Continued  
 For the Year Ended December 31, 2021

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**OPEB**

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

**NOTE 5 LEGAL COMPLIANCE - BUDGETS**

The board of County commissioners amended the budget for 2021 as follows:

	REVENUES/TRANSFER IN		
	Original Budget	Amendment	Amended Budget
<b>Major Funds</b>			
General Fund	\$ 8,761,173	\$ 159,351	\$ 8,920,524
Special Revenue Fund	12,332,785	3,391,170	15,723,955

	EXPENDITURES/TRANSFER OUT		
	Original Budget	Amendment	Amended Budget
<b>Major Funds</b>			
General Fund	\$ 9,885,913	\$ 202,930	\$ 10,088,843
Special Revenue Fund	12,549,034	1,350,475	13,899,509

**STUTSMAN COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal ALN Number	Program Title	Pass-Through Grantor's Number	Expenditures	Passed through to Subrecipients
<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	\$ 35,250	
	Total U.S Department of Housing and Urban Development		\$ 35,250	
<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	\$ 421	
Passed Through State's Attorney General				
16.738	Edward Byrne Memorial Justice Assistance Grant Program	N/A	\$ 51,675	\$ -
16.034	Coronavirus Emergency Supplemental Funding	N/A	17,656	17,656
Passed Through State Department of Corrections and Rehabilitation				
16.576	Crime Victim Compensation	N/A	\$ 49,563	\$ -
	Total U.S. Department of Justice		\$ 119,315	\$ 17,656
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
Passed Through State Department of Human Services:				
93.767	Children's Health Insurance Program	N/A	1,115	
93.778	Medical Assistance Program	N/A	37,867	
21.019	COVID-19 - Coronavirus Relief Fund	N/A	8,526	
	Total U.S. Department of Health and Human Services		47,508	
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>				
Passed Through State Department of Emergency Services:				
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DR4553, DR4475	\$ 1,610,012	\$ -
97.042	Emergency Management Performance Grants	N/A	52,501	-
97.047	Building Resilient Infrastructure and Communities	N/A	264,455	264,454.53
Passed through State's Game and Fish				
97.012	Boating Safety Financial Assistance	N/A	4,613	-
	Total U.S. Department of Homeland Security		\$ 1,931,580	\$ 264,454.53
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>				
Passed Through State Highway Department:				
20.600	State & Highway Community Safety	HSPDD2111, HSPSC2107	\$ 1,985	
20.616	National Priority Safety Programs	HSPID2110, HSPOP2105	2,717	
Passed Through State Highway Patrol:				
20.218	Motor Carrier Safety Assistance	N/A	1,102	
	Total U.S. Department of Transportation		\$ 5,804	
<b>U.S. DEPARTMENT OF TREASURY</b>				
Direct Program				
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	SLFRP4622	\$ 2,974	
	Total U.S. Department of Treasurer		\$ 2,974	
<b>Total Expenditures of Federal Awards</b>			<b>\$ 2,142,431</b>	<b>\$ 282,111</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, 2021

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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, 2021. 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.

STATE AUDITOR  
Joshua C. Gallion



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701-328-2345

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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 year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Stutsman County's basic financial statements, and have issued our report thereon dated October 11, 2023. Our report includes a reference to other auditors who audited the financial statements of the James River Valley Library System, as described in our report on Stutsman County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Report on 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) as a basis for designing 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying *schedule of findings and questioned costs* as item 2021-001 that we consider to be a material weakness.

**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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**Report on 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 financial statements. 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**

Government Auditing Standards requires the auditor to perform limited procedures on Stutsman County's response to the findings identified in our audit and described in the accompanying *schedule of audit findings and questions costs*. Stutsman County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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  
October 11, 2023

STATE AUDITOR  
Joshua C. Gallion



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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**

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

We have audited Stutsman County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Stutsman County's major federal programs for the year ended December 31, 2021. Stutsman County's major federal programs are identified in the summary of auditor's results section of the accompanying *schedule of findings and questioned costs*.

In our opinion, Stutsman County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Stutsman County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Stutsman County's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Stutsman County's federal programs.

## STUTSMAN COUNTY

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

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### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Stutsman County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, GAS, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Stutsman County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, GAS, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Stutsman County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Stutsman County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

### Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

**STUTSMAN COUNTY**

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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  
October 11, 2023

**STUTSMAN COUNTY**  
 Summary of Auditor's Results  
 For the Year Ended December 31, 2021

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**Financial Statements**

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

**Internal control over financial reporting**

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

**Federal Awards – Stutsman County**

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 – Water Resource District**

ALN Number	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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, 2021

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**2021-001 – AUDIT ADJUSTMENTS – MATERIAL WEAKNESS**

**Condition**

During the audit of Stutsman County, we proposed material adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements.

**Effect**

There is an increased risk of material misstatement to Stutsman County's financial statements.

**Cause**

Stutsman County may not have had procedures in place to ensure the financial statements are complete and accurate.

**Criteria**

Stutsman County is responsible for the presentation of its financial statements and related note disclosures to ensure it is reliable, accurate, free of material misstatement, and in accordance with GAAP.

**Repeat Finding**

No.

**Recommendation**

We recommend Stutsman County review its procedures for the preparation of the financial statements to ensure the financial statements are complete and accurate in accordance with GAAP.

**Stutsman County's Response**

See the County's Corrective Action Plan.



**STUTSMAN  
COUNTY**

**Auditor's Office**

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Jamestown, ND 58401  
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www.stutsmancounty.gov

---

**Date:** August 22, 2023  
**To:** Joshua C. Gallion, ND State Auditor  
**From:** Jessica Alonge, County Auditor  
**RE:** Stutsman County – FY2021 Corrective Action Plan

**Contact Person Responsible for Corrective Acton Plan:** Jessica Alonge, County Auditor

**Section I – Financial Statement Findings:**

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**2021-001 – AUDIT ADJUSTMENTS – MATERIAL WEAKNESS**

**Condition:**

During the audit of Stutsman County, we proposed material adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements.

**Corrective Action Plan:**

We Agree and will continue to review all adjusting entries to ensure each one is classified correctly.

**Anticipated Completion Date:**

FY 2022 and each year thereafter.

**Section II –Federal Award Findings and Questioned Costs:**

No matters were reported for the County.

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**County Commissioners**  
Mark T. Klose – Jamestown  
Steven J. Cichos – Jamestown  
Joan Morris – Jamestown  
Jerry Bergquist – Jamestown  
Chad Wolsky – Jamestown

**County Officials**  
Jessica Alonge – Auditor/COO  
Maureen McGilvrey –Treasurer/Recorder  
Tyler Perleberg – Tax Director  
Fritz Fremgen – States Attorney  
Chad Kaiser – Sheriff

Josh Smaage – Dir. Of Information Technology  
Shannon Davis – Human Resource Director  
Mandi Freije – Human Service Zone Director  
Chad Jackson – Jail Administrator  
Andrew Kirking – 911/Emergency Manager

David Bratton – Veterans Service Officer  
Jim Wentland – Road Superintendent  
Karl Bergh – Park Superintendent  
Christina Rittenbach – Extension Agent  
Ashley Wolff – Extension Agent

# STUTSMAN COUNTY

Status of Prior Recommendations  
For the Year Ended December 31, 2021

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## STUTSMAN COUNTY

### Auditor's Office

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Date: 8/16/2023  
To: Joshua C. Gallion, ND State Auditor  
From: Jessica Alonge, Finance Director  
RE: Stutsman County – FY2021 Schedule of Prior Year 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.

**Recommendation:**

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

**Current Status of Recommendation:**

Fully Implemented. A new fund was established in August of 2021 and funds were transferred from the FEMA fund to the CARES Act Coronavirus Relief Fund at that time.

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

**Condition:**

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

**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.

**Current Status of Recommendation:**

Fully Implemented. The fraud risk assessment was completed in 2021.

Jessica Alonge  
County Auditor, Stutsman County

STATE AUDITOR  
Joshua C. Gallion



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## GOVERNANCE COMMUNICATION

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October 11, 2023

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, for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 7<sup>th</sup>, 2022. Professional standards also require that we communicate to you with the following information related to our audit.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Stutsman County are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. We noted no transactions entered into by Stutsman County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 governmental activities financial statements were:

Management's estimate of the useful lives of capital assets is based on past history of each classification of capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

### **Difficulties Encountered in Performing the Audit**

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

**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 schedule below lists all misstatements detected as a result of audit procedures that were corrected by management.

	<u>Audit Adjustments</u>	
	<u>Debit</u>	<u>Credit</u>
<b>PRIMARY GOVERNMENT</b>		
<b>Government Fund Adjustments</b>		
<b>General Fund</b>		
<u>To Record Intergovernmental Receivables</u>		
Intergovernmental Receivables	\$ 98,355	\$ -
Revenue - General Fund	-	98,355
<u>To Breakout Change in Market Value and Banking Fees from Interest Revenue</u>		
Banking Fees Expense	12,961	-
OFS- Change in Market Value	69,189	-
Interest Revenue	-	82,150
<u>To Reclassify COVID Funds</u>		
Cash - General Fund	342,425	-
Revenue - General Fund	-	342,425
<u>To Remove Accounts Receivables</u>		
Revenue - General Fund	46,250	-
Accounts Receivables	-	46,250
<b>Special Revenue Fund</b>		
<u>To Record Accounts Receivables</u>		
Intergovernmental Receivables	96,000	-
Revenue - Special Revenue Fund	-	96,000
<u>To Record Intergovernmental Receivables</u>		
Intergovernmental Receivables	177,971	-
Revenue - Special Revenue Fund	-	177,971
<u>To Reclassify Special Item:</u>		
Revenue - County Park	2,646,000	-
OFS - Special Item	-	2,646,000
OFS - Special Item	2,531,977	-
Expenses - County Park	-	2,531,977
<u>To Record Accounts Payable</u>		
Expenses - Special Revenue Fund	53,702	-
Accounts Payable	-	53,702
<u>To Breakout Change in Market Value and Banking Fees from Interest Revenue</u>		
Banking Fees Expense	19,354	-
OFS- Change in Market Value	104,210	-
Interest Revenue	-	123,564
<u>To Reclassify COVID Funds</u>		
Revenue - Special Revenue Fund	684,849	-
Cash - Special Revenue Fund	-	684,849
Cash - Special Revenue Fund	342,425	-
Expenditures - Special Revenue Fund	-	342,425
<u>To accrue Prior Period adjustment related to Inventory</u>		
Inventory	396,623	-
Contracts Payable	-	95,572
Fund Balance	-	301,051
<u>To adjust Inventory and Contracts Payable</u>		
Contracts Payable	28,471	-
Fund Balance	61,214	-
Inventory	-	89,685
<u>To Accrue Prior Period Adjustment related to Retainage Payable</u>		
Fund Balance	3,000	-
Expenditures	-	3,000
<u>To accrue Current Year retainage payable</u>		
Expenditures	18,201	-
Retainage Payable	-	18,201

**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.

<b><u>Debt Service Fund</u></b>		
<u>To Breakout Change in Market Value and Banking Fees from Interest Revenue</u>		
Banking Fees Expense	197	-
OFS- Change in Market Value	753	-
Interest Revenue	-	950
<b><u>Capital Projects Fund</u></b>		
<u>To Breakout Change in Market Value and Banking Fees from Interest Revenue</u>		
Banking Fees Expense	3,385	-
OFS- Change in Market Value	17,214	-
Interest Revenue	-	20,599
<u>To Record Accounts Receivables and Intergovernmental Receivables</u>		
Accounts Receivables	6,250	-
Intergovernmental Receivables	40,000	-
Revenue - Capital Project Fund	-	46,250
<b><u>Government Wide Adjustments</u></b>		
<u>To Adjust Capital Assets</u>		
Capital Assets	55,000	-
Expenditures	-	55,000
<u>To Adjust Depreciation</u>		
Depreciation Expense	2,292	-
Accumulated Depreciation	-	2,292
<u>To Adjust Construction-in-Progress Costs, Capital Contributions, and Retainage Payable</u>		
Capital Assets	24,935	-
Capital Contributions	6,828	-
Retainage Payable	-	890
Expenses	-	30,873
<u>To Include Uncertified Special Assessment Receivables</u>		
Uncertified Special Assesments Receivable	7,187,250	-
Deferred Inflows	-	7,187,250
<u>To Include Certified Special Assessment Receivables</u>		
Certified Special Assesments Receivable	433,913	-
Deferred Inflows	-	433,913
<u>To accure Prior Period adjustment related to Inventory</u>		
Inventory	396,623	-
Contracts Payable	-	95,572
Net Position	-	301,051
<u>To adjust Inventory and Contracts Payable</u>		
Contracts Payable	28,471	-
Fund Balance	61,214	-
Inventory	-	89,685
<u>To Accure Prior Period Adjustment related to Retainage Payable</u>		
Fund Balance	3,000	-
Expenditures	-	3,000
<u>To accure Current Year retainage payable</u>		
Expenditures	18,201	-
Retainage Payable	-	18,201
<b><u>SEFA Adjustments</u></b>		
<u>To record Schedule of Federal Award Adjustments</u>		
SEFA - Expenditures	-	690,078

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated October 11, 2023.

**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 Stutsman 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.

**Other Audit Findings or Issues**

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

**Other Matters**

We applied certain limited procedures to the *budgetary comparison information, schedule of district’s share of net pension liability and district contributions, schedule of district’s share of net OPEB liability and district contributions, and notes to the required supplementary information* which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the *schedule of expenditures of federal awards -water resource district and notes to the schedule of expenditures of federal awards*, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Restriction on Use**

This information is intended solely for the use of Stutsman County board members and management of Stutsman County, and 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  
October 11, 2023



Office of the  
State Auditor

NORTH DAKOTA STATE AUDITOR  
JOSHUA C. GALLION

**NORTH DAKOTA STATE AUDITOR'S OFFICE**

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