

STUTSMAN COUNTY

**FINANCIAL STATEMENTS
DECEMBER 31, 2024**

WITH INDEPENDENT AUDITOR'S REPORT

STUTSMAN COUNTY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

	1
	2 - 4
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	5
Statement of Activities	6
Balance Sheet - Governmental Funds	8
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	8
Balance - Governmental Funds	9
Reconciliation of Governmental Funds Statement of Revenues, of Activities	10
	11
	12
Notes to Financial Statements	13 - 39
	40 - 41
	42 - 43
	44
	45
	46 - 47

STUTSMAN COUNTY
COUNTY OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2024

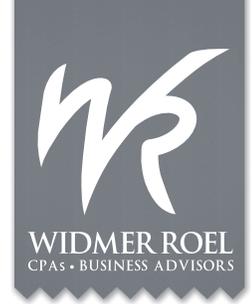
Current

Levi Taylor
Chad Wolsky
Mike Hansen
Ben Tompkins
Amanda Hastings

Commissioner-Chairperson
Commissioner-Vice Chair
Commissioner
Commissioner
Commissioner

Jessica Alonge
Chad Kaiser
Sue Koropatnicki
Fritz Fremgen

Auditor/COO
Sheriff
Treasurer/Recorder
States Attorney



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INDEPENDENT AUDITOR’S REPORT

County Commission
Stutsman County
Jamestown, North Dakota

Report on the Audit of the Financial Statements

Opinions

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** (“the County”), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the **Stutsman County’s** basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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**, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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

New Accounting Guidance

As discussed in Note 1 to the financial statements, the County adopted new accounting guidance, GASB Statement No 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 misstatements, 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 Responsibilities 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 an 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 Schedule of Employer's Share of Net Pension and OPEB Liability, Schedule of Employer Contributions, Budgetary Comparison Schedule - General Fund, Budgetary Comparison Schedule - Special Revenue Fund, and Notes to the Required Supplementary Information, as listed in the table of contents 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 requires 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 County officials listing is presented for purpose of additional analysis and is not a required part of the basic financial statements. The County officials listing has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2026, 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 the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Stutsman County's** internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Widmer Poel" followed by a stylized flourish.

Fargo, North Dakota
February 24, 2026

STUTSMAN COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Water Resource District</u>	<u>James River Valley Library System</u>
ASSETS			
Cash and investments	\$ 41,095,404	\$ 124,609	\$ 756,941
Intergovernmental receivable	370,463	-	-
Accounts receivable	335,023	-	-
Taxes receivable	110,660	-	2,474
Certified special assessments receivable	430,713	-	-
Uncertified special assessments receivable	5,886,113	-	-
Road receivables	493,882	-	-
Loans receivable	2,205,581	-	-
Inventory	776,993	-	-
Restricted assets			
Hodge fund	-	-	79,168
Centennial initiative	-	-	2,563
Funds held by Jamestown Community Foundation	-	-	262,289
Funds held by City of Jamestown	-	-	200,000
Capital assets, not being depreciated			
Land	596,200	-	6,000
Construction in progress	216,007	-	-
Capital assets, net of accumulated depreciation			
Buildings	6,847,296	-	156,224
Equipment	5,080,125	-	380,259
Infrastructure	44,031,037	-	-
Books and other reading materials	-	-	186,087
	<u>108,475,497</u>	<u>124,609</u>	<u>2,032,005</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions and OPEB	<u>6,704,970</u>	<u>-</u>	<u>335,729</u>
Total assets and deferred outflows of resources	<u>\$ 115,180,467</u>	<u>\$ 124,609</u>	<u>\$ 2,367,734</u>

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Water Resource District</u>	<u>James River Valley Library System</u>
LIABILITIES			
Accounts payable	\$ 18,520	\$ -	\$ -
Salaries payable	85,147	-	15,012
Grants received in advance	2,502,251	-	-
Interest payable	44,791	-	-
Contract payable	150,365	-	-
Long-term liabilities			
Due within one year			
Long-term debt	257,295	-	-
Compensated absences	106,675	-	3,821
Due after one year			
Long-term debt	4,939,553	-	-
Compensated absences	960,072	-	34,393
Net pension and OPEB liability	<u>11,841,093</u>	<u>-</u>	<u>722,463</u>
Total liabilities	<u>20,905,762</u>	<u>-</u>	<u>775,689</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	1,957,719	-	-
Deferred inflows of resources related to pensions and OPEB	<u>8,196,166</u>	<u>-</u>	<u>367,512</u>
Total deferred inflows of resources	<u>10,153,885</u>	<u>-</u>	<u>367,512</u>
NET POSITION			
Net investment in capital assets	51,529,026	-	728,570
Restricted			
Public safety	1,287,633	-	-
Highway and bridges	13,633,050	-	-
Health and welfare	906,865	-	-
Culture and recreation	1,268,491	-	-
Economic development	1,010,885	-	-
Conservation of natural resources	761,241	-	-
Emergency	1,035,676	-	-
General government	103,005	-	-
Capital project	6,115,119	-	-
Debt service	18,739	-	-
Unrestricted	<u>6,451,090</u>	<u>124,609</u>	<u>495,963</u>
Total net position	<u>84,120,820</u>	<u>124,609</u>	<u>1,224,533</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 115,180,467</u>	<u>\$ 124,609</u>	<u>\$ 2,367,734</u>

STUTSMAN COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues			Primary Government	Component Unit	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Water Resource District	James River Valley Library System
Primary Government:							
Governmental Activities:							
General government	\$ 4,144,658	\$ 98,772	\$ 1,136,276	\$ -	\$ (2,909,610)	\$ -	\$ -
Public safety	6,420,490	2,992,044	226,620	-	(3,201,826)	-	-
Highway and bridges	5,712,705	1,014,736	3,575,707	126,421	(995,841)	-	-
Flood repair	411,734	-	452,711	-	40,977	-	-
Health and welfare	4,290,464	8,527	4,038,329	-	(243,608)	-	-
Culture and recreation	802,924	126,719	-	-	(676,205)	-	-
Conservation of natural resources	734,060	175,894	239,569	-	(318,597)	-	-
Economic development	23,957	-	-	-	(23,957)	-	-
Interest expense	203,385	-	-	-	(203,385)	-	-
Total governmental activities	<u>\$ 22,744,377</u>	<u>\$ 4,416,692</u>	<u>\$ 9,669,212</u>	<u>\$ 126,421</u>	<u>(8,532,052)</u>	<u>-</u>	<u>-</u>
Component Units:							
Water Resource District	\$ 37,282	\$ -	\$ -	\$ -	-	(37,282)	-
James River Valley Library System	<u>1,092,264</u>	<u>8,591</u>	<u>138,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(945,070)</u>
Total component units	<u>\$ 1,129,546</u>	<u>\$ 8,591</u>	<u>\$ 138,603</u>	<u>\$ -</u>	<u>-</u>	<u>(37,282)</u>	<u>(945,070)</u>
GENERAL REVENUES							
					9,043,665	35,155	942,944
					554,592	-	-
					1,640,804	4,820	458
					390,717	100	10,359
					243,715	-	-
					<u>50,455</u>	<u>-</u>	<u>-</u>
				Total general revenues	<u>11,923,948</u>	<u>40,075</u>	<u>953,761</u>
				Change in net position	<u>3,391,896</u>	<u>2,793</u>	<u>8,691</u>
				Net position - January 1,	<u>80,728,924</u>	<u>121,816</u>	<u>1,215,842</u>
				Net position - December 31	<u>\$ 84,120,820</u>	<u>\$ 124,609</u>	<u>\$ 1,224,533</u>

See Notes to the Financial Statements

STUTSMAN COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Government Funds</u>
ASSETS					
Cash and investments	\$ 11,874,903	\$ 23,135,926	\$ 18,739	\$ 6,065,836	\$ 41,095,404
Intergovernmental receivable	172,451	198,012	-	-	370,463
Accounts receivable	285,470	270	-	49,283	335,023
Taxes receivable	100,799	9,861	-	-	110,660
Certified special assessments receivable	-	-	430,713	-	430,713
Uncertified special assessments receivable	-	-	5,886,113	-	5,886,113
Road receivables	-	493,882	-	-	493,882
Loans receivable	392,614	1,812,967	-	-	2,205,581
Inventory	-	776,993	-	-	776,993
Total assets	<u>\$ 12,826,237</u>	<u>\$ 26,427,911</u>	<u>\$ 6,335,565</u>	<u>\$ 6,115,119</u>	<u>\$ 51,704,832</u>
LIABILITIES					
Accounts payable	\$ 17,069	\$ 1,451	\$ -	\$ -	\$ 18,520
Salaries payable	27,323	57,824	-	-	85,147
Contract payable	-	150,365	-	-	150,365
Grants received in advance	-	2,502,251	-	-	2,502,251
Total liabilities	<u>44,392</u>	<u>2,711,891</u>	<u>-</u>	<u>-</u>	<u>2,756,283</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes receivable	100,799	9,861	-	-	110,660
Taxes received in advance	1,342,248	615,471	-	-	1,957,719
Certified special assessments receivable	-	-	430,713	-	430,713
Uncertified special assessments receivable	-	-	5,886,113	-	5,886,113
Road receivables	-	493,882	-	-	493,882
Total deferred inflows of resources	<u>1,443,047</u>	<u>1,119,214</u>	<u>6,316,826</u>	<u>-</u>	<u>8,879,087</u>
Total liabilities and deferred inflows of resources	<u>1,487,439</u>	<u>3,831,105</u>	<u>6,316,826</u>	<u>-</u>	<u>11,635,370</u>
FUND BALANCES					
Nonspendable					
Loans receivable	392,614	1,812,967	-	-	2,205,581
Inventory	-	776,993	-	-	776,993
Restricted for					
Public safety	-	1,287,633	-	-	1,287,633
Highway and bridges	-	13,633,050	-	-	13,633,050
Health and welfare	-	906,865	-	-	906,865
Culture and recreation	-	1,268,491	-	-	1,268,491
Economic development	-	1,010,885	-	-	1,010,885
Conservation of natural resources	-	761,241	-	-	761,241
Emergency	-	1,035,676	-	-	1,035,676
General government	-	103,005	-	-	103,005
Capital project	-	-	-	6,115,119	6,115,119
Debt service	-	-	18,739	-	18,739
Unassigned	<u>10,946,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,946,184</u>
Total fund balances	<u>11,338,798</u>	<u>22,596,806</u>	<u>18,739</u>	<u>6,115,119</u>	<u>40,069,462</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,826,237</u>	<u>\$ 26,427,911</u>	<u>\$ 6,335,565</u>	<u>\$ 6,115,119</u>	<u>\$ 51,704,832</u>

STUTSMAN COUNTY
RECONCILIATION OF GOVERNMENT FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total fund balances for governmental funds		\$ 40,069,462
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.</p>		
Cost of capital assets	106,607,032	
Less accumulated depreciation	<u>(49,836,367)</u>	56,770,665
<p>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 unavailable revenue in the funds.</p>		
Taxes receivable	110,660	
Certified special assessments receivable	430,713	
Uncertified special assessments receivable	5,886,113	
Road receivables	<u>493,882</u>	6,921,368
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Total deferred outflows of resources	6,704,970	
Total deferred inflows of resources	<u>(8,196,166)</u>	(1,491,196)
<p>Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds</p>		
Long-term debt	(5,196,848)	
Interest payable	(44,791)	
Compensated absences payable	(1,066,747)	
Net pension and OPEB liability	<u>(11,841,093)</u>	<u>(18,149,479)</u>
Total net position of governmental activities		\$ <u>84,120,820</u>

STUTSMAN COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Government Funds</u>
REVENUES					
Taxes	\$ 6,591,999	\$ 2,513,463	\$ 435,513	\$ -	\$ 9,540,975
Intergovernmental	2,622,681	7,739,012	-	65,989	10,427,682
Charges for services	2,510,978	1,890,394	-	-	4,401,372
Licenses, permits, and fees	9,400	5,810	-	-	15,210
Interest income	627,414	758,642	9,048	246,415	1,641,519
Miscellaneous	39,570	273,919	-	228,830	542,319
	<u>12,402,042</u>	<u>13,181,240</u>	<u>444,561</u>	<u>541,234</u>	<u>26,569,077</u>
EXPENDITURES					
Current					
General government	3,573,452	64,020	-	398,692	4,036,164
Public safety	6,615,730	438,526	-	1,004,800	8,059,056
Highway and bridges	-	3,966,029	-	680,183	4,646,212
Flood repair	-	411,734	-	-	411,734
Health and welfare	113,849	4,504,063	-	-	4,617,912
Culture and recreation	-	872,779	-	-	872,779
Conservation of natural resources	-	676,331	-	248	676,579
Economic development	-	23,957	-	-	23,957
Debt service:					
Principal	5,202	-	245,000	-	250,202
Interest and fees	11,302	716	194,033	-	206,051
	<u>10,319,535</u>	<u>10,958,155</u>	<u>439,033</u>	<u>2,083,923</u>	<u>23,800,646</u>
Excess (deficiency) of revenues over expenditures	<u>2,082,507</u>	<u>2,223,085</u>	<u>5,528</u>	<u>(1,542,689)</u>	<u>2,768,431</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	160,674	2,052,283	-	2,643,423	4,856,380
Investment market value change	90,076	114,305	1,034	38,301	243,716
Transfers out	(1,011,398)	(3,844,982)	-	-	(4,856,380)
	<u>(760,648)</u>	<u>(1,678,394)</u>	<u>1,034</u>	<u>2,681,724</u>	<u>243,716</u>
Net change in fund balances	<u>1,321,859</u>	<u>544,691</u>	<u>6,562</u>	<u>1,139,035</u>	<u>3,012,147</u>
FUND BALANCES - January 1	<u>10,016,939</u>	<u>22,052,115</u>	<u>12,177</u>	<u>4,976,084</u>	<u>37,057,315</u>
FUND BALANCES - December 31	<u>\$ 11,338,798</u>	<u>\$ 22,596,806</u>	<u>\$ 18,739</u>	<u>\$ 6,115,119</u>	<u>\$ 40,069,462</u>

STUTSMAN COUNTY

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Net change in fund balances - total governmental funds \$ 3,012,147

Amount reported for governmental activities in the statement of activities are 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. In the current period these amounts are:

Current year capital outlay	2,432,317	
Depreciation expense	(2,523,539)	
Book value of disposed assets	<u>(101,146)</u>	(192,368)

Certain liabilities, such as long-term debt and compensated absences, are not due and payable in the current period, and therefore are not reported in the funds.

Net change in long-term debt	195,869	
Net change in interest payable	1,950	
Net change in compensated absences payable	<u>(294,280)</u>	(96,461)

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

Change in net pension and OPEB liability	1,425,224	
Change in deferred outflows of resources	(2,285,622)	
Change in deferred inflows of resources	<u>2,174,077</u>	1,313,679

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	(5,820)	
Net change in certified special assessments receivable	(4,800)	
Net change in uncertified special assessments receivable	(430,712)	
Net change in road receivables	<u>(203,769)</u>	<u>(645,101)</u>

Change in net position of governmental activities \$ 3,391,896

STUTSMAN COUNTY
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ <u><u>6,073,027</u></u>
LIABILITIES & DEFERRED INFLOWS OF RESOURCES	
Liabilities	
Due to other governments	<u>43,811</u>
Deferred inflows of resources	
Deferred tax revenue - taxes received in advance	<u>6,029,216</u>
Total liabilities and deferred inflows of resources	<u><u>6,073,027</u></u>
Total net position	\$ <u><u>-</u></u>

STUTSMAN COUNTY
STATEMENT CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ <u>43,467,547</u>
DEDUCTIONS	
Tax disbursements to other governments	<u>43,467,547</u>
NET POSITION - December 1	<u>-</u>
NET POSITION - December 31	\$ <u><u>-</u></u>

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The accompanying financial statements present the activities of the County. The County has considered all potential component units for which the County is financially accountable and other organizations for which the nature and significance of their relationships with the County are such that exclusion would cause the County’s financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization’s governing board 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 imposed specific financial burdens on the County.

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

Discretely Presented Component Units

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

Discretely Presented Component Units: The component unit columns in the government wide financial statements include the financial data of the County’s two component units. This component unit is reported in a separate column to emphasize that it is legally separate from the County.

James River Valley Library System (“Library”) – 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 (“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.

Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the primary government, Stutsman County, 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.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 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.

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 all other resources which are required by law, contract, or policy to be accounted for in another fund, but which do not meet the criteria of debt service or capital projects funds.

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, County reports the following fiduciary fund type:

Custodial Funds: These funds account for assets held 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. Nonexchange 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.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general 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-reimbursements grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted components of net assets available to finance the problem. 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 money market accounts. Investments consist of certificates of deposit stated at cost with maturities in excess of three months, municipal bonds that are recorded at fair market value, and investments in government obligation bonds.

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 property, 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 the asset’s life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

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

Assets	County	Library
Land	Indefinite	Indefinite
Buildings	15-20	25
Machinery and equipment	8-10	5-10
Infrastructure	50	-
Vehicles	7-10	5-10
Office equipment	5-20	5-10
Books and reading materials	-	5

(Continued)

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Compensated Absences

Vacation leave is earned at the rate of one to two days per month depending on the 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 years of service. An unlimited number of sick leave hours may be carried over at each year-end. 10 percent of the sick leave benefits are paid out upon termination.

Long-Term Liabilities

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.

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 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.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Fund Balance

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 percent 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 County to spend unrestricted fund resources 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 loans receivable for the general fund; as well as inventory and loans receivable 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 3rd parties (state and federal governments for various grants and reimbursements).

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

Net Position

Net position represents the difference between assets and liabilities. Net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and is reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. These assets are not available for future spending.

Restricted Net Position – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Unrestricted Net Position – This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

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.

Change in Accounting Principle

The County implemented GASB Statement 101, *Compensated Absences* – an amendment of GASB Statement No. 16, during the year ended December 31, 2024. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences.

NOTE 2 – DEPOSITS

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 it may invest in any one issuer.

In accordance with North Dakota Statutes, the County maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System. Deposits must either be deposited with the Bank of North Dakota or in another 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 of 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 other securities approved by the banking board.

At year ended December 31, 2024, the County’s carrying amount of deposits totaled \$41,095,404 and the bank balances totaled \$43,466,910. Of the bank balances, \$37,627,273 was covered by Federal Depository Insurance. The remaining bank balances were collateralized with securities held by the pledging financial institution’s agent in the government’s name.

At year ended December 31, 2024, the Water Resource District’s carrying amount of deposits totaled \$124,609 and the bank balances totaled \$131,173. All of the bank balance was covered by Federal Depository Insurance.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

At year ended December 31, 2024, the James River Valley Library System’s carrying amount of deposits totaled \$1,300,962 and the bank balances totaled \$1,328,345. Of the bank balances, \$1,134,144 was covered by Federal Depository Insurance. The remaining bank balances were collateralized with securities held by the pledging financial institution’s agent in the government’s name.

NOTE 3 – INVESTMENTS

As of December 31, 2024, the County had the following investments:

County Investment Type	Moody's or S&P Rating	Less than One Year	Investment Maturities		Fair Value	Percent of Investments
			1-5 Years	6-10 Years		
US Treasury Bonds	AAA	\$ -	\$ 534,078	\$ -	\$ 534,078	10.22%
Municipal Bond	AAA	348,685	887,607	-	1,236,292	23.66%
Municipal Bond	AA2	246,427	202,304	-	448,731	8.59%
Municipal Bond	AA1	787,124	-	-	787,124	15.06%
Municipal Bond	AA+	394,418	-	-	394,418	7.55%
Municipal Bond	AA-	294,007	293,286	-	587,293	11.24%
Municipal Bond	AA	492,691	578,375	-	1,071,066	20.50%
Money Market	Not rated	166,502	-	-	166,502	3.19%
Total Investments		\$ 2,729,854	\$ 2,495,650	\$ -	\$ 5,225,504	100%

As authorized in North Dakota Statutes, idle funds may be invested as follows:

1. Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress.
2. Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above.
3. Certificates of deposit are fully insured by the federal deposit insurance corporation or by the state.
4. Certificates of deposit, savings deposits, or other deposits fully insured or guaranteed by the federal deposit insurance corporation and placed for the benefit of the public depositor by a public depository through an appropriate deposit placement service as determined by the commissioner of financial institutions.
5. State and local securities:
 - a. Any security that is a general obligation of any state or local government with taxing powers and is rated in the highest three categories by a nationally recognized rating agency.
 - b. An obligation of the state housing finance agency that is rated in the highest two categories by a nationally recognized rating agency.
 - c. Any security that is a general obligation of a school district and is rated in the highest two categories by a nationally recognized rating agency.
 - d. Obligations of this state and general obligations of its political subdivisions.
6. 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 two hundred seventy days or less.

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 rate. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Credit Risk

Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The County does not have a formal investment policy that specifically addresses credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer.

Fair Value Measurement

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.

Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The fair value leveling of the County's investment portfolio was as of December 31, 2024.

The Level 1 securities are valued using the quoted prices in active markets for identical assets. Level 2 and Level 3 securities are valued based on methodologies such as bid evaluations, market averages, and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

NOTE 4 – TAXES RECEIVABLE

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments, and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5.0% 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
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 5 - LOANS RECEIVABLE

Primary Government

The County had the following loans receivable:

	Beginning Balance		New Loans		Principal Payments		Ending Balance
Township Loans Receivable	\$ 122,973	\$	288,000	\$	18,359	\$	392,614
JSDC Loans Receivable	1,164,550		773,045		124,628		1,812,967

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2024:

Primary Government

	Beginning Balance		Additions		Dispositions		Transfers		Ending Balance
Capital assets not being depreciated									
Land	\$ 596,200	\$	-	\$	-	\$	-	\$	596,200
Vehicle in transit	56,600		-		-		-		-
Construction in progress	1,797,639		804,668		-		-		216,007
Total capital assets, not being depreciated	<u>2,450,439</u>		<u>804,668</u>		<u>-</u>		<u>(2,442,900)</u>		<u>812,207</u>
Capital assets, being depreciated									
Equipment	12,125,657		602,873		-		1,876,599		14,605,129
Infrastructure	11,173,876		1,024,776		416,580		56,600		11,838,672
depreciated	78,841,323		-		-		509,701		79,351,024
depreciated	<u>102,140,856</u>		<u>1,627,649</u>		<u>416,580</u>		<u>2,442,900</u>		<u>105,794,825</u>
Buildings	7,536,147		221,686		-		-		7,757,833
Equipment	6,164,954		909,027		315,434		-		6,758,547
Infrastructure	33,927,161		1,392,826		-		-		35,319,987
Total accumulated depreciation	<u>47,628,262</u>		<u>2,523,539</u>		<u>315,434</u>		<u>-</u>		<u>49,836,367</u>
Total capital assets, being depreciated, net	<u>54,512,594</u>		<u>(895,890)</u>		<u>101,146</u>		<u>2,442,900</u>		<u>55,958,458</u>
Governmental activities capital assets, net	<u>\$ 56,963,033</u>	\$	<u>(91,222)</u>	\$	<u>101,146</u>	\$	<u>-</u>	\$	<u>56,770,665</u>

(Continued)

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

General government	\$ 230,957
Public safety	258,318
Highway and bridges	1,907,155
Health and welfare	17,248
Culture and recreation	31,175
Conservation of natural resources	78,686
	\$ 2,523,539

James River Valley Library

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets not being depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Capital assets, being depreciated				
	519,656	-	-	519,656
	588,596	-	-	588,596
	1,406,633	77,094	125,062	1,358,665
Total capital assets, being depreciated, net	2,514,885	77,094	125,062	2,466,917
Less accumulated depreciation for				
	353,322	10,110	-	363,432
	372,402	30,107	-	402,509
	1,009,533	93,935	125,062	978,406
Total accumulated depreciation	1,735,257	134,152	125,062	1,744,347
Total capital assets, being depreciated, net	779,628	(57,058)	-	722,570
Component unit capital assets, net	\$ 785,628	\$ (57,058)	\$ -	\$ 728,570

Depreciation expense was charged to the conservation of natural resources function.

NOTE 7 – CONTRACTS PAYABLE

Primary Government

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

	Beginning Balance	Increases	Decreases	Ending Balance
Contracts payable	\$ 144,821	\$ 5,544	\$ -	\$ 150,365

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 – LONG-TERM DEBT

Primary Government:

During the year ended December 31, 2024, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Long-term debt					
Special assessment bonds	\$ 5,390,000	\$ -	\$ 245,000	\$ 5,145,000	\$ 250,000
Special assessments payable	2,717	55,979	6,848	51,848	7,295
Total long-term debt	5,392,717	55,979	251,848	5,196,848	257,295
Compensated absences*	772,467	294,280	-	1,066,747	106,675
Net pension and OPEB liability*	13,266,317	-	1,425,224	11,841,093	-
Total	\$ 19,431,501	\$ 350,259	\$ 1,677,072	\$ 18,104,688	\$ 363,970

* The change in compensated absences and net pension and OPEB liability is shown as a net change.

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

<u>Special Assessment Bonds</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 250,000	\$ 177,163	\$ 427,163
2026	260,000	169,663	429,663
2027	520,000	161,863	681,863
2028	535,000	146,263	681,263
2029	550,000	129,544	679,544
2030-2034	<u>3,030,000</u>	<u>351,831</u>	<u>3,381,831</u>
	<u>\$ 5,145,000</u>	<u>\$ 1,136,327</u>	<u>\$ 6,281,327</u>

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Special Assessments Payable	Principal	Interest	Total
2025	\$ 7,295	\$ 1,000	\$ 8,295
2026	7,295	2,277	9,572
2027	7,295	1,894	9,189
2028	7,295	1,511	8,806
2029	7,295	1,127	8,422
2030-2034	11,973	1,543	13,516
2035-2039	977	470	1,447
2040-2044	977	316	1,293
2044-2049	892	161	1,053
2050-2054	554	50	604
	\$ 51,848	\$ 10,349	\$ 62,197

Discretely Presented Component Unit

During the year ended December 31, 2024, the following changes occurred in liabilities reported in governmental long-term liabilities of the James River Valley Library:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences*	\$ 14,714	\$ 23,500	\$ -	\$ 38,214	\$ 3,821
Net pension and OPEB liability*	692,895	29,568	-	722,463	-
	\$ 707,609	\$ 53,068	\$ -	\$ 760,677	\$ 3,821

* The change in Compensated Absences and Net Pension and OPEB Liability is shown as a net change.

NOTE 9 – PENSION PLANS

North Dakota Public Employees Retirement System (Main and Law Enforcement Systems)

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to North Dakota Century Code (“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 contributions and investment earnings of the plan.

The Law Enforcement System is a cost-sharing multiple-employer defined benefit pension plan that covers peace officers and correctional officers employed by participating political subdivisions. Effective August 1, 2015, the plan will include National Guard Security Officers and Firefighters. The Law Enforcement System provides for pension, death, and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

Pension Benefits

Main System

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members 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 2.0% 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 2.0% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Law Enforcement System

Benefits are set by statute. The Law Enforcement System has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Law Enforcement 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 (55) with three or more years of service. The monthly pension benefit is equal to 2.0% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 50-55 with three or more years of service.

Both Systems

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

Both Systems

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

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Main System

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.

Law Enforcement System

Upon termination, if a member of the Law Enforcement System is not vested (is not 55 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

Main System

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 7.0% and employer contribution rates are 8.12% of covered compensation. For members hired on or after January 1, 2020, member contribution rates are 7.0% and employer contribution rates are 9.26% of covered compensation.

Law Enforcement System

Member and employer contributions paid to NDPERS are established as a percent of covered compensation. Member contribution rates are set by statute and employer contribution rates are set by the Board. Contribution rates for the Law Enforcement System are established as follows:

Plan	Member contribution rate	Employer contribution rate
Law Enforcement with previous service		
Political Subdivisions	5.50%	11.40%
State	6.00%	11.40%
National Guard	5.50%	11.40%
Law Enforcement without previous service	5.50%	9.16%

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Both Systems

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, 2024, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s share of covered payroll in the Main System and the Law Enforcement System pension plan relative to the covered payroll of all participating employers. The entities had the following net pension liability, proportional share, and change in proportional share from June 2023 at June 2024, and reported for the year ended December 31, 2024.

	<u>Net Pension Liability</u>	<u>Proportion Share</u>	<u>Change in Proportion Share</u>
Main System	\$ 9,684,236	0.517775%	-0.139575%
Law Enforcement System	1,575,559	1.750349%	1.750349%
James River Valley Library	690,554	0.036921%	0.002783%

For the year ended December 31, 2024, the County recognized pension expense as follows:

	<u>Pension Expense (Income)</u>
Main System	\$ (206,480)
Law Enforcement System	(134,174)
James River Valley Library	43,572

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Main System

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 459,805	\$ -
Changes of assumptions	2,333,881	4,394,534
Net difference between projected and actual earnings on pension plan investments	-	88,548
Changes in proportion and differences between employer contributions and proportionate share of contributions	494,574	2,649,403
County contributions subsequent to the measurement date	<u>319,464</u>	<u>-</u>
	<u>\$ 3,607,724</u>	<u>\$ 7,132,485</u>

\$319,464 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, 2024.

Law Enforcement

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,426,664	\$ -
Changes of assumptions	646,607	965,913
Net difference between projected and actual earnings on pension plan investments	-	16,505
Changes in proportion and differences between employer contributions and proportionate share of contributions	705,042	-
County contributions subsequent to the measurement date	<u>122,750</u>	<u>-</u>
	<u>\$ 2,901,063</u>	<u>\$ 982,418</u>

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

\$122,750 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date for the primary government and its component units will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

James River Valley Library

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 32,787	\$ -
Changes of assumptions	166,422	313,361
Net difference between projected and actual earnings on pension plan investments	-	6,314
Changes in proportion and differences between employer contributions and proportionate share of contributions	57,219	41,907
County contributions subsequent to the measurement date	<u>67,084</u>	<u>-</u>
	<u>\$ 323,512</u>	<u>\$ 361,582</u>

\$67,084 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date for the primary government and its component units will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

Both Systems

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

	<u>Main System</u>	<u>Law Enforcement System</u>	<u>James River Valley Library</u>
Year Ended June 30:			
2025	\$ (1,883,234)	\$ 1,795,895	\$ (79,809)
2026	(471,799)	416,872	11,395
2027	(1,188,344)	335,808	(36,598)
2028	(300,848)	279,088	(142)
2029	-	254,279	-
Thereafter	-	312,889	-

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Actuarial Assumptions

Both Systems

The total pension liability in the July 1, 2024, 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	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 Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

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

<u>Asset Class - Both Systems</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	31.90%	5.40%
International equity	19.10%	7.00%
Private equity	7.00%	8.50%
Domestic fixed income	23.00%	2.88%
Global real assets	19.00%	6.10%

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.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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).

Main System

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.97%; and the resulting Single Discount Rate is 6.50%.

Law Enforcement System

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.86%; and the resulting Single Discount Rate is 6.50%.

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

Both Systems

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

Proportionate Share of the Net Pension Liability	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Main System	\$ 13,686,116	\$ 9,684,236	\$ 6,365,205
Law Enforcement System	2,448,251	1,575,559	873,352
James River Valley Library	975,916	690,554	453,884

Pension Plan Fiduciary Net Position

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

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS PLANS

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.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the NDPERS, 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 NDPERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. 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 NDPERS, 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
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Primary Government

At December 31, 2024, the County reported a liability of \$581,298 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on the County's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2024, the County's proportion was 0.672755 percent, which was an increase of 0.081658 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the County recognized OPEB expense of \$118,114. At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,173	\$ 4,468
Changes of assumptions	88,429	39,797
Net difference between projected and actual earnings on pension plan investments	-	21,742
Changes in proportion and differences between employer contributions and proportionate share of contributions	58,951	15,256
County contributions subsequent to the measurement date	<u>41,630</u>	<u>-</u>
	<u>\$ 196,183</u>	<u>\$ 81,263</u>

\$41,630 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024.

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

Year Ended June 30:		
2025		\$ 40,356
2026		61,400
2027		(16,178)
2028		(12,288)
2029		-
Thereafter		-

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

James River Valley Library

At December 31, 2024, the Library reported a liability of \$31,909 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Library's proportion of the net OPEB liability was based on the Library's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2024, the Library's proportion was 0.036929 percent, which was an increase of 0.002292 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Library recognized OPEB expense of \$6,513. At December 31, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 393	\$ 245
Changes of assumptions	4,854	2,185
Net difference between projected and actual earnings on pension plan investments	-	1,193
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,800	2,307
County contributions subsequent to the measurement date	<u>4,170</u>	<u>-</u>
	<u>\$ 12,217</u>	<u>\$ 5,930</u>

\$4,170 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024.

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

Year Ended June 30:		
2025		\$ 2,105
2026		2,655
2027		(1,889)
2028		(754)
2029		-
Thereafter		-

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Actuarial Assumptions

The total OPEB liability in the July 1, 2024, 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	5.75%, 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, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap Domestic Equities	33.00%	4.00%
Small Cap Domestic Equities	6.00%	6.00%
Domestic Fixed Income	35.00%	3.29%
International Equities	26.00%	7.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. 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.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024, calculated using the discount rate of 5.75%, 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

Primary Government

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of net OPEB liability	\$ 794,491	\$ 581,298	\$ 401,738

James River Valley Library

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Library's proportionate share of net OPEB liability	\$ 43,611	\$ 31,909	\$ 22,052

NOTE 11 – TRANSFERS

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2024.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 160,674	\$ 1,011,398
Special revenue fund	2,052,283	3,844,982
Capital projects fund	2,643,423	-
	<u>\$ 4,856,380</u>	<u>\$ 4,856,380</u>

Transfers are used to move unrestricted general revenue, to close out projects as they are completed, and to subsidize other programs in accordance with County Commission authority.

NOTE 12 – CONSTRUCTION COMMITMENTS

The County had open construction commitments as of December 31, 2024 as follows:

	Total Contract	Total Completed	Retainage Payable	Remaining
2.5 Miles North Cleveland, CERP-4717(101)	\$ 129,593	\$ 31,342	\$ -	\$ 98,251
Runners Slough, CERP-4717(102)	132,805	43,748	-	89,057
3 Miles West of Streeter, CERP-4746(057)	130,596	59,364	-	71,232
Total	\$ 392,994	\$ 134,454	\$ -	\$ 258,540

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 – RISK MANAGEMENT

Stutsman County is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986, the state agencies and political subdivisions of the state of North Dakota joined together to form the North Dakota Insurance Reserve Fund (“NDIRF”), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The County pays an annual premium to NDIRF for its general liability, automobile, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$10,000,000 per occurrence for general liability and automobile; and \$7,649,352 for public assets.

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 two million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides the County with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The County and James River Valley Library has workers’ compensation with the Department of Workforce Safety and Insurance and purchases commercial insurance for employee health and accident insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 14 - CONDUIT DEBT

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, 2024, there was one Community Development Block Grant Loans outstanding with a principal amount outstanding of \$67,250.

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, 2024, there was one nontaxable issuance with a balance of \$3,153,210.

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Facility Passenger Fee Revenue Bonds

From time to time, the County has issued Facility Passenger Fee Revenue Bonds to provide financial assistance for Airport facilities and projects. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2024, there was one Facility Passenger Fee Revenue Bonds with a principal amount outstanding of \$535,000.

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, 2024, there was one nontaxable issuance with a balance of \$5,178,109.

Municipal Industrial Development Bonds

From time to time, the County has issued Municipal Industrial Development Authorities (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, 2024, there was one outstanding issuance with a total balance of \$3,700,000.

NOTE 15 - JOINT VENTURES

Jamestown/Stutsman Development Corporation

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

STUTSMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

The following is a summary of financial information on the joint venture as of and for the year ended December 31, 2024, which is the most current audited information available:

<u>Governmental Activities</u>	<u>JSDC</u>
Total assets	\$ 16,969,826
Total liabilities	<u>8,560,790</u>
Net Position	<u>\$ 8,409,036</u>
Revenues	\$ 2,172,302
Expenses	<u>2,515,275</u>
Change in net position	<u>\$ (342,973)</u>

Complete financial statements for Jamestown/Stutsman Development Corporation may be obtained from the JSDC’s website at www.growingjamestown.com/reports.

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, 2024, which is the most current audited information available:

<u>Governmental Activities</u>	<u>Central Valley Health District</u>
Total assets and deferred outflows of resources	\$ 6,114,939
Total liabilities and deferred inflows of resources	<u>4,208,698</u>
Net Position	<u>\$ 1,906,241</u>
Revenues	\$ 3,397,655
Expenses	<u>3,349,062</u>
Change in net position	<u>\$ 48,593</u>

Complete financial statements for the Central Valley Health District may be obtained from State Auditor’s Office’s website at www.nd.gov/auditor/local-government-reports.

NOTE 16 – SUBSEQUENT EVENT

Subsequent to December 31, 2024, the Stutsman County Commission were named defendants in various lawsuits. In the opinion of the commission, a positive outcome is expected and will have no financial impact.

STUTSMAN COUNTY

**REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

STUTSMAN COUNTY
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION AND OPEB LIABILITY
LAST 10 FISCAL YEARS*

Primary Government

Schedule of Employer's Share of Net Pension Liability

Pension Plan	Measurement Date**	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
ND PERS - Main System	6/30/2024	0.517775%	\$ 9,684,236	\$ 6,792,164	142.58%	68.02%
ND PERS - Main System	6/30/2023	0.657350%	\$ 12,675,367	\$ 8,038,545	157.68%	65.31%
ND PERS - Main System	6/30/2022	0.613267%	\$ 17,662,498	\$ 7,119,022	248.10%	54.47%
ND PERS - Main System	6/30/2021	0.671708%	\$ 7,001,216	\$ 7,606,357	92.04%	78.26%
ND PERS - Main System	6/30/2020	0.668928%	\$ 21,044,618	\$ 7,379,082	285.19%	48.91%
ND PERS - Main System	6/30/2019	0.628618%	\$ 7,367,858	\$ 6,538,693	112.68%	71.66%
ND PERS - Main System	6/30/2018	0.633009%	\$ 10,682,717	\$ 6,503,013	164.27%	62.80%
ND PERS - Main System	6/30/2017	0.627922%	\$ 10,092,767	\$ 6,410,102	157.45%	61.98%
ND PERS - Main System	6/30/2016	0.634690%	\$ 6,185,673	\$ 6,396,175	96.71%	70.46%
ND PERS - Main System	6/30/2015	0.644744%	\$ 4,384,149	\$ 5,743,887	76.33%	77.15%
ND PERS - Law Enforcement***	6/30/2024	1.750349%	\$ 1,575,559	\$ 2,052,551	76.76%	68.14%

Schedule of Employer's Share of Net Pension Liability

Pension Plan	Measurement Date**	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
OPEB	6/30/2024	0.672755%	\$ 581,298	\$ 6,974,501	8.33%	68.35%
OPEB	6/30/2023	0.591097%	\$ 590,950	\$ 5,941,609	9.95%	62.74%
OPEB	6/30/2022	0.562669%	\$ 675,377	\$ 5,809,020	11.63%	56.28%
OPEB	6/30/2021	0.627513%	\$ 349,006	\$ 6,841,508	5.10%	76.63%
OPEB	6/30/2020	0.627123%	\$ 527,534	\$ 7,149,012	7.38%	63.38%
OPEB	6/30/2019	0.589979%	\$ 473,840	\$ 6,582,988	7.20%	63.13%
OPEB	6/30/2018	0.598169%	\$ 471,099	\$ 6,545,261	7.20%	61.89%
OPEB	6/30/2017	0.592518%	\$ 468,688	\$ 6,410,102	7.31%	59.78%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The measurement date of the actuarial report is six months prior to the balance sheet date.

*** The June 30, 2024, measurement date was the first year that the County was on the Law Enforcement System.

STUTSMAN COUNTY
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION AND OPEB LIABILITY
LAST 10 FISCAL YEARS*

James River Valley Library

Schedule of Employer's Share of Net Pension Liability

Pension Plan	Measurement Date**	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
ND PERS	6/30/2024	0.036921%	\$ 690,554	\$ 484,325	142.58%	68.02%
ND PERS	6/30/2023	0.034138%	\$ 658,267	\$ 417,465	157.68%	65.31%
ND PERS	6/30/2022	0.034138%	\$ 1,083,452	\$ 436,692	248.10%	54.47%
ND PERS	6/30/2021	0.035619%	\$ 371,257	\$ 403,348	92.04%	78.26%
ND PERS	6/30/2020	0.035653%	\$ 1,121,651	\$ 393,292	285.20%	48.91%
ND PERS	6/30/2019	0.031232%	\$ 366,062	\$ 324,868	112.68%	71.66%
ND PERS	6/30/2018	0.030641%	\$ 517,100	\$ 314,780	164.27%	63.53%
ND PERS	6/30/2017	0.030216%	\$ 485,670	\$ 308,456	157.45%	61.98%
ND PERS	6/30/2016	0.032932%	\$ 320,954	\$ 331,876	96.71%	70.46%
ND PERS	6/30/2015	0.027713%	\$ 193,744	\$ 246,891	78.47%	77.15%

Schedule of Employer's Share of Net Pension Liability

Pension Plan	Measurement Date**	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
OPEB	6/30/2024	0.036929%	\$ 31,909	\$ 382,850	8.33%	68.35%
OPEB	6/30/2023	0.034637%	\$ 34,628	\$ 348,161	9.95%	62.74%
OPEB	6/30/2022	0.034637%	\$ 48,561	\$ 417,679	11.63%	56.28%
OPEB	6/30/2021	0.036966%	\$ 20,576	\$ 403,348	5.10%	76.63%
OPEB	6/30/2020	0.034500%	\$ 29,021	\$ 393,291	7.38%	63.38%
OPEB	6/30/2019	0.029114%	\$ 23,384	\$ 324,868	7.20%	63.13%
OPEB	6/30/2018	0.028768%	\$ 22,657	\$ 314,780	7.20%	61.89%
OPEB	6/30/2017	0.028512%	\$ 22,553	\$ 308,456	7.31%	59.78%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The measurement date of the actuarial report is six months prior to the balance sheet date.

STUTSMAN COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS*

Primary Government

Schedule of Employer's Contributions

Pension Plan	Measurement Date**	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
ND PERS - Main System	6/30/2024	\$ 559,117	\$ 698,922	\$ (139,805)	\$ 6,792,164	10.29%
ND PERS - Main System	6/30/2023	\$ 599,366	\$ 624,530	\$ (25,164)	\$ 8,418,065	7.42%
ND PERS - Main System	6/30/2022	\$ 536,184	\$ 566,642	\$ (30,458)	\$ 7,853,256	7.22%
ND PERS - Main System	6/30/2021	\$ 560,936	\$ 552,935	\$ 8,001	\$ 7,778,027	7.11%
ND PERS - Main System	6/30/2020	\$ 522,503	\$ 519,635	\$ 2,868	\$ 7,708,607	6.74%
ND PERS - Main System	6/30/2019	\$ 476,054	\$ 477,146	\$ (1,092)	\$ 6,538,693	7.30%
ND PERS - Main System	6/30/2018	\$ 478,974	\$ 471,996	\$ 6,978	\$ 6,503,013	7.26%
ND PERS - Main System	6/30/2017	\$ 646,810	\$ 462,905	\$ 183,905	\$ 6,410,102	7.22%
ND PERS - Main System	6/30/2016	\$ 463,073	\$ 457,888	\$ 5,185	\$ 6,396,175	7.16%
ND PERS - Main System	6/30/2015	\$ 436,294	\$ 434,840	\$ 1,454	\$ 5,743,887	7.57%
ND PERS - Law Enforcement***	6/30/2024	\$ 208,977	\$ 86,162	\$ 122,815	\$ 2,052,551	4.20%

Schedule of Employer's Contributions

Pension Plan	Measurement Date**	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
OPEB	6/30/2024	\$ 82,938	\$ 82,676	\$ 262	\$ 6,974,501	1.19%
OPEB	6/30/2023	\$ 70,802	\$ 70,802	\$ -	\$ 6,210,672	1.14%
OPEB	6/30/2022	\$ 70,703	\$ 75,442	\$ (4,739)	\$ 6,275,715	1.20%
OPEB	6/30/2021	\$ 82,271	\$ 82,369	\$ (98)	\$ 7,778,027	1.06%
OPEB	6/30/2020	\$ 83,986	\$ 82,962	\$ 1,024	\$ 7,708,607	1.08%
OPEB	6/30/2019	\$ 76,560	\$ 76,902	\$ (342)	\$ 6,582,988	1.17%
OPEB	6/30/2018	\$ 76,772	\$ 75,572	\$ 1,200	\$ 6,545,261	1.15%
OPEB	6/30/2017	\$ 74,513	\$ 74,116	\$ 397	\$ 6,410,102	1.16%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The measurement date of the actuarial report is six months prior to the balance sheet date.

*** The June 30, 2024, measurement date was the first year that the County was on the Law Enforcement System.

STUTSMAN COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS*

James River Valley Library

Schedule of Employer's Contributions

Pension Plan	Measurement Date**	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
ND PERS	6/30/2024	\$ 39,869	\$ 36,858	\$ 3,011	\$ 484,325	7.61%
ND PERS	6/30/2023	\$ 31,996	\$ 29,486	\$ 2,510	\$ 449,381	6.56%
ND PERS	6/30/2022	\$ 32,891	\$ 29,940	\$ 2,951	\$ 436,692	6.86%
ND PERS	6/30/2021	\$ 29,745	\$ 28,794	\$ 951	\$ 403,348	7.14%
ND PERS	6/30/2020	\$ 27,849	\$ 26,647	\$ 1,202	\$ 393,292	6.78%
ND PERS	6/30/2019	\$ 23,652	\$ 24,263	\$ (611)	\$ 324,868	7.47%
ND PERS	6/30/2018	\$ 23,185	\$ 22,679	\$ 506	\$ 314,780	7.20%
ND PERS	6/30/2017	\$ 22,367	\$ 23,664	\$ (1,297)	\$ 308,456	7.67%
ND PERS	6/30/2016	\$ 24,027	\$ 22,688	\$ 1,339	\$ 331,876	6.84%
ND PERS	6/30/2015	\$ 18,753	\$ 20,246	\$ (1,493)	\$ 246,891	8.20%

Schedule of Employer's Contributions

Pension Plan	Measurement Date**	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
OPEB	6/30/2024	\$ 4,553	\$ 4,353	\$ 200	\$ 382,850	1.14%
OPEB	6/30/2023	\$ 4,192	\$ 4,721	\$ (529)	\$ 367,693	1.28%
OPEB	6/30/2022	\$ 5,084	\$ 4,764	\$ 320	\$ 417,679	1.14%
OPEB	6/30/2021	\$ 4,850	\$ 4,610	\$ 240	\$ 403,348	1.14%
OPEB	6/30/2020	\$ 4,620	\$ 4,267	\$ 353	\$ 393,291	1.08%
OPEB	6/30/2019	\$ 3,778	\$ 3,885	\$ (107)	\$ 324,868	1.20%
OPEB	6/30/2018	\$ 3,692	\$ 3,631	\$ 61	\$ 314,780	1.15%
OPEB	6/30/2017	\$ 3,586	\$ 3,789	\$ (203)	\$ 308,456	1.23%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The measurement date of the actuarial report is six months prior to the balance sheet date.

STUTSMAN COUNTY
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES				
Taxes	\$ 6,885,000	\$ 6,885,000	\$ 6,591,999	\$ (293,001)
Intergovernmental	3,095,374	3,095,374	2,622,681	(472,693)
Charges for services	1,546,350	1,546,350	2,510,978	964,628
Licenses, permits, and fees	5,700	5,700	9,400	3,700
Interest income	265,000	265,000	627,414	362,414
Miscellaneous	<u>83,701</u>	<u>83,701</u>	<u>39,570</u>	<u>(44,131)</u>
Total revenues	<u>11,881,125</u>	<u>11,881,125</u>	<u>12,402,042</u>	<u>520,917</u>
EXPENDITURES				
Current				
General government	4,012,676	4,026,096	3,573,452	(452,644)
Public safety	7,004,803	7,004,803	6,615,730	(389,073)
Health and welfare	50,000	50,000	113,849	63,849
Principal	-	-	5,202	5,202
Interest and fees	<u>6,000</u>	<u>6,000</u>	<u>11,302</u>	<u>5,302</u>
Total expenditures	<u>11,073,479</u>	<u>11,086,899</u>	<u>10,319,535</u>	<u>(767,364)</u>
Excess (deficiency) of revenues over expenditures	<u>807,646</u>	<u>794,226</u>	<u>2,082,507</u>	<u>1,288,281</u>
OTHER FINANCING USES				
Transfers in	134,600	134,600	160,674	26,074
Investment market value change	10,500	10,500	90,076	79,576
Transfers out	<u>(1,011,398)</u>	<u>(1,011,398)</u>	<u>(1,011,398)</u>	<u>-</u>
Total other financing sources (uses)	<u>(866,298)</u>	<u>(866,298)</u>	<u>(760,648)</u>	<u>105,650</u>
Net change in fund balance	<u>\$ (58,652)</u>	<u>\$ (72,072)</u>	1,321,859	<u>\$ 1,393,931</u>
FUND BALANCE, January 1			<u>10,016,939</u>	
FUND BALANCE, December 31			<u>\$ 11,338,798</u>	

STUTSMAN COUNTY

**BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES				
Taxes	\$ 2,660,900	\$ 2,660,900	\$ 2,513,463	\$ (147,437)
Intergovernmental	7,022,577	7,406,707	7,739,012	332,305
Charges for services	1,643,200	1,643,200	1,890,394	247,194
Licenses, permits, and fees	5,000	5,000	5,810	810
Interest income	315,050	315,050	758,642	443,592
Miscellaneous	<u>152,600</u>	<u>152,600</u>	<u>273,919</u>	<u>121,319</u>
 Total revenues	 <u>11,799,327</u>	 <u>12,183,457</u>	 <u>13,181,240</u>	 <u>997,783</u>
EXPENDITURES				
Current				
General government	-	35,725	64,020	28,295
Public safety	340,848	444,040	438,526	(5,514)
Highway and bridges	5,699,846	5,700,291	3,966,029	(1,734,262)
Flood repair	-	-	411,734	411,734
Health and welfare	4,883,119	4,883,119	4,504,063	(379,056)
Culture and recreation	505,143	872,780	872,779	(1)
Conservation of natural resources	787,306	949,123	676,331	(272,792)
Economic development	560,685	797,005	23,957	(773,048)
Interest and fees	<u>-</u>	<u>-</u>	<u>716</u>	<u>716</u>
 Total expenditures	 <u>12,776,947</u>	 <u>13,682,083</u>	 <u>10,958,155</u>	 <u>(2,723,928)</u>
 Excess (deficiency) of revenues over expenditures	 <u>(977,620)</u>	 <u>(1,498,626)</u>	 <u>2,223,085</u>	 <u>3,721,711</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,397,283	3,171,953	2,052,283	(1,119,670)
Investment market value change	10,100	10,100	114,305	104,205
Transfers out	<u>(3,935,725)</u>	<u>(5,047,832)</u>	<u>(3,844,982)</u>	<u>1,202,850</u>
 Total other financing sources (uses)	 <u>(528,342)</u>	 <u>(1,865,779)</u>	 <u>(1,678,394)</u>	 <u>187,385</u>
 Net change in fund balances	 <u>\$ (1,505,962)</u>	 <u>\$ (3,364,405)</u>	 544,691	 <u>\$ 3,909,096</u>
 FUND BALANCE, January 1			 <u>22,052,115</u>	
FUND BALANCE, December 31			<u>\$ 22,596,806</u>	

STUTSMAN COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT BUDGET POLICIES

Budgetary Information

The County commission adopts an “appropriated budget” on the modified accrual basis of accounting.

The County auditor prepares an annual budget for the general fund and each special revenue fund of the County. NDCC 11-23-02. The budget includes proposed expenditures and means of financing them.

The County commission holds a public hearing where any taxpayer may appear and shall be heard in favor of or against any proposed disbursements or tax levies. When the hearing has been concluded, the board shall adopt such an estimate as finally is determined upon. All taxes shall be levied in specific amounts and shall not exceed the amount specified in the published estimates. NDCC 11-23-04.

The board of County commissioners, on or before the October meeting shall determine the amount of taxes that shall be levied for County purposes and shall levy all such taxes in specific amounts. NDCC 11-23-05.

Each budget is controlled by the County auditor at the revenue and expenditure function/object level.

The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared. NDCC 57-15-31.1.

All appropriations lapse at year-end.

NOTE 2 – LEGAL COMPLIANCE

Budget Amendments

The board of County commissioners approved the following amendments to the County’s budget for the year ending December 31, 2024:

		Amendment	Amended
General fund	\$ 11,073,479	\$ 13,420	\$ 11,086,899
Special revenue fund			
Revenues	\$ 11,799,327	\$ 384,130	\$ 12,183,457
	12,776,947	905,136	13,682,083
Transfers in	3,397,283		3,171,953
Transfers out	3,935,725	1,112,107	5,047,832

STUTSMAN COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 – PENSIONS AND OPEB

Changes of Assumptions

Main System and Law Enforcement System

All actuarial assumptions used in the actuarial valuation as of July 1, 2024, were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2023.

OPEB

All actuarial assumptions used in the actuarial valuation as of July 1, 2024, were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2023.

Changes of Benefit Terms

Main System

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025, and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026, and ending June 30, 2056.

Law Enforcement System

Legislation was passed relating to the Public Safety with Prior Service System. The Public Safety with Prior Service System was expanded to allow peace officers employed by the State to participate. The provisions are similar to the Public Safety with Prior Service System, but with a 6.00 percent employee contribution rate. The benefit multiplier and the vesting requirements for the Bureau of Criminal Investigation group were changed.

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, 2023.

STUTSMAN COUNTY

**SINGLE AUDIT REPORTS AND
SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
DECEMBER 31, 2024**



4220 31st Avenue S.
Fargo, ND 58104-8725

Phone: 701.237.6022
Toll Free: 888.237.6022
Fax: 701.280.1495

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

Independent Auditor's Report

County Commission
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, 2024, and the related notes to the financial statements, which collectively comprise **Stutsman County's** basic financial statements and have issued our report thereon dated February 24, 2026.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Stutsman County's** internal control. Accordingly, we do not express an opinion on the effectiveness of the **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 2024-001 through 2024-003 that we consider to be material weaknesses.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Stutsman County's Response to Findings

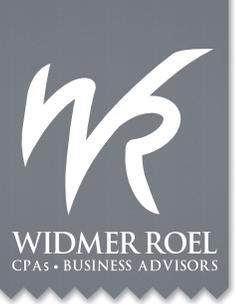
Government Auditing Standards requires the auditor to perform limited procedures on **Stutsman County's** response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. **Stutsman County's** response was not subjected to the auditing procedures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

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Widmer Poel" followed by a stylized flourish.

Fargo, North Dakota
February 24, 2026



4220 31st Avenue S.
Fargo, ND 58104-8725

Phone: 701.237.6022
Toll Free: 888.237.6022
Fax: 701.280.1495

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

County Commission
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 described in the *OMB Compliance Supplement* that could have a direct and material effect on **Stutsman County's** major federal program for the year ended December 31, 2024. **Stutsman County's** major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 its major federal program for the year ended December 31, 2024.

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 (*Government Auditing Standards*); 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.

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, *Government Auditing Standards*, 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 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, *Government Auditing Standards*, 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 **Stutsman County'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.

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.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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**, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise **Stutsman County's** basic financial statements. We issued our report thereon dated February 24, 2026, which contained unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying *Schedule of Expenditures of Federal Awards* is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink, appearing to read "Widmer Poel" followed by a stylized flourish.

Fargo, North Dakota
February 24, 2026

STUTSMAN COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor/ Pass- Through Grantor/Program or Cluster Title</u>	<u>Federal ALN</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Labor passed through Job Service North Dakota				
Unemployment Insurance	17.225	N/A	\$ -	\$ 300
U.S. Department of Transportation passed through North Dakota Department of Transportation Highway Safety Cluster				
State and Community Highway Safety	20.600	N/A	-	2,605
U.S. Department of the Treasury Direct Assistance				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,067,157
Local Assistance and Tribal Consistency Fund	21.032	N/A	-	42,100
Total U.S. Department of the Treasury			-	1,109,257
Environmental Protection Agency passed through North Dakota Department of Environmental Quality				
Nonpoint Source Implementation Grants	66.460	N/A	-	109,923
U.S. Department of Health and Human Services passed through North Dakota Department of Health and Human Services				
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	-	2,470
U.S. Department of Homeland Security passed through North Dakota Adjutant General				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	-	531,820
Emergency Management Performance Grants	97.042	N/A	-	40,977
Total U.S. Department of Homeland Security			-	572,797
Total expenditures of federal awards			\$ -	\$ 1,797,352

STUTSMAN COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Stutsman County under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of Stutsman County, it is not intended to and does not present the financial position or changes in net assets of Stutsman 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 presented on the 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 not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – PASS THROUGH GRANT NUMBER

For Federal Pass-through programs marked “N/A”, Stutsman County was unable to obtain a pass-through grant number.

STUTSMAN COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s 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 weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> none reported

Noncompliance material to financial statements noted?

<u> </u> yes	<u> X </u> no
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Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> none reported

Type of auditor’s report issued on compliance for major programs:

Coronavirus State and Local Fiscal Recovery Funds (21.027)	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with section 2 CFR section 200.516(a)?

<u> </u> yes	<u> X </u> no
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Identification of major programs:

ALN Number	Name of Federal Program
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ARPA)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as <u>low-risk</u> auditee?	<u> </u> yes	<u> X </u> no
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STUTSMAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

2024-001 (MATERIAL WEAKNESS) – AUDIT ADJUSTMENTS

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.

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.

Cause

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

Effect

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

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.

Views of Responsible Officials

We agree. Stutsman County will review the procedures in place and will adopt additional measures that may be identified to ensure financial statements are complete and accurate. We will continue to work with auditors on additional schedules we can prepare.

STUTSMAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2024-002 (MATERIAL WEAKNESS) – AUDIT ADJUSTMENTS – JAMES RIVER VALLEY LIBRARY

Condition

During the audit of the James River Valley Library, 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.

Criteria

The James River Valley Library 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.

Cause

The James River Valley Library may not have had procedures in place to ensure the financial statements are complete and accurate.

Effect

There is an increased risk of material misstatement to the James River Valley Library's financial statements.

Recommendation

We recommend James River Valley Library review its procedures for the preparation of the financial statements to ensure the financial statements are complete and accurate in accordance with GAAP.

Views of Responsible Officials

We agree. The James River Valley Library will review the procedures in place and will adopt additional measures that may be identified to ensure financial statements are complete and accurate.

STUTSMAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2024-003 (MATERIAL WEAKNESS) – LACK OF SEGREGATION OF DUTIES – JAMES RIVER VALLEY LIBRARY

Condition

The James River Valley Library have limited personnel responsible for most accounting functions. A lack of segregation of duties exists as limited personnel are responsible to collect and deposit monies, issue checks, send checks to vendors, record receipts disbursement in journals, maintain the general ledger, create credit memos, and perform bank reconciliations.

Criteria

According to the COSO framework, proper internal control surrounding custody of assets, the recording of transactions, reconciling bank accounts and preparation of financial statements dictates that there should be sufficient accounting personnel, so duties of employees are properly segregated. The segregation of duties would provide better control over the assets of the Library.

Cause

Management has chosen to allocate economic resources to other functions of the James River Valley Library.

Effect

The lack of segregation of duties increases the risk of material misstatement of the James River Valley Library's financial statements, whether due to error or fraud.

Recommendation

To mitigate the risk associated with the lack of segregation of duties, we recommend the following:

- Financial statements, credit memos, and payroll registers should be reviewed, analyzed, and spot-checked by a responsible official, such as a board member.
- Where possible, segregate the functions of approval, posting, custody of assets, and reconciliation as they relate to any amounts which impact the financial statements.

Views of Responsible Officials

We agree. The James River Valley Library will continue to review its procedures to ensure accuracy and accountability within the accounting function of the library.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

STUTSMAN COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

2023-001 (MATERIAL WEAKNESS) – AUDIT ADJUSTMENTS

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.

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.

Current Status

Partially Implemented - Stutsman County reviewed its procedures for the preparation of the financial statements to ensure the financial statements are complete and accurate.



STUTSMAN COUNTY

Auditor's Office

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

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

Stutsman County respectfully submits the following views of responsible officials and planned corrective action for the year ended December 31, 2024.

Name and address of independent public accounting firm:

Widmer Roel PC
 4220 31st Avenue S
 Fargo, ND 58104

Audit period: December 31, 2024

Contact person: Jessica Alonge, County Auditor

The findings from the December 31, 2024 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

2024-001 (MATERIAL WEAKNESS) – AUDIT ADJUSTMENTS

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.

Views of Responsible Officials and Planned Corrective Action

We agree. Stutsman County will review the procedures in place and will adopt additional measures that may be identified to ensure financial statements are complete and accurate. We will continue to work with auditors on additional schedules we can prepare.

Anticipated Completion Date: Ongoing

Sincerely,

Jessica Alonge
Auditor/COO

County Commissioners

Chad Wolsky – Jamestown
 Levi Taylor – Ypsilanti
 Michael Hansen – Montpelier
 Amanda Hastings – Jamestown
 Benjamin Tompkins - Pingree

County Officials

Jessica Alonge – Auditor/COO
 Sue Koropatnicki –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
 Jessica Moser – 911/Emergency Manager

David Bratton – Veterans Service Officer
 Jesse Christianson – Highway Superintendent
 Dylan Kleinjan – Park Superintendent
 Ashley Kjellberg – Extension Agent
 Brenda Jarski-Weber – Extension Agent

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

The James River Valley Library respectfully submits the following views of responsible officials and planned corrective action for the year ended December 31, 2024.

Name and address of independent public accounting firm:

Widmer Roel PC
4220 31st Avenue S
Fargo, ND 58104

Audit period: December 31, 2024

Contact person: Joe Rector, Library Director

The findings from the December 31, 2024 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

2024-002 (MATERIAL WEAKNESS) – AUDIT ADJUSTMENTS – JAMES RIVER VALLEY LIBRARY

Condition

During the audit of the James River Valley Library 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.

Views of Responsible Officials and Planned Corrective Action

We agree. The James River Valley Library will review the procedures in place and will adopt additional measures that may be identified to ensure financial statements are complete and accurate.

Anticipated Completion Date: Ongoing



2024-003 (MATERIAL WEAKNESS) – LACK OF SEGREGATION OF DUTIES – JAMES RIVER VALLEY LIBRARY

Condition

The James River Valley Library have limited personnel responsible for most accounting functions. A lack of segregation of duties exists as limited personnel are responsible to collect and deposit monies, issue checks, send checks to vendors, record receipts disbursement in journals, maintain the general ledger, create credit memos, and perform bank reconciliations.

Views of Responsible Officials

We agree. The James River Valley Library will continue to review its procedures to ensure accuracy and accountability within the accounting function of the library.

Sincerely yours,



Joe Rector,
Director
James River Valley Library