

**KIDDER COUNTY**

**FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2022 AND 2021**

**KIDDER COUNTY**  
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**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**KIDDER COUNTY**  
**COUNTY OFFICIALS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

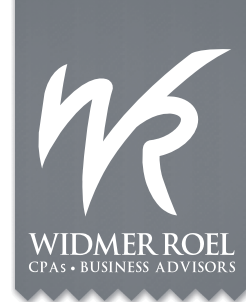
**Current**

Dan P. Mittleider  
Timothy C. Dronen  
Darrell Guthmiller

Commissioner-Chairperson  
Commissioner-Vice Chair  
Commissioner

Jean Schoenhard  
Vickie Murray  
Barry Vannatta  
Barbara Steinke  
Eric Hetland

Auditor  
Treasurer  
Sheriff  
County Recorder/Clerk of District Court  
States Attorney



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## INDEPENDENT AUDITOR'S REPORT

County Commission  
**Kidder County**  
Steele, North Dakota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the component unit, each major fund, and the aggregate remaining fund information of **Kidder County** (the "County"), as of and for the years ended December 31, 2022 and December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### *Summary of Opinions*

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Component Unit	Unmodified
Major funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

#### *Qualified Opinion on Governmental Activities*

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion on the Governmental Activities section, the accompanying financial statements present fairly, in all material respects, the respective financial position of the go of **Kidder County**, as of December 31, 2022 and 2021, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Unmodified Opinions on the Major Funds, Aggregate Discretely Presented Component Units and Aggregate Remaining Fund Information*

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of each major fund, the component unit, and the aggregate remaining fund information for **Kidder County**, as of December 31, 2022 and 2021, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

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

### ***Basis for Qualified Opinion on the Governmental Activities***

Management does not have detailed schedules of projects by date, amount and location supporting Kidder County's infrastructure projects from previous years and, accordingly, has not included infrastructure assets in the government-wide financial statements. Accounting principles generally accepted in the United States of America require that infrastructure assets, net of depreciation, be presented in the government-wide financial statements. The amount by which this departure would affect the assets, net position, and expenditures of the governmental activities has not been determined.

### ***Emphasis of Matter***

#### **Prior Period Adjustment**

As discussed in Note 10 to the financial statements, the 2020 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to these matters.

### ***Responsibilities of Management for the Financial Statements***

**Kidder County's** 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 **Kidder 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 **Kidder 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 **Kidder County's** ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise **Kidder County's** basic financial statements. The County officials listing and schedule of fund activity are presented for purposes of additional analysis and are 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.

The schedules of fund activity are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of fund activity arising from cash transactions is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2024, on our consideration of the **Kidder 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 **Kidder 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 or initial.

Fargo, North Dakota  
April 4, 2024



**KIDDER COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	<u>Primary Government</u>	<u>Component Unit Water Resource District</u>
	<u>Governmental Activities</u>	
<b>ASSETS</b>		
Cash and investments	\$ 3,847,865	\$ 45,957
Intergovernmental receivables	292,351	-
Taxes receivable	37,503	444
Capital assets, net of accumulated depreciation		
Buildings	940,812	-
Machinery and vehicles	<u>517,143</u>	<u>-</u>
Total assets	\$ <u>5,635,674</u>	\$ <u>46,401</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 47,527	\$ -
Accrued expenses	23,082	-
Long-term liabilities		
Portion due or payable within one year		
Compensated absences payable	3,126	-
Portion due or payable after one year		
Compensated absences	<u>28,133</u>	<u>-</u>
Total liabilities	<u>101,868</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	<u>517,188</u>	<u>-</u>
Total deferred inflows of resources	<u>517,188</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,457,955	-
Restricted for		
Building improvements	136,461	-
Public safety	354,130	-
Highways and public improvement	1,788,601	-
Health and welfare	13,875	-
Culture and recreation	377,890	-
Conservation and economic development	184,622	-
Emergency services	351,486	-
Other	122,875	-
Unrestricted	<u>228,723</u>	<u>46,401</u>
Total net position	<u>5,016,618</u>	<u>46,401</u>
Total liabilities, deferred inflows of resources and net position	\$ <u><u>5,635,674</u></u>	\$ <u><u>46,401</u></u>

**KIDDER COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

		<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>	
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Primary Government Governmental Activities</b>	<b>Component Unit Water Resource District</b>
<b>Functions/Programs</b>	<b>Expenses</b>				
Primary Government:					
Governmental Activities:					
General government	\$ 849,748	\$ 39,610	\$ 1,114,688	\$ 304,550	\$ -
Public safety	479,293	50,478	875,059	446,244	-
Highways and public improvements	2,890,675	58,936	1,209,990	(1,621,749)	-
Culture and recreation	137,690	6,312	14,430	(116,948)	-
Other	22,719	-	-	(22,719)	-
Total governmental activities	4,380,125	155,336	3,214,167	(1,010,622)	-
Component Unit:					
Water resource district	-	-	-	-	-
Total component units	\$ -	\$ -	\$ -	-	-

**GENERAL REVENUES**

Property taxes, levied for general purposes	949,207	24,931
Property taxes, levied for special purposes	638,597	-
Federal aid not restricted to specific program	32,280	-
State aid not restricted to specific program	397,363	-
Interest and other revenue	43,516	24
Total general revenues	2,060,963	24,955
Change in net position	1,050,341	24,955
Net position - January 1	3,966,277	21,446
Net position - December 31	\$ 5,016,618	\$ 46,401

See Notes to Financial Statements

**KIDDER COUNTY**  
**BALANCE SHEET - GOVERNMENT FUNDS**  
**DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Highway Tax Distribution Fund</u>	<u>County Library Fund</u>	<u>Kidder Road Fund</u>	<u>FEMA 2019 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Government Funds</u>
<b>ASSETS</b>							
Cash and investments	\$ 557,218	\$ 757,343	\$ 425,641	\$ 273,584	\$ 333,972	\$ 1,500,107	\$ 3,847,865
Intergovernmental receivables	-	-	-	-	-	292,351	292,351
Taxes receivable	<u>21,468</u>	<u>1,601</u>	<u>1,971</u>	<u>2,833</u>	<u>-</u>	<u>9,630</u>	<u>37,503</u>
Total assets	<u>\$ 578,686</u>	<u>\$ 758,944</u>	<u>\$ 427,612</u>	<u>\$ 276,417</u>	<u>\$ 333,972</u>	<u>\$ 1,802,088</u>	<u>\$ 4,177,719</u>
<b>DEFERRED INFLOWS OF RESOURCES AND LIABILITIES</b>							
Unavailable revenue	\$ 303,634	\$ -	\$ 27,197	\$ 95,189	\$ -	\$ 91,168	\$ 517,188
Deferred tax revenue	21,468	1,601	1,971	2,833	-	9,630	37,503
Accounts payable	11,621	8,125	19,781	-	-	8,000	47,527
Accrued expenses	<u>19,484</u>	<u>2,018</u>	<u>773</u>	<u>-</u>	<u>-</u>	<u>807</u>	<u>23,082</u>
Total deferred inflows and liabilities	<u>356,207</u>	<u>11,744</u>	<u>49,722</u>	<u>98,022</u>	<u>-</u>	<u>109,605</u>	<u>625,300</u>
<b>FUND BALANCES</b>							
Restricted for							
Building improvements	-	-	-	-	-	136,461	136,461
Public safety	-	-	-	-	-	354,130	354,130
Highways and public improvement	-	747,200	-	178,395	333,972	529,034	1,788,601
Health and welfare	-	-	-	-	-	13,875	13,875
Culture and recreation	-	-	377,890	-	-	-	377,890
Conservation and economic development	-	-	-	-	-	184,622	184,622
Emergency services	-	-	-	-	-	351,486	351,486
Other	-	-	-	-	-	122,875	122,875
Unassigned	<u>222,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>222,479</u>
Total fund balances	<u>222,479</u>	<u>747,200</u>	<u>377,890</u>	<u>178,395</u>	<u>333,972</u>	<u>1,692,483</u>	<u>3,552,419</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 578,686</u>	<u>\$ 758,944</u>	<u>\$ 427,612</u>	<u>\$ 276,417</u>	<u>\$ 333,972</u>	<u>\$ 1,802,088</u>	<u>\$ 4,177,719</u>

**KIDDER COUNTY**  
**RECONCILIATION OF GOVERNMENT FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

<b>Total fund balances for governmental funds</b>	\$	3,552,419
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.

Cost of capital assets	3,220,937	
Less accumulated depreciation	<u>(1,762,982)</u>	
Net capital assets		1,457,955

Property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred tax revenue in the funds.

37,503

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

Compensated absences payable		<u>(31,259)</u>
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<b>Total net position of governmental activities</b>	\$	<u><u>5,016,618</u></u>
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**KIDDER COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – GOVERNMENT FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>General Fund</b>	<b>Highway Tax Distribution Fund</b>	<b>County Library Fund</b>	<b>Kidder Road Fund</b>	<b>FEMA 2019 Fund</b>	<b>Other Governmental Funds</b>	<b>Total Government Funds</b>
<b>REVENUES</b>							
Taxes	\$ 958,469	\$ -	\$ 84,141	\$ 293,731	\$ -	\$ 286,092	\$ 1,622,433
Licenses, permits and fees	35,476	-	-	3,925	-	3,705	43,106
Intergovernmental	480,237	1,129,651	14,925	16,386	153,432	1,116,414	2,911,045
Charges for services	2,139	-	-	54,921	-	59,397	116,457
Contributions	713,691	-	-	-	-	-	713,691
Miscellaneous	27,789	-	1,195	7,049	-	6,751	42,784
Total revenues	<u>2,217,801</u>	<u>1,129,651</u>	<u>100,261</u>	<u>376,012</u>	<u>153,432</u>	<u>1,472,359</u>	<u>5,449,516</u>
<b>EXPENDITURES</b>							
Current							
General government	796,029	-	-	-	-	59,740	855,769
Public safety	281,268	-	-	-	-	165,666	446,934
Highway and public improvement	-	844,121	-	867,572	203,655	821,555	2,736,903
Health and welfare	-	-	-	-	-	13,919	13,919
Culture and recreation	25,860	-	111,830	-	-	-	137,690
Other	21,643	-	-	-	-	1,076	22,719
Capital outlay	713,691	-	-	-	-	-	713,691
Debt service:							
Principal	14,241	-	-	-	-	-	14,241
Total expenditures	<u>1,852,732</u>	<u>844,121</u>	<u>111,830</u>	<u>867,572</u>	<u>203,655</u>	<u>1,061,956</u>	<u>4,941,866</u>
Excess (deficiency) of revenues over expenditures	<u>365,069</u>	<u>285,530</u>	<u>(11,569)</u>	<u>(491,560)</u>	<u>(50,223)</u>	<u>410,403</u>	<u>507,650</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	5,000	-	-	328,647	-	10,000	343,647
Transfers out	(337,672)	-	-	-	-	(5,975)	(343,647)
Total other financing sources (uses)	<u>(332,672)</u>	<u>-</u>	<u>-</u>	<u>328,647</u>	<u>-</u>	<u>4,025</u>	<u>-</u>
Net change in fund balances	<u>32,397</u>	<u>285,530</u>	<u>(11,569)</u>	<u>(162,913)</u>	<u>(50,223)</u>	<u>414,428</u>	<u>507,650</u>
<b>FUND BALANCES - JANUARY 1</b>	<u>190,082</u>	<u>461,670</u>	<u>389,459</u>	<u>341,308</u>	<u>384,195</u>	<u>1,278,055</u>	<u>3,044,769</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 222,479</u>	<u>\$ 747,200</u>	<u>\$ 377,890</u>	<u>\$ 178,395</u>	<u>\$ 333,972</u>	<u>\$ 1,692,483</u>	<u>\$ 3,552,419</u>

See Notes to Financial Statements

## KIDDER 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, 2022

**Net change in fund balances - total governmental funds** \$ 507,650

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	738,572	
Depreciation expense	<u>(193,262)</u>	545,310

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which payments exceeded proceeds.

Repayment of debt	14,241
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Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Net decrease in compensated absences	2,192
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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 decrease in taxes receivable	<u>(19,052)</u>
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**Change in net position of governmental activities** \$ 1,050,341

**KIDDER COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2022**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and investments	\$ <u>833,334</u>
<b>LIABILITIES</b>	
Due to other governments	<u>833,334</u>
<b>NET POSITION</b>	\$ <u>-</u>

**KIDDER COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b><u>Custodial Funds</u></b>
<b>ADDITIONS</b>	
Contributions	\$ <u>2,558,738</u>
Total additions	<u>2,558,738</u>
Disbursements	<u>2,558,738</u>
Total deductions	<u>2,558,738</u>
Change in net position	<u>-</u>
<b>NET POSITION - JANUARY 1</b>	<u>-</u>
<b>NET POSITION - DECEMBER 31</b>	\$ <u><u>-</u></u>



**KIDDER COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Water Resource District</b>
<b>ASSETS</b>		
Cash and investments	\$ 3,541,157	\$ 21,313
Intergovernmental receivables	105,574	-
Taxes receivable	56,555	133
Capital assets, net of accumulated depreciation		
Buildings	246,909	-
Machinery and vehicles	<u>665,736</u>	<u>-</u>
Total assets	\$ <u><u>4,615,931</u></u>	\$ <u><u>21,446</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 62,473	\$ -
Accrued expenses	20,793	-
Long-term liabilities		
Portion due or payable within one year		
Compensated absences payable	3,345	-
Long term debt	6,513	-
Portion due or payable after one year		
Compensated absences	30,106	-
Long term debt	<u>7,728</u>	<u>-</u>
Total liabilities	<u>130,958</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	<u>518,696</u>	<u>-</u>
Total deferred inflows of resources	<u>518,696</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	898,404	-
Restricted for		
Building improvements	138,740	-
Public safety	373,409	-
Highways and public improvement	1,372,868	-
Health and welfare	15,441	-
Culture and recreation	389,458	-
Conservation and economic development	177,443	-
Emergency services	341,242	-
Other	46,086	-
Unrestricted	<u>213,186</u>	<u>21,446</u>
Total net position	<u>3,966,277</u>	<u>21,446</u>
Total liabilities, deferred inflows of resources and net position	\$ <u><u>4,615,931</u></u>	\$ <u><u>21,446</u></u>

**KIDDER COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>	
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Primary Government Governmental Activities</b>	<b>Component Unit Water Resource District</b>
Primary Government:					
Governmental Activities:					
General government	\$ 1,014,250	\$ 41,600	\$ 385,579	\$ (587,071)	\$ -
Public safety	420,804	50,821	586,659	216,676	-
Highways and public improvement	2,317,470	32,491	1,047,029	(1,237,950)	-
Culture and recreation	74,451	11,874	14,197	(48,380)	-
Other	8,282	-	-	(8,282)	-
Capital outlay	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Total governmental activities	<u>3,835,257</u>	<u>136,786</u>	<u>2,033,464</u>	<u>(1,665,007)</u>	<u>-</u>
Component Units:					
Water resource district	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>GENERAL REVENUES</b>					
Property taxes, levied for general purposes				874,438	3,503
Property taxes, levied for special purposes				627,261	-
Federal aid not restricted to specific program				31,205	-
State aid not restricted to specific program				402,677	-
Interest and other income				<u>28,963</u>	<u>10</u>
Total general revenues				<u>1,964,544</u>	<u>3,513</u>
Change in net position				299,537	3,513
Net position - January 1				<u>3,666,740</u>	<u>17,933</u>
Net position - December 31				<u>\$ 3,966,277</u>	<u>\$ 21,446</u>

See Notes to Financial Statements

**KIDDER COUNTY**  
**BALANCE SHEET – GOVERNMENT FUNDS**  
**DECEMBER 31, 2021**

	<b>General Fund</b>	<b>Highway Tax Distribution Fund</b>	<b>County Library Fund</b>	<b>Kidder Road Fund</b>	<b>FEMA 2019 Fund</b>	<b>Other Governmental Funds</b>	<b>Total Government Funds</b>
<b>ASSETS</b>							
Cash and investments	\$ 517,987	\$ 494,261	\$ 417,140	\$ 437,998	\$ 384,195	\$ 1,289,576	\$ 3,541,157
Intergovernmental receivables	14,275	-	-	-	-	91,299	105,574
Taxes receivable	<u>32,636</u>	<u>1,734</u>	<u>3,065</u>	<u>4,406</u>	<u>-</u>	<u>14,714</u>	<u>56,555</u>
Total assets	<u>564,898</u>	<u>495,995</u>	<u>420,205</u>	<u>442,404</u>	<u>384,195</u>	<u>1,395,589</u>	<u>3,703,286</u>
<b>DEFERRED INFLOWS OF RESOURCES AND LIABILITIES</b>							
Unavailable revenue	302,902	-	27,626	96,690	-	91,478	518,696
Deferred tax revenue	32,636	1,734	3,065	4,406	-	14,714	56,555
Accounts payable	21,631	30,589	-	-	-	10,253	62,473
Accrued expenses	<u>17,647</u>	<u>2,001</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>1,089</u>	<u>20,793</u>
Total deferred inflows and liabilities	<u>374,816</u>	<u>34,324</u>	<u>30,747</u>	<u>101,096</u>	<u>-</u>	<u>117,534</u>	<u>658,517</u>
<b>FUND BALANCES</b>							
Restricted for							
Building improvements	-	-	-	-	-	138,740	138,740
Public safety	-	-	-	-	-	373,409	373,409
Highways and public improvement	-	461,671	-	341,308	384,195	185,694	1,372,868
Health and welfare	-	-	-	-	-	15,441	15,441
Culture and recreation	-	-	389,458	-	-	-	389,458
Conservation and economic development	-	-	-	-	-	177,443	177,443
Emergency services	-	-	-	-	-	341,242	341,242
Other	-	-	-	-	-	46,086	46,086
Unassigned	<u>190,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,082</u>
Total fund balances	<u>190,082</u>	<u>461,671</u>	<u>389,458</u>	<u>341,308</u>	<u>384,195</u>	<u>1,278,055</u>	<u>3,044,769</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 564,898</u>	<u>\$ 495,995</u>	<u>\$ 420,205</u>	<u>\$ 442,404</u>	<u>\$ 384,195</u>	<u>\$ 1,395,589</u>	<u>\$ 3,703,286</u>

**KIDDER COUNTY**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

<b>Total fund balances for governmental funds</b>	\$ 3,044,769
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.

Cost of capital assets	2,482,365	
Less accumulated depreciation	<u>(1,569,720)</u>	912,645
Net capital assets		

Property taxes 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.

56,555

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

Vehicle loan payable	(14,241)	
Compensated absences payable	<u>(33,451)</u>	

<b>Total net position of governmental activities</b>	\$ <u><u>3,966,277</u></u>
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**KIDDER COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>General Fund</b>	<b>Highway Tax Distribution Fund</b>	<b>County Library Fund</b>	<b>Kidder Road Fund</b>	<b>FEMA 2019 Fund</b>	<b>Other Governmental Funds</b>	<b>Total Government Funds</b>
<b>REVENUES</b>							
Taxes	\$ 882,807	\$ -	\$ 80,768	\$ 281,189	\$ -	\$ 263,069	\$ 1,507,833
Licenses, permits and fees	39,917	-	-	4,375	-	3,078	47,370
Intergovernmental	363,987	337,655	14,691	153,705	986,597	529,177	2,385,812
Charges for services	2,379	-	-	26,207	-	124,514	153,100
Miscellaneous	25,221	-	1,201	1,466	-	4,581	32,469
Total revenues	<u>1,314,311</u>	<u>337,655</u>	<u>96,660</u>	<u>466,942</u>	<u>986,597</u>	<u>924,419</u>	<u>4,126,584</u>
<b>EXPENDITURES</b>							
Current							
General government	930,686	-	-	-	-	72,227	1,002,913
Public safety	273,428	-	-	-	-	144,481	417,909
Highway and public improvement	-	599,581	-	665,114	703,374	208,767	2,176,836
Health and welfare	-	-	-	-	-	10,346	10,346
Culture and recreation	24,037	-	50,414	-	-	-	74,451
Other	23,585	-	-	-	-	4,394	27,979
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	14,759	-	-	-	-	-	14,759
Total expenditures	<u>1,266,495</u>	<u>599,581</u>	<u>50,414</u>	<u>665,114</u>	<u>703,374</u>	<u>440,215</u>	<u>3,725,193</u>
Excess (deficiency) of revenues over expenditures	<u>47,816</u>	<u>(261,926)</u>	<u>46,246</u>	<u>(198,172)</u>	<u>283,223</u>	<u>484,204</u>	<u>401,391</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	5,900	-	-	117,285	-	62,566	185,751
Notes payable proceeds	29,000	-	-	-	-	-	29,000
Transfers out	(179,851)	-	-	-	-	(5,900)	(185,751)
Total other financing sources (uses)	<u>(144,951)</u>	<u>-</u>	<u>-</u>	<u>117,285</u>	<u>-</u>	<u>56,666</u>	<u>29,000</u>
Net change in fund balances	<u>(97,135)</u>	<u>(261,926)</u>	<u>46,246</u>	<u>(80,887)</u>	<u>283,223</u>	<u>540,870</u>	<u>430,391</u>
<b>FUND BALANCES - JANUARY 1</b>	<u>287,217</u>	<u>723,597</u>	<u>343,212</u>	<u>422,195</u>	<u>100,972</u>	<u>737,185</u>	<u>2,614,378</u>
<b>FUND BALANCES - DECEMBER 31</b>	\$ <u>190,082</u>	\$ <u>461,671</u>	\$ <u>389,458</u>	\$ <u>341,308</u>	\$ <u>384,195</u>	\$ <u>1,278,055</u>	\$ <u>3,044,769</u>

See Notes to Financial Statements

# KIDDER COUNTY

## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES DECEMBER 31, 2021

**Net change in fund balances - total governmental funds** \$ 430,391

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	88,165	
Depreciation expense	<u>(204,276)</u>	(116,111)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which payments exceeded proceeds.

Debt proceeds	(29,000)
Repayment of debt	14,759

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

Net increase in compensated absences	(8,707)
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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 increase in taxes receivable	<u>8,205</u>
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**Change in net position of governmental activities** \$ 299,537

**KIDDER COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2021**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and investments	\$ <u>833,125</u>
<b>LIABILITIES</b>	
Due to other governments	\$ <u>833,125</u>
<b>NET POSITION</b>	\$ <u>-</u>

**KIDDER COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**DECEMBER 31, 2021**

	<u><b>Custodial Funds</b></u>
<b>ADDITIONS</b>	
Contributions	\$ <u>2,359,279</u>
Total additions	<u>2,359,279</u>
<b>DEDUCTIONS</b>	
Disbursements	<u>2,359,279</u>
Total deductions	<u>2,359,279</u>
Change in net position	<u>-</u>
<b>NET POSITION - JANUARY 1, as previously stated</b>	<u>760,914</u>
Prior period adjustment	<u>(760,914)</u>
<b>NET POSITION - JANUARY 1, as restated</b>	<u>-</u>
<b>NET POSITION - DECEMBER 31</b>	\$ <u><u>-</u></u>



**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Kidder 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.

***Financial 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. The 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 is included within the County’s reporting entity because of the significance of its operational or financial relationship with the County.

***Discretely Presented Component Unit***

The component unit column in the basic financial statements include the financial data of the County’s component unit. The unit is reported in separate columns to emphasize that it is legally separate from the County.

***Kidder County Water Resource District***

The Kidder County Water Resource District’s governing board is appointed by the County’s governing board. The County’s governing body has the authority to disapprove, amend, or approve the water resource district budget. The water resource district has the authority to issue its own debt.

Complete financial statements of the Kidder County Water Resource District may be obtained at Kidder County Water Resource District, mailing address: 4427 17<sup>th</sup> Street SE, Pettibone, ND 58475.

***Basis of Presentation***

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County’s governmental activities. Direct expenses are those that are specifically associated with 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, are presented as general revenues.

**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

*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.

*Highway Tax Distribution:* This fund accounts for the highway tax distribution from the State of North Dakota to be used for the maintenance and repair of roads and highways within the county.

*County Library:* This fund accounts for financial resources dedicated to the upkeep and function of the County Library.

*Kidder Road:* This fund is used to account for a special levy and all financial resources related to road and highway maintenance, except those required to be accounted for in another fund.

*FEMA 2019:* This fund accounts for road repairs made and reimbursements received from the Department of Emergency Services due to flood damage to roads in 2019.

The County reports the following 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 various tax and other receipts and disbursements of other governments.

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

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. These financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Accounts past due more than sixty days are analyzed for collectability. When management deems any account receivable to be uncollectible, an allowance is set up and deducted from the related accounts receivable.

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 long-term debt and acquisitions under capital leases are reported as other financing sources.

**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 position 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.

***Cash and Investments***

Cash includes amounts in demand deposits money market accounts. Investments consist of certificates of deposit stated at cost. Certificates of deposit principal may be withdrawn at any time before maturity with a penalty of interest.

***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:

Infrastructure	20 to 70 years
Buildings	50 to 100 years
Machinery, Vehicles, & Equipment	5 to 20 years

***Compensated Absences***

Vested or accumulated vacation leave and compensatory time is reported in government-wide statement of net position. Compensation for unused vacation leave will be granted to all full-time employees upon termination of employment with the County. The employees may carry forward unused vacation leave not to exceed 240 hours. Compensatory time must be used or paid out within one year of accrual. No liability is recorded for non-vesting accumulation rights to receive sick pay benefits.

***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. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows and outflows of resources related to pensions and other post-employment benefits.

**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported separately from the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

***Fund Equity***

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

**Fund Balance** – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

*Nonspendable* – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash such as inventories or prepaid expenses) or (b) legally or contractually required to be maintained intact (i.e., endowment funds).

*Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, contributors, or law or regulations of other governments (i.e., funds restricted by state statute, unspent bond proceeds, grants earned but not spent, debt covenants or taxes raised for a specific purpose).

*Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a board motion of the County commission through the adoption of a resolution. The County commission also may modify or rescind the commitment by a board motion.

*Assigned* – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes but are neither restricted nor committed.

*Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative fund balances may be reported in all funds.

**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order:

1. Committed
2. Assigned
3. Unassigned

**Net Position** – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has not spent) for acquisition, construction, or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted. When both restricted and unrestricted amounts of net position are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed.

***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.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reporting amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, results could differ from those estimates.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

In accordance with North Dakota Statutes, the County maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in 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.

**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022, the County's carrying amount of deposits were \$4,694,931 and the bank balances were \$4,981,132. Of the bank balance, \$360,000 was covered by Federal Depository Insurance. The remaining balance of \$4,621,132 was collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2021, the County's carrying amount of deposits were \$4,388,200 and the bank balances were \$4,405,940. Of the bank balance, \$360,000 was covered by Federal Depository Insurance. The remaining balance of \$4,045,940 was collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2022, the Water Resource District carrying amount of deposits were \$45,957 and the bank balances were \$45,957. The entirety of the bank balance was covered by Federal Depository Insurance.

At year ended December 31, 2021, the Water Resource District carrying amount of deposits were \$21,313 and the bank balances were \$21,313. The entirety of the bank balance was covered by Federal Depository Insurance.

***Credit Risk***

The County may invest idle funds as authorized in North Dakota Statutes, as follows:

- a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by the Treasury of the United States, or its agencies, instrumentalities, or organizations created by an Act of Congress.
- b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.
- c) Certificates of deposit fully insured by the Federal Deposit Insurance Corporation.
- d) Obligations of the state.

At December 31, 2022 the County held certificates of deposit in the amount of \$1,170,961 which are all considered deposits. At December 31, 2021 the County held certificates of deposit in the amount of \$1,169,765 which are all considered deposits.

***Concentration of Credit Risk***

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

**NOTE 3 – TAXES RECEIVABLE**

Taxes and special assessments receivable represent the past three years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes and special assessments receivable.

**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Any material tax collections are distributed after the end of each month.

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

Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the discount on the property taxes.

**NOTE 4 – CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended December 31, 2022 and 2021:

<b>Governmental Activities</b>	<b>Balance 1/1/22</b>	<b>Additions</b>	<b>Dispositions</b>	<b>Balance 12/31/22</b>
Capital assets, being depreciated				
Buildings	\$ 466,100	\$ 713,691	\$ -	\$ 1,179,791
Machinery, vehicles, and equipment	2,016,265	24,881	-	2,041,146
Total capital assets, being depreciated	2,482,365	738,572	-	3,220,937
Less accumulated depreciation for				
Buildings	219,191	19,788	-	238,979
Machinery, vehicles, and equipment	1,350,529	173,474	-	1,524,003
Total accumulated depreciation	1,569,720	193,262	-	1,762,982
Governmental activities capital assets, net	\$ 912,645	\$ 545,310	\$ -	\$ 1,457,955

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

General government	\$ 21,051
Public safety	18,440
Highways and public improvement	153,771
	<u>\$ 193,262</u>

**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Governmental Activities**

	<u>Balance 1/1/21</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance 12/31/21</u>
Capital assets, being depreciated				
Buildings	\$ 466,100	\$ -	\$ -	\$ 466,100
Machinery, vehicles, & equipment	<u>1,975,200</u>	<u>88,165</u>	<u>47,100</u>	<u>2,016,265</u>
 Total capital assets, being depreciated	 <u>2,441,300</u>	 <u>88,165</u>	 <u>47,100</u>	 <u>2,482,365</u>
 Less accumulated depreciation for				
Buildings	213,677	5,514	-	219,191
Machinery, vehicles, & equipment	<u>1,198,867</u>	<u>198,762</u>	<u>47,100</u>	<u>1,350,529</u>
 Total accumulated depreciation	 <u>1,412,544</u>	 <u>204,276</u>	 <u>47,100</u>	 <u>1,569,720</u>
 Governmental activities capital assets, net	 \$ <u>1,028,756</u>	 \$ <u>(116,111)</u>	 \$ <u>-</u>	 \$ <u>912,645</u>

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

General government	\$ 2,631
Public safety	23,596
Highways and public improvement	<u>178,049</u>
	<u>\$ 204,276</u>

**NOTE 5 – LONG-TERM DEBT**

***Changes in Long-Term Liabilities***

During the year ended December 31, 2022, the following changes occurred in liabilities reported in the long-term liabilities – Governmental Activities:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bank loan payable	\$ 14,241	\$ -	\$ 14,241	\$ -	\$ -
Compensated absences *	<u>33,451</u>	<u>-</u>	<u>2,192</u>	<u>31,259</u>	<u>3,126</u>
 Total	 \$ <u>47,692</u>	 \$ <u>-</u>	 \$ <u>16,433</u>	 \$ <u>31,259</u>	 \$ <u>3,126</u>

\* The change in compensated absences is shown as a net change because changes in salary prohibit exact calculations of increases and decreases.



**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bank loan payable	\$ -	\$ 29,000	\$ 14,759	\$ 14,241	\$ 6,513
Compensated absences *	24,744	8,707	-	33,451	3,345
Total	<u>\$ 24,744</u>	<u>\$ 37,707</u>	<u>\$ 14,759</u>	<u>\$ 47,692</u>	<u>\$ 9,858</u>

\* The change in compensated absences is shown as a net change because changes in salary prohibit exact calculations of increases and decreases.

**NOTE 6 – 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, 2022:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 5,000	\$ 337,672
Special revenue funds		
Kidder road	328,647	-
Hazard mitigation	4,000	-
County SIRN	6,000	-
Unorganized road	-	975
E-911	-	5,000
	<u>\$ 343,647</u>	<u>\$ 343,647</u>

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2021:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 5,900	\$ 179,851
Special revenue funds		
Building improvement	8,091	-
Kidder road	117,285	-
24/7 Sheriff	208	-
County agent	36,267	-
Hazard mitigation	4,000	-
County SIRN	14,000	-
E-911	-	5,900
	<u>\$ 185,751</u>	<u>\$ 185,751</u>

**KIDDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 7 – RISK MANAGEMENT**

The 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 \$2,000,000 per occurrence for general liability and automobile; and \$2,143,005 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 one million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides the County with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage. The County has worker’s 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 8 – CONTINGENT LIABILITIES**

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Kidder County State’s Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

**NOTE 9 – PENSION PLANS**

The County provides benefits for all of its full-time employees through a defined contribution plan with Nationwide Retirement Solutions, Inc. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. For the years ending December 31, 2022 and 2021, the county contributed \$22,590 and \$27,720, respectively.

**NOTE 10 – PRIOR PERIOD ADJUSTMENT**

The 2021 beginning net position has been restated to adjust for errors in the calculation of fiduciary net position. This resulted in an adjustment to the January 1, 2021, net position as follows:

	<u><b>Transfer In</b></u>
Beginning of year net position, as previously reported	\$ 760,914
Adjustment to net position	<u>(760,914)</u>
Beginning of year net position, as restated	\$ <u><u>-</u></u>

**KIDDER COUNTY**

**REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022 AND 2021**

**KIDDER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 853,719	\$ 853,719	\$ 958,469	\$ 104,750
Licenses, permits and fees	425	425	35,476	35,051
Intergovernmental	203,006	203,006	480,237	277,231
Charges for services	30,300	30,300	2,139	(28,161)
Miscellaneous	<u>42,800</u>	<u>42,800</u>	<u>27,789</u>	<u>(15,011)</u>
Total revenues	<u>1,130,250</u>	<u>1,130,250</u>	<u>1,504,110</u>	<u>373,860</u>
<b>EXPENDITURES</b>				
Current				
General government	925,308	925,308	796,029	(129,279)
Public safety	302,766	302,766	281,268	(21,498)
Health and welfare	20,000	20,000	-	(20,000)
Culture and recreation	29,000	29,000	25,860	(3,140)
Conservation and economic development	15,000	15,000	-	(15,000)
Other	21,000	21,000	21,643	643
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>14,241</u>	<u>14,241</u>
Total expenditures	<u>1,313,074</u>	<u>1,313,074</u>	<u>1,139,041</u>	<u>(174,033)</u>
Excess (deficiency) of revenues over expenditures	(182,824)	(182,824)	365,069	547,893
<b>OTHER FINANCING USES</b>				
Transfers in	-	-	5,000	5,000
Transfers out	<u>(39,000)</u>	<u>(39,000)</u>	<u>(337,672)</u>	<u>(298,672)</u>
Net change in fund balance	(221,824)	(221,824)	32,397	254,221
<b>FUND BALANCE, JANUARY 1</b>	<u>190,082</u>	<u>190,082</u>	<u>190,082</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ (31,742)</u>	<u>\$ (31,742)</u>	<u>\$ 222,479</u>	<u>\$ 254,221</u>

**KIDDER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 783,588	\$ 783,588	\$ 882,807	\$ 99,219
Licenses, permits and fees	675	675	39,917	39,242
Intergovernmental	298,206	298,206	363,987	65,781
Charges for services	60,600	60,600	2,379	(58,221)
Miscellaneous	<u>22,350</u>	<u>22,350</u>	<u>25,221</u>	<u>2,871</u>
Total revenues	<u>1,165,419</u>	<u>1,165,419</u>	<u>1,314,311</u>	<u>148,892</u>
<b>EXPENDITURES</b>				
Current				
General government	1,016,203	1,016,203	930,686	(85,517)
Public safety	279,741	279,741	273,428	(6,313)
Health and welfare	25,000	25,000	-	(25,000)
Culture and recreation	10,000	10,000	24,037	14,037
Conservation and economic development	23,900	23,900	-	(23,900)
Other	10,000	10,000	23,585	13,585
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>14,759</u>	<u>14,759</u>
Total expenditures	<u>1,364,844</u>	<u>1,364,844</u>	<u>1,266,495</u>	<u>(98,349)</u>
Excess (deficiency) of revenues over expenditures	(199,425)	(199,425)	47,816	247,241
<b>OTHER FINANCING USES</b>				
Transfers in	-	-	5,900	5,900
Notes payable proceeds	-	-	29,000	29,000
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(179,851)</u>	<u>(139,851)</u>
Net change in fund balance	(239,425)	(239,425)	(97,135)	142,290
<b>FUND BALANCE, JANUARY 1</b>	<u>287,217</u>	<u>287,217</u>	<u>287,217</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 47,792</u>	<u>\$ 47,792</u>	<u>\$ 190,082</u>	<u>\$ 142,290</u>

**KIDDER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE – COUNTY LIBRARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 77,863	\$ 77,863	\$ 84,141	\$ 6,278
Intergovernmental	14,885	14,885	14,925	40
Miscellaneous	<u>1,172</u>	<u>1,172</u>	<u>1,195</u>	<u>23</u>
Total revenues	<u>93,920</u>	<u>93,920</u>	<u>100,261</u>	<u>6,341</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>64,260</u>	<u>64,260</u>	<u>111,830</u>	<u>47,570</u>
Excess (deficiency) of revenues over expenditures	29,660	29,660	(11,569)	(41,229)
<b>FUND BALANCE, JANUARY 1</b>	<u>389,459</u>	<u>389,459</u>	<u>389,459</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 419,119</u>	<u>\$ 419,119</u>	<u>\$ 377,890</u>	<u>\$ (41,229)</u>

**KIDDER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE – COUNTY LIBRARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 72,700	\$ 72,700	\$ 80,768	\$ 8,068
Intergovernmental	15,550	15,550	14,691	(859)
Miscellaneous	<u>500</u>	<u>500</u>	<u>1,201</u>	<u>701</u>
Total revenues	<u>88,750</u>	<u>88,750</u>	<u>96,660</u>	<u>7,910</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>61,100</u>	<u>61,100</u>	<u>50,414</u>	<u>(10,686)</u>
Excess (deficiency) of revenues over expenditures	27,650	27,650	46,246	18,596
<b>FUND BALANCE, JANUARY 1</b>	<u>343,212</u>	<u>343,212</u>	<u>343,212</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	\$ <u><u>370,862</u></u>	\$ <u><u>370,862</u></u>	\$ <u><u>389,458</u></u>	\$ <u><u>18,596</u></u>

**KIDDER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE – KIDDER ROAD FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 276,386	\$ 276,386	\$ 293,731	\$ 17,345
Licenses, permits and fees	2,500	2,500	3,925	1,425
Intergovernmental	77,500	77,500	16,386	(61,114)
Charges for services	26,600	26,600	54,921	28,321
Miscellaneous	<u>-</u>	<u>-</u>	<u>7,049</u>	<u>7,049</u>
Total revenues	<u>382,986</u>	<u>382,986</u>	<u>376,012</u>	<u>(6,974)</u>
<b>EXPENDITURES</b>				
Highway and public improvement	<u>690,500</u>	<u>690,500</u>	<u>867,572</u>	<u>177,072</u>
Excess (deficiency) of revenues over expenditures	(307,514)	(307,514)	(491,560)	(184,046)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>328,647</u>	<u>328,647</u>
Net change in fund balance	(307,514)	(307,514)	(162,913)	144,601
<b>FUND BALANCE, JANUARY 1</b>	<u>341,308</u>	<u>341,308</u>	<u>341,308</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 33,794</u>	<u>\$ 33,794</u>	<u>\$ 178,395</u>	<u>\$ 144,601</u>



**KIDDER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE – KIDDER ROAD FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 291,526	\$ 291,526	\$ 281,189	\$ (10,337)
Licenses, permits and fees	500	500	4,375	3,875
Intergovernmental	76,600	76,600	153,705	77,105
Charges for services	28,200	28,200	26,207	(1,993)
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,466</u>	<u>1,466</u>
Total revenues	<u>396,826</u>	<u>396,826</u>	<u>466,942</u>	<u>70,116</u>
<b>EXPENDITURES</b>				
Current				
Highway and public improvement	182,000	182,000	665,114	483,114
Capital outlay	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>(130,000)</u>
Total expenditures	<u>312,000</u>	<u>312,000</u>	<u>665,114</u>	<u>353,114</u>
Excess (deficiency) of revenues over expenditures	84,826	84,826	(198,172)	(282,998)
<b>OTHER FINANCING USES</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>117,285</u>	<u>117,285</u>
Net change in fund balance	84,826	84,826	(80,887)	(165,713)
<b>FUND BALANCE, JANUARY 1</b>	<u>422,195</u>	<u>422,195</u>	<u>422,195</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 507,021</u>	<u>\$ 507,021</u>	<u>\$ 341,308</u>	<u>\$ (165,713)</u>

**KIDDER COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT BUDGET POLICIES**

Annually, the board of county commissioners provides each office a department budget. The departments complete their budget and file it with the county auditor. Based upon the departmental budget requests and other financial information, the county auditor prepares the preliminary county budget. The budget is prepared for the General, County Library, and Kidder Road funds on the modified accrual basis of accounting. The preliminary budget includes the proposed expenditures and the means of financing them. All annual appropriations lapse at year-end.

The board of county commissioners holds a public hearing where any taxpayer may testify in favor or against any proposed expenditures or tax levies requested in the preliminary budget. After the budget hearing and on or before the October meeting, the board adopts the final budget and shall determine the amount of taxes that shall be levied for county purposes and shall levy all such taxes in specific amounts. No expenditure shall be made, or liability incurred in excess of the total appropriation by fund, except for transfers as authorized by the North Dakota Century Code Section 11-23-07. However, the board of county commissioners may amend the budget, except for property taxes, during the year for any revenues and appropriations not anticipated at the time the budget was prepared. The budget amendments must be approved by the board and the approval must be noted in the proceedings of the board.

**NOTE 2 – LEGAL COMPLIANCE**

Expenditures exceeded budget in the following funds for the year ended December 31, 2022 and 2021:

<u>Fund</u>		<u>Final Budget</u>		<u>Actual</u>	<u>Year End</u>
Library	\$	64,260	\$	111,830	2022
Kidder Road	\$	690,500	\$	867,572	2022
Kidder Road	\$	312,000	\$	665,114	2021

No remediation action is anticipated or required by the County regarding these excess expenditures.

**KIDDER COUNTY**  
**SCHEDULE OF FUND ACTIVITY**  
**DECEMBER 31, 2022**

	<b>Balance 01/01/22</b>	<b>Receipts</b>	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Disbursements</b>	<b>Balance 12/31/22</b>
<b>GOVERNMENTAL FUNDS</b>						
<u>Major Governmental Funds</u>						
General fund	\$ 190,082	\$ 2,217,801	\$ 5,000	\$ (337,672)	\$ (1,852,733)	\$ 222,478
Highway tax distribution	461,670	1,129,653	-	-	(844,123)	747,200
Kidder road	341,308	376,011	328,647	-	(867,571)	178,395
County library	389,459	100,261	-	-	(111,829)	377,891
FEMA 2019	384,195	153,432	-	-	(203,654)	333,973
Total	1,766,714	3,977,158	333,647	(337,672)	(3,879,910)	1,859,937
<u>Non-major Governmental Funds</u>						
Building improvement	138,740	57,461	-	-	(59,740)	136,461
Unorganized roads	60,054	32,338	-	(975)	(20,779)	70,638
County jail	158,588	42,647	-	-	(13,625)	187,610
Emergency fund	100,374	84,707	-	-	(8,000)	177,081
24/7 sheriff	2,426	975	-	-	-	3,401
Drug education	8,503	40	-	-	(2,864)	5,679
Sheriff equipment reserve	700	3,817	-	-	(1,029)	3,488
Veterans service officer	15,441	12,358	-	-	(13,924)	13,875
County agent	90,632	42,531	-	-	(51,891)	81,272
Pesticide and publication	4,262	487	-	-	(550)	4,199
Weed control	173,181	116,914	-	-	(109,672)	180,423
FEMA 2020	109,823	651,731	-	-	(380,372)	381,182
FEMA 2021	15,817	1,876	-	-	(387)	17,306
FEMA 2022	-	59,908	-	-	-	59,908
ARPA	240,868	240,976	-	-	(307,439)	174,405
Emergency 911	78,807	46,435	-	(5,000)	(55,815)	64,427
Hazardous chemical	7,753	718	-	-	(218)	8,253
Hazard mitigation	26,000	16,000	4,000	-	-	46,000
Document preservation	17,486	4,288	-	-	(303)	21,471
County SIRC	28,600	-	6,000	-	(32,442)	2,158
Food pantry	-	6,150	-	-	(2,907)	3,243
LATCF	-	50,003	-	-	-	50,003
Total	1,278,055	1,472,360	10,000	(5,975)	(1,061,957)	1,692,483
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>3,044,769</b>	<b>5,449,518</b>	<b>343,647</b>	<b>(343,647)</b>	<b>(4,941,867)</b>	<b>3,552,420</b>
<b>Fiduciary Fund</b>						
<u>Custodial Funds</u>						
State medical center	6,967	20,872	-	-	(20,962)	6,878
Soil conservation	7,454	20,872	-	-	(20,960)	7,366
Health district	34,808	103,606	-	-	(104,077)	34,338
Water resource district	8,228	24,024	-	-	(24,102)	8,150
Mobile homes	2,018	-	-	-	358	2,376
State SIRC-statewide	1,180	-	-	-	12	1,192
Total cities	81,875	296,798	-	-	(314,080)	64,593
Total school districts	522,122	1,602,444	-	-	(1,578,894)	545,671
Total townships	62,237	167,379	-	-	(171,479)	58,137
Total rural fire districts	31,588	87,414	-	-	(88,217)	30,785
Irrigation districts	130	26,637	-	-	(26,525)	242
Total ambulance districts	74,519	208,692	-	-	(209,604)	73,607
Total	833,125	2,558,738	-	-	(2,558,529)	833,334
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,877,894</b>	<b>\$ 8,008,256</b>	<b>\$ 343,647</b>	<b>\$ (343,647)</b>	<b>\$ (7,500,396)</b>	<b>\$ 4,385,754</b>

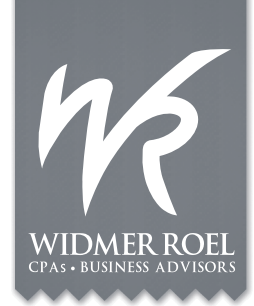
**KIDDER COUNTY**  
**SCHEDULE OF FUND ACTIVITY**  
**DECEMBER 31, 2021**

	<b>Balance 01/01/21</b>	<b>Receipts</b>	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Disbursements</b>	<b>Balance 12/31/21</b>
<b>GOVERNMENTAL FUNDS</b>						
Major Governmental Funds						
General fund	\$ 287,217	\$ 1,343,311	\$ 5,900	\$ (179,851)	\$ (1,266,495)	\$ 190,082
Highway tax distribution	723,597	337,655	-	-	(599,582)	461,670
Kidder road	422,195	466,941	117,285	-	(665,113)	341,308
County library	343,212	96,661	-	-	(50,414)	389,459
FEMA 2019	100,972	986,597	-	-	(703,374)	384,195
Total	1,877,193	3,231,165	123,185	(179,851)	(3,284,978)	1,766,714
Non-MAJOR Governmental Funds						
Building improvement	138,434	64,441	8,091	-	(72,226)	138,740
Unorganized roads	25,732	34,722	-	-	(400)	60,054
County jail	141,876	41,151	-	-	(24,439)	158,588
Emergency fund	18,878	81,496	-	-	-	100,374
24/7 sheriff	2,350	318	208	-	(450)	2,426
Drug education	7,002	1,501	-	-	-	8,503
Sheriff equipment reserve	700	-	-	-	-	700
Veterans service officer	13,716	12,086	-	-	(10,361)	15,441
County agent	64,019	40,855	36,267	-	(50,509)	90,632
Pesticide and publication	4,272	500	-	-	(510)	4,262
Weed control	146,004	109,693	-	-	(82,516)	173,181
FEMA 2020	-	223,560	-	-	(113,737)	109,823
FEMA 2021	-	19,931	-	-	(4,114)	15,817
ARPA	-	240,868	-	-	-	240,868
Emergency 911	106,103	47,687	-	(5,900)	(69,083)	78,807
Hazardous chemical	7,375	513	-	-	(135)	7,753
Hazard mitigation	30,000	-	4,000	-	(8,000)	26,000
Document preservation	16,124	5,099	-	-	(3,737)	17,486
County SIRN	14,600	-	14,000	-	-	28,600
Total	737,185	924,421	62,566	(5,900)	(440,217)	1,278,055
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>2,614,378</b>	<b>4,155,586</b>	<b>185,751</b>	<b>(185,751)</b>	<b>(3,725,195)</b>	<b>3,044,769</b>
<b>Fiduciary Fund</b>						
Custodial Funds						
State medical center	6,395	20,794	-	-	(20,222)	6,967
Soil conservation	6,395	20,794	-	-	(19,736)	7,454
Health district	31,876	103,357	-	-	(100,425)	34,808
Water resource district	1,087	10,566	-	-	(3,425)	8,228
Estimated tax	17	-	-	-	(17)	-
Mobile homes	462	1,556	-	-	-	2,018
State SIRN-statewide	1,211	-	-	-	(31)	1,180
Total cities	79,743	155,064	-	-	(152,933)	81,875
Total school districts	492,273	1,590,191	-	-	(1,560,343)	522,122
Total townships	49,731	161,058	-	-	(148,552)	62,237
Total rural fire districts	27,607	87,571	-	-	(83,590)	31,588
Irrigation districts	170	392	-	-	(432)	130
Total ambulance districts	63,947	207,935	-	-	(197,363)	74,519
Total	760,914	2,359,279	-	-	(2,287,068)	833,125
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,375,292</b>	<b>\$ 6,514,865</b>	<b>\$ 185,751</b>	<b>\$ (185,751)</b>	<b>\$ (6,012,263)</b>	<b>\$ 3,877,894</b>

**KIDDER COUNTY**

**SINGLE AUDIT REPORTS AND  
SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
DECEMBER 31, 2022**

**AND  
GOVERNMENT ACCOUNTING STANDARDS  
REPORT DECEMBER 31, 2022 AND 2021**



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

Phone: 701.237.6022  
Toll Free: 888.237.6022  
Fax: 701.280.1495

**INDEPENDENT AUDITOR'S 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**

County Commission  
Kidder County  
Steele, 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 **Kidder County**, as of and for the year ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise **Kidder County's** basic financial statements and have issued our report thereon dated April 4, 2024

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered **Kidder 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 **Kidder County's** internal control. Accordingly, we do not express an opinion on the effectiveness of the **Kidder County's** internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of audit findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Kidder 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*.

### **Kidder County's Response to Findings**

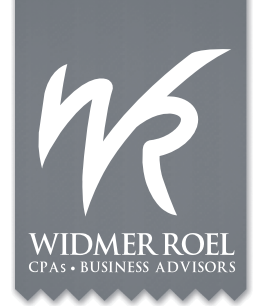
Government Auditing Standards requires the auditor to perform limited procedures on **Kidder County's** response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. **Kidder County's** response was not subjected to the auditing procedures 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  
April 4, 2024



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

Phone: 701.237.6022  
Toll Free: 888.237.6022  
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**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  
Kidder County  
Steele, North Dakota

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

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

We have audited **Kidder County's** compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Kidder County's** major federal programs for the year ended December 31, 2022. **Kidder County's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Kidder County** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***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 **Kidder 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 **Kidder 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 **Kidder 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 **Kidder 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 for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Kidder 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 **Kidder 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 **Kidder 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 **Kidder 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, each major fund, and the aggregate remaining fund information of **Kidder County**, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise **Kidder County's** basic financial statements. We issued our report thereon dated April 4, 2024, which contained an 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 "Wilmer Poel" followed by a stylized flourish.

Fargo, North Dakota.

April 4, 2024

# KIDDER COUNTY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2022

<b>Federal Grantor/ Pass- Through Grantor/Program or Cluster Title</b>	<b>Federal ALN Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipient</b>	<b>Total Federal Expenditures</b>
U.S. Department of Homeland Security passed through North Dakota Department of Emergency Services				
Public Assistance Grants	97.036	N/A	\$ -	\$ 548,172
Emergency Management Performance Grants	97.042	N/A	-	14,172
Building Resilient Infrastructure and Communities	97.047	N/A	-	16,000
Total U.S. Department of Homeland Security			-	578,344
U.S. Department of the Treasury passed through North Dakota office of the State Treasurer				
COVID-19 Coronavirus Relief Fund	21.019	N/A	-	307,439
Total U.S. Department of the Treasury			-	307,439
Total expenditures of federal awards			\$ -	\$ 885,783

## **KIDDER COUNTY**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2022**

#### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Kidder County under programs of the federal government for the year ended December 31, 2022. 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 Kidder County, it is not intended to and does not present the financial position or changes in net assets of Kidder 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 modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **NOTE 3 – PASS-THROUGH GRANT NUMBER**

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

#### **NOTE 4 – INDIRECT COST RATE**

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

**KIDDER COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

Type of auditor’s report issued:	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

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 Relief Fund (21.019)

Unmodified

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
--	-------------------	--------------	----

Identification of major programs:

CFDA Number	Name of Federal Program
97.036	Public Assistance Grants

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

Auditee qualified as <u>low-risk</u> auditee?	<u>  X  </u> yes	<u>      </u> no
---	------------------	------------------

**KIDDER COUNTY**  
**SCHEDULE OF FINDING AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2022-001 (MATERIAL WEAKNESS) – GAAP FINANCIAL STATEMENT PRESENTATION**

***Condition***

Widmer Roel assists the County with preparation of its financial statements and related disclosures in accordance with generally accepted accounting principles (GAAP).

***Criteria***

According to the Committee of Sponsoring Organizations (COSO) elements of internal control, an organization's internal control should include the capability of preparing financial statements in accordance with (GAAP).

***Cause***

The County has determined it is more cost-effective to allocate its limited resources to areas other than preparation of financial statements and instead engage its third-party auditor to assist in this process.

***Effect***

Without the assistance of the auditors, the financial statements could be materially misstated or omit material financial statement disclosures.

***Recommendation***

We recommend management carefully review the County's financial statements and note disclosures and be able to understand the purpose and source of all material financial statement amounts and disclosures. We recommend management continue to prepare all requested supporting schedules, understanding their importance to the financial statements.

***Views of Responsible Officials***

County does review financial statements, prepare supporting documents and understands the importance of the financial statements.

**KIDDER COUNTY**  
**SCHEDULE OF FINDING AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**2022-002 (MATERIAL WEAKNESS) – INFRASTRUCTURE CAPITAL ASSET RECORDS**

***Condition***

The County does not currently have sufficient capital asset records for infrastructure to enable presentation of infrastructure assets and related depreciation in the County financial statements.

***Criteria***

GASB Statement Number 34 (“GASB 34”) required the inclusion of infrastructure assets and related depreciation in the government-wide financial statements beginning in the year 2004 for entities the size of the County.

***Cause***

The County has not previously had adequate processes in place to accurately record, track and reconcile infrastructure records suitable for financial statement presentation.

***Effect***

The government-wide financial statements of the County are misstated to the extent infrastructure assets and related depreciation are not presented.

***Recommendation***

We recommend management develop and implement policies and processes for identifying, recording, reconciling, and reporting infrastructure assets in accordance with GAAP.

***Views of Responsible Officials***

County has infrastructure records on file at the courthouse. Large infrastructure projects are bid and run thru the North Dakota Department of Transportation. Project numbers that identify the projects are supplied by the North Dakota Department of Transportation. County receives a progressive and final reports from the North Dakota Department of Transportation which identifies the breakdown of the costs of the project.

County will make copies of the North Dakota Department of Transportation that identifies each project.

**KIDDER COUNTY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**2020-001 (MATERIAL WEAKNESS) – GAAP FINANCIAL STATEMENT PRESENTATION**

***Condition***

Widmer Roel assists the County with preparation of its financial statements and related disclosures in accordance with generally accepted accounting principles (GAAP).

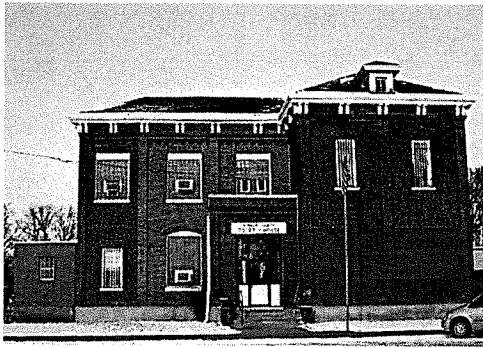
***Recommendation***

We recommend management carefully review the County's financial statements and note disclosures and be able to understand the purpose and source of all material financial statement amounts and disclosures. We recommend management continue to prepare all requested supporting schedules, understanding their importance to the financial statements.

***Current Status***

Not implemented.





# KIDDER COUNTY

P.O. BOX 167  
STEELE, NORTH DAKOTA 58482  
Phone: (701) 475-4547

## COUNTY COMMISSIONERS:

Dan P. Mittleider, Chairman  
Timothy C. Dronen, Darrell Guthmiller  
Jean Schoenhard, Auditor, Jennifer Hofman, Deputy Auditor

March 18, 2024

## VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

Kidder County respectfully submits the following views of responsible officials and planned corrective action for the year ended December 31, 2022.

Name and address of independent public accounting firm:

Widmer Roel PC  
4220 31<sup>st</sup> Avenue S  
Fargo, ND 58104

Audit period: December 31, 2022

The findings from the December 31, 2022 Schedule of Findings and Responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

## FINDINGS – FINANCIAL STATEMENT AUDIT

### 2022-001 (MATERIAL WEAKNESS) – GAAP FINANCIAL STATEMENT PREPARATION

#### *Finding*

Widmer Roel assists the County with preparation of its financial statements and related disclosures in accordance with generally accepted accounting principles (GAAP).

We recommend management carefully review the County's financial statements and note disclosures and be able to understand the purpose and source of all material financial statement amounts and disclosures. We recommend management continue to prepare all requested supporting schedules, understanding their importance to the financial statements.

#### *Views of Responsible Officials and Planned Corrective Action*

County does review financial statements, prepare supporting documents and understands the importance of the financial statements.

## 2022-002 (MATERIAL WEAKNESS) – INFRASTRUCTURE CAPITAL ASSET RECORDS

### *Finding*

The County does not currently have sufficient capital asset records for infrastructure to enable presentation of infrastructure assets and related depreciation in the County financial statements.

We recommend management develop and implement policies and processes for identifying, recording, reconciling, and reporting infrastructure assets in accordance with GAAP.

### *Views of Responsible Officials and Planned Corrective Action*

County has Infrastructure records on file at the Courthouse. Large infrastructure projects are bid and run thru the North Dakota Department of Transportation. Project numbers that identify the projects are supplied by the North Dakota Department of Transportation. County receives a progressive and final reports from the North Dakota Department of Transportation which identifies the breakdown of the cost of the project.

County will make copies of the North Dakota of Transportation breakdowns that identifies each project.

Sincerely yours,



Jean Schoenhard, County Auditor  
Kidder County