



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

Ransom County

Lisbon, North Dakota

Audit Report for the Year Ended December 31, 2023 and 2022

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Office of the
State Auditor

RANSOM COUNTY

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RANSOM COUNTY

County Officials

December 31, 2023 and 2022

COUNTY OFFICIALS

As of December 31, 2022

Joe Mathern	Chairman
Neil Olerud	Commissioner
Connie Gilbert	Commissioner
Norm Hansen	Commissioner
Greg Schwab	Commissioner
Nicole Gentzkow	County Auditor
Kathie Erickson	County Treasurer/Superintendent of Schools
Shelly Schwab	Recorder's Office
Darren Benneweis	Sheriff
Fallon Kelly	State's Attorney

COUNTY OFFICIALS

As of December 31, 2023

Kevin Bishop	Chairman
Neil Olerud	Commissioner
Connie Gilbert	Commissioner
Joe Mathern	Commissioner
Greg Schwab	Commissioner
Nicole Gentzkow	County Auditor
Kathie Erickson	County Treasurer/Superintendent of Schools
Shelly Schwab	Recorder's Office
Darren Benneweis	Sheriff
Fallon Kelly	State's Attorney



INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Ransom County
Lisbon, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ransom County, North Dakota, as of and for the years ended December 31, 2023 and December 31, 2022, and the related notes to the financial statements, which collectively comprise Ransom County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ransom County, North Dakota, as of December 31, 2023 and December 31, 2022, 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), 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 Ransom County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, Ransom County adopted new accounting guidance GASB Statement No. 87, Lease Accounting. Our opinion is not modified with respect to this matter.

Error Correction

As discussed in Note 2 to the financial statements, the 2022 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ransom 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing our audit in accordance with GAAS and *Government Auditing Standards*, 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 Ransom 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 Ransom County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

RANSOM COUNTY

Independent Auditor's Report - Continued

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2025 on our consideration of Ransom 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 Ransom 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 Ransom County's internal control over financial reporting and compliance.

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
August 6, 2025

RANSOM COUNTY

Statement of Net Position

For the Year Ended December 31, 2023

	Primary Government	Component Units		
	Governmental Activities	Water Resource District	RC - MR Water Resource District	Job Development Authority
ASSETS				
Cash and Investments	\$ 7,540,939	\$ 815,027	\$ 47,131	\$ 14,079
Intergovernmental Receivable	135,482	23,750	-	-
Accounts Receivable	79,328	-	-	-
Road Accounts Receivable	54,328	-	-	-
Taxes Receivable	57,697	4,634	-	-
Capital Assets, Net	12,129,498	433,014	-	-
Total Assets	<u>\$ 19,997,272</u>	<u>\$ 1,276,425</u>	<u>\$ 47,131</u>	<u>\$ 14,079</u>
DEFERRED OUTFLOWS OF RESOURCES				
Derived from Pension and OPEB	<u>\$ 2,529,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ 5,590	\$ 40,264	\$ -	\$ -
Salary and Benefits Payable	91,251	2,870	-	-
Grants Received in Advance	1,202,991	-	-	-
Interest Payable	7,881	-	-	-
Long-Term Liabilities				
Due Within One Year				
Long-Term Debt	204,796	-	-	-
Lease Liability	80,468	-	-	-
Compensated Absences Payable	87,761	-	-	-
Due After One Year				
Long-Term Debt	1,368,978	-	-	-
Lease Liability	-	-	-	-
Compensated Absences Payable	37,612	-	-	-
Net Pension Liability	3,517,190	-	-	-
Total Liabilities	<u>\$ 6,604,518</u>	<u>\$ 43,134</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
Derived from Pension and OPEB	\$ 2,616,774	\$ -	\$ -	\$ -
Taxes Received in Advance	493,494	-	-	-
Total Deferred Inflows of Resources	<u>\$ 3,110,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Net Investment in Capital Assets	\$ 10,467,375	\$ 433,014	\$ -	\$ -
Restricted				
Debt Service	5,247	-	-	-
Highways and Bridges	2,080,632	-	-	-
Flood Repair	31,799	-	-	-
Conservation of Natural Resources	3,520	800,277	47,131	-
Economic Development	-	-	-	14,079
Emergencies	92,298	-	-	-
Unrestricted	<u>(6,980)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ 12,811,667</u>	<u>\$ 1,233,291</u>	<u>\$ 47,131</u>	<u>\$ 14,079</u>

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

RANSOM COUNTY

Statement of Activities

For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Fees, Fines, Forfeits and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Governmental Activities	Water Resource District	RC - Maple River Water Resource District	Job Development Authority
Primary Government								
General Government	\$ 2,539,129	\$ 213,569	\$ 219,122	\$ -	\$ (2,106,438)			
Public Safety	1,067,083	341,975	1,788	-	(723,320)			
Highways and Bridges	2,248,305	71,366	2,513,341	-	336,402			
Flood Repair	212,853	-	340,752	-	127,899			
Health and Welfare	1,260,542	25,675	696,865	-	(538,002)			
Culture and Recreation	177,500	-	-	-	(177,500)			
Conservation of Natural Resources	266,550	308	16,314	-	(249,928)			
Emergency	5,746	-	39,258	-	33,512			
Interest on Long-Term Debt	56,984	-	-	-	(56,984)			
Total Governmental Activities	\$ 7,834,692	\$ 652,893	\$ 3,827,440	\$ -	\$ (3,354,359)			
Component Units								
Ransom County WRD	\$ 132,780	\$ 56,712	\$ 51,717	\$ -		\$ (24,351)	\$ -	\$ -
Ransom County - Maple River WRD	8,050	-	-	-		-	(8,050)	-
Ransom County JDA	62,647	-	-	-		-	-	(62,647)
Total Component Units	\$ 203,477	\$ 56,712	\$ 51,717	\$ -		\$ (24,351)	\$ (8,050)	\$ (62,647)
General Revenues								
Property Taxes					\$ 2,913,694	\$ 160,832	\$ -	\$ 51,093
Drain Assessments					-	16,494	11,772	-
Non Restricted Grants and Contributions					878,704	-	-	-
Unrestricted Investment Earnings					227,025	4,243	-	83
Miscellaneous Revenue					257,087	228	-	-
Total General Revenues					\$ 4,276,510	\$ 181,797	\$ 11,772	\$ 51,176
Change in Net Position					\$ 922,151	\$ 157,446	\$ 3,722	\$ (11,471)
Net Position - January 1					\$ 11,889,516	\$ 1,075,845	\$ 43,409	\$ 25,550
Net Position - December 31					\$ 12,811,667	\$ 1,233,291	\$ 47,131	\$ 14,079

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

RANSOM COUNTY

Balance Sheet – Governmental Funds
For the Year Ended December 31, 2023

	General	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 2,259,769	\$ 5,247,152	\$ 34,018	\$ 7,540,939
Intergovernmental Receivable	47,577	87,905	-	135,482
Accounts Receivable	17,090	62,238	-	79,328
Road Receivables	-	54,328	-	54,328
Taxes Receivable	37,349	15,101	5,247	57,697
Total Assets	<u>\$ 2,361,785</u>	<u>\$ 5,466,724</u>	<u>\$ 39,265</u>	<u>\$ 7,867,774</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ 5,590	\$ -	\$ 5,590
Salaries Payable	67,223	24,028	-	91,251
Grants Received in Advance	-	1,202,991	-	1,202,991
Total Liabilities	<u>\$ 67,223</u>	<u>\$ 1,232,609</u>	<u>\$ -</u>	<u>\$ 1,299,832</u>
Deferred Inflows of Resources				
Taxes Received in Advance	\$ 307,576	\$ 145,250	\$ 40,668	493,494
Road Receivables	-	54,328	-	54,328
Taxes Receivable	37,349	15,101	5,247	57,697
Total Deferred Inflows of Resources	<u>\$ 344,925</u>	<u>\$ 214,679</u>	<u>\$ 45,915</u>	<u>\$ 605,519</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 412,148</u>	<u>\$ 1,447,288</u>	<u>\$ 45,915</u>	<u>\$ 1,905,351</u>
Fund Balances				
Restricted				
Public Safety	\$ -	\$ 418,255	\$ -	\$ 418,255
Highways and Bridges	-	2,400,390	-	2,400,390
Flood Repair	-	31,799	-	31,799
Health and Welfare	-	582,714	-	582,714
Emergency	-	185,459	-	185,459
General Government	-	107,043	-	107,043
Committed for				
Highways and Bridges	-	397,484	-	397,484
Unassigned				
General Fund	1,949,637	-	-	1,949,637
Negative Fund Balances	-	(103,708)	(6,650)	(110,358)
Total Fund Balances	<u>\$ 1,949,637</u>	<u>\$ 4,019,436</u>	<u>\$ (6,650)</u>	<u>\$ 5,962,423</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,361,785</u>	<u>\$ 5,466,724</u>	<u>\$ 39,265</u>	<u>\$ 7,867,774</u>

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

RANSOM COUNTY

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
For the Year Ended December 31, 2023

Total Fund Balances - Governmental Funds	\$ 5,962,423
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Total *net position* reported for government activities in the statement of net position is different because:

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	12,129,498
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Certain receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflow of resources in the funds.

Property Taxes Receivable	\$ 57,697	
Road Accounts Receivable	<u>54,328</u>	112,025

Deferred Outflows and Inflows of Resources related to Pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows related to Pensions & OPEB	\$ 2,529,181	
Deferred Inflows related to Pensions & OPEB	<u>(2,616,774)</u>	(87,593)

Long-Term Liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long term are reported in the statement of net position.

Long-Term Debt	\$ (1,654,242)	
Interest Payable	(7,881)	
Compensated Absences Payable	(125,373)	
Net Pension and OPEB Liability	<u>(3,517,190)</u>	<u>(5,304,686)</u>

Total Net Position of Governmental Activities	<u><u>\$ 12,811,667</u></u>
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The notes to the financial statements are an integral part of this statement.

RANSOM COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Year Ended December 31, 2023

	General	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,824,821	\$ 860,792	\$ 246,999	\$ 2,932,612
Intergovernmental	915,182	3,790,962	-	4,706,144
Charges for Services	476,915	179,617	-	656,532
Licenses, Permits and Fees	470	-	-	470
Interest Income	227,025	-	-	227,025
Miscellaneous	110,399	146,448	240	257,087
Total Revenues	\$ 3,554,812	\$ 4,977,819	\$ 247,239	\$ 8,779,870
EXPENDITURES				
Current				
General Government	\$ 2,387,181	\$ 79,276	\$ -	\$ 2,466,457
Public Safety	853,942	138,098	-	992,040
Highways and Bridges	-	2,135,489	-	2,135,489
Flood Repair	-	212,853	-	212,853
Health and Welfare	494,741	712,229	-	1,206,970
Culture and Recreation	177,500	-	-	177,500
Conserv. of Natural Resources	-	275,344	-	275,344
Debt Service				
Principal	-	114,579	200,000	314,579
Interest & Fees	-	10,630	52,483	63,113
Total Expenditures	\$ 3,913,364	\$ 3,678,498	\$ 252,483	\$ 7,844,345
Excess (Deficiency) of Revenues Over Expenditures	\$ (358,552)	\$ 1,299,321	\$ (5,244)	\$ 935,525
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ 1,929,174	\$ 256,258	\$ 2,185,432
Transfers Out	(3,255)	(1,925,919)	(256,258)	(2,185,432)
Total Other Financing Sources and Uses	\$ (3,255)	\$ 3,255	\$ -	\$ -
Net Change in Fund Balances	\$ (361,807)	\$ 1,302,576	\$ (5,244)	\$ 935,525
Fund Balances - January 1	\$ 2,311,444	\$ 2,716,860	\$ (1,406)	\$ 5,026,898
Fund Balances - December 31	\$ 1,949,637	\$ 4,019,436	\$ (6,650)	\$ 5,962,423

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

RANSOM COUNTY

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities For the Year Ended December 31, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	935,525
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$	721,396	
Depreciation Expense		<u>(832,212)</u>	(110,816)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		314,579
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Bond premium amortization is a reduction to interest expense as it is amortized over the life of the outstanding bonds using the straight-line method.		4,795
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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 Change in Interest Payable	\$	1,334	
Net Change in Compensated Absences		<u>19,978</u>	21,312

Some revenues reported on the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures.

Net Change in Taxes Receivable	\$	(18,918)	
Net Change in Road Accounts Receivable		<u>(4,109)</u>	(23,027)

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

Net Change in Net Pension and OPEB liability	\$	1,462,700	
Net Change in Deferred Outflows of Resources Related to Pensions and OPEB		(1,012,988)	
Net Change in Deferred Inflows of Resources Related to Pensions and OPEB		<u>(669,929)</u>	<u>(220,217)</u>

Change in Net Position of Governmental Activities	\$	<u>922,151</u>
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The notes to the financial statements are an integral part of this statement.

RANSOM COUNTY

Statement of Net Position

For the Year Ended December 31, 2022

	Primary Government	Component Units		
	Governmental Activities	Water Resource District	RC - MR Water Resource District	Job Development Authority
ASSETS				
Cash and Investments	\$ 6,765,573	\$ 790,452	\$ 43,409	\$ 25,550
Intergovernmental Receivable	127,157	-	-	-
Accounts Receivable	10,340	-	-	-
Road Accounts Receivable	58,437	-	-	-
Taxes Receivable	76,615	6,073	-	-
Capital Assets, Net	12,240,314	329,040	-	-
Total Assets	\$ 19,278,436	\$ 1,125,565	\$ 43,409	\$ 25,550
DEFERRED OUTFLOWS OF RESOURCES				
Derived from Pension and OPEB	\$ 3,542,169	\$ -	\$ -	\$ -
LIABILITIES				
Accounts Payable	\$ 103,312	\$ 47,396	\$ -	\$ -
Salary and Benefits Payable	94,064	2,324	-	-
Grants Received in Advance	1,248,335	-	-	-
Interest Payable	9,214	-	-	-
Long-Term Liabilities				
Due Within One Year				
Long-Term Debt	199,796	-	-	-
Lease Liability	114,579	-	-	-
Compensated Absences Payable	101,746	-	-	-
Due After One Year				
Long-Term Debt	1,578,774	-	-	-
Lease Liability	80,468	-	-	-
Compensated Absences Payable	43,605	-	-	-
Net Pension Liability	4,979,890	-	-	-
Total Liabilities	\$ 8,553,783	\$ 49,720	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES				
Derived from Pension and OPEB	\$ 1,946,845	\$ -	\$ -	\$ -
Taxes Received in Advance	430,461	-	-	-
Total Deferred Inflows of Resources	\$ 2,377,306	\$ -	\$ -	\$ -
NET POSITION				
Net Investment in Capital Assets	\$ 10,257,483	\$ 329,040	\$ -	\$ -
Restricted				
Debt Service	7,390	-	-	-
Highways and Bridges	947,027	-	-	-
Conservation of Natural Resources	3,210	746,805	43,409	-
Economic Development				25,550
Emergencies	105,287	-	-	-
Unrestricted	540,131	-	-	-
Total Net Position	\$ 11,889,516	\$ 1,075,845	\$ 43,409	\$ 25,550

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

RANSOM COUNTY

Statement of Activities

For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Fees, Fines, Forfeits and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Governmental Activities	Water Resource District	RC - Maple River Water Resource District	Job Development Authority
Primary Government								
General Government	\$ 2,457,489	\$ 221,747	\$ 128,787	\$ -	\$ (2,106,955)			
Public Safety	1,091,473	320,339	1,689	-	(769,445)			
Highways and Bridges	2,629,012	87,571	1,518,253	-	(1,023,188)			
Flood Repair	2,430	-	2,430	-	-			
Health and Welfare	1,049,773	18,712	480,817	-	(550,244)			
Culture and Recreation	140,000	-	-	-	(140,000)			
Conservation of Natural Resources	199,693	1,500	1,500	-	(196,693)			
Emergency	13,306	-	66,942	-	53,636			
Interest on Long-Term Debt	72,697	-	-	-	(72,697)			
Total Governmental Activities	\$ 7,655,873	\$ 649,869	\$ 2,200,418	\$ -	\$ (4,805,586)			
Component Units								
Ransom County WRD	\$ 181,759	\$ 63,050	\$ 30,000	\$ -		\$ (88,709)	\$ -	\$ -
Ransom County - Maple River WRD	3,023	-	-	-		-	(3,023)	-
Ransom County JDA	48,231	-	-	-		-	-	(48,231)
Total Component Units	\$ 233,013	\$ 63,050	\$ 30,000	\$ -		\$ (88,709)	\$ (3,023)	\$ (48,231)
General Revenues								
Property Taxes					\$ 2,769,829	\$ 159,430	\$ -	\$ 49,757
Drain Assessments					-	18,121	11,773	-
Non Restricted Grants and Contributions					742,059	-	-	-
Unrestricted Investment Earnings					29,396	2,109	-	21
Gain (Loss) on Sale of Capital Assets					(109)	-	-	-
Miscellaneous Revenue					241,601	1,500	-	-
Total General Revenues					\$ 3,782,776	\$ 181,160	\$ 11,773	\$ 49,778
Change in Net Position					\$ (1,022,810)	\$ 92,451	\$ 8,750	\$ 1,547
Net Position - January 1					\$ 12,882,445	\$ 983,394	\$ 34,659	\$ -
Prior Period Adjustment					\$ 29,881	\$ -	\$ -	\$ 24,003
Net Position - January 1, as restated					\$ 12,912,326	\$ 983,394	\$ 34,659	\$ 24,003
Net Position - December 31					\$ 11,889,516	\$ 1,075,845	\$ 43,409	\$ 25,550

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

RANSOM COUNTY

Balance Sheet – Governmental Funds
For the Year Ended December 31, 2022

	General	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 2,585,465	\$ 4,143,207	\$ 36,901	\$ 6,765,573
Intergovernmental Receivable	64,603	62,554	-	127,157
Accounts Receivable	-	10,340	-	10,340
Road Receivables	-	58,437	-	58,437
Taxes Receivable	50,453	18,772	7,390	76,615
Total Assets	<u>\$ 2,700,521</u>	<u>\$ 4,293,310</u>	<u>\$ 44,291</u>	<u>\$ 7,038,122</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ 103,312	\$ -	\$ 103,312
Salaries Payable	61,832	32,232	-	94,064
Grants Received in Advance	-	1,248,335	-	1,248,335
Total Liabilities	<u>\$ 61,832</u>	<u>\$ 1,383,879</u>	<u>\$ -</u>	<u>\$ 1,445,711</u>
Deferred Inflows of Resources				
Taxes Received in Advance	\$ 276,792	\$ 115,362	\$ 38,307	430,461
Road Receivables	-	58,437	-	58,437
Taxes Receivable	50,453	18,772	7,390	76,615
Total Deferred Inflows of Resources	<u>\$ 327,245</u>	<u>\$ 192,571</u>	<u>\$ 45,697</u>	<u>\$ 565,513</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 389,077</u>	<u>\$ 1,576,450</u>	<u>\$ 45,697</u>	<u>\$ 2,011,224</u>
Fund Balances				
Restricted				
Public Safety	\$ -	\$ 447,584	\$ -	\$ 447,584
Highways and Bridges	-	1,184,070	-	1,184,070
Health and Welfare	-	513,872	-	513,872
Emergency	-	185,459	-	185,459
General Government	-	6,420	-	6,420
Committed for				
Highways and Bridges	-	390,766	-	390,766
Unassigned				
General Fund	2,311,444	-	-	2,311,444
Negative Fund Balances	-	(11,311)	(1,406)	(12,717)
Total Fund Balances	<u>\$ 2,311,444</u>	<u>\$ 2,716,860</u>	<u>\$ (1,406)</u>	<u>\$ 5,026,898</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,700,521</u>	<u>\$ 4,293,310</u>	<u>\$ 44,291</u>	<u>\$ 7,038,122</u>

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

RANSOM COUNTY

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position For the Year Ended December 31, 2022

Total Fund Balances - Governmental Funds	\$ 5,026,898
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Total *net position* reported for government activities in the statement of net position is different because:

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	12,240,314
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Certain receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflow of resources in the funds.

Property Taxes Receivable	\$ 76,615	
Road Accounts Receivable	<u>58,437</u>	135,052

Deferred Outflows and Inflows of Resources related to Pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows related to Pensions & OPEB	\$ 3,542,169	
Deferred Inflows related to Pensions & OPEB	<u>(1,946,845)</u>	1,595,324

Long-Term Liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long term are reported in the statement of net position.

Long-Term Debt	\$ (1,973,616)	
Interest Payable	(9,215)	
Compensated Absences Payable	(145,351)	
Net Pension and OPEB Liability	<u>(4,979,890)</u>	<u>(7,108,072)</u>

Total Net Position of Governmental Activities	<u>\$ 11,889,516</u>
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The notes to the financial statements are an integral part of this statement.

RANSOM COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
For the Year Ended December 31, 2022

	General	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,760,209	\$ 745,164	\$ 251,836	\$ 2,757,209
Intergovernmental	864,707	2,077,770	-	2,942,477
Charges for Services	474,940	146,664	-	621,604
Licenses, Permits and Fees	2,210	-	-	2,210
Interest Income	29,396	-	-	29,396
Miscellaneous	114,330	126,781	490	241,601
Total Revenues	\$ 3,245,792	\$ 3,096,379	\$ 252,326	\$ 6,594,497
EXPENDITURES				
Current				
General Government	\$ 2,107,054	\$ 97,384	\$ -	\$ 2,204,438
Public Safety	888,940	123,341	-	1,012,281
Highways and Bridges	-	2,383,945	-	2,383,945
Flood Repair	-	2,430	-	2,430
Health and Welfare	450,267	485,263	-	935,530
Culture and Recreation	140,000	-	-	140,000
Conserv. of Natural Resources	-	191,932	-	191,932
Debt Service				
Principal	-	142,755	195,000	337,755
Interest & Fees	-	18,410	60,383	78,793
Total Expenditures	\$ 3,586,261	\$ 3,445,460	\$ 255,383	\$ 7,287,104
Excess (Deficiency) of Revenues Over Expenditures	\$ (340,469)	\$ (349,081)	\$ (3,057)	\$ (692,607)
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ 216	\$ -	\$ 216
Transfers Out	(216)	-	-	(216)
Total Other Financing Sources and Uses	\$ (216)	\$ 216	\$ -	\$ -
Net Change in Fund Balances	\$ (340,685)	\$ (348,865)	\$ (3,057)	\$ (692,607)
Fund Balances - January 1	\$ 2,652,129	\$ 3,035,844	\$ 1,651	\$ 5,689,624
Prior Period Adjustment	\$ -	\$ 29,881	\$ -	\$ 29,881
Fund Balance - Jan. 1, as restated	\$ 2,652,129	\$ 3,065,725	\$ 1,651	\$ 5,719,505
Fund Balances - December 31	\$ 2,311,444	\$ 2,716,860	\$ (1,406)	\$ 5,026,898

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

RANSOM COUNTY

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

For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds	\$	(692,607)
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$	697,306	
Depreciation Expense		<u>(819,433)</u>	(122,127)

In the Statement of Activities, only the loss on sale of assets is reported, whereas, in the governmental funds, the proceeds from the sale increase financial resources.

Loss on Sale of Capital Assets			(109)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

337,755

Bond premium amortization is a reduction to interest expense as it is amortized over the life of the outstanding bonds using the straight-line method.

4,796

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

Net Change in Interest Payable	\$	1,300	
Net Change in Compensated Absences		<u>(28,736)</u>	(27,436)

Some revenues reported on the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures.

Net Change in Taxes Receivable	\$	12,620	
Net Change in Road Accounts Receivable		<u>26,055</u>	38,675

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

Net Change in Net Pension and OPEB liability	\$	(3,280,060)	
Net Change in Deferred Outflows of Resources Related to Pensions and OPEB		1,419,356	
Net Change in Deferred Inflows of Resources Related to Pensions and OPEB		<u>1,298,947</u>	<u>(561,757)</u>

Change in Net Position of Governmental Activities	\$	<u>(1,022,810)</u>
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The notes to the financial statements are an integral part of this statement.

RANSOM COUNTY

Statement of Fiduciary Net Position – Fiduciary Funds
December 31, 2023 and 2022

	Custodial Funds	
	2023	2022
ASSETS		
Cash and cash equivalents	<u>\$ 1,372,253</u>	<u>\$ 1,051,207</u>
LIABILITIES		
Liabilities		
Funds Held for Other Governmental Units	<u>\$ 307,605</u>	<u>\$ 83,567</u>
Deferred Inflows of Resources		
Taxes Received in Advance	<u>\$ 1,064,648</u>	<u>\$ 967,640</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,372,253</u>	<u>\$ 1,051,207</u>

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

RANSOM COUNTYStatement of Changes in Fiduciary Net Position – Fiduciary Funds
December 31, 2023 and 2022

	Custodial Funds	
	2023	2022
ADDITIONS		
Tax Collections for Other Governments	\$ 9,086,564	\$ 8,092,922
Grant Collections for Other Governments	866,900	691,824
Miscellaneous Collections	92,258	70,665
Total Additions	<u>\$ 10,045,722</u>	<u>\$ 8,855,411</u>
DEDUCTIONS		
Tax Disbursements to Other Governments	\$ 9,086,564	\$ 8,092,922
Grant Disbursements to Other Governments	866,900	691,824
Miscellaneous Disbursements	92,258	70,665
Total Deductions	<u>\$ 10,045,722</u>	<u>\$ 8,855,411</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>\$ -</u>	<u>\$ -</u>
Net Position - Beginning	<u>\$ -</u>	<u>\$ -</u>
Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>

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

RANSOM COUNTY

Notes to the Financial Statements

For the Year Ended December 31, 2023 and 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The accompanying financial statements present the activities of the County. The County has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationships with the County are such that exclusion would cause its financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the County.

Based on these criteria, there are two discretely presented component units to be included within the County as a reporting entity and one blended component unit as outlined below.

Component Units

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

Discretely Presented Component Units - The component unit columns in the basic financial statements includes the financial data of the County's three discretely presented component units. These units are reported in separate columns to emphasize that it is legally separate from the County.

Ransom County Water Resource District ("Water Resource District") - The County's governing board appoints a voting majority of the members of the Water Resource District Board. The County has the authority to approve or modify the Water Resource District operational and capital budgets. The County also must approve the tax levy established by the Water Resource District.

Ransom County-Maple River Water Resource District ("RC-MR Water Resource District") - The County's governing board appoints a voting majority of the members of the RC-MR Water Resource District Board. The County has the authority to approve or modify the RC-MR Water Resource District operational and capital budgets. The County also must approve the tax levy or drain assessments established by the RC-MR Water Resource District.

Ransom County Job Development Authority ("Job Development Authority") - The County's governing board appoints a voting majority of the members of the Job Development Authority's Board. The County has the authority to approve or modify the Job Development Authority's operational and capital budgets. The County also must approve the tax levy established by the Job Development Authority.

Basis of Presentation

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

RANSOM COUNTY

Notes to the Financial Statements – Continued

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

Fund Financial Statements: The fund financial statements provide information about the County's funds including its fiduciary funds and blended component unit. Separate statements for each fund category—*governmental* and *fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

Additionally, the County reports the following fiduciary fund type:

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

RANSOM COUNTY

Notes to the Financial Statements – Continued

Cash and Investments

Cash includes amounts in demand deposits and money market accounts.

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

Capital Assets

Capital assets include plant and equipment. Assets are reported in the governmental activities' column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

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

Asset	County	WRD
Buildings	50	30
Equipment and Vehicles	3-15	3-10
Infrastructure	25	-

Compensated Absences

Vacation leave is earned by County employees at the rate of 8 hours to 16 hours per month for employees depending on years of service. Up to 240 hours of vacation leave may be carried over at each year-end by all County employees. Sick leave benefits are earned by all benefited employees at the rate of one day per month for employees regardless of the years of service. An unlimited number of sick leave hours may be carried over and employees are not paid for sick leave upon termination of employment. Vested or accumulated vacation leave is reported in government-wide statement of net position.

Long-Term Obligations

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

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

Pension

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

Other Post-Employment Benefits (OPEB)

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

RANSOM COUNTY

Notes to the Financial Statements – Continued

Fund Balances

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

Minimum Fund Balance Policy/Budget Stabilization. The County adopted a minimum fund balance policy for the general fund to protect against cash flow shortfalls related to timing of project revenues and receipts and to maintain a budget stabilization commitment. The County intends to maintain a minimum unassigned fund balance in its general fund of \$350,000, but not less than 15% of annual general fund expenditures.

When fund balance falls below 15% range, the County will replenish shortages/deficiencies using the budget strategies and time frames described below:

- a. Reduce recurring expenditures to eliminate any structural deficit, or
 - b. Increase revenues or pursue other funding sources, or
 - c. Some combination of the two options above
-
- Deficiency resulting in a minimum fund balance between 12.5 percent and 15 percent shall be replenished over a period not exceeding one year
 - Deficiency resulting in a minimum fund balance between 10 percent and 12.5 percent shall be replenished over a period not to exceed 3 years
 - Deficiency resulting in a minimum fund balance of less than 10 percent shall be replenished over a period not to exceed five years

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

Committed Fund Balances. Committed fund balances are reported in the special revenue fund at year end for funds committed for equipment improvement.

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

Net Position

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

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

Restrictions of net position in the statement of net position are due to restricted tax levies and restricted state and federal grants/reimbursements.

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

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.

RANSOM COUNTY

Notes to the Financial Statements – Continued

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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Implementation of GASB Statement No. 87

As of January 1, 2022, the County adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 2 and the additional disclosures required by this standard are included in Notes 5 and 6.

NOTE 2 PRIOR PERIOD ADJUSTMENTS**Correction of Error and Adoption of New Standard**

Net Position of the County as of January 1, 2022 has been restated for adjustments to capital assets, lease liability and reclassification of Fiduciary Funds as shown below. Special Revenue Fund Balance as of January 1, 2022 has also been restated due to the reclassification of Fiduciary Funds. The adjustments can be seen below:

Governmental Activities	Government Wide	Special Revenue Fund	Fiduciary Funds
Beginning Net Position/Fund Balance, as Previously Reported	\$ 12,882,445	\$ 3,035,844	\$ -
Prior Period Adjustments			
Reclassification of Fiduciary Funds - Cash		29,881	(29,881)
Reclassification of Fiduciary Funds - Liability			29,881
Lease Liability, due to GASB 87 Implementation	337,802		
Capital Assets, Net	(337,802)		
Net Position/Fund Balance, January 1, Restated	\$ 12,882,445	\$ 3,065,725	\$ -

Net Position of the Job Development Authority as of January 1, 2022, has been restated to record the beginning fund balance into the financial statements. The adjustment can be seen below:

Job Development Authority	Government Wide
Beginning Net Position, as Previously Reported	\$ -
Prior Period Adjustments	
Cash/Net Position	24,003
Net Position, January 1, Restated	\$ 24,003

NOTE 3: DEPOSITS**Custodial Credit Risk**

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

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

RANSOM COUNTY

Notes to the Financial Statements – Continued

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

At year ended December 31, 2023, the County's carrying amount of deposits totaled \$8,604,738, and the bank balances totaled \$8,283,646. Of the bank balances, \$6,698,853 was covered by Federal Depository Insurance. The remaining bank balances, besides \$416,319 of the bank balances which were uninsured and uncollateralized, were collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2023, the Water Resource District's carrying amount of deposits totaled \$815,027, and the bank balances totaled \$816,002. Of the bank balances, \$443,989 was covered by Federal Depository Insurance. The remaining bank balances were collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2023, the RC-MR Water Resource District's carrying amount of deposits and bank balances totaled \$47,130. All of the bank balances were covered by Federal Depository Insurance.

At year ended December 31, 2023, the Job Development Authority's carrying amount of deposits and bank balances totaled \$14,079. All of the bank balances were covered by Federal Depository Insurance.

At year ended December 31, 2022, the County's carrying amount of deposits totaled \$7,864,534, and the bank balances totaled \$7,537,716. Of the bank balances, \$1,000,000 was covered by Federal Depository Insurance. The remaining bank balances were collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2022, the Water Resource District's carrying amount of deposits totaled \$790,452, and the bank balances totaled \$801,453. Of the bank balances, \$440,642 was covered by Federal Deposit Insurance. The remaining bank balances were collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2022, the RC-MR Water Resource District's carrying amount of deposits and bank balances totaled \$43,409. All of the bank balances were covered by Federal Depository Insurance.

At year ended December 31, 2022, the Job Development Authority's carrying amount of deposits and bank balances totaled \$25,550. All of the bank balances were covered by Federal Depository Insurance.

NOTE 4: PROPERTY TAXES

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

RANSOM COUNTY

Notes to the Financial Statements – Continued

NOTE 5: CAPITAL ASSETS/RIGHT-TO-USE ASSETS**Primary Government**

The following is a summary of changes in capital assets for the year ended December 31, 2023:

2023	Balance Jan 1	Increases	Decreases	Transfers	Balance Dec 31
Capital assets not being depreciated					
Land	\$ 12,101	\$ -	\$ -	\$ -	\$ 12,101
Construction in Progress	147,634	263,760	-	-	411,394
Total Capital Asset not being depreciated	\$ 159,735	\$ 263,760	\$ -	\$ -	\$ 423,495
Capital assets, being depreciated					
Buildings	\$ 2,401,524	\$ 6,100	\$ -	\$ -	\$ 2,407,624
Equipment & Vehicles	3,040,935	451,536	-	-	3,492,471
Infrastructure	12,668,962	-	-	-	12,668,962
Total Capital Assets, Being Depreciated	\$ 18,111,421	\$ 457,636	\$ -	\$ -	\$ 18,569,057
Less accumulated depreciation					
Buildings	\$ 1,002,014	\$ 43,450	\$ -	\$ -	\$ 1,045,464
Equipment & Vehicles	2,000,817	168,343	-	-	2,169,160
Infrastructure	3,218,054	506,758	-	-	3,724,812
Total Accumulated Depreciation	\$ 6,220,885	\$ 718,551	\$ -	\$ -	\$ 6,939,436
Total Capital Assets Being Depreciated, Net	\$ 11,890,536	\$ (260,915)	\$ -	\$ -	\$ 11,629,621
Total Capital Assets, Net	\$ 12,050,271	\$ 2,845	\$ -	\$ -	\$ 12,053,116

2023	Balance Jan 1	Increases	Decreases	Transfers	Balance Dec 31
Right-to-use assets being amortized					
Equipment	\$ 337,802	\$ -	\$ -	\$ -	\$ 337,802
Total Right-to-Assets, Being Amortized	\$ 337,802	\$ -	\$ -	\$ -	\$ 337,802
Less Accumulated Amortization for					
Equipment	\$ 147,759	\$ 113,661	\$ -	\$ -	\$ 261,420
Total Accumulated Amortization	\$ 147,759	\$ 113,661	\$ -	\$ -	\$ 261,420
Total Right-to-Use Assets Being Amortized, Net	\$ 190,043	\$ (113,661)	\$ -	\$ -	\$ 76,382
Total Capital Assets and Right-to-Use Assets, Net	\$ 12,240,314	\$ (110,816)	\$ -	\$ -	\$ 12,129,498

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

2023	Depreciation	Amortization
General Government	\$ 24,005	\$ -
Public Safety	39,918	-
Conservation	1,148	-
Health and Welfare	10,334	-
Highways	643,146	113,661
Total Depreciation Expense	\$ 718,551	\$ 113,661

RANSOM COUNTY

Notes to the Financial Statements – Continued

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

2022	Restated Balance Jan 1	Increases	Decreases	Transfers	Balance Dec 31
Capital assets not being depreciated					
Land	\$ 12,101	\$ -	\$ -	\$ -	\$ 12,101
Construction in Progress	186,840	149,316	-	(188,522)	147,634
Total Capital Asset not being depreciated	\$ 198,941	\$ 149,316	\$ -	\$ (188,522)	\$ 159,735
Capital assets, being depreciated					
Buildings	\$ 2,401,524	\$ -	\$ -	\$ -	\$ 2,401,524
Equipment & Vehicles	2,513,827	556,289	29,181	-	3,040,935
Infrastructure	12,480,440	-	-	188,522	12,668,962
Total Capital Assets, Being Depreciated	\$ 17,395,791	\$ 556,289	\$ 29,181	\$ 188,522	\$ 18,111,421
Less accumulated depreciation					
Buildings	\$ 958,646	\$ 43,368	\$ -	\$ -	\$ 1,002,014
Equipment & Vehicles	1,898,157	123,432	20,772	-	2,000,817
Infrastructure	2,713,181	504,873	-	-	3,218,054
Total Accumulated Depreciation	\$ 5,569,984	\$ 671,673	\$ 20,772	\$ -	\$ 6,220,885
Total Capital Assets Being Depreciated, Net	\$ 11,825,807	\$ (115,384)	\$ 8,409	\$ 188,522	\$ 11,890,536
Total Capital Assets, Net	\$ 12,024,748	\$ 33,932	\$ 8,409	\$ -	\$ 12,050,271

2022	Restated Balance Jan 1	Increases	Decreases	Transfers	Balance Dec 31
Right-to-use assets being amortized					
Equipment	\$ 337,802	\$ -	\$ -	\$ -	\$ 337,802
Total Right-to-Assets, Being Amortized	\$ 337,802	\$ -	\$ -	\$ -	\$ 337,802
Less Accumulated Amortization for					
Equipment	\$ -	\$ 147,759	\$ -	\$ -	\$ 147,759
Total Accumulated Amortization	\$ -	\$ 147,759	\$ -	\$ -	\$ 147,759
Total Right-to-Use Assets Being Amortized, Net	\$ 337,802	\$ (147,759)	\$ -	\$ -	\$ 190,043
Total Capital Assets and Right-to-Use Assets, Net	\$ 12,362,550	\$ (113,827)	\$ 8,409	\$ -	\$ 12,240,314

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

2022	Depreciation	Amortization
General Government	\$ 24,989	\$ -
Public Safety	24,227	-
Conservation	750	-
Health and Welfare	9,934	-
Highways	611,773	147,759
Total Depreciation Expense	\$ 671,673	\$ 147,759

RANSOM COUNTY

Notes to the Financial Statements – Continued

Discretely Presented Component Unit

The following is a summary of changes in capital assets for the year ended December 31, 2023 for the Water Resource District:

2023	Balance Jan 1	Increases	Decreases	Transfers	Balance Dec 31
Capital assets not being depreciated:					
Construction in Progress	\$ 51,966	\$ 127,232	\$ -	\$ (179,198)	\$ -
Total Capital Assest not being depreciated	\$ 51,966	\$ 127,232	\$ -	\$ (179,198)	\$ -
Capital assets, being depreciated					
Buildings	\$ 496,251	\$ -	\$ -	\$ -	\$ 496,251
Equipment & Vehicles	200,174	-	-	-	200,174
Infrastructure	-	-	-	179,198	179,198
Total Capital Assets, Being Depreciated	\$ 696,425	\$ -	\$ -	\$ 179,198	\$ 875,623
Less accumulated depreciation					
Buildings	\$ 267,781	\$ 11,010	\$ -	\$ -	\$ 278,791
Equipment & Vehicles	151,570	12,248	-	-	163,818
Total Accumulated Depreciation	\$ 419,351	\$ 23,258	\$ -	\$ -	\$ 442,609
Total Capital Assets Being Depreciated, Net	\$ 277,074	\$ (23,258)	\$ -	\$ 179,198	\$ 433,014
Total Capital Assets, Net	\$ 329,040	\$ 103,974	\$ -	\$ -	\$ 433,014

Depreciation expense was charged to conservation of natural resources function.

The following is a summary of changes in capital assets for the year ended December 31, 2022 for the Water Resource District:

2022	Balance Jan 1	Increases	Decreases	Transfers	Balance Dec 31
Capital assets not being depreciated					
Construction in Progress	\$ -	\$ 51,966	\$ -	\$ -	\$ 51,966
Total Capital Assest not being depreciated	\$ -	\$ 51,966	\$ -	\$ -	\$ 51,966
Capital assets, being depreciated					
Buildings	\$ 496,251	\$ -	\$ -	\$ -	\$ 496,251
Equipment & Vehicles	200,174	-	-	-	200,174
Total Capital Assets, Being Depreciated	\$ 696,425	\$ -	\$ -	\$ -	\$ 696,425
Less accumulated depreciation					
Buildings	\$ 256,772	\$ 11,010	\$ -	\$ -	\$ 267,782
Equipment & Vehicles	139,321	12,248	-	-	151,569
Total Accumulated Depreciation	\$ 396,093	\$ 23,258	\$ -	\$ -	\$ 419,351
Total Capital Assets Being Depreciated, Net	\$ 300,332	\$ (23,258)	\$ -	\$ -	\$ 277,074
Total Capital Assets, Net	\$ 300,332	\$ 28,708	\$ -	\$ -	\$ 329,040

Depreciation expense was charged to conservation of natural resources function.

NOTE 6 LEASES

The obligations under leases for the County are as follows:

Ransom County entered into an agreement to lease a 2018 John Deere Motorgrader for 5 years beginning on March 29, 2018, totaling \$179,781. Payments are due in yearly principal and interest installments of \$35,956 at a 5.75% interest rate. Payments are to be made from the Special Revenue Fund.

Ransom County entered into an agreement to lease a 2019 John Deere Motorgrader for 5 years beginning on May 23, 2019, totaling \$201,775. Payments are due in yearly principal and interest installments of \$40,355 at a 5.75% interest rate. Payments are to be made from the Special Revenue Fund.

RANSOM COUNTY

Notes to the Financial Statements – Continued

Ransom County entered into an agreement to lease a 2020 John Deere Motorgrader for 5 years beginning on March 6, 2020 totaling \$187,699.20. Payments are due in yearly principal and interest installments of \$37,540 at a 5.75% interest rate. Payments are to be made from the Special Revenue Fund.

Ransom County entered into an agreement to lease a 2021 John Deere Motorgrader for 5 years beginning on December 21, 2020, totaling \$236,570. Payments are due in yearly principal and interest installments of \$47,314 at a 5.75% interest rate. Payments are to be made from the Special Revenue Fund.

See lease liability requirements as follows:

Year Ending December 31	Lease Liability	
	Principal	Interest
2024	80,468	4,386
Total	\$ 80,468	\$ 4,386

NOTE 7: LONG-TERM LIABILITIES**Primary Government**

During the year ended December 31, 2023 and 2022, the following changes occurred in governmental activities long-term liabilities:

2023	Balance Jan 1	Increases	Decreases	Balance Dec 31	Due Within One Year
Long-Term Debt					
G.O. Bonds Payable	\$ 1,745,000	\$ -	\$ 200,000	\$ 1,545,000	\$ 200,000
Bond Premium	33,569	-	4,795	28,774	4,796
Lease Liability	195,047	-	114,579	80,468	80,468
Total Long-Term Debt	\$ 1,973,616	\$ -	\$ 319,374	\$ 1,654,242	\$ 285,264
Compensated Absences *	\$ 145,351	\$ 90,884	\$ 110,862	\$ 125,373	\$ 87,761
Net Pension & OPEB Liability	4,979,890	-	1,462,700	3,517,190	-
Total Long-Term Liabilities	\$ 7,098,857	\$ 90,884	\$ 1,892,936	\$ 5,296,805	\$ 373,025
2022	Balance Jan 1	Increases	Decreases	Balance Dec 31	Due Within One Year
Long-Term Debt					
G.O. Bonds Payable	\$ 1,940,000	\$ -	\$ 195,000	\$ 1,745,000	\$ 195,000
Bond Premium	38,365	-	4,796	33,569	4,796
Lease Liability	337,802	-	142,755	195,047	114,579
Total Long-Term Debt	\$ 2,316,167	\$ -	\$ 342,551	\$ 1,973,616	\$ 314,375
Compensated Absences *	\$ 116,615	\$ 146,627	\$ 117,891	\$ 145,351	\$ 101,746
Net Pension & OPEB Liability	1,699,830	3,280,060	-	4,979,890	-
Total Long-Term Liabilities	\$ 4,132,612	\$ 3,426,687	\$ 460,442	\$ 7,098,857	\$ 416,121

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

RANSOM COUNTY

Notes to the Financial Statements – Continued

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

Year Ending Dec 31	G.O. Bonds Payable		Bond Premium
	Principal	Interest	
2024	\$ 200,000	43,288	\$ 4,796
2025	210,000	36,400	4,796
2026	215,000	30,556	4,796
2027	220,000	24,300	4,795
2028	225,000	17,625	4,795
2029-2033	475,000	14,325	4,796
Total	\$ 1,545,000	\$ 166,494	\$ 28,774

NOTE 8: PENSION PLAN**General Information about the NDPERS Pension Plan*****North Dakota Public Employees Retirement System (Main System)***

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

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

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

Pension Benefits

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

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

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of

RANSOM COUNTY

Notes to the Financial Statements – Continued

the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

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

Refunds of Member Account Balance

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

Member and Employer Contributions

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

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

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

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

At December 31, 2023 and 2022, the County reported a liability of \$3,355,101 and \$4,792,661 respectively, for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2023 and 2022 respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2023 and 2022, the County had the following proportions, change in proportions, and pension expense:

		Increase (Decrease) in Proportion from June 30, 2022 Measurement	
2023	Proportion		Pension Expense
Primary Government	0.173997%	0.007589%	\$ 372,161

RANSOM COUNTY

Notes to the Financial Statements – Continued

		Increase (Decrease) in Proportion from June 30, 2021 Measurement	
2022	Proportion		Pension Expense
Primary Government	0.166408%	0.011294%	\$ 700,893

At December 31, 2023 and 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 109,219	\$ 18,503
Changes of Assumptions	1,850,042	2,546,607
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	88,032	-
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate share of Contributions	328,199	33,930
Contributions - Employer	80,639	-
Total Deferred Outflows and Inflows of Resources	\$ 2,456,131	\$ 2,599,040

2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 25,001	\$ 91,548
Changes of Assumptions	2,866,082	1,776,812
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	175,410	-
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate share of Contributions	301,452	72,977
Contributions - Employer	74,849	-
Total Deferred Outflows and Inflows of Resources	\$ 3,442,794	\$ 1,941,337

\$80,639 and \$74,849 was reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023 and 2022, respectively.

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

2024	\$ 105,846
2025	(270,168)
2026	118,033
2027	(177,259)

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.5% to 17.75% including inflation
Investment rate of return	6.50%, net of investment expenses
Cost-of-living adjustments	None

RANSOM COUNTY

Notes to the Financial Statements – Continued

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	31%	6.25%
International Equities	20%	6.95%
Private Equity	7%	9.45%
Domestic Fixed Income	23%	2.51%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.33%
Cash Equivalents	0%	0.00%

Discount rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

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

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

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
County's Proportionate Share of the Net Pension Liability	\$ 4,625,879	\$ 3,355,101	\$ 2,300,893

Pension Plan Fiduciary Net Position

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

NOTE 9: OPEB PLAN**General Information about the OPEB Plan****North Dakota Public Employees Retirement System**

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

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

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

OPEB Benefits

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

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

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

RANSOM COUNTY

Notes to the Financial Statements – Continued

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

At December 31, 2023 and 2022, the County reported a liability of \$162,089 and \$187,229 respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net OPEB liability was based on their respective share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2023 and 2022, the County had the following proportions, change in proportions, and pension expense:

		Increase (Decrease) in Proportion from June 30 2022 Measurement	
2023	Proportion		OPEB Expense
Primary Government	0.162129%	0.006145%	\$ 34,037

		Increase (Decrease) in Proportion from June 30 2021 Measurement	
2022	Proportion		OPEB Expense
Primary Government	0.155984%	0.006613%	\$ 32,970

At December 31, 2023 and 2022, the following deferred outflows of resources and deferred inflows of resources were reported related to OPEB from the following sources:

2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,049	\$ 1,855
Changes of Assumptions	34,570	13,423
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	11,707	-
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate share of Contributions	10,812	2,456
Contributions - Employer	12,911	-
Total Deferred Outflows and Inflows of Resources	\$ 73,049	\$ 17,734

2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,437	\$ 1,610
Changes of Assumptions	47,161	-
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	25,210	-
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate share of Contributions	10,583	3,898
Contributions - Employer	11,984	-
Total Deferred Outflows and Inflows of Resources	\$ 99,375	\$ 5,508

\$12,911 and \$11,984 for the County was reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023 and 2022, respectively.

RANSOM COUNTY

Notes to the Financial Statements – Continued

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

2024	\$	15,389
2025		13,013
2026		17,892
2027		(3,890)

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable
Investment rate of return	5.75%, net of investment expenses
Cost-of-living adjustments	None

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

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	6.10%
Small Cap Domestic Equities	6%	7.10%
International Equities	26%	6.50%
Domestic Fixed Income	35%	2.59%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

RANSOM COUNTY

Notes to the Financial Statements – Continued

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the Plans as of June 30, 2023, calculated using the discount rate of 5.75%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
County's Proportionate Share of the net OPEB Liability	\$ 213,024	\$ 162,089	\$ 119,207

NOTE 10: TRANSFERS

The following is reconciliation between cash transfers in and transfers out as reported in the basic financial statements for the years ended December 31, 2023 and 2022:

	2023		2022	
Governmental Funds	Transfers In	Transfers Out	Transfers In	Transfers Out
Major Funds				
General Fund	\$ -	\$ 3,255	\$ -	\$ 216
Special Revenue Fund	1,929,173	1,925,918	216	-
Other Governmental Funds	256,258	256,258	-	-
Total Transfers	\$ 2,185,431	\$ 2,185,431	\$ 216	\$ 216

The purpose of the transfers was to move Operation Prairie Dog money to the road & bridge fund per board request, move money from the regular 911 fund to E-911 fund, and move money between G.O. Bond funds.

NOTE 11: RISK MANAGEMENT

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

In 1986, state agencies and political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The County pays an annual premium to NDIRF for its general liability, automobile, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of two million dollars per occurrence for general liability and automobile, and \$4,601,000 for public assets/mobile equipment and portable property.

The County also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The County pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of two million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides the County with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

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

RANSOM COUNTY

Notes to the Financial Statements – Continued

NOTE 12: JOINT VENTURE

Under authorization of state statutes, the Ransom County Water Resource District joined Maple River Water Resource District, Rush River Water Resource District, Southeast Cass Water Resource District, North Cass Water Resource District, and the water resource districts of Richland County, Pembina County, Grand Forks County, Traill County, Walsh County, Nelson County, Sargent County, and Steele County to establish and operate a joint exercise of powers agreement for water management districts located within the Red River Valley, known as the Red River Valley Joint Water Resource Board, the agreement was established for the mutual advantage of the governments. Each government appoints one member of the board of directors for the joint venture. The operating and capital expenses are funded by contributions from each government. Each government's share of assets, liabilities, and fund equity cannot be determined as no provision is made for this in the joint venture agreement and each government's contribution depends on where the Red River Joint Water Resource Board projects are being undertaken.

The following is a summary of financial information on the joint venture as of and for the year ended December 31, 2023:

	Red River Joint Water Resource Board
Total Assets	\$ 20,817,974
Total Liabilities	79,012
Net Position	\$ 20,738,962
Revenues	\$ 3,296,645
Expenses	1,177,517
Change in Net Position	\$ 2,119,128

The following is a summary of financial information on the joint venture as of and for the year ended December 31, 2022:

	Red River Joint Water Resource Board
Total Assets	\$ 18,790,636
Total Liabilities	170,802
Net Position	\$ 18,619,834
Revenues	\$ 2,870,300
Expenses	1,307,454
Change in Net Position	\$ 1,562,846

Complete financial statements for the Red River Joint Water Resource District may be obtained from the Treasurer's office at Red River Joint Water Resource District, 1201 Main Avenue West, West Fargo, ND 58078.

NOTE 13: CONSTRUCTION COMMITMENTS

The County had construction commitments as of December 31, 2023 as follows:

Project	Total Contract	Total Completed	Retainage	Remaining Balance
Anselm Bridge #37-126-09.0 Replacement BRP-3700(022)				
KLJ - Preliminary Engineering	\$ 148,000	\$ 147,634	\$ -	\$ 366
KLJ - Construction Engineering	275,000	4,226	-	270,774
Robert R Schroeder Construction Inc.	2,486,295	-	-	2,486,295
Fox Farm Bridge #37-117-15.0 BRJ-0037(017) PCN 23719				
KLJ Engineering	171,082	166,769	-	4,312
McRitchie Bridge BRJ-0037(018) PCN 23720				
KLJ Engineering	199,663	92,765	-	106,898
Total	\$ 3,280,040	\$ 411,394	\$ -	\$ 2,868,645

RANSOM COUNTY

Budgetary Comparison Schedule – General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 1,514,400	\$ 1,514,400	\$ 1,824,821	\$ 310,421
Intergovernmental	1,020,000	1,020,000	915,182	(104,818)
Charges for Services	477,007	477,007	476,915	(92)
Licenses, Permits and Fees	2,000	2,000	470	(1,530)
Interest Income	100	100	227,025	226,925
Miscellaneous	84,000	84,000	110,399	26,399
Total Revenues	\$ 3,097,507	\$ 3,097,507	\$ 3,554,812	\$ 457,305
EXPENDITURES				
Current				
General Government	\$ 2,667,933	\$ 2,667,933	\$ 2,387,181	\$ 280,752
Public Safety	1,066,095	1,066,095	853,942	212,153
Health and Welfare	514,939	514,939	494,741	20,198
Culture and Recreation	185,750	185,750	177,500	8,250
Total Expenditures	\$ 4,434,717	\$ 4,434,717	\$ 3,913,364	\$ 521,353
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,337,210)	\$ (1,337,210)	\$ (358,552)	\$ 978,658
OTHER FINANCING SOURCES (USES)				
Transfers Out	\$ -	\$ -	\$ (3,255)	\$ (3,255)
Total Other Financing Sources and Uses	\$ -	\$ -	\$ (3,255)	\$ (3,255)
Net Change in Fund Balances	\$ (1,337,210)	\$ (1,337,210)	\$ (361,807)	\$ 975,403
Fund Balances - January 1	\$ 2,311,444	\$ 2,311,444	\$ 2,311,444	\$ -
Fund Balances - December 31	\$ 974,234	\$ 974,234	\$ 1,949,637	\$ 975,403

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

RANSOM COUNTY

Budgetary Comparison Schedule – General Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 1,589,410	\$ 1,589,410	\$ 1,760,209	\$ 170,799
Intergovernmental	871,338	871,338	864,707	(6,631)
Charges for Services	435,050	435,050	474,940	39,890
Licenses, Permits and Fees	2,000	2,000	2,210	210
Interest Income	15,000	15,000	29,396	14,396
Miscellaneous	69,415	69,415	114,330	44,915
Total Revenues	\$ 2,982,213	\$ 2,982,213	\$ 3,245,792	\$ 263,579
EXPENDITURES				
Current				
General Government	\$ 2,508,468	\$ 2,508,468	\$ 2,107,054	\$ 401,414
Public Safety	957,611	957,611	888,940	68,671
Health and Welfare	474,822	474,822	450,267	24,555
Culture and Recreation	150,750	150,750	140,000	10,750
Total Expenditures	\$ 4,091,651	\$ 4,091,651	\$ 3,586,261	\$ 505,390
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,109,438)	\$ (1,109,438)	\$ (340,469)	\$ 768,969
OTHER FINANCING SOURCES (USES)				
Transfers Out	\$ -	\$ -	\$ (216)	\$ (216)
Total Other Financing Sources and Uses	\$ -	\$ -	\$ (216)	\$ (216)
Net Change in Fund Balances	\$ (1,109,438)	\$ (1,109,438)	\$ (340,685)	\$ 768,753
Fund Balances - January 1	\$ 2,652,129	\$ 2,652,129	\$ 2,652,129	\$ -
Fund Balances - December 31	\$ 1,542,691	\$ 1,542,691	\$ 2,311,444	\$ 768,753

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

RANSOM COUNTY

Budgetary Comparison Schedule – Special Revenue Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 670,085	\$ 670,085	\$ 860,792	\$ 190,707
Intergovernmental	2,562,601	2,562,601	3,790,962	1,228,361
Charges for Services	141,500	141,500	179,617	38,117
Miscellaneous	1,180,000	1,180,000	146,448	(1,033,552)
Total Revenues	\$ 4,554,186	\$ 4,554,186	\$ 4,977,819	\$ 423,633
EXPENDITURES				
Current				
General Government	\$ 1,013,535	\$ 1,091,676	\$ 79,276	\$ 1,012,400
Public Safety	314,770	724,279	138,098	586,181
Highways and Bridges	3,729,398	3,729,397	2,135,489	1,593,908
Health and Welfare	489,914	720,100	712,229	7,871
Cons. of Natural Resources	265,529	284,163	275,344	8,819
Flood Repair	-	-	212,853	(212,853)
Debt service				
Principal	-	-	114,579	(114,579)
Interest	-	-	10,630	(10,630)
Total Expenditures	\$ 5,813,146	\$ 6,549,615	\$ 3,678,498	\$ 2,871,117
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,258,960)	\$ (1,995,429)	\$ 1,299,321	\$ 3,294,750
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ 1,929,174	\$ 1,929,174
Transfers Out	-	-	(1,925,919)	(1,925,919)
Total Other Financing Sources and Uses	\$ -	\$ -	\$ 3,255	\$ 3,255
Net Change in Fund Balances	\$ (1,258,960)	\$ (1,995,429)	\$ 1,302,576	\$ 3,298,005
Fund Balances - January 1	\$ 2,716,860	\$ 2,716,860	\$ 2,716,860	\$ -
Fund Balances - December 31	\$ 1,457,900	\$ 721,431	\$ 4,019,436	\$ 3,298,005

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

RANSOM COUNTY

Budgetary Comparison Schedule – Special Revenue Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 595,075	\$ 595,075	\$ 745,164	\$ 150,089
Intergovernmental	1,198,516	1,198,516	2,077,770	879,254
Charges for Services	140,000	140,000	146,664	6,664
Miscellaneous	62,000	62,000	126,781	64,781
Total Revenues	\$ 1,995,591	\$ 1,995,591	\$ 3,096,379	\$ 1,100,788
EXPENDITURES				
Current				
General Government	74,550	\$ 74,550	\$ 97,384	\$ (22,834)
Public Safety	462,750	462,750	123,341	339,409
Highways and Bridges	3,389,338	3,389,338	2,383,945	1,005,393
Health and Welfare	532,010	543,215	485,263	57,952
Cons. of Natural Resources	265,349	265,348	191,932	73,416
Flood Repair	5,000	5,000	2,430	2,570
Debt service				
Principal	-	-	142,755	(142,755)
Interest	-	-	18,410	(18,410)
Total Expenditures	\$ 4,728,997	\$ 4,740,201	\$ 3,445,460	\$ 1,294,741
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,733,406)	\$ (2,744,610)	\$ (349,081)	\$ 2,395,529
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ 216	\$ 216
Total Other Financing Sources and Uses	\$ -	\$ -	\$ 216	\$ 216
Net Change in Fund Balances	\$ (2,733,406)	\$ (2,744,610)	\$ (348,865)	\$ 2,395,745
Fund Balances - January 1	\$ 3,035,844	\$ 3,035,844	\$ 3,035,844	\$ -
Prior Period Adjustment	\$ -		\$ 29,881	\$ 29,881
Fund Balance - Jan. 1, as restated	\$ 3,035,844	\$ 3,035,844	\$ 3,065,725	\$ 29,881
Fund Balances - December 31	\$ 3,338,282	\$ 3,327,078	\$ 2,716,860	\$ 2,425,626

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

RANSOM COUNTY

Schedule of Employer's Share of Net Pension Liability and Employer Contributions
For the Year Ended December 31, 2023

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

Primary Government	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.173997%	\$ 3,355,101	\$ 2,127,752	157.68%	65.31%
2022	0.166408%	4,792,661	1,931,723	248.10%	54.47%
2021	0.155114%	1,616,754	1,756,494	92.04%	78.26%
2020	0.141586%	4,454,326	1,561,863	285.19%	48.91%
2019	0.156236%	1,831,199	1,625,124	112.68%	71.66%
2018	0.157275%	2,654,187	1,615,718	164.27%	62.80%
2017	0.150459%	2,418,370	1,535,953	157.45%	61.98%
2016	0.147837%	1,440,816	1,489,844	96.71%	70.46%
2015	0.149648%	1,017,581	1,333,185	76.33%	77.15%
2014	0.152402%	967,328	1,283,803	75.35%	77.70%

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

Primary Government	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 166,069	\$ 166,069	\$ -	\$ 2,248,560	7.39%
2022	152,454	152,454	-	2,086,629	7.31%
2021	129,534	123,350	6,184	1,792,196	6.88%
2020	110,594	118,716	(8,122)	1,854,046	6.40%
2019	118,318	121,106	(2,788)	1,625,124	7.45%
2018	119,004	114,322	4,682	1,615,718	7.08%
2017	111,375	112,401	(1,026)	1,535,953	7.32%
2016	107,863	105,791	2,072	1,489,844	7.10%
2015	101,266	98,477	2,789	1,333,185	7.39%
2014	91,407	91,407	-	1,283,803	7.12%

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

RANSOM COUNTY

Schedule of Employer's Share of Net OPEB Liability and Employer Contributions
For the Year Ended December 31, 2023

**Schedule of Employer's Share of Net OPEB Liability
ND Public Employees Retirement System
Last 10 Fiscal Years**

Primary Government	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.162129%	\$ 162,089	\$ 1,629,696	9.95%	62.74%
2022	0.155984%	187,229	1,610,382	11.63%	56.28%
2021	0.149371%	83,076	1,628,524	5.10%	76.63%
2020	0.134109%	112,812	1,528,799	7.38%	63.38%
2019	0.145639%	116,975	1,625,124	7.20%	63.13%
2018	0.147660%	116,292	1,615,718	7.20%	61.89%
2017	0.141976%	112,305	1,535,953	7.31%	59.78%

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

Primary Government	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 24,147	\$ 19,662	\$ 4,484	\$ 1,724,758	1.14%
2022	24,440	19,901	4,539	1,745,738	1.14%
2021	19,584	18,678	906	1,792,196	1.04%
2020	17,960	18,796	(836)	1,854,046	1.01%
2019	18,900	19,391	(491)	1,625,124	1.19%
2018	18,951	18,304	647	1,615,718	1.13%
2017	17,854	17,997	(143)	1,535,953	1.17%

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

RANSOM COUNTY

Notes to the Required Supplementary Information
For the Year Ended December 31, 2023 and 2022

NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

- The County commission adopts an “appropriated budget” on the modified accrual basis of accounting.
- The County auditor prepares an annual budget for the general fund and each special revenue fund of the County. NDCC 11-23-02. The budget includes proposed expenditures and means of financing them.
- The County commission holds a public hearing where any taxpayer may appear and shall be heard in favor of or against any proposed disbursements or tax levies. When the hearing shall have been concluded, the board shall adopt such estimate as finally is determined upon. All taxes shall be levied in specific amounts and shall not exceed the amount specified in the published estimates. NDCC 11-23-04
- The board of County commissioners, on or before the October meeting shall determine the amount of taxes that shall be levied for County purposes and shall levy all such taxes in specific amounts. NDCC 11-23-05
- Each budget is controlled by the County auditor at the revenue and expenditure function/object level.
- The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared. NDCC 57-15-31.1
- All appropriations lapse at year-end.

NOTE 2 LEGAL COMPLIANCE – BUDGETS

The County Board amended the revenues and expenditure budget for 2023 and 2022 for the special revenue funds as follows:

2023	Original Budget	Amendment	Amended Budget
Revenues	\$ 4,554,186	\$ -	\$ 4,554,186
Expenditures	5,813,146	736,469	6,549,615

2022	Original Budget	Amendment	Amended Budget
Revenues	\$ 1,995,591	\$ -	\$ 1,995,591
Expenditures	4,728,997	11,204	4,740,201

NOTE 3 SCHEDULE OF EMPLOYER PENSION AND OPEB LIABILITY AND CONTRIBUTIONS

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

NOTE 4 CHANGES OF BENEFIT TERMS – PENSION AND OPEB**Pension**

The interest rate earned on member contributions decreased from 7.00 percent to 6.50 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System increased from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

OPEB

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

NOTE 5 CHANGES OF ASSUMPTIONS – PENSION AND OPEB**Pension and OPEB**

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



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

Board of County Commissioners
Ransom County
Lisbon, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and aggregate remaining fund information of Ransom County as of and for the years ended December 31, 2023 and December 31, 2022, and the related notes to the financial statements, which collectively comprise Ransom County's basic financial statements, and have issued our report thereon dated August 6, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ransom County's internal control over financial reporting (internal control) as a basis for designing 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 Ransom County's internal control. Accordingly, we do not express an opinion on the effectiveness of Ransom County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying *schedule of audit findings* as items 2023-001 through 2023-005 to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ransom County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying *schedule of audit findings* as items 2023-002 and 2023-003.

RANSOM COUNTY

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

Ransom County's Response to Findings

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

Purpose of this Report

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

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
August 6, 2025

RANSOM COUNTY

Summary of Auditor's Results
For the Years Ended December 31, 2023 and 2022

Financial Statements

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

Internal control over financial reporting

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

RANSOM COUNTY

Schedule of Audit Findings

For the Years Ended December 31, 2023 and 2022

2023-001 AUDIT ADJUSTMENTS - MATERIAL WEAKNESS

Condition

Auditor-identified adjusting entries related to payables, receivables, capital assets and cash were proposed to properly reflect the financial statements in accordance with generally accepted accounting principles (GAAP). The financial statements reflect the adjustments and were approved by management.

Effect

The financial statements may have been misstated if the payables, receivables, capital assets, and cash had not been adjusted during the audit.

Cause

Ransom County does not have sufficient procedures in place to ensure cash is recorded in the proper period and that an accurate listing of receivables, payables, and capital assets is done as they are used in the preparation of its financial statements.

Criteria

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

Prior Recommendation

Yes.

Recommendation

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

Ransom County Response

Agree. We will review the adjustments needed for presentation in the financial statements.

2023-002 COUNTY BUDGET – MATERIAL WEAKENSS & MATERIAL NONCOMPLIANCE

Condition

Ransom County did not prepare its 2022 or 2023 budget or mill levy calculation in accordance with state laws listed below:

- The preliminary and final budget files for 2022 and 2023 did not include the preceding year activity for element 2, preceding year activity for element 4, and all activity for element 5 which are required elements of N.D.C.C. §11-23-02.
- The mill levy calculation including the estimated cash amount did not have proper supporting documentation in accordance with N.D.C.C. §57-15-31(1).

Effect

The estimates for year-end cash and elements 2, 4, and 5 identified in N.D.C.C §11-23-02 are key components in the tax levy calculation in any budget year. Thus, Ransom County may have improperly calculated the tax levies for the 2022 and 2023 preliminary and final budgets.

Cause

Ransom County may not have procedures in place to ensure the preliminary budget, final budget, and mill levy calculations have supporting documentation that include all the elements required by N.D.C.C. §11-23-02 and N.D.C.C. §57-15-31(1).

Criteria

N.D.C.C. §57-15-31(1) states, "The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes must be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance;
2. Estimated revenues from sources other than direct property taxes;
3. The total estimated collections from tax levies for previous years;
4. Expenditures that must be made from bond sources;
5. The amount of distributions received from an economic growth increment pool under section 57-15-61; and
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03."

N.D.C.C. §11-23-02 states, " The county auditor shall prepare an annual budget for the general fund, each special revenue fund, and each debt service fund of the county in the form prescribed by the state auditor. The budget must set forth specifically:

1. The detailed breakdown of the estimated revenues and appropriations requested for each fund for the ensuing year.
2. The detailed breakdown of the revenues and expenditures for each fund for the preceding year.
3. The detailed breakdown of estimated revenues and expenditures for each fund for the current year.
4. The transfers in or out for each fund for the preceding year and the estimated transfers in or out for the current year and the ensuing year.
5. The beginning and ending balance of each fund or estimates of the balances for the preceding year, current year, and ensuing year.
6. The tax levy request for any funds levying taxes for the ensuing year.
7. The certificate of levy showing the amount levied for each fund and the total amount levied.
8. The budget must be prepared on the same basis of accounting used by the county for its annual financial reports.
9. The amount of cash reserve for the general fund and each special revenue fund, not to exceed seventy-five percent of the appropriation for the fund.

RANSOM COUNTYSchedule of Audit Findings – Continued

Prior Recommendation

Yes.

Recommendation

We recommend that Ransom County maintain supporting documentation and implement procedures to ensure its budgets and mill levy calculations are in compliance with all aspects of N.D.C.C. §57-15-31(1) and N.D.C.C. §11-23-02.

Ransom County Responses

Agree. We will review the budget going forward to ensure compliance with N.D.C.C. §11-23-02 and N.D.C.C §57-15-31(1).

2023-003 UNDERPLEDGED SECURITIES – MATERIAL WEAKNESS & MATERIAL NON-COMPLIANCE

Condition

Ransom County did not obtain adequate pledge of assets at Bell Bank as of December 31, 2023. Ransom County was under pledged by \$416,319.

Effect

Ransom County is not in compliance with N.D.C.C. §21-04-09.

Cause

Ransom County did not have a process to ensure the entity is adequately pledged.

Criteria

N.D.C.C. §21-04-09 states “When securities are pledged to the board of any public corporation, the treasurer or other individual legally charged with the custody of public funds shall require security in the amount of one hundred ten dollars for every one hundred dollars of public deposits.”

Additionally, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) model defines internal control as a process designed to provide reasonable assurance of the achievement of objectives that involve the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. Pertaining to the pledging of assets, management is responsible for adequate internal controls surrounding pledging of assets.

Prior Recommendation

No.

Recommendation

We recommend that Ransom County ensure that it maintains adequate pledges of securities at any bank where the bank balances could exceed FDIC Insurance.

Ransom County Response

We agree. Ransom County will work to obtain adequate pledging in the future.

2023-004 LACK OF SEGREGATION OF DUTIES – COMPONENT UNITS – MATERIAL WEAKNESS**Condition**

Ransom County Water Resource District, Ransom County-Maple River Water Resource District, and Ransom County Job Development Authority have limited personnel responsible for most accounting functions. A lack of segregation of duties exists as limited personnel are responsible to collect and deposit monies, issue checks, send checks to vendors, record receipts disbursement in journals, maintain the general ledger, create credit memos, and perform bank reconciliations.

Effect

The lack of segregation of duties increases the risk of fraud and the risk of misstatement of the district's financial condition.

Cause

Management has chosen to allocate economic resources to other functions of the Water Resource Districts and Job Development Authority.

Criteria

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

Prior Recommendation

Yes.

Recommendation

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

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

Ransom County Component Units Responses

We agree that a lack of segregation of duties exists as there are a limited number of staff responsible for most accounting functions and if the board does hire more administration that duties will be further segregated to the extent possible. However, the boards for both water resource districts and the job development authority board review and approve financial statements and bills monthly as a control related to revenues and expenditures following through the districts.

2023-005 AUDIT ADJUSTMENTS – RANSOM COUNTY WATER RESOURCE DISTRICT - MATERIAL WEAKNESS

Condition

Auditor-identified adjusting entries related to receivables and payables was proposed to properly reflect the financial statements in accordance with generally accepted accounting principles (GAAP). The financial statements reflect the adjustments and were approved by management.

Effect

The financial statements may have been misstated if the receivables and payables had not been adjusted during the audit.

Cause

Ransom County Water Resource District does not have sufficient procedures in place to ensure an accurate listing of receivables and payables which are used in the preparation of its financial statements.

Criteria

Ransom County Water Resource District is responsible for ensuring the financial statements are reliable, free of material misstatements, and in accordance with GAAP.

Prior Recommendation

No.

Recommendation

We recommend Ransom County Water Resource District review all adjusting entries to the financial statements to properly reflect the financial statements are in accordance with GAAP.

Ransom County Response

Agree. We will review the adjustments needed for presentation in the financial statements.



Office of the
State Auditor

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