

AUDIT REPORT

BOWMAN COUNTY
Bowman, North Dakota

For the Years Ended December 31, 2024 and 2023

RATH & MEHRER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

BOWMAN COUNTY
Bowman, North Dakota

TABLE OF CONTENTS
For the Years Ended December 31, 2024 and 2023

	<u>Page (s)</u>
Officials	1
Independent Auditor's Report	2 - 4
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	5, 6
Statement of Activities	7, 8
Balance Sheet – Governmental Funds	9, 10
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	11, 12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	13, 14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15, 16
Statement of Fiduciary Net Position – Fiduciary Fund	17, 18
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	19, 20
Notes to the Financial Statements	21 - 35
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	
General Fund	36, 37
County Road and Bridge Fund	38, 39
Mineral Royalty Fund	40, 41
Notes to the Budgetary Comparison Schedules	42 - 43
Schedule of Employer's Share of Net Pension Liability ND Public Employees Retirement System	44
SUPPLEMENTARY INFORMATION	
Schedules of Fund Activity Arising from Cash Transactions	45 - 48
Schedule of Expenditures of Federal Awards	49
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	50 - 51
Report on Compliance for each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	52 - 54
Schedule of Findings and Responses	55 - 56
Summary Schedule of Prior Audit Findings	57
Corrective Action Plan	

BOWMAN COUNTY
Bowman, North Dakota

COUNTY OFFICIALS
December 31, 2024

Rick Braaten	Commission Chairman
Jerid Janikowski	Commission Vice Chairman
Pine Abrahamson	Commissioner
Josh Buchmann	Commissioner
Nathan Miller	Commissioner
Mindy Schumacher	Auditor
Sydnee Kidd	Treasurer
Jan Werre	County Recorder/Clerk of Court
Frank Eberle	Sheriff
Andrew Weiss	States Attorney
Sydnee Kidd	Superintendent of Schools

Rath & Mehrer, P.C.

Certified Public Accountants

Jayson Rath, CPA
Bryce Fischer, CPA
Todd Goehring, CPA

Specializing in Governmental Auditing

1003 E. Interstate Ave. Ste. 7
Bismarck, ND 58503-0500
Phone 701-258-4560
rathandmehrer@hotmail.com

INDEPENDENT AUDITOR'S REPORT

Governing Board
Bowman County
Bowman, North Dakota

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Bowman County, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the 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 discretely presented component units, each major fund and the aggregate remaining fund information of the county, as of December 31, 2024 and 2023, and the respective changes in financial position for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 the 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgeting comparison information and the schedule of employer's share of net pension liability 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

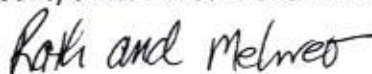
Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the county's basic financial statements. The schedules of fund activity arising from cash transactions and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025 on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the county's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the county's internal control over financial reporting and compliance.



Rath and Mehrer, P.C.

Bismarck, North Dakota

June 20, 2025

BOWMAN COUNTY
Bowman, North Dakota

Statement of Net Position
December 31, 2024

	Primary Government	Component Units		
	Governmental Activities	Water Resource District	Airport	Weather Modification
ASSETS:				
Cash and Investments	20,655,899.10	99,514.56	461,695.26	35,201.59
Advances to Other Governmental Entities	618,441.11			
Capital Assets (net of accumulated depreciation):				
Land	36,175.00		783,953.00	
Construction in Progress	1,094,000.00		1,412,698.00	
Buildings and Infrastructure	3,392,817.00	308,000.00	7,130,707.00	
Machinery and Vehicles	1,950,753.00		107,271.00	
Total Capital Assets	6,473,745.00	308,000.00	9,434,629.00	-
Total Assets	27,748,085.21	407,514.56	9,896,324.26	35,201.59
DEFERRED OUTFLOWS OF RESOURCES:				
Changes in Resources Related to Pensions	1,217,753.00	-	-	-
LIABILITIES:				
Long-Term Liabilities:				
Due After One Year:				
Advance from Bowman County			165,000.00	
Compensated Absences Payable	93,761.07			
Net Pension Liability	1,827,463.00			
Total Liabilities	1,921,224.07	-	165,000.00	-
DEFERRED INFLOWS OF RESOURCES:				
Changes in Resources Related to Pensions	1,617,200.00	-	-	-
NET POSITION:				
Net Investment in Capital Assets	6,473,745.00	308,000.00	9,434,629.00	
Restricted for:				
Special Purposes	19,520,131.26			
Unrestricted	(566,462.12)	99,514.56	296,695.26	35,201.59
Total Net Position	25,427,414.14	407,514.56	9,731,324.26	35,201.59

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Statement of Net Position
December 31, 2023

	Primary Government	Component Units		
	Governmental Activities	Water Resource District	Airport	Weather Modification
ASSETS:				
Cash and Investments	23,314,576.62	102,110.22	137,670.27	34,719.47
Advances to Other Governmental Entities	354,450.06			
Capital Assets (net of accumulated depreciation):				
Land	36,175.00		783,953.00	
Construction in Progress	59,000.00		1,300,427.00	
Buildings and Infrastructure	3,454,060.00	319,000.00	8,063,753.00	
Machinery and Vehicles	1,552,172.00		126,726.00	
 Total Capital Assets	 5,101,407.00	 319,000.00	 10,274,859.00	 -
 Total Assets	 28,770,433.68	 421,110.22	 10,412,529.27	 34,719.47
 DEFERRED OUTFLOWS OF RESOURCES:				
Changes in Resources Related to Pensions	1,881,860.00	-	-	-
 LIABILITIES:				
Long-Term Liabilities:				
Due After One Year:				
Compensated Absences Payable	87,331.04			
Net Pension Liability	2,801,902.00			
 Total Liabilities	 2,889,233.04	 -	 -	 -
 DEFERRED INFLOWS OF RESOURCES:				
Changes in Resources Related to Pensions	1,420,551.00	-	-	-
 NET POSITION:				
Net Investment in Capital Assets	5,101,407.00	319,000.00	10,274,859.00	
Restricted for:				
Special Purposes	21,740,268.63			
Unrestricted	(499,165.99)	102,110.22	137,670.27	34,719.47
 Total Net Position	 26,342,509.64	 421,110.22	 10,412,529.27	 34,719.47

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Statement of Activities
For the Year Ended December 31, 2024

				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	Water Resource District	Airport Weather Modification
Functions/Programs						
Primary Government:						
<u>Governmental Activities:</u>						
General Government	1,720,701.20	330,339.04	112,752.00	(1,277,610.16)		
Public Safety	651,379.80	77,752.74		(573,627.06)		
Highways and Public Improvement	6,464,252.10	363,057.01	430,817.29	(5,670,377.80)		
Health and Welfare	163,174.18			(163,174.18)		
Culture and Recreation	429,036.07			(429,036.07)		
Conservation and Economic Development	420,884.70	76,767.67		(344,117.03)		
Other	171,967.27			(171,967.27)		
Total Governmental Activities	10,021,395.32	847,916.46	543,569.29	(8,629,909.57)		
Component Units:						
Water Resource District	168,546.62	80,341.73			(88,204.89)	
Airport	1,074,892.73	33,968.54	229,920.69			(811,003.50)
Weather Modification	135,630.40		135,876.00			245.60
General Revenues:						
Taxes:						
Property Taxes; levied for general purposes				380,295.43	62,116.45	125,154.15
Property taxes; levied for special purposes				725,233.17		
Telecommunications taxes				4,817.67		
Coal severance taxes				3,916.28		
Oil and gas production taxes				3,240,352.11		
Federal aid not restricted to specific programs:						
Federal payments in lieu of taxes				18,982.00		
Federal mineral royalties				1,614,596.34		
State aid not restricted to specific program:						
State aid distribution				487,896.31		
Earnings on investments and other revenue				1,113,556.76	12,492.78	4,644.34
Gain on trade-in of capital assets				125,168.00		236.52
Total General Revenues				7,714,814.07	74,609.23	129,798.49
Change in Net Position				(915,095.50)	(13,595.66)	(681,205.01)
Net Position - January 1				26,342,509.64	421,110.22	10,412,529.27
Net Position - December 31				25,427,414.14	407,514.56	9,731,324.26

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Statement of Activities
For the Year Ended December 31, 2023

	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues		Primary Government			
	Charges for	Operating Grants	Governmental	Water Resource	Airport	Weather
	Expenses	Services	and Contributions	Governmental	District	Modification
			Activities			
Functions/Programs						
Primary Government:						
Governmental Activities:						
General Government	1,716,006.48	246,582.50	107,786.00	(1,361,637.98)		
Public Safety	810,833.35	94,417.11	112,248.37	(604,167.87)		
Highways and Public Improvement	3,380,730.90	429,362.42	647,566.66	(2,303,801.82)		
Health and Welfare	61,761.32			(61,761.32)		
Culture and Recreation	273,170.78			(273,170.78)		
Conservation and Economic Development	522,896.46			(522,896.46)		
Other	145,973.14			(145,973.14)		
Total Governmental Activities	6,911,372.43	770,362.03	867,601.03	(5,273,409.37)		
Component Units:						
Water Resource District	85,004.30	31,004.99		(53,999.31)		
Airport	1,083,039.37	24,763.41	957,539.57		(100,736.39)	
Weather Modification	133,777.00		128,852.00			(4,925.00)
General Revenues:						
Taxes:						
Property Taxes; levied for general purposes				369,837.72	52,829.56	124,895.22
Property taxes; levied for special purposes				733,328.33		
Telecommunications taxes				4,817.67		
Coal severance taxes				6,796.13		
Oil and gas production taxes				3,339,227.08		
Federal aid not restricted to specific programs:						
Federal payments in lieu of taxes				17,795.00		
Federal mineral royalties				1,547,284.96		
State aid not restricted to specific program:						
State aid distribution				493,184.50		
Earnings on investments and other revenue				511,233.78	1,314.16	13,107.97
Gain on trade-in of capital assets				143,168.00		190.88
Total General Revenues				7,166,673.17	54,143.72	138,003.19
Change in Net Positon				1,893,263.80	144.41	37,266.80
Net Position - January 1				24,449,245.84	420,965.81	10,375,262.47
Net Position - December 31				26,342,509.64	421,110.22	10,412,529.27

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Balance Sheet
Governmental Funds
December 31, 2024

	Major Funds			Other	Total
	General	County Road and Bridge	Mineral Royalty	Governmental Funds	Governmental Funds
ASSETS:					
Cash and Investments	1,754,208.95	5,756,761.06	9,633,222.89	3,511,706.20	20,655,899.10
Advances to Other Governmental Entities			618,441.11		618,441.11
Interfund Receivable	41,551.55				41,551.55
Total Assets	1,795,760.50	5,756,761.06	10,251,664.00	3,511,706.20	21,315,891.76
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable				41,551.55	41,551.55
Fund Balances:					
Nonspendable:					
Advances to Other Governmental Entities			618,441.11		618,441.11
Restricted for:					
General Government				350,639.24	350,639.24
Public Safety				404,425.90	404,425.90
Highways and Public Improvements		5,756,761.06		1,364,659.64	7,121,420.70
Public Facilities and Public Services			9,633,222.89	208,597.53	9,841,820.42
American Rescue Plan Act				226,926.76	226,926.76
Conservation and Economic Development				181,209.85	181,209.85
Emergency				58,320.34	58,320.34
Other Purposes				716,926.94	716,926.94
Unassigned	1,795,760.50			(41,551.55)	1,754,208.95
Total Fund Balances	1,795,760.50	5,756,761.06	10,251,664.00	3,470,154.65	21,274,340.21
Total Liabilities and Fund Balances	1,795,760.50	5,756,761.06	10,251,664.00	3,511,706.20	21,315,891.76

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Balance Sheet
Governmental Funds
December 31, 2023

	Major Funds			Other	Total
	General	County Road and Bridge	Mineral Royalty	Governmental Funds	Governmental Funds
ASSETS:					
Cash and Investments	1,928,758.05	8,242,284.86	8,767,286.59	4,376,247.12	23,314,576.62
Advances to Other Governmental Entities			354,450.06		354,450.06
Interfund Receivable	14,881.92				14,881.92
Total Assets	1,943,639.97	8,242,284.86	9,121,736.65	4,376,247.12	23,683,908.60
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable				14,881.92	14,881.92
Fund Balances:					
Nonspendable:					
Advances to Other Governmental Entities			354,450.06		354,450.06
Restricted for:					
General Government				236,040.06	236,040.06
Public Safety				397,301.64	397,301.64
Highways and Public Improvements		8,242,284.86		2,380,990.95	10,623,275.81
Public Facilities and Public Services			8,767,286.59	208,597.53	8,975,884.12
American Rescue Plan Act				396,062.48	396,062.48
Conservation and Economic Development				166,086.84	166,086.84
Emergency				58,320.34	58,320.34
Other Purposes				532,847.28	532,847.28
Unassigned	1,943,639.97			(14,881.92)	1,928,758.05
Total Fund Balances	1,943,639.97	8,242,284.86	9,121,736.65	4,361,365.20	23,669,026.68
Total Liabilities and Fund Balances	1,943,639.97	8,242,284.86	9,121,736.65	4,376,247.12	23,683,908.60

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2024

Total Fund Balances for Governmental Funds	21,274,340.21
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Total net position reported for governmental activities in the statement of net position is different because:

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

Cost of Capital Assets	11,071,148.00	
Less Accumulated Depreciation	<u>(4,597,403.00)</u>	
Net Capital Assets		6,473,745.00

The deferred outflows and inflows of resources reported on the statement of net position are the result of changes in resources related to pensions and do not affect current financial resources.

Total Deferred Outflows of Resources	1,217,753.00	
Total Deferred Inflows of Resources	<u>(1,617,200.00)</u>	
Net Deferred Outflows/Inflows of Resources		(399,447.00)

Long-term liabilities applicable to the county's governmental activities 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. Balances at December 31, 2024 are:

Compensated Absences Payable	(93,761.07)	
Net Pension Liability	<u>(1,827,463.00)</u>	
Total Long-Term Liabilities		<u>(1,921,224.07)</u>

Total Net Position of Governmental Activities	<u>25,427,414.14</u>
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The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2023

Total Fund Balances for Governmental Funds	23,669,026.68
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Total net position reported for governmental activities in the statement of net position is different because:

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

Cost of Capital Assets	9,618,048.00	
Less Accumulated Depreciation	<u>(4,516,641.00)</u>	
Net Capital Assets		5,101,407.00

The deferred outflows and inflows of resources reported on the statement of net position are the result of changes in resources related to pensions and do not affect current financial resources.

Total Deferred Outflows of Resources	1,881,860.00	
Total Deferred Inflows of Resources	<u>(1,420,551.00)</u>	
Net Deferred Outflows/Inflows of Resources		461,309.00

Long-term liabilities applicable to the county's governmental activities 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. Balances at December 31, 2023 are:

Compensated Absences Payable	(87,331.04)	
Net Pension Liability	<u>(2,801,902.00)</u>	
Total Long-Term Liabilities		<u>(2,889,233.04)</u>

Total Net Position of Governmental Activities	<u>26,342,509.64</u>
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The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	Major Funds			Other	Total
	General	County Road and Bridge	Mineral Royalty	Governmental Funds	Governmental Funds
<u>Revenues:</u>					
Taxes	380,295.43	267,359.50		457,873.67	1,105,528.60
Licenses, Permits and Fees	1,616.00	170,233.78		237,414.64	409,264.42
Intergovernmental	1,287,291.01	2,281,537.21	1,614,596.34	763,819.45	5,947,244.01
Charges for Services	75,947.13	192,823.23		76,767.67	345,538.03
Miscellaneous	500,750.90	1,440.16	636,946.21	34,419.49	1,173,556.76
Total Revenues	2,245,900.47	2,913,393.88	2,251,542.55	1,570,294.92	8,981,131.82
<u>Expenditures:</u>					
Current:					
General Government	1,626,558.30		64,000.00	87,099.43	1,777,657.73
Public Safety	417,013.25			220,388.67	637,401.92
Highways and Public Improvement		4,910,833.18	783,254.00	468,726.14	6,162,813.32
Health and Welfare	4,553.89		91,528.00	67,092.29	163,174.18
Culture and Recreation	191,228.50		91,150.89	146,656.68	429,036.07
Conservation and Economic Development	124,426.00		40,656.31	241,303.49	406,385.80
Other			51,026.00	120,941.27	171,967.27
Capital Outlay	30,000.00	499,882.00		1,097,500.00	1,627,382.00
Total Expenditures	2,393,779.94	5,410,715.18	1,121,615.20	2,449,707.97	11,375,818.29
Excess (Deficiency) of Revenues Over (Under) Expenditures	(147,879.47)	(2,497,321.30)	1,129,927.35	(879,413.05)	(2,394,686.47)
<u>Other Financing Sources (Uses):</u>					
Transfers In		11,797.50			11,797.50
Transfers Out				(11,797.50)	(11,797.50)
Total Other Financing Sources (Uses)	-	11,797.50	-	(11,797.50)	-
Net Change in Fund Balances	(147,879.47)	(2,485,523.80)	1,129,927.35	(891,210.55)	(2,394,686.47)
Fund Balance - January 1	1,943,639.97	8,242,284.86	9,121,736.65	4,361,365.20	23,669,026.68
Fund Balance - December 31	1,795,760.50	5,756,761.06	10,251,664.00	3,470,154.65	21,274,340.21

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

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

	Major Funds			Formerly Major Fund	Other Governmental Funds	Total Governmental Funds
	General	County Road and Bridge	Mineral Royalty	HB 1505		
Revenues:						
Taxes	363,459.28	264,289.82			469,038.51	1,096,787.61
Licenses, Permits and Fees	1,580.00	147,417.83			254,400.31	403,398.14
Intergovernmental	1,106,981.21	2,692,304.47	1,547,284.96		876,514.17	6,223,084.81
Charges for Services	85,019.30	225,445.01			56,499.58	366,963.89
Miscellaneous	319,221.93	4,365.74	208,484.09		39,162.02	571,233.78
Total Revenues	1,876,261.72	3,333,822.87	1,755,769.05	-	1,695,614.59	8,661,468.23
Expenditures:						
Current:						
General Government	1,465,619.97		66,240.00		4,304.06	1,536,164.03
Public Safety	402,380.16		80,000.00		311,575.55	793,955.71
Highways and Public Improvement		1,962,438.84	433,860.00		692,249.25	3,088,548.09
Health and Welfare	8,434.36				53,326.96	61,761.32
Culture and Recreation	135,412.20		57,508.25		80,250.33	273,170.78
Conservation and Economic Development	120,802.00		100,000.00		273,598.21	494,400.21
Other					145,973.14	145,973.14
Capital Outlay	48,300.00	346,680.00			78,900.00	473,880.00
Total Expenditures	2,180,948.69	2,309,118.84	737,608.25	-	1,640,177.50	6,867,853.28
Excess (Deficiency) of Revenues Over (Under) Expenditures	(304,686.97)	1,024,704.03	1,018,160.80	-	55,437.09	1,793,614.95
Other Financing Sources (Uses):						
Transfers In					26,481.18	26,481.18
Transfers Out	(26,481.18)					(26,481.18)
Total Other Financing Sources (Uses)	(26,481.18)	-	-	-	26,481.18	-
Net Change in Fund Balances	(331,168.15)	1,024,704.03	1,018,160.80	-	81,918.27	1,793,614.95
Fund Balance - January 1, as Previously Presented	2,274,808.12	7,217,580.83	8,103,575.85	1,218,668.00	3,060,778.93	21,875,411.73
Change Within Financial Reorting Entity - (Major to Non-Major Fund)	-	-	-	(1,218,668.00)	1,218,668.00	-
Fund Balance - January 1, as Restated	2,274,808.12	7,217,580.83	8,103,575.85	-	4,279,446.93	21,875,411.73
Fund Balance - December 31	1,943,639.97	8,242,284.86	9,121,736.65	-	4,361,365.20	23,669,026.68

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Reconciliation of Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds	(2,394,686.47)
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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. This is the amount by which capital outlay exceeded depreciation in the current year.

Current Year Capital Outlay	1,627,382.00	
Current Year Depreciation Expense	<u>(380,212.00)</u>	1,247,170.00

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

Net Increase in Compensated Absences	(6,430.03)	
Net Decrease to Pension Expense	<u>113,683.00</u>	107,252.97

In the statement of activities, only the gain on the trade-in/disposal of capital assets is reported, whereas in the governmental funds, the result of this transaction has no effect on financial resources. Thus, the net effect of transactions involving capital assets (i.e., sales, trade-ins) is to increase net position.

125,168.00

Change in Net Position of Governmental Activities	<u><u>(915,095.50)</u></u>
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The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

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

Net Change in Fund Balances - Total Governmental Funds	1,793,614.95
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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. This is the amount by which capital outlay exceeded depreciation in the current year.

Current Year Capital Outlay	473,880.00	
Current Year Depreciation Expense	<u>(362,572.00)</u>	111,308.00

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

Net Increase in Compensated Absences	(26,818.15)	
Net Increase to Pension Expense	<u>(128,009.00)</u>	(154,827.15)

In the statement of activities, only the gain on the trade-in/disposal of capital assets is reported, whereas in the governmental funds, the result of this transaction has no effect on financial resources. Thus, the net effect of transactions involving capital assets (i.e., sales, trade-ins) is to increase net position.

	<u>143,168.00</u>
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Change in Net Position of Governmental Activities	<u><u>1,893,263.80</u></u>
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The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2024

	Custodial Funds
<u>Assets:</u>	
Cash and Investments	<u>1,554,741.27</u>
<u>Net Position:</u>	
Restricted For:	
Organizations and Other Governments	<u>1,554,741.27</u>

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2023

	Custodial Funds
<u>Assets:</u>	
Cash and Investments	<u>1,196,871.67</u>
<u>Net Position:</u>	
Restricted For:	
Organizations and Other Governments	<u>1,196,871.67</u>

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2024

	<u>Custodial Funds</u>
<u>Additions:</u>	
Property tax collections for other governments	5,754,631.08
State medical levy collections	26,526.40
Collections for the purpose of public service/public safety	3,582.00
Pass-through grants/contributions	3,243.25
Collections on behalf of North Dakota State Treasurer	<u>2,167.43</u>
 Total Additions	 <u>5,790,150.16</u>
 <u>Deductions:</u>	
Payments of property tax to other governments	5,400,403.92
Payments made for the purpose of public service/public safety	3,268.62
Collections remitted to North Dakota State Treasurer	<u>28,608.02</u>
 Total Deductions	 <u>5,432,280.56</u>
 Change in Net Position	 <u>357,869.60</u>
 Net Position - January 1	 <u>1,196,871.67</u>
 Net Position - December 31	 <u><u>1,554,741.27</u></u>

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2023

	<u>Custodial Funds</u>
<u>Additions:</u>	
Property tax collections for other governments	5,325,414.04
State medical levy collections	26,348.89
Collections for the purpose of public service/public safety	14,893.16
Pass-through grants/contributions	3,212.50
Collections on behalf of North Dakota State Treasurer	<u>12,566.13</u>
 Total Additions	 <u>5,382,434.72</u>
 <u>Deductions:</u>	
Payments of property tax to other governments	5,482,545.66
Payments made for the purpose of public service/public safety	29,045.36
Collections remitted to North Dakota State Treasurer	<u>38,968.57</u>
 Total Deductions	 <u>5,550,559.59</u>
 Change in Net Position	 <u>(168,124.87)</u>
 Net Position - January 1	 <u>1,364,996.54</u>
 Net Position - December 31	 <u><u>1,196,871.67</u></u>

The accompanying notes are an integral part of these financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Notes to the Financial Statements
December 31, 2024 and 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The accompanying financial statements present the activities of the county. The county has considered all potential component units for which the county is financially accountable and other organizations for which the nature and significance of their relationships with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. The Government Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include 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 Bowman County.

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

Discretely Presented Component Units: The component units' columns in the basic financial statements include the financial data of the county's three component units. These units are reported in separate columns to emphasize that they are legally separate from the county.

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

Bowman County Airport Authority: The Bowman County Airport Authority's governing board is appointed by the county's governing board. The county's governing body has the authority to disapprove, amend, or approve the airport authority budget. The airport authority has the authority to issue its own debt.

Bowman County Weather Modification Authority: The Bowman County Weather Modification Authority's governing board is appointed by the county's governing board. The county's governing body has the authority to disapprove, amend, or approve the weather modification authority budget. The weather modification authority has the authority to issue its own debt.

The financial statements of each of the three discretely presented component units are presented in the basic financial statements. Additional information may be obtained from the Bowman County Auditor; 104 First Street NW, Bowman, ND 58623.

B. Basis of Presentation

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

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

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

County Road and Bridge. This fund is the county's primary road maintenance fund. It accounts for a special levy and all financial resources related to highway maintenance, except those required to be accounted for in another fund.

Mineral Royalty. This fund accounts for funds received from the Bureau of Land Management for federal mineral royalties that are required to be used by the county for planning, construction and maintenance of public facilities and provision of public service.

Additionally, the county reports the following type of fiduciary fund:

Custodial Funds. These funds account for assets held by the county in a custodial capacity as an agent on behalf of others. The county's custodial funds are used to account for various deposits of other governments.

C. 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. These financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the county gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues 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 general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported

as expenditures in governmental funds. Proceeds of general long-term debt and are reported as other financing sources.

Under the terms of grant agreements, the county funds certain programs by a combination of specific cost-reimbursements grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted components of net position 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.

D. Cash and Investments

Cash includes amounts in demand deposits and money market accounts.

Investments consist of certificates of deposit stated at cost.

E. 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:

Buildings	75 years
Machinery and Vehicles	5 to 10 years

F. Compensated Absences

Vested or accumulated vacation leave and sick leave are reported in the government-wide statement of net position. The county allows employees to accumulate a maximum of 240 hours of vacation leave and 480 hours of sick leave. Compensation for unused vacation leave will be granted to all full-time employees upon termination of employment with the county. Upon termination or retirement from the county, employees will be compensated up to a total of 240 hours of accumulated vacation leave at the employee's current hourly wage. A portion of accumulated sick leave that might be used by employees in the subsequent year is included as a liability to the county. Employees will not be compensated for unused sick leave upon termination of employment. Compensated absences represent the liability of the county for these employee benefits.

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, discounts and issuance costs are recognized in the current period since the amounts are not material.

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

H. Pension

For purposes of measuring 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); 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.

I. Fund Equity

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

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

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

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

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

Assigned – Fund balances are reported as assigned when amounts are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the county commission or by an official to which the county commission delegates authority.

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

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

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the county has not spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

J. Interfund Transactions

In the governmental fund financial 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.

K. Use of Estimates

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

Note 2 DEPOSITS AND INVESTMENTS

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

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

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

At December 31, 2024 the county's carrying amount of deposits was \$22,207,928 and the bank balance was \$22,450,571. Of the bank balance, \$250,000 was covered by Federal Depository Insurance. The remaining balance of \$22,200,571 was collateralized with securities held by the pledging financial institution's agent in the government's name

At December 31, 2023 the county's carrying amount of deposits was \$24,508,658 and the bank balance was \$24,651,804. Of the bank balance, \$250,000 was covered by Federal Depository Insurance. The remaining balance of \$24,401,804 was collateralized with securities held by the pledging financial institution's agent in the government's name.

Credit Risk

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

- (1) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities or organizations created by an act of Congress.

- (2) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of the type listed above.
- (3) Certificates of deposit fully insured by the federal deposit insurance corporation.
- (4) Obligations of the State.

At December 31, 2024, the county held certificates of deposit in the amount of \$12,000,000, which are all considered deposits.

At December 31, 2023, the county held certificates of deposit in the amount of \$12,018,000, which are all considered deposits.

Concentration of Credit Risk

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

Note 3 ADVANCES TO OTHER GOVERNMENTAL ENTITIES

The county has provided loans from the Mineral Royalty fund to various local governmental entities. These funds are to be repaid per the terms of the loan agreements. At December 31, the following advances were outstanding:

	2024	2023
<u>Mineral Royalty Fund</u>		
Bowman County Development Corporation	224,436.60	224,436.60
City of Rhame	29,000.00	58,000.00
Bowman County Airport	165,000.00	-
Bowman Parks and Recreation	75,000.00	-
All Seasons Arena	56,793.75	-
Southwest Shooting Club	18,210.76	22,013.46
Bowman County Fair Association	50,000.00	50,000.00
Total Advances	<u>618,441.11</u>	<u>354,450.06</u>

Note 4 INTERFUND RECEIVABLE/PAYABLE

The interfund receivable/payable is created by a negative cash balance in the Emergency 911 fund. The amount shown as an interfund payable represents the amount of negative cash in this fund. The interfund receivable/payables for the years ended December 31, 2024 and 2023 are as follows:

	Receivable Fund	Payable Fund
<u>December 31, 2024</u>		
General Fund	41,551.55	
Emergency 911		41,551.55
<u>December 31, 2023</u>		
General Fund	14,881.92	
Emergency 911		14,881.92

Note 5 CAPITAL ASSETS

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

	Balance January 1	2024		Balance December 31
		Increases	Decreases	
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land	36,175			36,175
Construction in Progress	59,000	1,035,000		1,094,000
Total	95,175	1,035,000	-	1,130,175
<i>Capital assets being depreciated:</i>				
Buildings	4,593,250			4,593,250
Machinery and Vehicles	4,929,623	731,882	313,782	5,347,723
Total	9,522,873	731,882	313,782	9,940,973
<i>Less accumulated depreciation for:</i>				
Buildings	1,139,190	61,243		1,200,433
Machinery and Vehicles	3,377,451	318,969	299,450	3,396,970
Total	4,516,641	380,212	299,450	4,597,403
Total capital assets being depreciated, net	5,006,232	351,670	14,332	5,343,570
Governmental Activities Capital Assets, Net	5,101,407	1,386,670	14,332	6,473,745
	Balance January 1	2023		Balance December 31
		Increases	Decreases	
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land	36,175			36,175
Construction in Progress		59,000		59,000
Total	36,175	59,000	-	95,175
<i>Capital assets being depreciated:</i>				
Buildings	4,593,250			4,593,250
Machinery and Vehicles	4,787,451	569,523	427,351	4,929,623
Total	9,380,701	569,523	427,351	9,522,873
<i>Less accumulated depreciation for:</i>				
Buildings	1,077,947	61,243		1,139,190
Machinery and Vehicles	3,491,998	301,329	415,876	3,377,451
Total	4,569,945	362,572	415,876	4,516,641
Total capital assets being depreciated, net	4,810,756	206,951	11,475	5,006,232
Governmental Activities Capital Assets, Net	4,846,931	265,951	11,475	5,101,407

Depreciation expense was charged to functions/programs of the county as follows for the years ended December 31:

	2024	2023
General Government	52,993	43,450
Public Safety	11,833	12,834
Highways and Public Improvement	301,569	280,371
Conservation and Economic Development	13,817	25,917
Total Depreciation Expense	<u>380,212</u>	<u>362,572</u>

Discretely Presented Component Units

The following is a summary of changes in capital assets reported in the discretely presented component units for the years ended December 31:

	Balance January 1	2024		Balance December 31
		Increases	Decreases	
Component Units:				
<i>Capital assets not being depreciated:</i>				
Land	783,953			783,953
Construction in Progress	1,300,427	112,271		1,412,698
Total	<u>2,084,380</u>	<u>112,271</u>	<u>-</u>	<u>2,196,651</u>
<i>Capital assets being depreciated:</i>				
Buildings and Infrastructure	17,226,657			17,226,657
Machinery and Vehicles	246,839			246,839
Total	<u>17,473,496</u>	<u>-</u>	<u>-</u>	<u>17,473,496</u>
<i>Less accumulated depreciation for:</i>				
Buildings and Infrastructure	8,843,904	944,046		9,787,950
Machinery and Vehicles	120,113	19,455		139,568
Total	<u>8,964,017</u>	<u>963,501</u>	<u>-</u>	<u>9,927,518</u>
Total capital assets being depreciated, net	<u>8,509,479</u>	<u>(963,501)</u>	<u>-</u>	<u>7,545,978</u>
Discretely Presented Component Units Capital Assets, Net	<u>10,593,859</u>	<u>(851,230)</u>	<u>-</u>	<u>9,742,629</u>

		2023		
	Balance January 1	Increases	Decreases	Balance December 31
Component Units:				
<i>Capital assets not being depreciated:</i>				
Land	783,953			783,953
Construction in Progress		1,300,427		1,300,427
Total	783,953	1,300,427	-	2,084,380
<i>Capital assets being depreciated:</i>				
Buildings and Infrastructure	17,226,657			17,226,657
Machinery and Vehicles	191,497	55,342		246,839
Total	17,418,154	55,342	-	17,473,496
<i>Less accumulated depreciation for:</i>				
Buildings and Infrastructure	7,899,858	944,046		8,843,904
Machinery and Vehicles	99,583	20,530		120,113
Total	7,999,441	964,576	-	8,964,017
Total capital assets being depreciated, net	9,418,713	(909,234)	-	8,509,479
Discretely Presented Component Units Capital Assets, Net	10,202,666	391,193	-	10,593,859

Depreciation expense was charged to functions /programs of the county's component units as follows for the years ending December 31:

	2024	2023
Airport	952,501	953,576
Water Resource District	11,000	11,000
	<u>963,501</u>	<u>964,576</u>

Note 6 LONG-TERM DEBT

Changes in Long-Term Liabilities. During the year ended December 31, 2024, the following changes occurred in liabilities reported in the long-term liabilities – Governmental Activities:

	Balance January 1	2024		Balance December 31	Due Within One Year
		Increases	Decreases		
Compensated Absences *	87,331	6,430		93,761	

	Balance January 1	2023		Balance December 31	Due Within One Year
		Increases	Decreases		
Compensated Absences *	60,513	26,818		87,331	

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

Note 7 ADVANCE FROM BOWMAN COUNTY

Advance from Bowman County consists of funds loaned from the Mineral Royalty Fund to the Bowman County Airport for the construction of a commercial hangar. The airport repaid these funds in May 2025.

Note 8 TRANSFERS

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the years ended:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>December 31, 2024</u>		
County Road and Bridge Divide Hill Project	11,797.50	11,797.50
To subsidize expenditures.		
<u>December 31, 2023</u>		
County Agent General Fund	26,481.18	26,481.18
To subsidize expenditures.		

Note 9 DEFICIT FUND BALANCES

The following funds had deficit balances at December 31:

	<u>2024</u>	<u>2023</u>
<u>Special Revenue Fund</u>		
Emergency 911	(41,551.55)	(14,881.92)
<u>Custodial Fund</u>		
Water Resource District	(6.45)	(6.45)
Total Townships	(38.54)	(11.60)

The county plans to eliminate these deficits with future revenue collections and/or transfers from other funds.

Note 10 RELATED ORGANIZATIONS

The county is also responsible for levying a property tax for the Bowman County Senior Citizens and the Bowman County Historical Society. However, the county's accountability does not extend beyond levying the tax. In 2024 and 2023, the county remitted \$67,092.29 and \$53,326.96 to the Senior Citizens, and \$8,907.45 and \$8,959.05 to the Historical Society, respectively.

Note 11 RISK MANAGEMENT

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

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The county pays an annual premium to NDIRF for its general liability, automobile and public assets insurance coverage. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability and automobile; and \$4,390,469 for public assets.

The county also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The county pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of \$1,000,000 per occurrence during a 12 month period. The State Bonding Fund currently provides the county with a blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The county has worker's compensation with the Department of Workforce Safety and Insurance; and purchases commercial insurance for employee health and accident insurance.

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

Note 12 PENSION PLAN

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 NDPERS plan is financed through the contributions and investment earnings of the plan.

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

Pension Benefits

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

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

Death and Disability Benefits

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

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition of 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 covered compensation. 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, 2024, Bowman County reported a liability of \$1,827,463 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 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 the county's proportion was .094773 percent, which was a decrease of .002513 from its proportion measured as of June 30, 2022.

For the year ended December 31, 2024, the county recognized pension expense of (\$10,434). At December 31, 2024 the county reported deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	59,492	10,078
Changes in assumptions	1,007,684	1,387,091
Net difference between projected and actual earnings on pension plan investments	47,949	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,200	220,031
County contributions subsequent to the measurement date (see below)	101,428	-
Total	<u>1,217,753</u>	<u>1,617,200</u>

\$101,428 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, 2025.

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

Year ended June 30:	
2024	(143,460)
2025	(249,360)
2026	2,975
2027	(111,030)
2028	-
Thereafter	-

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	3.50% to 17.75% including inflation
Investment rate of return	6.50%, net of investment expenses
Cost-of-living adjustments	None

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

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

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

Discount rate. For PERS, GASB 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 county's proportionate share of the net pension liability to changes in the discount rate. The following presents the county's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the county'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 Rate (6.50%)	1% Increase (7.50%)
The county's proportionate share of the net pension liability	2,519,632	1,827,463	1,253,254

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

Note 13 OTHER POSTEMPLOYMENT BENEFITS

The county is required to implement GASB Statement No. 75, Accounting and Financial Reporting of Postemployment Benefits Other Than Pensions. The effect of this statement is not material to the county's financial statements.

Note 14 TAX ABATEMENTS

The county has not entered into any tax abatement agreements that would reduce the county's tax revenues for the years ended December 31, 2024 or 2023.

BOWMAN COUNTY
Bowman, North Dakota

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	376,276.03	376,276.03	380,295.43	4,019.40
Licenses, Permits and Fees	2,600.00	2,600.00	1,616.00	(984.00)
Intergovernmental	1,019,052.00	1,019,052.00	1,287,291.01	268,239.01
Charges for Services	64,560.00	64,560.00	75,947.13	11,387.13
Miscellaneous	342,200.00	342,200.00	500,750.90	158,550.90
Total Revenues	1,804,688.03	1,804,688.03	2,245,900.47	441,212.44
<u>Expenditures:</u>				
Current:				
General Government	1,896,758.28	1,902,214.32	1,626,558.30	275,656.02
Public Safety	461,204.25	461,204.25	417,013.25	44,191.00
Health and Welfare	9,830.00	9,830.00	4,553.89	5,276.11
Culture and Recreation	191,230.50	191,230.50	191,228.50	2.00
Conservation and Economic Development	124,426.00	124,426.00	124,426.00	-
Capital Outlay			30,000.00	(30,000.00)
Total Expenditures	2,683,449.03	2,688,905.07	2,393,779.94	295,125.13
Net Change in Fund Balances	(878,761.00)	(884,217.04)	(147,879.47)	736,337.57
Fund Balance - January 1	1,943,639.97	1,943,639.97	1,943,639.97	
Fund Balance - December 31	1,064,878.97	1,059,422.93	1,795,760.50	736,337.57

BOWMAN COUNTY
Bowman, North Dakota

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>				
Taxes	354,196.73	354,196.73	363,459.28	9,262.55
Licenses, Permits and Fees	1,400.00	1,400.00	1,580.00	180.00
Intergovernmental	1,011,582.00	1,011,582.00	1,106,981.21	95,399.21
Charges for Services	64,500.00	64,500.00	85,019.30	20,519.30
Miscellaneous	120,500.00	120,500.00	319,221.93	198,721.93
Total Revenues	1,552,178.73	1,552,178.73	1,876,261.72	324,082.99
<u>Expenditures:</u>				
Current:				
General Government	1,658,658.53	1,658,658.53	1,465,619.97	193,038.56
Public Safety	413,286.24	413,286.24	402,380.16	10,906.08
Health and Welfare	11,180.00	11,180.00	8,434.36	2,745.64
Culture and Recreation	135,415.20	135,415.20	135,412.20	3.00
Conservation and Economic Development	120,802.00	120,802.00	120,802.00	-
Capital Outlay	6,500.00	25,533.95	48,300.00	(22,766.05)
Total Expenditures	2,345,841.97	2,364,875.92	2,180,948.69	183,927.23
Excess (Deficiency) of Revenues Over (Under) Expenditures	(793,663.24)	(812,697.19)	(304,686.97)	508,010.22
<u>Other Financing (Uses):</u>				
Transfers Out			(26,481.18)	(26,481.18)
Net Change in Fund Balances	(793,663.24)	(812,697.19)	(331,168.15)	481,529.04
Fund Balance - January 1	2,274,808.12	2,274,808.12	2,274,808.12	
Fund Balance - December 31	1,481,144.88	1,462,110.93	1,943,639.97	481,529.04

BOWMAN COUNTY
Bowman, North Dakota

Budgetary Comparison Schedule
County Road and Bridge Fund
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Taxes	268,768.60	267,359.50	(1,409.10)
Licenses, Permits and Fees	50,000.00	170,233.78	120,233.78
Intergovernmental	1,500,000.00	2,281,537.21	781,537.21
Charges for Services		192,823.23	192,823.23
Miscellaneous	3,600.00	1,440.16	(2,159.84)
Total Revenues	1,822,368.60	2,913,393.88	1,091,025.28
<u>Expenditures:</u>			
Current:			
Highways and Public Improvements	5,946,357.00	4,910,833.18	1,035,523.82
Capital Outlay	520,000.00	499,882.00	20,118.00
Total Expenditures	6,466,357.00	5,410,715.18	1,055,641.82
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,643,988.40)	(2,497,321.30)	2,146,667.10
<u>Other Financing Sources:</u>			
Transfers In		11,797.50	11,797.50
Net Change in Fund Balances	(4,643,988.40)	(2,485,523.80)	2,158,464.60
Fund Balance - January 1	8,242,284.86	8,242,284.86	
Fund Balance - December 31	3,598,296.46	5,756,761.06	2,158,464.60

BOWMAN COUNTY
Bowman, North Dakota

Budgetary Comparison Schedule
County Road and Bridge Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Taxes	107,823.35	264,289.82	156,466.47
Licenses, Permits and Fees	50,000.00	147,417.83	97,417.83
Intergovernmental	1,500,000.00	2,692,304.47	1,192,304.47
Charges for Services		225,445.01	225,445.01
Miscellaneous	3,600.00	4,365.74	765.74
Total Revenues	1,661,423.35	3,333,822.87	1,672,399.52
<u>Expenditures:</u>			
Current:			
Highways and Public Improvements	3,474,500.00	1,962,438.84	1,512,061.16
Capital Outlay	350,000.00	346,680.00	3,320.00
Total Expenditures	3,824,500.00	2,309,118.84	1,515,381.16
Net Change in Fund Balances	(2,163,076.65)	1,024,704.03	3,187,780.68
Fund Balance - January 1	7,217,580.83	7,217,580.83	
Fund Balance - December 31	5,054,504.18	8,242,284.86	3,187,780.68

BOWMAN COUNTY
Bowman, North Dakota

Budgetary Comparison Schedule
Mineral Royalty Fund
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	1,995,000.00	1,614,596.34	(380,403.66)
Miscellaneous	40,000.00	636,946.21	596,946.21
Total Revenues	2,035,000.00	2,251,542.55	216,542.55
<u>Expenditures:</u>			
Current:			
General Government	64,000.00	64,000.00	-
Highways and Public Improvements	1,077,050.00	783,254.00	293,796.00
Health and Welfare		91,528.00	(91,528.00)
Culture and Recreation	150,000.00	91,150.89	58,849.11
Conservation and Economic Development		40,656.31	(40,656.31)
Other		51,026.00	(51,026.00)
Total Expenditures	1,291,050.00	1,121,615.20	169,434.80
Excess (Deficiency) of Revenues Over (Under) Expenditures	743,950.00	1,129,927.35	385,977.35
<u>Other Financing (Uses):</u>			
Transfers Out	(1,000,000.00)		1,000,000.00
Net Change in Fund Balances	(256,050.00)	1,129,927.35	1,385,977.35
Fund Balance - January 1	9,121,736.65	9,121,736.65	
Fund Balance - December 31	8,865,686.65	10,251,664.00	1,385,977.35

BOWMAN COUNTY
Bowman, North Dakota

Budgetary Comparison Schedule
Mineral Royalty Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	1,995,000.00	1,547,284.96	(447,715.04)
Miscellaneous	40,000.00	208,484.09	168,484.09
Total Revenues	2,035,000.00	1,755,769.05	(279,230.95)
<u>Expenditures:</u>			
Current:			
General Government	64,000.00	66,240.00	(2,240.00)
Public Safety	80,000.00	80,000.00	-
Highways and Public Improvements	500,000.00	433,860.00	66,140.00
Culture and Recreation	75,000.00	57,508.25	17,491.75
Conservation and Economic Development	100,000.00	100,000.00	-
Total Expenditures	819,000.00	737,608.25	81,391.75
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,216,000.00	1,018,160.80	(197,839.20)
<u>Other Financing (Uses):</u>			
Transfers Out	(1,000,000.00)		1,000,000.00
Net Change in Fund Balances	216,000.00	1,018,160.80	802,160.80
Fund Balance - January 1	8,103,575.85	8,103,575.85	
Fund Balance - December 31	8,319,575.85	9,121,736.65	802,160.80

BOWMAN COUNTY
Bowman, North Dakota

Notes to the Budgetary Comparison Schedules
December 31, 2024 and 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Note 2 LEGAL COMPLIANCE

The governing board approved the following amendments to the county's budget for the years ending December 31, 2024 and 2023:

	Original Budget	2024 Amendment	Amended Budget
		<u>Appropriations</u>	
General Fund	2,683,449	5,456	2,688,905
<u>Special Revenue Fund</u>			
Weed Control	204,861	5,571	210,432
		2023	
	Original Budget	Amendment	Amended Budget
		<u>Appropriations</u>	
General Fund	2,345,842	19,034	2,364,876
<u>Special Revenue Fund</u>			
Weed Control	183,955	1,737	185,692

Excess of Actual Expenditures Over Budget

Expenditures exceeded budget in the following funds for the years ended December 31 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<u>Special Revenue Funds</u>		
+ HB 1505	(1,035,178.23)	(59,269.96)
+ Unorganized Roads	(74,508.25)	(209,400.78)
ARPA Funds	(157,079.76)	(33,519.89)
* Cares Act - Law Enforcement		(28,392.67)
+ State Aid	(84,639.85)	(111,614.10)
County Agent		(28,217.75)
Weed Control	(453.54)	(270.75)
County Library	(8,222.95)	(2,291.28)
+ Zoning	(49,528.72)	(2,185.06)
Senior Citizens	(23,092.29)	(4,370.96)
County Historical Society	(507.45)	(635.05)
+ Document Preservation	(619.00)	(2,119.00)
K-9 Donation Campaign - Sheriff		(315.58)
Homeland Security		(8,605.51)

* A budget was not prepared for this fund for the year ended December 31, 2023.

+ A budget was not prepared for this fund for the years ended December 31, 2024 and 2023.

No remedial action is anticipated or required by the county regarding these excess expenditures.

BOWMAN COUNTY
Bowman, North Dakota

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability	0.094773%	0.097286%	0.104015%	0.103834%	0.151492%	0.151388%	0.151383%	0.156176%	0.152558%	0.156604%
County's proportionate share of the net pension liability	1,877,463	2,801,902	1,084,149	3,266,640	1,775,596	2,554,838	2,433,222	1,522,087	1,037,368	993,999
County's covered employee payroll	1,177,778	1,194,470	1,223,651	1,374,105	1,636,780	1,593,155	1,568,725	1,569,092	1,446,294	1,350,529
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	155.16%	234.57%	88.60%	237.73%	108.48%	160.36%	155.11%	97.00%	71.73%	73.60%
Plan fiduciary net position as a percentage of the total pension liability	65.31%	54.47%	78.26%	48.91%	71.66%	62.80%	61.98%	70.46%	77.15%	77.70%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	87,612	87,518	88,349	97,975	116,539	113,433	111,693	111,719	102,976	89,673
Contributions in relation to the statutorily required contributions	(87,612)	(87,518)	(88,349)	(97,975)	(116,539)	(113,433)	(111,693)	(111,719)	(102,976)	(89,673)
Contribution deficiency (excess)	0	0	0	0	0	0	0	0	0	0
County's covered-employee payroll	1,177,778	1,194,470	1,223,651	1,374,105	1,636,780	1,593,155	1,568,725	1,569,092	1,446,294	1,350,529
Contributions as a percentage of covered-employee payroll	7.44%	7.33%	7.22%	7.13%	7.12%	7.12%	7.12%	7.12%	7.12%	6.64%

- For changes of benefit terms and assumptions, see Note 9 to the financial statements.

BOWMAN COUNTY
Bowman, North Dakota

Schedule of Fund Activity
Arising from Cash Transactions
For the Year Ended December 31, 2024

	Balance 1-1-2024	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-2024
<u>Major Governmental Funds</u>						
General Fund	1,943,639.97	2,245,900.47			2,393,779.94	1,795,760.50
County Road and Bridge	8,242,284.86	2,913,393.88	11,797.50		5,410,715.18	5,756,761.06
Mineral Royalty	8,767,286.59	2,284,345.25			1,418,408.95	9,633,222.89
Total Major Governmental Funds	18,953,211.42	7,443,639.60	11,797.50	-	9,222,904.07	17,185,744.45
<u>Non-Major Governmental Funds</u>						
Highway Tax Distribution	638,893.18	430,817.29			394,039.66	675,670.81
HB 1505	1,159,398.04				1,035,178.23	124,219.81
Divide Hill Project	-	11,797.50		11,797.50		-
Emergency Fund	58,320.34					58,320.34
Veteran's Service Officer	26,714.34	39,460.75			36,301.42	29,873.67
Unorganized Roads	582,699.73	56,577.54			74,508.25	564,769.02
ARPA Funds	396,062.48	2,944.04			172,079.76	226,926.76
Cares Act - Law Enforcement	102,018.72					102,018.72
State Aid	420,278.13	236,854.84			84,639.85	572,493.12
Multicounty Jail	189,038.87	88,195.75			82,083.26	195,151.36
County Agent	2,567.84	71,231.54			64,418.00	9,381.38
Weed Control	163,519.00	219,194.96			210,885.49	171,828.47
County Library	-	69,150.99			69,150.99	-
Zoning	180,566.58	157,425.00			49,528.72	288,462.86
Emergency 911	(14,881.92)	72,667.74			99,337.37	(41,551.55)
Building	85,854.81	28,705.34				114,560.15
General Aid for Taxing Districts	208,597.53					208,597.53
Senior Citizens	-	67,092.29			67,092.29	-
County Historical Society	-	8,907.45			8,907.45	-
Document Preservation	55,473.48	7,321.90			619.00	62,176.38
K-9 Donation Campaign - Sheriff	6,244.05	1,950.00			938.23	7,255.82
Local Asst. and Tribal Consistency Fund	100,000.00					100,000.00
Total Non-Major Governmental Funds	4,361,365.20	1,570,294.92	-	11,797.50	2,449,707.97	3,470,154.65
Total Governmental Funds	23,314,576.62	9,013,934.52	11,797.50	11,797.50	11,672,612.04	20,655,899.10
<u>Fiduciary Fund</u>						
<u>Custodial Funds</u>						
State Medical	134.96	26,526.40			26,543.85	117.51
NDSU	7,098.50	582.00			550.00	7,130.50
Estimated Taxes	-	17,561.59			17,561.59	-
Southwest Water Authority	169.40				169.40	-
Soil Conservation	-	89,003.74			89,003.74	-
Health District Fund	-	93,866.71			93,866.71	-
Water Resource District	(6.45)	62,185.54			62,185.54	(6.45)
Airport	-	124,826.45			124,826.45	-
Hazardous Chemical Preparedness	5,694.14	3,243.25			447.22	8,490.17

(continued)

BOWMAN COUNTY
Bowman, North Dakota

Schedule of Fund Activity
Arising from Cash Transactions
For the Year Ended December 31, 2024
(continued)

	Balance 1-1-2024	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-2024
<u>Custodial Funds (continued)</u>						
State General Fees	70.00	140.00			210.00	-
Job Development	-	87,478.29			87,478.29	-
Civil Asset Forfeiture	2,049.64					2,049.64
Victim Witness Fees	-	650.00			650.00	-
State Sales Tax	-	1,377.43			1,204.17	173.26
Bowman County Ambulance Service	-	127,858.76			127,858.76	-
Marmoth Ambulance Service	-	13,520.20			13,520.20	-
Rural Ambulance District Building	11,027.70	3,000.00			2,102.00	11,925.70
Total Cities	-	573,705.24			573,705.24	-
Total Park Districts	-	195,611.02			195,611.02	-
Total School Districts	-	2,338,472.83			2,338,472.83	-
Total Townships	(11.60)	445,765.47			445,792.41	(38.54)
Total Rural Fire Districts	-	59,875.76			59,875.76	-
Prepaid Taxes	1,170,645.38	1,524,899.48			1,170,645.38	1,524,899.48
Total Custodial Funds	1,196,871.67	5,790,150.16	-	-	5,432,280.56	1,554,741.27
Total Primary Government	24,511,448.29	14,804,084.68	11,797.50	11,797.50	17,104,892.60	22,210,640.37
<u>Discretely Presented Component Units:</u>						
Water Resource District	102,110.22	154,950.96			157,546.62	99,514.56
Airport	137,670.27	558,687.72			234,662.73	461,695.26
Weather Modification	34,719.47	136,112.52			135,630.40	35,201.59
Total Discretely Presented Component Units	274,499.96	849,751.20	-	-	527,839.75	596,411.41
Total Reporting Entity	24,785,948.25	15,653,835.88	11,797.50	11,797.50	17,632,732.35	22,807,051.78

BOWMAN COUNTY
Bowman, North Dakota

Schedule of Fund Activity
Arising from Cash Transactions
For the Year Ended December 31, 2023

	Balance 1-1-2023	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-2023
<u>Major Governmental Funds</u>						
General Fund	2,274,808.12	1,876,261.72		26,481.18	2,180,948.69	1,943,639.97
County Road and Bridge	7,217,580.83	3,333,822.87			2,309,118.84	8,242,284.86
Mineral Royalty	7,801,139.25	1,836,755.59			870,608.25	8,767,286.59
Total Major Governmental Funds	17,293,528.20	7,046,840.18	-	26,481.18	5,360,675.78	18,953,211.42
<u>Non-Major Governmental Funds</u>						
Highway Tax Distribution	693,048.22	428,423.47			482,578.51	638,893.18
HB 1505	1,218,668.00				59,269.96	1,159,398.04
Emergency Fund	58,320.34					58,320.34
Veteran's Service Officer	16,599.53	44,473.85			34,359.04	26,714.34
Unorganized Roads	732,769.67	59,330.84			209,400.78	582,699.73
ARPA Funds	427,136.97	2,445.40			33,519.89	396,062.48
Cares Act - Law Enforcement	130,411.39				28,392.67	102,018.72
State Aid	293,301.80	238,590.43			111,614.10	420,278.13
Multicounty Jail	181,409.39	114,905.69			107,276.21	189,038.87
County Agent	10,605.63	73,016.26	26,481.18		107,535.23	2,567.84
Weed Control	149,840.64	199,641.34			185,962.98	163,519.00
County Library	-	71,291.28			71,291.28	-
Zoning	23,776.64	158,975.00			2,185.06	180,566.58
Emergency 911	23,713.66	88,370.11			126,965.69	(14,881.92)
Building	58,603.61	27,251.20				85,854.81
General Aid for Taxing Districts	208,597.53					208,597.53
Senior Citizens	-	53,326.96			53,326.96	-
County Historical Society	-	8,959.05			8,959.05	-
Document Preservation	50,537.28	7,055.20			2,119.00	55,473.48
K-9 Donation Campaign - Sheriff	2,106.63	5,953.00			1,815.58	6,244.05
Homeland Security	-	13,605.51			13,605.51	-
Local Asst. and Tribal Consistency Fund	-	100,000.00				100,000.00
Total Non-Major Governmental Funds	4,279,446.93	1,695,614.59	26,481.18	-	1,640,177.50	4,361,365.20
Total Governmental Funds	21,572,975.13	8,742,454.77	26,481.18	26,481.18	7,000,853.28	23,314,576.62
<u>Fiduciary Fund</u>						
<u>Custodial Funds</u>						
State Medical	96.23	26,348.89			26,310.16	134.96
Game and Fish	319.82				319.82	-
NDSU	8,755.08	11,223.76			12,880.34	7,098.50
Estimated Taxes	500.00	9,384.21			9,884.21	-
Southwest Water Authority	-	169.40				169.40
Soil Conservation	-	89,497.69			89,497.69	-
Health District Fund	-	96,802.09			96,802.09	-
Water Resource District	(6.45)	53,461.39			53,461.39	(6.45)
Airport	-	125,494.89			125,494.89	-

(continued)

BOWMAN COUNTY
Bowman, North Dakota

Schedule of Fund Activity
Arising from Cash Transactions
For the Year Ended December 31, 2023
(continued)

	Balance 1-1-2023	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-2023
<u>Custodial Funds (continued)</u>						
Hazardous Chemical Preparedness	16,506.84	3,212.50			14,025.20	5,694.14
State General Fees	-	700.00			630.00	70.00
Job Development	-	80,530.46			80,530.46	-
Civil Asset Forfeiture	2,049.64					2,049.64
Victim Witness Fees	25.00	1,350.00			1,375.00	-
State Sales Tax	137.28	10,516.13			10,653.41	-
Bowman County Ambulance Service	-	79,355.59			79,355.59	-
Marmoth Ambulance Service	-	9,977.28			9,977.28	-
Rural Ambulance District Building	9,347.70	3,500.00			1,820.00	11,027.70
Total Cities	-	560,054.99			560,054.99	-
Total Park Districts	-	195,926.05			195,926.05	-
Total School Districts	-	2,345,866.18			2,345,866.18	-
Total Townships	-	443,518.60			443,530.20	(11.60)
Total Rural Fire Districts	-	64,899.24			64,899.24	-
Prepaid Taxes	1,327,265.40	1,170,645.38			1,327,265.40	1,170,645.38
Total Custodial Funds	1,364,996.54	5,382,434.72	-	-	5,550,559.59	1,196,871.67
Total Primary Government	22,937,971.67	14,124,889.49	26,481.18	26,481.18	12,551,412.87	24,511,448.29
<u>Discretely Presented Component Units:</u>						
Water Resource District	90,965.81	85,148.71			74,004.30	102,110.22
Airport	502,596.47	1,120,306.17			1,485,232.37	137,670.27
Weather Modification	39,453.59	129,042.88			133,777.00	34,719.47
Total Discretely Presented Component Units	633,015.87	1,334,497.76	-	-	1,693,013.67	274,499.96
Total Reporting Entity	23,570,987.54	15,459,387.25	26,481.18	26,481.18	14,244,426.54	24,785,948.25

BOWMAN COUNTY
Bowman, North Dakota

Schedule of Expenditures of Federal Awards
For the Years Ended December 31, 2024 and 2023

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	
			2024	2023
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through the State Division of Community Services:				
Community Development Block Grant/State's Program	14.228	N/A	9,009.73	
<u>U.S. Department of the Interior</u>				
Direct Program:				
Payments in Lieu of Taxes (PILT)	15.226	N/A	18,982.00	17,795.00
Passed Through North Dakota State Treasurer:				
Distribution of Receipts to State and Local Governments (Taylor Grazing)	15.227	N/A	3,737.02	3,850.07
Minerals Leasing Act	15.437	N/A	1,121,615.20	737,608.25
Total Passed Through North Dakota State Treasurer			1,125,352.22	741,458.32
Passed Through North Dakota State Game and Fish:				
Sports Fish Restoration	15.605	N/A	20.00	
Wildlife Restoration and Basic Hunter Education	15.611	N/A	2,420.75	2,410.45
Total Passed Through North Dakota State Treasurer			2,440.75	2,410.45
Total U.S. Department of the Interior			1,146,774.97	761,663.77
<u>U.S. Department of Transportation</u>				
Direct Program:				
Airport Improvement Program	20.106	N/A	175,955.69	583,309.57
Covid-19 Airport Improvement Program	20.106	N/A	45,000.00	
Total U.S. Department of Transportation			220,955.69	583,309.57
<u>U.S. Department of Treasury</u>				
Direct Program:				
Covid - 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	163,898.05	33,519.89
<u>U.S. Department of Homeland Security</u>				
Passed Through State Department of Emergency Services:				
Hazard Mitigation Program	97.039	DR4509		11,830.97
State and Local Cybersecurity Grant Program	97.137	Cyber2022	1,404.00	414.00
Total Passed Through State Department of Emergency Services			1,404.00	12,244.97
Total Expenditures of Federal Awards			1,542,042.44	1,390,738.20

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting.

The de minimis indirect cost rate was not used.

Rath & Mehrer, P.C.

Certified Public Accountants

Jayson Rath, CPA
Bryce Fischer, CPA
Todd Goehring, CPA

Specializing in Governmental Auditing

1003 E. Interstate Ave. Ste. 7
Bismarck, ND 58503-0500
Phone 701-258-4560
rathandmehrer@hotmail.com

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

INDEPENDENT AUDITOR'S REPORT

Governing Board
Bowman County
Bowman, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Bowman County, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements, and have issued our report thereon dated June 20, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the 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 the county's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the county'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the county's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Rath and Mehrer". The signature is written in a cursive, flowing style.

Rath and Mehrer, P.C.

Bismarck, North Dakota

June 20, 2025

Rath & Mehrer, P.C.

Certified Public Accountants

Jayson Rath, CPA
Bryce Fischer, CPA
Todd Goehring, CPA

Specializing in Governmental Auditing

1003 E. Interstate Ave. Ste. 7
Bismarck, ND 58503-0500
Phone 701-258-4560
rathandmehrer@hotmail.com

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

INDEPENDENT AUDITOR'S REPORT

Governing Board
Bowman County
Bowman, North Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bowman County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the county's major federal programs for the years ended December 31, 2024 and 2023. The county's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and responses.

In our opinion, the county complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2024 and 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the county's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the county's internal control over compliance relevant to the audits in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audits we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

A handwritten signature in black ink that reads "Rath and Mehrer". The script is cursive and fluid.

Rath and Mehrer, P.C.

Bismarck, North Dakota

June 20, 2025

BOWMAN COUNTY
Bowman, North Dakota

Schedule of Findings and Responses
For the Years Ended December 31, 2024 and 2023

SECTION I – SUMMARY OF AUDIT RESULTS:

Financial Statements

Type of Auditor's Report Issued:

Governmental Activities	Unmodified
Discretely Presented Component Units	Unmodified
Major Governmental Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None Reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major program(s):

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major program(s):

Federal Assistance Listing Number

Name of Federal Program

15.437
20.106

Minerals Leasing Act
Airport Improvement Program

Dollar threshold used to distinguish between type A and type B Programs:

\$750,000

Auditee qualified as a low-risk auditee?

☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS:

Significant Deficiency

1. 2024-001- Financial Statement Preparation

Criteria: A good system of internal controls requires the county to determine that the financial statements are prepared based on accounting principles generally accepted in the United States of America. This means that the county must maintain knowledge of current accounting principles and required financial statement disclosures.

Condition: The county's financial statements, including the accompanying note disclosures, are prepared by the county's external auditors.

Cause: The county feels that it is more cost effective to have their external auditors prepare the complete financial statements and disclosures, rather than invest in ongoing specialized training that would be necessary.

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

Recommendation: We recommend that management be aware of this condition and be prepared and able to provide all necessary information and schedules to complete the financial statements and disclosures; and review and approve them prior to external distribution.

Views of Responsible Officials: The county will continue to have the external auditors prepare the financial statements, including note disclosures, but will review and approve them prior to external distribution.

Repeat Finding from Prior Year: Yes

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No matters were reported

BOWMAN COUNTY
Bowman, North Dakota

Summary Schedule of Prior Audit Findings
For the Years Ended December 31, 2024 and 2023

1. Finding No. 2022-001: Financial Statement Preparation

Status: This finding is repeated and updated in the Schedule of Findings and Responses as No. 2024-001.

Reasons for Recurrence and Corrective Action Plan: The county feels it is more cost effective to have their external auditors prepare the financial statements and note disclosures. See Corrective Action Plan.



Board of Commissioners

104 1st Street NW, Suite 1
Bowman, ND 58623
T: 701-523-3130
F: 701-523-4899

BOWMAN COUNTY
Bowman, North Dakota

Corrective Action Plan
For the Years Ended December 31, 2024 and 2023

1. Finding No. 2024-001: Financial Statement Preparation

Contact Person: Mindy Schumacher, Auditor

Corrective Action Plan: The county feels that it is more cost effective to have their external auditors prepare the financial statements and note disclosures.

Completion Date: Bowman County will implement when it becomes cost effective.