



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

Dickey County

Ellendale, North Dakota

Audit Report for the Year Ended December 31, 2020

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Office of the
State Auditor

DICKEY COUNTY

Table of Contents

For the Year Ended December 31, 2020

County Officials and Audit Personnel	1
Independent Auditor's Report	2
Basic Financial Statements	
Statement of Net Position	5
Statement of Activities	6
Balance Sheet - Governmental Funds.....	7
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	8
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	10
Combining Statement of Net Position – All Discretely Presented Component Units	11
Combining Statement of Activities– All Discretely Presented Component Units.....	12
Statement of Fiduciary Net Position – Fiduciary Funds.....	13
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	14
Notes to the Financial Statements.....	15
Required Supplementary Information	
Budgetary Comparison Schedules	31
Schedule of Employer's Share of Net Pension Liability and Employer Contributions	33
Schedule of Employer's Share of Net OPEB Liability and Employer Contributions	35
Notes to the Required Supplementary Information	36
Supplementary Information	
Schedule of Expenditures of Federal Awards.....	38
Notes to the Schedule of Expenditures of Federal Awards	39
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.....	40
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	42
Summary of Auditor's Results.....	44
Schedule of Audit Findings and Questioned Costs	45
Management's Corrective Action Plan	46
Schedule of Prior Year Findings	47
Governance Communication	48

DICKEY COUNTY

County Officials and Audit Personnel
December 31, 2020

COUNTY OFFICIALS

Marke Roberts
John Hokana
Joel Hamar
Dean Simek
Jerry Walsh

Chairman
Vice Chairman
Commissioner
Commissioner
Commissioner

Wanda Sheppard
Wonada Lematta
Chris Estes
Deb Anderson
Kim Radermacher

Auditor
Treasurer
Sheriff
Recorder
States Attorney

AUDIT PERSONNEL

Heath Erickson, CPA
Brian Hermanson

Audit Manager
Audit In-Charge

STATE AUDITOR
Joshua C. Gallion



PHONE
701-328-2241

FAX
701-328-2345

www.nd.gov/auditor

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. Boulevard Ave. Dept. 117
Bismarck, North Dakota, 58505

ndsao@nd.gov

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Dickey County
Ellendale, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Dickey County, North Dakota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Dickey County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 Dickey County, North Dakota, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 2 to the financial statements, the 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *budgetary comparison schedules, schedule of employer's share of net pension liability and employer contributions, schedule of employer's share of net OPEB liability and employer contributions, and notes to the required supplementary information* as listed in the table of contents be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dickey County's basic financial statements. The *schedule of expenditures of federal awards and notes to the schedule of expenditures of federal awards*, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements.

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

DICKEY COUNTYIndependent Auditor's Report - Continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2021 on our consideration of Dickey 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 Dickey 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 Dickey County's internal control over financial reporting and compliance.

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
August 13, 2021

DICKEY COUNTY
Statement of Net Position
December 31, 2020

	Primary Government	Component Units
ASSETS		
Cash and Investments	\$ 3,841,772	\$ 1,539,123
Accounts Receivable	18,665	25,531
Intergovernmental Receivable	246,862	111,921
Road Receivables	18,670	-
Loans Receivable	-	24,166
Taxes Receivable	57,506	5,230
Special Assessment Receivable	-	944,050
Capital Assets, Net	14,575,696	1,320,521
Total Assets	\$ 18,759,171	\$ 3,970,542
DEFERRED OUTFLOWS OF RESOURCES		
Derived from Pension and OPEB	\$ 2,364,266	\$ 440,652
Total Assets & Deferred Outflows of Resources	\$ 21,123,437	\$ 4,411,194
LIABILITIES		
Accounts Payable	\$ 101,953	\$ 3,103
Salary and Benefits Payable	12,344	981
Grants Received in Advance	44,287	-
Interest Payable	4,361	5,067
Long-Term Liabilities		
Due Within One Year		
Long Term Debt	207,092	91,573
Compensated Absences Payable	6,670	1,861
Due After One Year		
Long Term Debt	253,714	1,042,321
Compensated Absences Payable	60,030	16,750
Net Pension and OPEB Liability	4,008,223	669,207
Total Liabilities	\$ 4,698,674	\$ 1,830,863
DEFERRED INFLOWS OF RESOURCES		
Taxes Received in Advance	\$ 857,179	\$ 61,839
Derived from Pension and OPEB	1,128,956	110,318
Total Deferred Inflows of Resources	\$ 1,986,135	\$ 172,157
Total Liabilities & Deferred Inflows of Resources	\$ 6,684,809	\$ 2,003,020
NET POSITION		
Net Investment in Capital Assets	\$ 14,110,529	\$ 1,150,084
Restricted		
Debt Service	88	-
Highways and Bridges	75,357	-
Culture and Recreation	-	80,098
Conservation of Natural Resources	45,654	976,200
Emergencies	186,178	-
Economic Development	-	257,384
Unrestricted	20,822	(55,592)
Total Net Position	\$ 14,438,628	\$ 2,408,174

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

DICKEY COUNTY

Statement of Activities

For the Year Ended December 31, 2020

Program Revenues					Net (Expense) Revenue and Changes in Net Position	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					Primary Government	Component Units
Primary Government						
Government Activities						
General Government	\$ 1,834,571	\$ 159,885	\$ 47,504	\$ -	\$ (1,627,182)	\$ -
Public Safety	680,355	111,955	-	-	(568,400)	-
Highways and Bridges	3,062,133	244,469	804,711	245,191	(1,767,762)	-
Flood Repair	436,310	-	524,087	-	87,777	-
Health and Welfare	62,448	23,539	-	-	(38,909)	-
Culture and Recreation	103,049	-	-	-	(103,049)	-
Conserv. of Natural Resources	95,131	20,023	28,628	-	(46,480)	-
Emergencies	15,508	-	-	-	(15,508)	-
Interest on Long-Term Debt	9,815	-	-	-	(9,815)	-
Total Primary Government	<u>\$ 6,299,320</u>	<u>\$ 559,871</u>	<u>\$ 1,404,930</u>	<u>\$ 245,191</u>	<u>\$ (4,089,328)</u>	<u>\$ -</u>
Component Units	<u>\$ 940,555</u>	<u>\$ 282,359</u>	<u>\$ 305,878</u>	<u>\$ 72,393</u>		<u>\$ (279,925)</u>
General Revenues						
Property Taxes					\$ 2,936,263	\$ 322,135
Non Restricted Grants and Contributions					849,657	-
Gain on Disposal of Capital Assets					4,271	-
Earnings on Investments					45,494	16
Miscellaneous Revenue					9,574	19,673
Total General Revenues					<u>\$ 3,845,259</u>	<u>\$ 341,824</u>
Change in Net Position					<u>\$ (244,069)</u>	<u>\$ 61,899</u>
Net Position - January 1					<u>\$ 14,682,697</u>	<u>\$ 7,672,456</u>
Prior Period Adjusments					<u>\$ -</u>	<u>\$ (5,326,181)</u>
Net Position - January 1 - As Restated					<u>\$ 14,682,697</u>	<u>\$ 2,346,275</u>
Net Position - December 31					\$ 14,438,628	\$ 2,408,174

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

DICKEY COUNTY

Balance Sheet – Governmental Funds
December 31, 2020

	General	Special Revenue	Nonmajor Fund	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 1,982,440	\$ 1,859,326	\$ 6	\$ 3,841,772
Taxes Receivable	32,571	24,853	82	57,506
Accounts Receivable	3,478	15,187	-	18,665
Intergovernmental Receivable	147,628	99,234	-	246,862
Road Receivables	-	18,670	-	18,670
Total Assets	<u>\$ 2,166,117</u>	<u>\$ 2,017,270</u>	<u>\$ 88</u>	<u>\$ 4,183,475</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 18,480	\$ 83,473	\$ -	\$ 101,953
Salaries and Benefits Payable	8,723	3,621	-	12,344
Grants Received in Advance	-	44,287	-	44,287
Total Liabilities	<u>\$ 27,203</u>	<u>\$ 131,381</u>	<u>\$ -</u>	<u>\$ 158,584</u>
Deferred Inflows of Resources				
Taxes Receivable	\$ 32,571	\$ 24,853	\$ 82	\$ 57,506
Road Receivables	-	18,670	-	18,670
Taxes Received in Advance	489,020	368,159	-	857,179
Total Deferred Inflows of Resources	<u>\$ 521,591</u>	<u>\$ 411,682</u>	<u>\$ 82</u>	<u>\$ 933,355</u>
Total Liabilities & Deferred Inflows	<u>\$ 548,794</u>	<u>\$ 543,063</u>	<u>\$ 82</u>	<u>\$ 1,091,939</u>
Fund Balances				
Committed				
County Improvement	\$ -	\$ 11,456	\$ -	\$ 11,456
Restricted				
General Government	-	540	-	540
Public Safety	-	66,460	-	66,460
Highways and Bridges	-	987,052	-	987,052
Health and Welfare	-	1,484	-	1,484
Conservation of Natural Resources	-	127,069	-	127,069
Emergencies	-	280,146	-	280,146
Debt Service	-	-	6	6
Unassigned				
General Fund	<u>1,617,323</u>	<u>-</u>	<u>-</u>	<u>1,617,323</u>
Total Fund Balances	<u>\$ 1,617,323</u>	<u>\$ 1,474,207</u>	<u>\$ 6</u>	<u>\$ 3,091,536</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,166,117</u>	<u>\$ 2,017,270</u>	<u>\$ 88</u>	<u>\$ 4,183,475</u>

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

DICKEY COUNTY

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position

December 31, 2020

Total Fund Balances for Governmental Funds		\$ 3,091,536
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Total net position reported for government activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.		14,575,696
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Certain receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds.

Property Taxes Receivable	\$ 57,506	
Road Receivables	<u>18,670</u>	76,176

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions and OPEB	\$ 2,364,266	
Deferred Inflows Related to Pensions and OPEB	<u>(1,128,956)</u>	1,235,310

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term are reported in the statement of net position.

Long-Term Debt	\$ (460,806)	
Interest Payable	(4,361)	
Net Pension and OPEB Liability	(4,008,223)	
Compensated Absences Payable	<u>(66,700)</u>	<u>(4,540,090)</u>

Total Net Position of Governmental Funds		<u>\$ 14,438,628</u>
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The notes to the financial statements are an integral part of this statement.

DICKEY COUNTY

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

For the Year Ended December 31, 2020

	General	Special Revenue	Nonmajor Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 1,648,293	\$ 1,296,103	\$ 1,360	\$ 2,945,756
Licenses, Permits and Fees	49,829	-	-	49,829
Intergovernmental	766,012	1,488,575	-	2,254,587
Charges for Services	110,055	415,964	-	526,019
Interest Income	45,494	-	-	45,494
Miscellaneous	-	9,576	-	9,576
				-
Total Revenues	\$ 2,619,683	\$ 3,210,218	\$ 1,360	\$ 5,831,261
EXPENDITURES				
Current				
General Government	\$ 1,574,143	\$ 116,361	\$ -	\$ 1,690,504
Public Safety	451,569	175,828	-	627,397
Highways	1,790	2,623,685	-	2,625,475
Flood Repair	-	435,907	-	435,907
Health and Welfare	24,251	53,275	-	77,526
Culture and Recreation	100,898	-	-	100,898
Conserv. of Natural Resources	-	296,630	-	296,630
Other	-	-	-	-
Debt Service				
Principal	164,740	76,556	-	241,296
Interest and Fees	9,265	6,789	-	16,054
Total Expenditures	\$ 2,326,656	\$ 3,785,031	\$ -	\$ 6,111,687
Excess (Deficiency) of Revenues Over Expenditures	\$ 293,027	\$ (574,813)	\$ 1,360	\$ (280,426)
OTHER FINANCING SOURCES (USES)				
Sale of Assets	\$ 4,271	\$ -	\$ -	\$ 4,271
Transfers In	22,696	398,835	-	421,531
Transfers Out	(312,207)	(109,324)	-	(421,531)
Total Other Financing Sources (Uses)	\$ (285,240)	\$ 289,511	\$ -	\$ 4,271
Net Change in Fund Balances	\$ 7,787	\$ (285,302)	\$ 1,360	\$ (276,155)
Fund Balance - January 1	\$ 1,609,536	\$ 1,759,509	\$ (1,354)	\$ 3,367,691
Fund Balance - December 31	\$ 1,617,323	\$ 1,474,207	\$ 6	\$ 3,091,536

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

DICKEY COUNTY

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2020

Net Change in *Fund Balances* - Total Governmental Funds **\$ (276,155)**

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.

Current Year Capital Outlay	\$ 633,713	
Current Year Depreciation Expense	<u>(388,378)</u>	245,335

In the statement of activities, only the gain on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources.

Gain on Sale of Capital Assets	\$ 4,271	
Sale of Capital Assets	<u>(4,271)</u>	-

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 241,296

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

Net Change in Net Pension Liability and OPEB	\$ (1,815,673)	
Net Change in Deferred Inflows of Resources Related to Pensions and OPEB	1,392,155	
Net Change in Deferred Outflows of Resources Related to Pensions and OPEB	<u>(22,179)</u>	(445,697)

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

Net Change in Compensated Absences Liability	\$ 8,816	
Net Change in Retainage Payable	1,567	
Net Change in Interest Payable	<u>6,239</u>	16,622

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

Net Change in Taxes Receivable	\$ (9,493)	
Net Change in Road Receivables	<u>(15,977)</u>	<u>(25,470)</u>

Change in Net Position of Governmental Activities **\$ (244,069)**

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

DICKEY COUNTY

Combining Statement of Net Position – All Discretely Presented Component Units
For the Year Ended December 31, 2020

	Water Resource District	Dickey-Sargent Joint Water Resource District	Health District	Fair	Job Development Authority	Totals
ASSETS						
Cash and Investments	\$ 1,013,784	\$ -	\$ 186,385	\$ 104,572	\$ 234,382	\$ 1,539,123
Accounts Receivable	-	-	25,428	-	103	25,531
Intergovernmental Receivable	316	-	111,605	-	-	111,921
Loans Receivable	-	-	-	-	24,166	24,166
Taxes Receivable	1,619	-	2,368	-	1,243	5,230
Special Assessment Receivable	944,050	-	-	-	-	944,050
Capital Assets, Net	1,204,375	-	116,146	-	-	1,320,521
Total Assets	\$ 3,164,144	\$ -	\$ 441,932	\$ 104,572	\$ 259,894	\$ 3,970,542
DEFERRED OUTFLOWS OF RESOURCES						
Pension and OPEB Items	\$ -	\$ -	\$ 440,652	\$ -	\$ -	\$ 440,652
Total Assets & Deferred Outflows of Resources	\$ 3,164,144	\$ -	\$ 882,584	\$ 104,572	\$ 259,894	\$ 4,411,194
LIABILITIES						
Accounts Payable	\$ 1,971	\$ -	\$ 1,132	\$ -	\$ -	\$ 3,103
Salary and Benefits Payable	581	-	400	-	-	981
Interest Payable	4,487	-	-	580	-	5,067
Long-Term Liabilities						
Due Within One Year						
Long Term Debt	85,000	-	-	6,573	-	91,573
Compensated Absences	-	-	1,861	-	-	1,861
Due After One Year						
Long Term Debt	1,025,000	-	-	17,321	-	1,042,321
Compensated Absences	-	-	16,750	-	-	16,750
Net Pension and OPEB Liability	-	-	669,207	-	-	669,207
Total Liabilities	\$ 1,117,039	\$ -	\$ 689,350	\$ 24,474	\$ -	\$ 1,830,863
DEFERRED INFLOWS						
Pension and OPEB Items	\$ -	\$ -	\$ 110,318	\$ -	\$ -	\$ 110,318
Taxes Received in Advance	36,967	-	22,362	-	2,510	61,839
Total Liabilities & Deferred Inflows	\$ 1,154,006	\$ -	\$ 822,030	\$ 24,474	\$ 2,510	\$ 2,003,020
NET POSITION						
Net Investment in Capital Assets	\$ 1,033,938	\$ -	\$ 116,146	\$ -	\$ -	\$ 1,150,084
Restricted						
Culture and Recreation	-	-	-	80,098	-	80,098
Economic Development	-	-	-	-	257,384	257,384
Conservation of Natural Resources	976,200	-	-	-	-	976,200
Unrestricted	-	-	(55,592)	-	-	(55,592)
Total Net Position	\$ 2,010,138	\$ -	\$ 60,554	\$ 80,098	\$ 257,384	\$ 2,408,174

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

DICKEY COUNTY

Combining Statement of Activities – All Discretely Presented Component Units

December 31, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Water Resource District	Dickey-Sargent Joint Water Res. District	Health District	Fair	Job Development Authority	
Component Units										
Water Resource District	\$ 123,972	\$ -	\$ 2,673	\$ 72,393	\$ (48,906)	\$ -	\$ -	\$ -	\$ -	\$ (48,906)
Dickey-Sargent Joint Water Res. Dist.	-	-	-	-	-	-	-	-	-	-
Health District	728,051	280,444	302,528	-	-	-	(145,079)	-	-	(145,079)
Fair	28,759	201	-	-	-	-	-	(28,558)	-	(28,558)
Job Development Authority	59,773	1,714	677	-	-	-	-	-	(57,382)	(57,382)
Total Component Units	\$ 940,555	\$ 282,359	\$ 305,878	\$ 72,393	\$ (48,906)	\$ -	\$ (145,079)	\$ (28,558)	\$ (57,382)	\$ (279,925)
General Revenues										
Property taxes					\$ 70,316	\$ -	\$ 121,416	\$ 57,145	\$ 73,258	\$ 322,135
Non restricted grants and contributions					-	-	-	-	-	-
Earnings on investments					-	-	-	16	-	16
Miscellaneous revenue					7,181	-	-	12,492	-	19,673
Total General Revenues					\$ 77,497	\$ -	\$ 121,416	\$ 69,653	\$ 73,258	\$ 341,824
Change in Net Position					\$ 28,591	\$ -	\$ (23,663)	\$ 41,095	\$ 15,876	\$ 61,899
Net Position - January 1					\$ 1,981,547	\$ 5,326,181	\$ 84,217	\$ 39,003	\$ 241,508	7,672,456
Prior Period Adjustment					\$ -	\$ (5,326,181)	\$ -	\$ -	\$ -	\$ (5,326,181)
Net Position - January 1, As Restated					\$ 1,981,547	\$ -	\$ 84,217	\$ 39,003	\$ 241,508	2,346,275
Net Position - December 31					\$ 2,010,138	\$ -	\$ 60,554	\$ 80,098	\$ 257,384	\$ 2,408,174

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

DICKEY COUNTYStatement of Fiduciary Net Position – Fiduciary Funds
December 31, 2020

	Custodial Funds
ASSETS	
Cash and cash equivalents	<u>\$ 1,555,342</u>
LIABILITIES	
Liabilities	
Funds Held for Other Governmental Units	<u>\$ 51,487</u>
Deferred Inflows of Resources	
Taxes Received in Advance	<u>\$ 1,503,855</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,555,342</u>

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

DICKEY COUNTYStatement of Changes in Fiduciary Net Position – Fiduciary Funds
December 31, 2020

	Custodial Funds
ADDITIONS	
Tax Collections for Other Governments	\$ 7,284,782
Grant Collections for Other Governments	259,476
Miscellaneous Collections	<u>31,117</u>
Total Additions	<u><u>\$ 7,575,375</u></u>
DEDUCTIONS	
Tax Disbursements to Other Governments	\$ 7,284,782
Grant Disbursements to Other Governments	259,476
Miscellaneous Disbursements	<u>31,117</u>
Total Deductions	<u><u>\$ 7,575,375</u></u>
Net Increase (Decrease) in Fiduciary Net Position	<u>\$ -</u>
Net Position - Beginning	<u>\$ -</u>
Net Position - Ending	<u><u>\$ -</u></u>

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

DICKEY COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Based on these criteria, 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.

Component Units

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

Discretely Presented Component Units. The component units' column in the basic financial statements includes the financial data of the County's four component units. These units are reported in separate columns to emphasize that they are legally separate from the County.

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

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

Dickey County Fair Association ("Fair") - The County's governing board appoints a voting majority of the members of the Fair Association. The County has the authority to approve or modify the Fair Association's operational and capital budgets. The County's governing board must approve the tax levy established by the Fair Association.

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

The financial statements of each of the discretely presented component units are included in the basic financial statements. Complete financial statements of the individual component units can be obtained from the County Auditor/Treasurer; 309 N 2nd St, Ellendale, ND 58601.

Basis of Presentation

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

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

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category, *governmental* and *fiduciary*, are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The County reports the following major governmental funds:

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

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

Additionally, the County reports the following fund type:

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

Cash and Investments

Cash includes amounts in demand deposits and money market accounts.

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

Capital Assets

Capital assets for the primary government are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased 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. 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 (amounts in years):

Assets	Years
Land and Intangibles	Indefinite
Vehicles and Equipment	7
Buildings	30
Infrastructure	75

Compensated Absences

Vacation leave is earned at the rate of one to two days per month depending on years of service. Up to 120 hours of vacation leave may be carried over at each year-end. Sick leave benefits are earned at the rate of one day per month regardless of the years of service. A liability for the vested or accumulated vacation leave is reported in the statement of net position.

Long-Term Obligations

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

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

Pension

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

DICKEY COUNTY

Notes to the Financial Statements – Continued

Other Post-Employment Benefits (OPEB)

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

Fund Balances

Minimum Fund Balance Policy. The County established a \$300,000 general fund carryover balance target to help with financial stability. The fund balance range is a part of the County's fiscal policies. This level provides sufficient unassigned resources to avoid short-term cash flow borrowing for the County.

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

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

Committed Fund Balances. Committed fund balance reported in the special revenue fund is committed by the governing board to be used for county improvements.

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

Net Position

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

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

Restrictions of net position in the statement of net position are due to restricted tax levies and restricted Federal & State grants/reimbursements.

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

Interfund Transactions

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers.

In the government-wide financial statements, interfund transactions have been eliminated.

DICKEY COUNTYNotes to the Financial Statements – Continued

NOTE 2 PRIOR PERIOD ADJUSTMENTS**Discretely Presented Component Units**

Net position of the Dickey Sargent Joint Water Resource District as of January 1, 2020 has been restated to remove the fund balance and any activity as Sargent County will now be the host county for the Joint Water Resource District.

Governmental Activities - Joint Water Resource District	Amounts
Beginning Net Position, as Previously Reported	\$ 5,326,181
Adjustments to restate the January 1, 2019 Net Position	
Fund Balance	(5,326,181)
Net Position January 1, as restated	\$ -

NOTE 3 DEPOSITS**Custodial Credit Risk**

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

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

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

At year ended December 31, 2020, the County's carrying amount of deposits totaled \$6,829,808 and the bank balances totaled \$6,504,675. Of the bank balances, \$1,230,415 was covered by Federal Depository Insurance. The remaining bank balances were collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2020, the Fair's carrying amount of deposits totaled \$97,572 and the bank balances totaled \$97,651, all of which were covered by Federal Depository Insurance.

NOTE 4 PROPERTY TAXES

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

DICKEY COUNTY

Notes to the Financial Statements – Continued

NOTE 5 CAPITAL ASSETS**Primary Government**

The following is a summary of changes in capital assets for the year ended December 31, 2020:

Primary Government	Balance January 1	Increases	Decreases	Transfers	Balance December 31
Capital Assets Not Being Depreciated					
Land	\$ 40,398	\$ -	\$ -	\$ -	\$ 40,398
Construction in Progress	612,485	562,467	-	(631,315)	543,637
Total Capital Assets, Not Being Depreciated	\$ 652,883	\$ 562,467	\$ -	\$ (631,315)	\$ 584,035
Capital Assets, Being Depreciated					
Buildings	\$ 2,187,699	\$ -	\$ -	\$ -	\$ 2,187,699
Equipment	1,407,811	24,796	10,672	-	1,421,935
Vehicles	1,177,402	46,450	-	105,025	1,328,877
Infrastructure	12,604,101	-	-	526,290	13,130,391
Total Capital Assets, Being Depreciated	\$ 17,377,013	\$ 71,246	\$ 10,672	\$ 631,315	\$ 18,068,902
Less Accumulated Depreciation					
Buildings	\$ 842,232	\$ 44,228	\$ -	\$ -	\$ 886,460
Equipment	1,212,491	60,266	10,672	-	1,262,085
Vehicles	841,352	108,812	-	-	950,164
Infrastructure	803,460	175,072	-	-	978,532
Total Accumulated Depreciation	\$ 3,699,535	\$ 388,378	\$ 10,672	\$ -	\$ 4,077,241
Total Capital Assets Being Depreciated, Net	\$ 13,677,478	\$ (317,132)	\$ -	\$ 631,315	\$ 13,991,661
Capital Assets - Net	\$ 14,330,361	\$ 245,335	\$ -	\$ -	\$ 14,575,696

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

General Government	\$ 40,763
Public Safety	35,584
Highways	290,441
Culture and Recreation	2,151
Conservation of Natural Resources	19,439
Total Depreciation Expense	\$ 388,378

Component Units

The following is a summary of changes in capital assets for the year ended December 31, 2020 for the Water Resource District:

Water Resource District	Balance January 1	Increases	Decreases	Transfers	Balance December 31
Capital Assets Not Being Depreciated					
Intangible	\$ 33,296	\$ -	\$ -	\$ -	\$ 33,296
Capital Assets, Being Depreciated					
Infrastructure	\$ 1,219,696	\$ -	\$ -	-	\$ 1,219,696
Less Accumulated Depreciation					
Infrastructure	\$ 32,354	\$ 16,263	\$ -	\$ -	\$ 48,617
Total Capital Assets Being Depreciated, Net	\$ 1,187,342	\$ (16,263)	\$ -	\$ -	\$ 1,171,079
Capital Assets - Net	\$ 1,220,638	\$ (16,263)	\$ -	\$ -	\$ 1,204,375

Depreciation was charged to the conservation of natural resources function.

DICKEY COUNTY

Notes to the Financial Statements – Continued

The following is a summary of changes in capital assets for the year ended December 31, 2020 for the Health District:

Health District	Balance January 1	Increases	Decreases	Transfers	Balance December 31
Capital Assets, Being Depreciated					
Equipment	\$ -	\$ 29,792	\$ -	\$ -	\$ 29,792
Buildings	108,732	-	-	-	108,732
Total Capital Assets, Being Depreciated	\$ 108,732	\$ 29,792	\$ -	\$ -	\$ 138,524
Less Accumulated Depreciation					
Equipment	\$ -	\$ 4,256	\$ -	\$ -	\$ 4,256
Buildings	14,498	3,624	-	-	18,122
Total Accumulated Depreciation	\$ 14,498	\$ 7,880	\$ -	\$ -	\$ 22,378
Total Capital Assets Being Depreciated, Net	\$ 94,234	\$ 21,912	\$ -	\$ -	\$ 116,146
Capital Assets - Net	\$ 94,234	\$ 21,912	\$ -	\$ -	\$ 116,146

Depreciation was charged to the culture and recreation function.

NOTE 6 LONG-TERM LIABILITIES**Primary Government**

During the year ended December 31, 2020, the following changes occurred in governmental activities long-term liabilities:

Primary Government	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Long-Term Debt					
Leases Payable	\$ 197,881	\$ -	\$ 76,556	\$ 121,325	\$ 39,040
Bonds Payable	504,221	-	164,740	339,481	168,052
Total Long-Term Debt	\$ 702,102	\$ -	\$ 241,296	\$ 460,806	\$ 207,092
Compensated Absences *	\$ 75,516	\$ -	\$ 8,816	\$ 66,700	\$ 6,670
Net Pension and OPEB Liability	2,192,550	1,815,673	-	4,008,223	-
Total Primary Government	\$ 2,970,168	\$1,815,673	\$ 250,112	\$ 4,535,729	\$ 213,762

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

GOVERNMENTAL ACTIVITIES				
Year Ending December 31	Capital Leases		Bonds Payable	
	Principal	Interest	Principal	Interest
2021	39,040	4,305	168,052	5,954
2022	40,425	2,920	171,429	2,575
2023	41,860	1,485	-	-
Total	\$ 121,325	\$ 8,710	\$ 339,481	\$ 8,529

DICKEY COUNTY

Notes to the Financial Statements – Continued

During the year ended December 31, 2020, the following changes occurred in governmental activities long-term liabilities for the following component units:

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Water Resource District					
Long-Term Debt					
Bonds Payable	\$ 1,190,000	\$ -	\$ 80,000	\$ 1,110,000	\$ 85,000

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Fair					
Long-Term Debt					
Loan Payable	\$ 34,801	\$ -	\$ 10,906	\$ 23,894	\$ 6,573

	Balance January 1	Increases	Decreases	Balance December 31	Due Within One Year
Health District					
Compensated Absences *	\$ 8,227	\$ 10,384	\$ -	\$ 18,611	\$ 1,861
Net Pension and OPEB Liability	207,093	462,114	-	669,207	-
Total Health District	\$ 215,320	\$ 472,498	\$ -	\$ 687,818	\$ 1,861

Debt service requirements on long-term debt is as follows for the following component units:

Water Resource District		
Year Ending December 31	Bonds Payable	
	Principal	Interest
2021	85,000	26,203
2022	85,000	24,758
2023	85,000	23,312
2024	85,000	21,676
2025	90,000	20,763
2026-2030	475,000	65,381
2031-2036	205,000	6,225
Total	\$ 1,110,000	\$ 188,318

Fair		
Year Ending December 31	Loans Payable	
	Principal	Interest
2021	6,573	1,365
2022	12,837	988
2023	4,484	261
Total	\$ 23,894	\$ 2,614

NOTE 7 PENSION PLAN**General Information about the NDPERS Pension Plan*****North Dakota Public Employees Retirement System (Main System)***

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

DICKEY COUNTY

Notes to the Financial Statements – Continued

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

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

Pension Benefits

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

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

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to 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 salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation.

DICKEY COUNTY

Notes to the Financial Statements – Continued

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, 2020, the following net pension liabilities were reported:

	Net Pension Liability
Primary Government	\$ 3,916,482
Health District	652,328

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on their respective share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2020 the entities had the following proportions, change in proportions, and pension expense:

	Proportion	Increase (Decrease) in Proportion from June 30, 2019 Measurement	Pension Expense
Primary Government	0.124490%	(0.051344%)	\$ 556,962
Health District	0.020735%	0.004127%	125,360

At December 31, 2020, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 15,240	\$ 198,452
Changes of Assumptions	2,099,482	347,096
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	126,404	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	37,491	550,342
Employer Contributions Subsequent to the Measurement Date	55,669	-
Total	\$ 2,334,286	\$ 1,095,890

DICKEY COUNTY

Notes to the Financial Statements – Continued

Component Unit - Health District	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,538	\$ 33,054
Changes of Assumptions	349,689	57,812
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	21,054	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	52,140	17,762
Employer Contributions Subsequent to the Measurement Date	8,207	-
Total	\$ 433,628	\$ 108,628

The following amounts were reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021:

Primary Government	\$ 55,669
Health District	8,207

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

	County	Health District
2021	\$ 376,585	\$ 95,860
2022	307,653	81,585
2023	219,510	64,600
2024	278,979	74,748
2025	-	-

Actuarial Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	3.5% to 17.75% including inflation
Investment rate of return	7.00%, net of investment expenses
Cost-of-living adjustments	None

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

DICKEY COUNTY

Notes to the Financial Statements – Continued

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30%	6.30%
International Equity	21%	6.85%
Private Equity	7%	9.75%
Domestic Fixed Income	23%	1.25%
International Fixed Income	0%	0.00%
Global Real Assets	19%	5.01%
Cash Equivalents	0%	0.00%

Discount rate

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.45%; and the resulting Single Discount Rate is 4.64%.

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.64 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.64 percent) or 1-percentage-point higher (5.64 percent) than the current rate:

Proportionate Share of the Net Pension Liability	1% Decrease (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
County	\$ 5,081,341	\$ 3,916,482	\$ 2,963,343
Health District	846,346	652,328	493,573

Pension Plan Fiduciary Net Position

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

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

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

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

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

OPEB Benefits

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

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

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

DICKEY COUNTY

Notes to the Financial Statements – Continued

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

At December 31, 2020, the following net OPEB liabilities were reported:

	Net OPEB Liability
Primary Government	\$ 91,741
Health District	16,879

The net OPEB liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net OPEB liability was based on their respective share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2020, the entities had the following proportions, change in proportions, and pension expense:

	Proportion	Increase (Decrease) in Proportion from June 30, 2019 Measurement	OPEB Expense
Primary Government	0.109060%	(0.054847%)	\$ 7,700
Health District	0.020065%	0.004583%	2,759

At December 31, 2020, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,037	\$ 2,199
Changes of Assumptions	12,301	-
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	3,155	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,574	30,867
Employer Contributions Subsequent to the Measurement Date	8,913	-
Total	\$ 29,980	\$ 33,066

Component Unit - Health District	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 376	\$ 405
Changes of Assumptions	2,263	-
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	580	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,491	1,285
Employer Contributions Subsequent to the Measurement Date	1,314	-
Total	\$ 7,024	\$ 1,690

The following amounts were reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021:

Primary Government	\$ 8,913
Health District	1,314

DICKEY COUNTY

Notes to the Financial Statements – Continued

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

	Primary Government	Health District
2021	(2,549)	873
2022	(1,734)	1,023
2023	(1,884)	995
2024	(2,883)	831
2025	(2,965)	332
Thereafter	16	(34)

Actuarial assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Not applicable
Investment rate or return	6.50%, net of investment expenses
Cost of living adjustments	None

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

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	6.10%
Small Cap Domestic Equities	6%	7.00%
International Equities	21%	6.45%
Domestic Fixed Income	40%	1.15%

Discount rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2018, and July 1, 2017, HPRS actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

DICKEY COUNTY

Notes to the Financial Statements – Continued

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

The following presents the net OPEB liability of the Plans as of June 30, 2020, calculated using the discount rate of 6.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

Proportionate Share of the Net OPEB Liability	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County	\$ 120,320	\$ 91,741	\$ 67,573
Health District	22,137	16,879	12,432

NOTE 10 TRANSFERS

The following table shows amounts reported for transfers in and transfers out as reported in the basic financial statements in the governmental funds for the year ended December 31, 2020.

	Transfers In	Transfers Out
Major Funds		
General Fund	\$ 22,696	312,207
Special Revenue Fund	398,835	109,324
Total Transfers	\$ 421,531	\$ 421,531

NOTE 11 RISK MANAGEMENT

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

In 1986, state agencies and political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The County pays an annual premium to NDIRF for its general liability, automobile, and inland marine insurance coverage. For the County the coverage by NDIRF is limited to losses of two million dollars per occurrence for general liability, two million for automobile, and \$4,227,285 for public assets/mobile equipment and portable property.

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

The County has worker's compensation with the ND Workforce Safety and Insurance.

NOTE 12 SUBSEQUENT EVENTS

On February 16, 2021, the County approved a ten-year loan to finance a basement project in 2021. Future loan principal payments are due annually in the amount \$95,000 for the first three years, \$100,000 for the following four years, and \$105,000 for the final three years. The loan matures in 2031.

On June 1, 2021 and June 15, 2021; the County made a motion to accept bids to lease three motor graders. One of the motor graders is to be delivered in 2021 while the other two are scheduled to be delivered in 2022.

DICKEY COUNTY

Budgetary Comparison Schedule – General Fund
For the Year Ended December 31, 2020

	Original Budget	Amended Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 1,658,996	\$ 1,658,996	\$ 1,648,293	\$ (10,703)
Licenses, Permits and Fees	38,900	38,900	49,829	10,929
Intergovernmental	373,500	373,500	766,012	392,512
Charges for Services	118,578	118,578	110,055	(8,523)
Interest Income	11,000	11,000	45,494	34,494
Total Revenues	<u>\$ 2,200,974</u>	<u>\$ 2,200,974</u>	<u>\$ 2,619,683</u>	<u>\$ 418,709</u>
EXPENDITURES				
Current				
General Government	\$ 2,021,432	\$ 2,021,432	\$ 1,574,143	\$ 447,289
Public Safety	508,983	508,983	451,569	57,414
Highways	1,790	1,790	1,790	-
Health and Welfare	52,727	52,727	24,251	28,476
Culture and Recreation	181,269	181,269	100,898	80,371
Debt Service				
Principal	174,005	174,005	164,740	9,265
Interest & Fees	-	-	9,265	(9,265)
Total Expenditures	<u>\$ 2,940,206</u>	<u>\$ 2,940,206</u>	<u>\$ 2,326,656</u>	<u>\$ 613,550</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (739,232)</u>	<u>\$ (739,232)</u>	<u>\$ 293,027</u>	<u>\$ 1,032,259</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ 22,696	\$ 22,696
Sale of Assets	-	-	4,271	4,271
Transfers Out	-	-	(312,207)	(312,207)
Net Change in Fund Balances	<u>\$ (739,232)</u>	<u>\$ (739,232)</u>	<u>\$ 7,787</u>	<u>\$ 747,019</u>
Fund Balance - January 1	<u>\$ 1,609,536</u>	<u>\$ 1,609,536</u>	<u>\$ 1,609,536</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 870,304</u>	<u>\$ 870,304</u>	<u>\$ 1,617,323</u>	<u>\$ 747,019</u>

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

DICKEY COUNTY

Budgetary Comparison Schedule – Special Revenue Fund

For the Year Ended December 31, 2020

	Original Budget	Amended Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 1,335,902	\$ 1,335,902	\$ 1,296,103	\$ (39,799)
Intergovernmental	1,883,554	2,395,028	1,488,575	(906,453)
Charges for Services	347,800	354,871	415,964	61,093
Miscellaneous	12,400	12,400	9,576	(2,824)
Total Revenues	<u>\$ 3,579,656</u>	<u>\$ 4,098,201</u>	<u>\$ 3,210,218</u>	<u>\$ (887,983)</u>
EXPENDITURES				
Current				
General Government	\$ 1,256,694	\$ 1,256,694	\$ 116,361	1,140,333
Public Safety	364,073	372,521	175,828	196,693
Highways	2,437,887	3,093,726	2,623,685	470,041
Flood Repair	8,660	8,660	435,907	(427,247)
Health and Welfare	86,158	87,038	53,275	33,763
Conserv. of Natural Resources	322,809	322,809	296,630	26,179
Debt Service				
Principal	83,345	83,345	76,556	6,789
Interest	-	-	6,789	(6,789)
Total Expenditures	<u>\$ 4,559,626</u>	<u>\$ 5,224,793</u>	<u>\$ 3,785,031</u>	<u>\$ 1,439,762</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (979,970)</u>	<u>\$ (1,126,592)</u>	<u>\$ (574,813)</u>	<u>\$ 551,779</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	\$ -	\$ -	\$ 398,835	\$ 398,835
Transfers Out	-	-	(109,324)	(109,324)
Total Other Financing Sources and Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,511</u>	<u>\$ 289,511</u>
Net Change in Fund Balances	<u>\$ (979,970)</u>	<u>\$ (1,126,592)</u>	<u>\$ (285,302)</u>	<u>\$ 841,290</u>
Fund Balance - January 1	<u>\$ 1,759,509</u>	<u>\$ 1,759,509</u>	<u>\$ 1,759,509</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 779,539</u>	<u>\$ 632,917</u>	<u>\$ 1,474,207</u>	<u>\$ 841,290</u>

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

DICKEY COUNTY

Schedule of Employer's Share of Net Pension Liability and Employer Contributions

For the Year Ended December 31, 2020

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

County	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.124490%	\$ 3,916,482	\$ 1,373,279	285.19%	48.91%
2019	0.175834%	2,060,902	1,828,968	112.68%	71.66%
2018	0.180704%	3,049,577	1,856,405	164.27%	62.80%
2017	0.172414%	2,771,259	1,760,080	157.45%	61.98%
2016	0.176041%	1,715,691	1,774,076	96.71%	70.46%
2015	0.174130%	1,184,054	1,551,286	76.33%	77.15%
2014	0.185246%	1,175,796	1,560,478	75.35%	77.70%

Health District	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.020735%	\$ 652,328	\$ 228,731	285.19%	48.91%
2019	0.016608%	194,658	172,756	112.68%	71.66%
2018	0.019040%	321,321	195,606	164.27%	62.80%
2017	0.018787%	301,969	191,790	157.45%	61.98%
2016	0.014428%	140,615	145,399	96.71%	70.46%
2015	0.014590%	99,210	129,979	76.33%	77.15%
2014	0.016663%	122,325	140,364	87.15%	77.70%

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

DICKEY COUNTY

Schedule of Employer's Share of Net Pension Liability and Employer Contributions - Continued
 For the Year Ended December 31, 2020

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

County	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2020	\$ 97,240	\$ 121,923	\$ (24,683)	\$ 1,514,343	8.05%
2019	133,160	138,432	(5,272)	1,828,968	7.57%
2018	136,732	136,134	598	1,856,405	7.44%
2017	127,627	133,674	(6,047)	1,760,080	7.59%
2016	128,440	129,909	(1,469)	1,774,076	7.32%
2015	117,833	122,862	(5,029)	1,551,286	7.92%
2014	111,106	111,106	-	1,560,478	7.12%

Health District	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2020	\$ 16,196	\$ 15,099	\$ 1,097	\$ 252,629	5.98%
2019	12,577	12,572	5	172,756	7.28%
2018	14,407	13,926	481	195,606	8.06%
2017	13,907	13,655	252	191,790	7.12%
2016	10,527	10,352	175	145,399	7.12%
2015	9,873	9,610	263	129,979	7.39%
2014	9,994	9,994	-	140,364	7.12%

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

DICKEY COUNTY

Schedule of Employer's Share of Net OPEB Liability and Employer Contributions
For the Year Ended December 31, 2020

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

Primary Government	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	0.109060%	\$ 91,741	\$ 1,243,254	7.38%	63.38%
2019	0.163907%	131,648	1,828,968	7.20%	63.13%
2018	0.169656%	133,616	1,856,405	7.20%	61.89%
2017	0.162693%	128,692	1,760,080	7.31%	59.78%

Health District	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	0.020065%	\$ 16,879	\$ 228,731	7.38%	63.38%
2019	0.015482%	12,435	172,756	7.20%	63.13%
2018	0.017876%	14,079	195,606	7.20%	61.89%
2017	0.017728%	14,023	191,790	7.31%	59.78%

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

Primary Government	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2020	\$ 14,606	\$ 19,058	\$ (4,452)	\$ 1,514,343	1.26%
2019	21,271	22,165	(894)	1,828,968	1.21%
2018	21,775	21,797	(22)	1,856,405	1.17%
2017	20,460	21,403	(943)	1,760,080	1.22%

Health District	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2020	\$ 2,687	\$ 2,418	\$ 269	\$ 252,629	0.96%
2019	2,009	2,013	(4)	172,756	1.17%
2018	2,294	2,230	64	195,606	1.14%
2017	2,229	2,186	43	191,790	1.14%

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

DICKEY COUNTY

Notes to the Required Supplementary Information
For the Year Ended December 31, 2020

NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

NOTE 2 SCHEDULE OF EMPLOYER PENSION AND OPEB LIABILITY AND CONTRIBUTIONS

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

NOTE 3 CHANGES OF BENEFIT TERMS – PENSION AND OPEB

Pension

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

OPEB

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.

DICKEY COUNTY

Notes to the Required Supplementary Information - Continued

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

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020 valuation:

- The investment return assumption was lowered from 7.50% to 7.00%
- The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation
- The assumed rate of total payroll growth was updated for the July 1, 2020 valuation.
- Mortality table updates were made for the July 1, 2020 valuation.

OPEB

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020 valuation:

- The investment return assumption was lowered from 7.25% to 6.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

NOTE 5 LEGAL COMPLIANCE - BUDGETS**Budget Amendments**

The board of County commissioners amended the budget for 2020 as follows:

Fund	EXPENDITURES		
	Original Budget	Amendment	Amended Budget
Major Funds			
Special Revenue Fund	\$ 4,559,626	\$ 665,167	\$ 5,224,793

Fund	REVENUES		
	Original Budget	Amendment	Amended Budget
Major Funds			
Special Revenue Fund	\$ 3,579,656	\$ 518,545	\$ 4,098,201

DICKEY COUNTYSchedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

CFDA Number	Program Title	Grantor's Number	Expenditures
U.S. DEPARTMENT OF INTERIOR			
15.659	National Wildlife Refuge Fund	N/A	\$ 13,743
	Total U.S. Department of Interior		\$ 13,743
U.S. DEPARTMENT OF VETERANS AFFAIRS			
64.035	Passed through the North Dakota Department of Veterans Affairs Veterans Transportation Program	N/A	\$ 23,293
	Total U.S. Department of Veterans Affairs		\$ 23,293
U.S. DEPARTMENT OF THE TREASURY			
21.019	Passed through the North Dakota Office of State Treasurer Coronavirus Relief Fund	N/A	\$ 226,141
	Total U.S. Department of the Treasury		\$ 226,141
U.S. DEPARTMENT OF JUSTICE			
16.738	Passed Through the States Attorney General's Office Edward Byrne Memorial Justice Assistance Grant Program	18206	\$ 2,108
	Total U.S. Department of Justice		\$ 2,108
U.S. DEPARTMENT OF TRANSPORTATION			
20.205	Passed through the State Department of Transportation Highway Planning and Construction	CMC1104-061	\$ 231,569
	Total U.S. Department of Transportation		\$ 231,569
U.S. DEPARTMENT OF HOMELAND SECURITY:			
97.036	Passed through the State Department Emergency Management: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	4444DR, 4475DR, 4553 DR 4509-DR	\$ 444,410
97.047	Pre-Disaster Mitigation		17,632
	Total U.S. Department of Homeland Security		\$ 462,043
	Total Expenditures of Federal Awards		\$ 958,897
See notes to the Schedule of Expenditures of Federal Awards			

DICKEY COUNTY

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

NOTE 1 BASIS OF PRESENTATION / ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2020. The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County. Expenditures represent only the federally funded portions of the program. County records should be consulted to determine amounts expended or matched from non-federal sources.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the *Uniform Guidance*, wherein certain types of expenditures are allowable or are limited as to reimbursement.

NOTE 3 PASS-THROUGH GRANT NUMBER

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

NOTE 4 INDIRECT COST RATE

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



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

Board of County Commissioners
Dickey County
Ellendale, 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 Dickey County as of and for the years ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Dickey County's basic financial statements, and have issued our report thereon dated August 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dickey County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dickey County's internal control. Accordingly, we do not express an opinion on the effectiveness of Dickey County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been 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 deficiency in internal control, described in the accompanying *schedule of audit findings and questioned costs* as item 2020-001 that we consider to be a significant deficiency.

DICKEY COUNTY

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

Compliance and Other Matters

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

Dickey County's Response to Findings

Dickey County's response to the findings identified in our audit is described in the accompanying *schedule of audit findings and questioned costs*. Dickey County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
August 13, 2021

STATE AUDITOR
Joshua C. Gallion



PHONE
701-328-2241

FAX
701-328-2345

www.nd.gov/auditor

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. Boulevard Ave. Dept. 117
Bismarck, North Dakota, 58505

ndsao@nd.gov

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

Independent Auditor's Report

Board of County Commissioners
Dickey County
Ellendale, North Dakota

Report on Compliance for Each Major Federal Program

We have audited Dickey County's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Dickey County's major federal program for the year ended December 31, 2020. Dickey County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Dickey County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dickey County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Dickey County's compliance.

Opinion on Each Major Federal Program

In our opinion, Dickey County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

DICKEY COUNTY

Report on Compliance for Each Major Federal Program; and Report on Internal Control over Compliance; Required by the Uniform Guidance - Continued

Report on Internal Control Over Compliance

Management of Dickey County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dickey County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dickey County's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
August 13, 2021

DICKEY COUNTY

Summary of Auditor's Results
For the Year Ended December 31, 2020

Financial Statements

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

Internal control over financial reporting

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

Federal Awards

Internal Control Over Major Programs

Material weaknesses identified?	<u> </u> Yes	<u> X </u> None noted
Reportable conditions identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None noted
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with CFR §200.516 (Uniform Guidance) requirements?	<u> </u> Yes	<u> X </u> None noted

Identification of Major Programs

CFDA Number	Name of Federal Program or Cluster
CFDA 97.036	Disaster Grants- Public Assistance

Dollar threshold used to distinguish between Type A and B programs:	<u> \$ 750,000 </u>
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

DICKEY COUNTY

Schedule of Audit Findings and Questioned Costs
For the Year Ended December 31, 2020

SECTION I – FINANCIAL STATEMENT FINDINGS

2020-001 – FRAUD RISK ASSESSMENT – SIGNIFICANT DEFICIENCY

Condition

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

Effect

If Dickey County does not prepare an adequate fraud risk assessment, there is an increased risk of fraudulent financial reporting, asset misappropriation, and corruption.

Cause

Dickey County has limited amount of staff and decided it was not necessary to implement at this date.

Criteria

Fraud risk governance is a key component of entity-wide governance and the internal control environment according to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework principles. This entity wide governance addresses the manner in which the board of directors and management meet their respective obligations to achieve the entities goals in reporting, reliance, and accountability.

Repeat Finding

Yes.

Recommendation

We recommend Dickey County prepare a fraud risk assessment in order to identify areas of concern within entity to appropriately mitigate the risk of fraudulent financial reporting, misappropriation of assets, and corruption.

Dickey County's Response

See Corrective Action Plan

SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

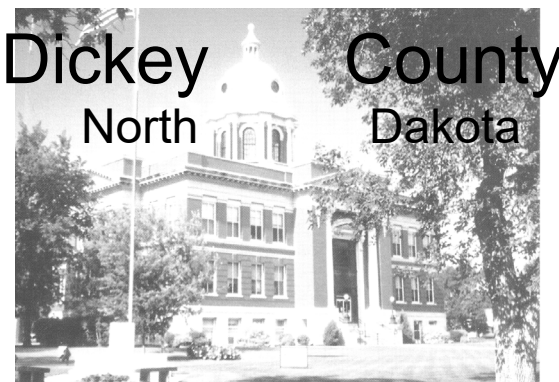
No matters were reported.

DICKEY COUNTY

Management's Corrective Action Plan
For the Year Ended December 31, 2020

County Officers

Wanda Sheppard.....Auditor
Wonada Lematta.....Treasurer
Deb Anderson.....Recorder
Andi Schimke.....Clerk of District Court
Kim Radermacher.....States Attorney
Chris Estes.....Sheriff
Perry Hoven.....Coroner
Daniel D. Narum.....District Judge
Don Flaherty.....Director of Tax Equalization
Dickey County Leader.....Official Newspaper



309 N. SECOND STREET * PO BOX 215
ELLENDALE, NORTH DAKOTA 58436
PHONE: 349-3249

County Commissioners

First District
Joel Hamar.....Ellendale
Second District
Jerry Walsh.....Ellendale
Third District
Dean Simek.....Fullerton
Fourth District
Marke RobertsOakes
Fifth District
John Hokana.....Oakes

TDD: 349-2680
FAX: 349-4639

Date: August 10, 2021
To: Joshua C. Gallion, ND State Auditor
FROM: Wanda Sheppard, County Auditor
RE: Dickey County – 2020 Corrective Action Plan
Contact Person Responsible for Corrective Action Plan: Wanda Sheppard, County Auditor
Section I – Financial Statement Findings:

2020-001 – FRAUD RISK ASSESSMENT – SIGNIFICANT DEFICIENCY

Condition:

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

Corrective Action Plan:

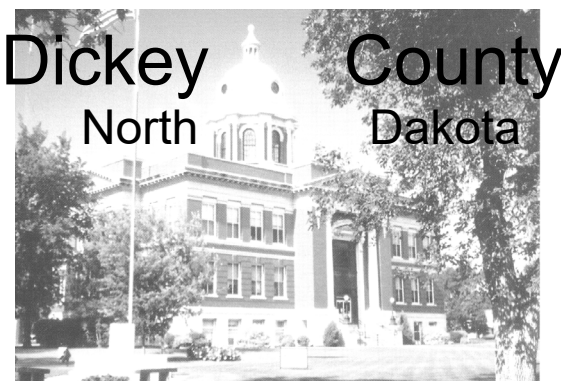
We Agree. A Committee to develop a fraud risk policy has been established.

Anticipated Completion Date:

A fraud risk assessment will be completed at an upcoming commissioner meeting, before the end of fiscal Year 2021.

DICKEY COUNTY
Status of Prior Year Findings
For the Year Ended December 31, 2020

County Officers
Wanda Sheppard.....Auditor
Wonada Lematta.....Treasurer
Deb Anderson.....Recorder
Andi Schimke.....Clerk of District Court
Kim Radermacher.....States Attorney
Chris Estes.....Sheriff
Perry Hoven.....Coroner
Daniel D. Narum.....District Judge
Don Flaherty.....Director of Tax Equalization
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County Commissioners
First District
Joel Hamar.....Ellendale
Second District
Jerry Walsh.....Ellendale
Third District
Dean Simek.....Fullerton
Fourth District
Marke Roberts.....Oakes
Fifth District
John Hokana.....Oakes

TDD: 349-2680
FAX: 349-4639

2019-001 – FINANCIAL STATEMENT PREPARATION – MATERIAL WEAKNESS

Condition:

Dickey County currently prepares portions of the financial statements, including various adjusting entries and accompanying note disclosures, as required by generally accepted accounting principles (GAAP). Thus, management has elected to have the auditors assist in the preparation of the other portions not completed by management of the financial statements and note disclosures.

Recommendation:

We recommend Dickey County consider the additional risk of having the auditors assist in the preparation of the financial statement note disclosures and consider preparing them in the future.

Current Status of Recommendation:

We have not implemented. We prefer the State Auditor's prepare for us.

2019-002 – FRAUD RISK ASSESSMENT – MATERIAL WEAKNESS

Condition:

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

Recommendation:

We recommend Dickey County prepare a fraud risk assessment in order to identify areas of concern within entity to appropriately mitigate the risk of fraudulent financial reporting, misappropriation of assets, and corruption.

Current Status of Recommendation:

We have not completely implemented. We will continue working on the risk assessment in the future.

STATE AUDITOR
Joshua C. Gallion



PHONE
701-328-2241

FAX
701-328-2345

www.nd.gov/auditor

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. Boulevard Ave. Dept. 117
Bismarck, North Dakota, 58505

ndsao@nd.gov

GOVERNANCE COMMUNICATION

Board of County Commissioners
Dickey County
Ellendale, North Dakota

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Dickey County, North Dakota, and the respective changes in financial position for the years ended December 31, 2020 which collectively comprise Dickey County's basic financial statements, and have issued our report thereon dated August 13, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America, Government Auditing Standards

As stated in our engagement letter dated April 30, 2021, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the basic financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, or fraud may exist and not be detected by us. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

In planning and performing our audit, we considered Dickey County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the effectiveness of internal control over financial reporting.

As part of obtaining reasonable assurance about whether Dickey 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 and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the Dickey County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal programs for the purpose of expressing an opinion on the Dickey County's compliance with those requirements over the major federal programs. While our audit provides a reasonable basis for our opinion over compliance for the major federal programs, it does not provide a legal determination on the Dickey County's compliance with those requirements.

Significant Accounting Policies/Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Dickey County are described in Note 1 to the financial statements. Application of existing policies was not changed during the years ended December 31, 2020. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements presented by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is useful lives of capital assets.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and report them to the appropriate level of management. Management has corrected all such misstatements. The schedules below list all misstatements detected as a result of audit procedures that were corrected by management.

	Client Provided Adjustments		Audit Adjustments		Total Adjustment	
	Debit	Credit	Debit	Credit	Debit	Credit
COUNTY - PRIMARY GOVERNMENT						
Governmental Fund Adjustments						
<u>To record client provided adjustments</u>						
Accounts Receivable	18,665	-	-	-	18,665	-
Intergovernmental Receivable	246,862	-	-	-	246,862	-
Expenditures	114,297	-	-	-	114,297	-
Revenue	-	265,527	-	-	-	265,527
Salaries and Benefits Payable	-	12,344	-	-	-	12,344
Accounts Payable	-	101,953	-	-	-	101,953
<u>To record grants received in advance</u>						
Revenue	-	-	44,287	-	44,287	-
Grants Received in Advance	-	-	-	44,287	-	44,287
COMPONENT UNIT - WATER RESOURCE DISTRICT						
Governmental Fund Adjustments						
<u>To record client provided adjustments</u>						
Accounts Receivable	-	-	-	-	-	-
Intergovernmental Receivable	316	-	-	-	316	-
Expenditures	2,552	-	-	-	2,552	-
Revenue	-	316	-	-	-	316
Salaries Payable	-	581	-	-	-	581
Accounts Payable	-	1,971	-	-	-	1,971
<u>To record grants received in advance</u>						
Revenue	-	-	36,967	-	36,967	-
Taxes Received in Advance	-	-	-	36,967	-	36,967
COMPONENT UNIT - HEALTH DISTRICT						
Governmental Fund Adjustments						
<u>To record client provided adjustments</u>						
Intergovernmental Receivable	111,605	-	-	-	111,605	-
Accounts Receivable	25,428	-	-	-	25,428	-
Expenditures	259	-	-	-	259	-
Revenue	-	137,033	-	-	-	137,033
Salaries Payable	-	259	-	-	-	259
<u>To record grants received in advance</u>						
Revenue	22,362	-	-	-	22,362	-
Grants Received in Advance	-	22,362	-	-	-	22,362
COMPONENT UNIT - JOB DEVELOPMENT AUTHORITY						
Governmental Fund Adjustments						
<u>To record client provided adjustments</u>						
Accounts Receivable	103	-	-	-	103	-
Revenue	-	103	-	-	-	103

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, or reporting matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 13, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Difficulties Encountered in Performing the Audit

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

Other Audit Findings or Issues

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

This information is intended solely for the use of the Board of County Commissioners and management of Dickey County, is not intended to be, and should not be used for any other purpose. We would be happy to meet with you and any member of your staff to discuss any of the items in this letter in more detail if you so desire.

Thank you and the employees of Dickey County for the courteous and friendly assistance we received during the course of our audit. It is a pleasure for us to be able to serve Dickey County.

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
August 13, 2021



Office of the
State Auditor

NORTH DAKOTA STATE AUDITOR
JOSHUA C. GALLION

NORTH DAKOTA STATE AUDITOR'S OFFICE

600 E. Boulevard Ave. Dept. 117 | Bismarck, North Dakota 58505