

WARD COUNTY

**FINANCIAL STATEMENTS
DECEMBER 31, 2020**

WITH INDEPENDENT AUDITOR'S REPORT

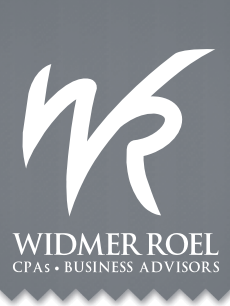
WARD COUNTY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Page(s)</u>
County Officials	1
Independent Auditor's Report	2 - 4
 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 Balance - Governmental Funds	9
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	10-11
Statement of Fiduciary Net Position	12
Statement of Changes in Fiduciary Net Position	13
Notes to Financial Statements	14-36
 REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer's Share of Net Pension and OPEB Liability	37
Schedule of Employer Contributions	38
Budgetary Comparison Schedule - General Fund	39
Budgetary Comparison Schedule - Special Revenue Fund	40
Notes to Required Supplementary Information	41-42
 SUPPLEMENTARY INFORMATION	
Schedule of Fund Activity Arising from Cash Transactions	43-46

WARD COUNTY
COUNTY OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2020

Current

John Fjeldahl	Commissioner-Chairperson
Jim Rostad	Commissioner-Vice Chair
Howard Anderson	Commissioner
Shelly Wepler	Commissioner
John Pietsch	Commissioner
Marisa Haman	Auditor/Treasurer
Robert Roed	Sheriff
Kristin Kowalczyk	County Recorder
Rozanna Larson	States Attorney



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INDEPENDENT AUDITOR'S REPORT

County Commission
Ward County
Minot, North Dakota

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Ward County** (County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the 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 did not audit the financial statements of the Ward County Water Resource District, which represent 4 percent, 4 percent, and 3 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Water Resource District, is based solely on the report of the other auditors. 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Ward County**, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Employer's Share of Net Pension and OPEB Liability, Schedule of Employer Contributions, Budgetary Comparison Schedule - General Fund, Budgetary Comparison Schedule - Special Revenue Funds, 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 requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The County officials listing and schedule of fund activity arising from cash transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements. The County officials listing has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The schedule of fund activity arising from cash transactions is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 fund activity arising from cash transactions is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2021, on our consideration of the **Ward County's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Ward County's** internal control over financial reporting and compliance.



Fargo, North Dakota
August 30, 2021

WARD COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Primary</u> <u>Government</u>	<u>Component Units</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Water Resource</u> <u>District</u>	<u>Weather</u> <u>Modification</u>
ASSETS			
Cash and investments	\$ 20,280,053	\$ 877,405	\$ -
Investments	-	1,042,680	-
Intergovernmental receivable	309,263	-	-
Taxes receivable	493,431	35,960	-
Special assessments receivable	-	1,621	-
Uncertified special assessments receivable	-	2,036,818	-
Due from county treasurer	-	9,043	-
Capital assets, not being depreciated			
Land	698,100	113,800	-
Capital assets, net of accumulated depreciation			
Infrastructure	99,328,081	3,200,675	-
Buildings	63,227,322	-	-
Machinery, vehicles, & equipment	5,492,435	-	-
Total assets	<u>189,828,685</u>	<u>7,318,002</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions and OPEB	<u>22,213,431</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 212,042,116</u>	<u>\$ 7,318,002</u>	<u>\$ -</u>
LIABILITIES			
Interest payable	\$ 319,438	\$ 14,367	\$ -
Long-term liabilities			
Portion due or payable within one year			
Compensated absences payable	180,831	-	-
Bond payable	5,400,000	115,000	-
Portion due or payable after one year			
Compensated absences	871,950	-	-
Bond payable	19,995,000	2,040,000	-
Bond premium	1,578,838	-	-
Net pension and OPEB liability	35,763,251	-	-
Total liabilities	<u>64,109,308</u>	<u>2,169,367</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions and OPEB	<u>5,738,140</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	141,772,100	1,159,475	-
Restricted for			
Debt services	5,971,422	2,467,924	-
Special reserve	4,497,397	1,521,236	-
Capital projects	913,151	-	-
Unrestricted	<u>(10,959,402)</u>	<u>-</u>	<u>-</u>
Total net position	<u>142,194,668</u>	<u>5,148,635</u>	<u>-</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 212,042,116</u>	<u>\$ 7,318,002</u>	<u>\$ -</u>

WARD COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues			Primary Government	Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Water Resource District	Weather Modification
Primary Government:							
Governmental Activities:							
General government	\$ 8,583,345	\$ 562,243	\$ 62,341	\$ -	\$ (7,958,761)	\$ -	\$ -
Public safety	15,273,020	1,585,677	1,701,367	-	(11,985,976)	-	-
Highways and public improvement	4,338,669	96,440	4,333,848	-	91,619	-	-
Health and welfare	6,153,188	2,428,130	283,967	-	(3,441,091)	-	-
Culture and recreation	2,119,182	5,331	34,959	-	(2,078,892)	-	-
Conservation and economic development	434,814	-	-	-	(434,814)	-	-
Other	277,536	-	-	-	(277,536)	-	-
Total governmental activities	<u>\$ 37,179,754</u>	<u>\$ 4,677,821</u>	<u>\$ 6,416,482</u>	<u>\$ -</u>	<u>(26,085,451)</u>	<u>-</u>	<u>-</u>
Component Units:							
Water resource district	\$ 2,549,761	\$ 8,208	\$ 709,434	\$ -	-	(1,832,119)	-
Weather modification	110,327	-	-	-	-	-	(110,327)
Total component units	<u>\$ 2,660,088</u>	<u>\$ 8,208</u>	<u>\$ 709,434</u>	<u>\$ -</u>	<u>-</u>	<u>(1,832,119)</u>	<u>(110,327)</u>
GENERAL REVENUES							
					15,476,531	902,627	49,497
					7,527,948	-	-
					5,979,097	-	-
					4,514,820	34,290	1,495
				Total general revenues	<u>33,498,396</u>	<u>936,917</u>	<u>50,992</u>
				Change in net position	7,412,945	(895,202)	(59,335)
				Net position - January 1	134,781,723	6,141,781	59,335
				Prior period adjustment	-	(97,944)	-
				Net position - January 1 as restated	<u>-</u>	<u>6,043,837</u>	<u>-</u>
				Net position - December 31	<u>\$ 142,194,668</u>	<u>\$ 5,148,635</u>	<u>\$ -</u>

See Notes to Financial Statements

WARD COUNTY
BALANCE SHEET - GOVERNMENT FUNDS
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Government Funds</u>
ASSETS					
Cash and investments	\$ 8,950,988	\$ 4,444,491	\$ 5,971,422	\$ 913,151	\$ 20,280,052
Intergovernmental receivable	309,264	-	-	-	309,264
Taxes receivable	<u>455,655</u>	<u>37,776</u>	<u>-</u>	<u>-</u>	<u>493,431</u>
Total assets	<u>\$ 9,715,907</u>	<u>\$ 4,482,267</u>	<u>\$ 5,971,422</u>	<u>\$ 913,151</u>	<u>\$ 21,082,747</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred tax revenue	<u>455,655</u>	<u>37,776</u>	<u>-</u>	<u>-</u>	<u>493,431</u>
Total liabilities and deferred inflows of resources	<u>455,655</u>	<u>37,776</u>	<u>-</u>	<u>-</u>	<u>493,431</u>
FUND BALANCES					
Restricted for					
Public safety/911	-	1,481,653	-	-	1,481,653
Highway and public improvement	-	1,692,180	-	-	1,692,180
Health and welfare	-	1,074,643	-	-	1,074,643
Culture and recreation	-	-	-	-	-
Conservation and economic development	-	248,921	-	-	248,921
Other	-	-	-	-	-
Capital project	-	-	-	913,151	913,151
Debt service	-	-	5,971,422	-	5,971,422
Unassigned	<u>9,260,252</u>	<u>(52,906)</u>	<u>-</u>	<u>-</u>	<u>9,207,346</u>
Total fund balances	<u>9,260,252</u>	<u>4,444,491</u>	<u>5,971,422</u>	<u>913,151</u>	<u>20,589,316</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,715,907</u>	<u>\$ 4,482,267</u>	<u>\$ 5,971,422</u>	<u>\$ 913,151</u>	<u>\$ 21,082,747</u>

WARD COUNTY
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total fund balances for governmental funds		\$ 20,589,316
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.</p>		
Cost of capital assets	250,982,158	
Less accumulated depreciation	<u>(82,236,220)</u>	168,745,938
<p>Property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.</p>		
		493,431
<p>Net pension and OPEB obligations are not due and payable in the current period, and therefore are not reported in the governmental funds.</p>		
		(35,763,251)
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Total deferred outflows of resources	22,213,431	
Total deferred inflows of resources	<u>(5,738,140)</u>	16,475,291
<p>Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Compensated absences payable	(1,052,781)	
Bonds payable	(25,395,000)	
Unamortized bond premium	(1,578,838)	
Interest payable	<u>(319,438)</u>	<u>(28,346,057)</u>
Total net position of governmental activities		\$ <u><u>142,194,668</u></u>

WARD COUNTY
GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Total Government Funds</u>
REVENUES					
Taxes	\$ 10,394,287	\$ 4,460,466	\$ 7,525,082	\$ 38,209	\$ 22,418,044
Licenses, permits and fees	575,894	1,652,991	-	-	2,228,885
Intergovernmental	6,310,797	10,123,093	-	-	16,433,890
Charges and services	1,553,535	32,141	-	-	1,585,676
Miscellaneous	821,217	475,434	1,373,098	3,650	2,673,399
	<u>19,655,730</u>	<u>16,744,125</u>	<u>8,898,180</u>	<u>41,859</u>	<u>45,339,894</u>
EXPENDITURES					
Current					
General government	8,130,122	-	-	-	8,130,122
Public safety/911	9,996,122	2,506,344	-	-	12,502,466
Highway and public improvement	-	11,597,433	-	-	11,597,433
Health and welfare	409,060	5,730,707	-	-	6,139,767
Culture and recreation	181,419	374,406	-	-	555,825
Conservation and economic development	-	333,246	-	-	333,246
Other	183,815	(15,000)	104,079	-	272,894
Debt service:					
Principal	-	-	26,847,161	-	26,847,161
Interest and fees	-	-	1,084,050	-	1,084,050
	<u>18,900,538</u>	<u>20,527,136</u>	<u>28,035,290</u>	<u>-</u>	<u>67,462,964</u>
Excess (deficiency) of revenues over expenditures	<u>755,192</u>	<u>(3,783,011)</u>	<u>(19,137,110)</u>	<u>41,859</u>	<u>(22,123,070)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	54,734	9,567,964	-	-	9,622,698
Issuance of debt	-	-	19,486,763	-	19,486,763
Transfers out	(9,920)	(9,612,778)	-	-	(9,622,698)
	<u>44,814</u>	<u>(44,814)</u>	<u>19,486,763</u>	<u>-</u>	<u>19,486,763</u>
Net change in fund balances	<u>800,006</u>	<u>(3,827,825)</u>	<u>349,653</u>	<u>41,859</u>	<u>(2,636,307)</u>
FUND BALANCES - JANUARY 1	<u>8,460,246</u>	<u>8,272,316</u>	<u>5,621,769</u>	<u>871,292</u>	<u>23,225,623</u>
FUND BALANCES - DECEMBER 31	<u>\$ 9,260,252</u>	<u>\$ 4,444,491</u>	<u>\$ 5,971,422</u>	<u>\$ 913,151</u>	<u>\$ 20,589,316</u>

WARD COUNTY

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances - total governmental funds \$ (2,636,307)

Amount reported for governmental activities in the statement of activities are different because:

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

Current year capital outlay	13,574,115	
Depreciation expense	<u>(5,455,012)</u>	
		8,119,103

In the statement of activities, only the loss on the sale or disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or disposed.

Retired assets	(997,188)	
Accumulated depreciation on retired assets	<u>617,796</u>	
		(379,392)

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

Debt payments	26,555,000	
Debt proceeds	<u>(18,135,000)</u>	
		8,420,000

Governmental funds report the effect of premiums on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities. 139,443

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

Net increase in compensated absences	(195,713)	
Net increase in interest payable	<u>(16,825)</u>	
		(212,538)

WARD COUNTY

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Increase in net pension and OPEB liability	(22,209,219)	
Increase in deferred outflows of resources	14,918,075	
Decrease in deferred inflows of resources	<u>1,621,584</u>	
		(5,669,560)

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

Net decrease in taxes receivable		<u>(367,804)</u>
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Change in net position of governmental activities **\$ 7,412,945**

WARD COUNTY
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ <u>29,538,596</u>
LIABILITIES	
Due to other governments	\$ <u>29,538,596</u>

WARD COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2020

	<u>Agency Fund</u>
Additions	
Contributions	\$ 93,816,719
Transfers in	<u>-</u>
Total additions	<u>93,816,719</u>
Deductions	
Disbursements	84,461,796
Transfers out	<u>7,000</u>
Total deductions	<u>84,468,796</u>
Change in net position	<u>9,347,923</u>
Net position - January 1	<u>20,190,673</u>
Net position - December 31	<u><u>\$ 29,538,596</u></u>

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

Discretely Presented Component Units

The component units’ columns in the basic financial statements include the financial data of the County’s two component units. These units are reported in separate columns to emphasize that they are legally separate from the County.

Ward County Water Resource District

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

Ward County Weather Modification Authority

The Ward County Modification Authority’s governing board is appointed by the County’s governing board. The County’s governing body has the authority to disapprove, amend, or approve the weather modification authority budget. The weather modification authority has the authority to issue its own debt. The commission ceased operations in 2020.

The financial statements of each of the two discretely presented component units are presented in the basic financial statements. Additional information may be obtained from the Ward County Auditor/Treasurer; 225 3rd Street SE; Minot, ND 58701.

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Basis of Presentation

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

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

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

The County reports the following major governmental funds:

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

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

Debt Service Fund: This fund is used to account for the accumulation of resources for, and the payment of principal, interest and related costs for the general obligation and sales tax revenue bonds.

Capital Projects Fund: This fund accounts for financial resources dedicated to the construction of new buildings, additions to old buildings, or the making of major repairs to existing buildings.

The County reports the following fund type:

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

Cash and Investments

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

Capital Assets

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

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

Infrastructure	50 to 70 years
Buildings	50 to 100 years
Machinery, Vehicles, & Equipment	10 years

Interest Payable

Interest payable consists of interest on long-term liabilities accrued to December 31, 2020.

Compensated Absences

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

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See additional information regarding this item in Notes 10 and 11 to the financial statements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to pensions and other post-employment benefits. See additional information regarding this item in Notes 10 and 11 to the financial statements.

Long-Term Obligations

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

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

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”); additions to/deductions from NDPERS’ fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

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

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Fund Equity

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

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

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

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

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

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

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

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

1. Committed
2. Assigned
3. Unassigned

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

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Interfund Transactions

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

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

Use of Estimates

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

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

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

At year ended December 31, 2020, the County's carrying amount of deposits was \$49,818,649 and the bank balances were \$46,284,650. Of the bank balance, \$500,000 was covered by Federal Depository Insurance. The remaining balance of \$45,784,650 was collateralized with securities held by the pledging financial institution's agent in the government's name.

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Credit Risk

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

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

At December 31, 2020 the County held certificates of deposit in the amount of \$515,000 which are all considered deposits.

Concentration of Credit Risk

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

NOTE 3 – TAXES RECEIVABLE

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

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

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

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

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 – CAPITAL ASSETS

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

Primary Government:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 698,100	\$ -	\$ -	\$ 698,100
Capital assets, being depreciated				
Infrastructure	153,939,033	10,407,600	-	164,346,633
Buildings	70,927,320	1,686,601	-	72,613,921
Machinery, vehicles, & equipment	<u>12,840,778</u>	<u>1,479,914</u>	<u>997,188</u>	<u>13,323,504</u>
Total capital assets, being depreciated	<u>237,707,131</u>	<u>13,574,115</u>	<u>997,188</u>	<u>250,284,058</u>
Less accumulated depreciation for				
Infrastructure	61,824,760	3,193,792	-	65,018,552
Buildings	8,350,951	1,035,648	-	9,386,599
Machinery, vehicles, & equipment	<u>7,223,293</u>	<u>1,225,572</u>	<u>617,796</u>	<u>7,831,069</u>
Total accumulated depreciation	<u>77,399,004</u>	<u>5,455,012</u>	<u>617,796</u>	<u>82,236,220</u>
Total capital assets, being depreciated, net	<u>160,308,127</u>	<u>8,119,103</u>	<u>379,392</u>	<u>168,047,838</u>
Governmental activities capital assets, net	\$ <u>161,006,227</u>	\$ <u>8,119,103</u>	\$ <u>379,392</u>	\$ <u>168,745,938</u>

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

General government	\$ 453,224
Public safety	771,263
Highways and public improvement	4,188,458
Health and welfare	13,421
Culture and recreation	24,920
Conservation and economic development	<u>3,726</u>
	\$ <u>5,455,012</u>

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Component Unit:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 113,800	\$ -	\$ -	\$ 113,800
Capital assets, being depreciated				
Infrastructure	3,847,742	-	-	3,847,742
Less accumulated depreciation for				
Infrastructure	566,301	80,766	-	647,067
Total capital assets, being depreciated, net	3,281,441	(80,766)	-	3,200,675
Component unit capital assets, net	\$ 3,395,241	\$ (80,766)	\$ -	\$ 3,314,475

Depreciation expense was charged to functions/programs of the water resource district as follows:

Public works	\$ 80,766
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NOTE 5 – LONG-TERM DEBT

Primary Government:

Changes in Long-Term Liabilities

During the year ended December 31, 2020, the following changes occurred in liabilities reported in the long-term liabilities – Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 18,875,000	\$ -	\$ 11,615,000	\$ 7,260,000	\$ -
Sales tax revenue bonds	14,940,000	18,135,000	14,940,000	18,135,000	5,400,000
Bond premium	1,718,281	1,351,763	1,491,206	1,578,838	-
Compensated absences	857,068	195,713	-	1,052,781	180,831
Net pension liability	12,579,412	22,204,871	-	34,784,283	-
Net OPEB liability	974,620	4,348	-	978,968	-
Total	\$ 49,944,381	\$ 41,891,695	\$ 28,046,206	\$ 63,789,870	\$ 5,580,831

(Continued)

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Outstanding debt at December 31, 2020 consists of the following:

General Obligation Debt

General obligation debt is a direct obligation and pledges the full faith and credit of the government. General obligation debt outstanding at December 31, 2020 is as follows:

\$7,260,000 General Obligation Correction Center Bonds. Series 2017A due in annual installments of \$1,030,000 to \$3,175,000 from April 1, 2024 through April 1, 2026; interest at 4%.	\$ <u>7,260,000</u>
Total general obligation bonds	\$ <u><u>7,260,000</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December, 31	Principal	Interest	Total
2021	\$ -	\$ 290,400	\$ 290,400
2022	-	290,400	290,400
2023	-	290,400	290,400
2024	3,055,000	229,300	3,284,300
2025-2026	<u>4,205,000</u>	<u>125,300</u>	<u>4,330,300</u>
	<u>\$ 7,260,000</u>	<u>\$ 1,225,800</u>	<u>\$ 8,485,800</u>

Revenue Bond Debt

The County has issued revenue bonds to provide funds for the construction of new courthouse building. Revenue bonds outstanding at December 31, 2020 are as follows:

\$18,135,000 Limited Tax Refunding Bonds, Series 2020 due in annual installments of \$1,835,000 to \$5,600,000 through April 1, 2024; interest at 5%.	\$ <u>18,135,000</u>
Total revenue bonds	\$ <u><u>18,135,000</u></u>

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Annual debt service requirements to maturity for revenue bond debt are as follows:

<u>Year Ending December, 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 5,400,000	\$ 812,050	\$ 6,212,050
2022	5,300,000	504,250	5,804,250
2023	5,600,000	231,750	5,831,750
2024	<u>1,835,000</u>	<u>45,875</u>	<u>1,880,875</u>
	<u>\$ 18,135,000</u>	<u>\$ 1,593,925</u>	<u>\$ 19,728,925</u>

County Debt Refunding

On September 15, 2020, the County issued \$18,135,000 of Limited Tax Refunding Bonds, Series 2020 to advance refund the Sales Tax Revenue Bonds, Series 2013, which carried an outstanding balance of \$11,128,050 at the date of refunding, and the General Obligation Bonds, Series 2015, which carried an outstanding balance of \$8,646,925 at the date of refunding. The total net proceeds of the bonds of \$19,564,980, after \$1,641,810 in bond premiums, \$210,417 in bond issuance costs, and \$1,413 in contingency, were used immediately in a direct refunding of the 2013 and 2015 bonds.

The County's total debt service payments will be reduced by \$701,000 over the life of the bonds. The economic gain on the debt refunding was \$735,855.

Component Units:

Changes in Long-Term Liabilities

During the year ended December 31, 2020, the following changes occurred in liabilities reported in the long-term liabilities.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Special assessment bonds	\$ <u>2,315,000</u>	\$ <u>-</u>	\$ <u>160,000</u>	\$ <u>2,155,000</u>	\$ <u>115,000</u>

Outstanding debt at December 31, 2020 consists of the following:

\$2,546,106 Sanitary Sewer System Improvement Bonds, Series 2016 due in annual installments of \$110,000 to \$165,000 through September 1, 2036; interest at 2%.	\$ <u>2,155,000</u>
Total special assessment bonds	\$ <u>2,155,000</u>

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Special Assessment Debt

The water resource district has issued special assessment bonds to provide funds for the construction of the Nedrose sanitary sewer. Special assessment bonds outstanding at December 31, 2020, are as follows:

Annual debt service requirements to maturity for special assessment bonds are as follows:

<u>Year Ending December, 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 115,000	\$ 43,100	\$ 158,100
2022	115,000	40,800	155,800
2023	120,000	38,500	158,500
2024	125,000	36,100	161,100
2025	125,000	33,600	158,600
2026-2030	685,000	128,800	813,800
2031-2035	770,000	57,000	827,000
2036-2039	100,000	2,000	102,000
	<u>\$ 2,155,000</u>	<u>\$ 379,900</u>	<u>\$ 2,534,900</u>

NOTE 6 – TRANSFERS

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2020:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 54,734	\$ 9,920
Special revenue funds		
911 depreciation	135,000	-
911 wired/wireless	-	135,000
Highway	8,109,920	-
Highway users	-	8,100,000
Social welfare	1,323,044	-
Human service	-	1,377,778
	<u>\$ 9,622,698</u>	<u>\$ 9,622,698</u>

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 – DEFICIT FUND BALANCES

The following funds had a deficit balance as of December 31, 2020:

<u>Special Revenue Funds</u>	
Library	\$ (21,494)
CDBG projects	<u>(31,412)</u>
Total	\$ <u><u>(52,906)</u></u>

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

NOTE 8 – RISK MANAGEMENT

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

In 1986, the state agencies and political subdivisions of the state of North Dakota joined together to form the North Dakota Insurance Reserve Fund (“NDIRF”), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The County pays an annual premium to NDIRF for its general liability, automobile, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability and automobile; and \$6,854,966 for public assets.

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

The County has worker’s compensation with the Department of Workforce Safety and Insurance, and purchases commercial insurance for employee health and accident insurance.

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

NOTE 9 – CONTINGENT LIABILITIES

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

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 – PENSION PLANS

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

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to North Dakota Century Code (“NDCC”) Chapter 54-52 for more complete information.

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

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

Main System

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016, the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% 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.

Law Enforcement System

Benefits are set by statute. The Law Enforcement System has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Law Enforcement System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (55) with three or more years of service. The monthly pension benefit is equal to 2.00% 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 first enrolled in the plan after December 31, 2019 the multiplier was reduced from 2.0% to 1.75%. The plan permits early retirement at ages 50-55 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.

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

Refunds of Member Account Balance

Main System

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

Law Enforcement System

Upon termination, if a member of the Law Enforcement System is not vested (is not 55 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member is terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Main System

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% 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.

Law Enforcement System

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

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Plan	Member contribution rate	Employer contribution rate
Law Enforcement with previous service		
Political Subdivisions	5.50%	9.81%
State	6.00%	9.81%
National Guard	5.50%	9.81%
Law Enforcement without previous service	5.50%	7.93%

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 County reported a liability for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019, 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 the share of covered payroll in the Main System and the Law Enforcement System pension plan relative to the covered payroll of all participating employers.

The table shows the net pension liability and the proportionate share for each system:

	<u>Net Pension Liability</u>	<u>Proportion Share</u>	<u>Change in Proportion Share</u>
Main System	\$ 29,548,345	0.939929%	-0.052244%
Law Enforcement System	\$ 5,235,938	7.987957%	-0.003631%

For the year ended December 31, 2020, the County recognized pension expense as follows:

	<u>Pension Expense</u>
Main System	\$ 5,220,296
Law Enforcement System	\$ 1,012,109

* Note that the Main System and the Law Enforcement System are two separate plans under NDPERS.

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Main System

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 114,991	\$ 1,497,242
Changes of assumptions	15,839,778	2,618,707
Net difference between projected and actual earnings on pension plan investments	953,671	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	232,688	684,627
County contributions subsequent to the measurement date	<u>380,262</u>	<u>-</u>
	<u>\$ 17,521,390</u>	<u>\$ 4,800,576</u>

Law Enforcement

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 112,334	\$ 89,629
Changes of assumptions	3,907,632	540,194
Net difference between projected and actual earnings on pension plan investments	195,789	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,850	229,432
County contributions subsequent to the measurement date	<u>200,278</u>	<u>-</u>
	<u>\$ 4,423,883</u>	<u>\$ 859,255</u>

(Continued)

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

The contributions subsequent to the measurement date for the primary government and its component units will be recognized as a reduction of the net pension liability in the year ended December 31, 2021.

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

Main System

Year Ended June 30:		
2021	\$	3,789,375
2022		3,167,676
2023		2,496,109
2024		2,887,392

Law Enforcement System

Year Ended June 30:		
2021	\$	757,909
2022		709,769
2023		571,255
2024		547,373
2025		685,382
Thereafter		92,662

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.

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:

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	30%	6.30%
International equity	21%	6.85%
Private equity	7%	9.75%
Domestic fixed income	23%	1.25%
Global real assets	19%	5.01%

Discount Rate

For NDPERS, 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 NDPERS 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 SDR is 4.64%.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 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:

Main System

	<u>1% Decrease (3.64%)</u>	<u>Current Discount Rate (4.64%)</u>	<u>1% Increase (5.64%)</u>
District's proportionate share of net pension liability	\$ <u>38,336,760</u>	\$ <u>29,548,345</u>	\$ <u>22,357,281</u>

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Law Enforcement System

	1% Decrease (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
District's proportionate share of net pension liability	\$ <u>7,398,008</u>	\$ <u>5,235,938</u>	\$ <u>3,526,483</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report. Additional financial and actuarial information is available on their website, www.nd.gov/ndpers, or may be obtained by contacting the agency at: North Dakota Public Employees Retirement System, 400 E Broadway Ave Suite 505, P.O. Box 1657, Bismarck, ND, 58502-1657 or by calling (701) 328-3900.

NOTE 11 – OPEB PLANS

North Dakota Public Employees Retirement System

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

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

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

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

OPEB Benefits

The employer contribution for the NDPERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. 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 ("RHIC"). Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "prefunded credit applied" on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

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

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

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

At December 31, 2020, the County reported a liability of \$978,968 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on the Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2020, the County's proportion was 1.163779 percent, which was a decrease of 0.049661 from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the County recognized OPEB expense of \$133,700. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,740	\$ 23,471
Changes of assumptions	131,261	-
Net difference between projected and actual earnings on pension plan investments	33,665	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,720	54,838
County contributions subsequent to the measurement date	<u>76,772</u>	<u>-</u>
	<u>\$ 268,158</u>	<u>\$ 78,309</u>

\$76,772 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021.

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

Year Ended June 30:		
2021	\$	24,321
2022		33,022
2023		31,425
2024		21,003
2025		3,740
2026		(434)
Thereafter		-

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 of return	6.50%, net of investment expenses
Cost-of-living adjustments	None

WARD COUNTY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

For active members, inactive members and healthy retirees, mortality rates were based on the Mortality Pub-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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large cap domestic equities	33%	6.10%
Small cap domestic equities	6%	7.00%
International equities	21%	6.45%
Core-plus 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.

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:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of net pension liability	\$ <u>1,283,939</u>	\$ <u>978,968</u>	\$ <u>721,075</u>

WARD COUNTY

**REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

WARD COUNTY

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

<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
ND PERS - Main System	6/30/2020	0.939229%	\$ 29,548,345	\$ 10,360,833	285.19%	48.91%
ND PERS - Main System	6/30/2019	0.992173%	\$ 11,628,985	\$ 10,320,290	112.68%	71.66%
ND PERS - Main System	6/30/2018	1.015218%	\$ 17,132,911	\$ 10,429,512	164.27%	62.80%
ND PERS - Main System	6/30/2017	0.998332%	\$ 16,046,472	\$ 10,191,403	157.45%	61.98%
ND PERS - Main System	6/30/2016	0.936847%	\$ 9,130,487	\$ 9,441,211	96.71%	70.46%
ND PERS - Main System	6/30/2015	0.913962%	\$ 6,214,786	\$ 8,142,296	76.33%	77.15%
ND PERS - Main System	6/30/2014	0.946207%	\$ 6,005,778	\$ 7,970,652	75.35%	77.70%
ND PERS - Law Enforcement	6/30/2020	7.987957%	\$ 5,235,938	\$ 3,625,242	144.43%	53.12%
ND PERS - Law Enforcement	6/30/2019	7.991588%	\$ 950,427	\$ 3,219,967	29.52%	84.95%
ND PERS - Law Enforcement	6/30/2018	10.183491%	\$ 2,373,185	\$ 3,515,450	67.51%	71.64%
ND PERS - Law Enforcement	6/30/2017	11.462062%	\$ 2,523,509	\$ 3,297,140	76.54%	69.86%
ND PERS - Law Enforcement	6/30/2016	11.286701%	\$ 1,293,281	\$ 3,185,768	40.60%	78.73%
ND PERS - Law Enforcement	6/30/2015	14.574460%	\$ 885,474	\$ 2,136,098	41.45%	83.61%
ND PERS - Law Enforcement	6/30/2014	16.688576%	\$ 1,032,479	\$ 2,181,867	47.32%	80.56%

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

<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
OPEB	6/30/2020	1.163779%	\$ 978,968	\$ 13,266,742	7.38%	63.38%
OPEB	6/30/2019	1.213440%	\$ 974,620	\$ 13,540,257	7.20%	63.13%
OPEB	6/30/2018	1.274424%	\$ 1,003,696	\$ 13,944,962	7.20%	61.89%
OPEB	6/30/2017	1.246814%	\$ 986,243	\$ 13,488,543	7.31%	59.78%

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

WARD COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS*

<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
ND PERS - Main System	6/30/2020	\$ 733,637	\$ (822,460)	\$ (88,823)	\$ 10,360,833	7.94%
ND PERS - Main System	6/30/2019	\$ 734,805	\$ (734,805)	\$ -	\$ 10,320,290	7.12%
ND PERS - Main System	6/30/2018	\$ 742,581	\$ (742,581)	\$ -	\$ 10,429,512	7.12%
ND PERS - Main System	6/30/2017	\$ 725,628	\$ (725,628)	\$ -	\$ 10,191,403	7.12%
ND PERS - Main System	6/30/2016	\$ 672,214	\$ (672,214)	\$ -	\$ 9,441,211	7.12%
ND PERS - Main System	6/30/2015	\$ 579,731	\$ (579,731)	\$ -	\$ 8,142,296	7.12%
ND PERS - Main System	6/30/2014	\$ 567,510	\$ (567,510)	\$ -	\$ 7,970,652	7.12%
ND PERS - Law Enforcement	6/30/2020	\$ 387,037	\$ (386,310)	\$ 727	\$ 3,625,242	10.66%
ND PERS - Law Enforcement	6/30/2019	\$ 315,879	\$ (315,879)	\$ -	\$ 3,219,967	9.81%
ND PERS - Law Enforcement	6/30/2018	\$ 344,866	\$ (344,866)	\$ -	\$ 3,515,450	9.81%
ND PERS - Law Enforcement	6/30/2017	\$ 323,449	\$ (323,449)	\$ -	\$ 3,297,140	9.81%
ND PERS - Law Enforcement	6/30/2016	\$ 312,524	\$ (312,524)	\$ -	\$ 3,185,768	9.81%
ND PERS - Law Enforcement	6/30/2015	\$ 209,551	\$ (209,551)	\$ -	\$ 2,136,098	9.81%
ND PERS - Law Enforcement	6/30/2014	\$ 214,041	\$ (214,041)	\$ -	\$ 2,181,867	9.81%

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

<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
OPEB	6/30/2020	\$ 155,856	\$ (174,049)	\$ (18,193)	\$ 13,266,742	1.31%
OPEB	6/30/2019	\$ 154,359	\$ (154,359)	\$ -	\$ 13,540,257	1.14%
OPEB	6/30/2018	\$ 158,973	\$ (158,973)	\$ -	\$ 13,944,962	1.14%
OPEB	6/30/2017	\$ 153,769	\$ (153,769)	\$ -	\$ 13,488,543	1.14%

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

WARD COUNTY
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES				
Taxes	\$ 10,396,502	\$ 10,396,502	\$ 10,394,287	\$ (2,215)
Licenses, permits and fees	502,900	502,900	575,894	72,994
Intergovernmental	2,942,339	2,502,339	6,310,797	3,808,458
Charges and services	585,000	585,000	1,553,535	968,535
Miscellaneous	<u>385,000</u>	<u>385,000</u>	<u>821,217</u>	<u>436,217</u>
Total revenues	<u>14,811,741</u>	<u>14,371,741</u>	<u>19,655,730</u>	<u>5,283,989</u>
EXPENDITURES				
Current				
General government	9,111,659	9,036,925	8,130,122	(906,803)
Public safety	10,713,367	10,713,367	9,996,122	(717,245)
Health and welfare	550,172	420,272	409,060	(11,212)
Culture and recreation	187,284	160,000	181,419	21,419
Other	<u>229,021</u>	<u>229,021</u>	<u>183,815</u>	<u>(45,206)</u>
Total expenditures	<u>20,791,503</u>	<u>20,559,585</u>	<u>18,900,538</u>	<u>(1,659,047)</u>
Excess (deficiency) of revenues over expenditures	(5,979,762)	(6,187,844)	755,192	6,943,036
OTHER FINANCING USES				
Transfers in	6,000	6,000	54,734	48,734
Transfers out	<u>135,000</u>	<u>135,000</u>	<u>(9,920)</u>	<u>(144,920)</u>
Net change in fund balance	(5,844,762)	(6,052,844)	800,006	6,846,850
FUND BALANCE, JANUARY 1	<u>8,460,246</u>	<u>8,460,246</u>	<u>8,460,246</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 2,615,484</u>	<u>\$ 2,407,402</u>	<u>\$ 9,260,252</u>	<u>\$ 6,846,850</u>

WARD COUNTY
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES				
Taxes	\$ 4,301,243	\$ 4,301,243	\$ 4,460,466	\$ 159,223
Licenses, permits and fees	1,647,000	1,647,000	1,652,991	5,991
Intergovernmental	10,964,472	10,964,472	10,123,093	(841,379)
Charges and services	-	-	32,141	32,141
Miscellaneous	<u>514,400</u>	<u>514,400</u>	<u>475,434</u>	<u>(38,966)</u>
Total revenues	<u>17,427,115</u>	<u>17,427,115</u>	<u>16,744,125</u>	<u>(682,990)</u>
EXPENDITURES				
Current				
Public safety	2,105,305	2,105,305	2,506,344	401,039
Highway and public improvement	10,585,509	10,585,509	11,597,433	1,011,924
Health and welfare	5,707,474	5,707,474	5,730,707	23,233
Culture and recreation	497,988	497,988	374,406	(123,582)
Conservation and economic development	349,459	349,459	333,246	(16,213)
Other	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>
Total expenditures	<u>19,245,735</u>	<u>19,245,735</u>	<u>20,527,136</u>	<u>1,281,401</u>
Deficiency of revenues over expenditures	<u>(1,818,620)</u>	<u>(1,818,620)</u>	<u>(3,783,011)</u>	<u>(1,964,391)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,000	6,000	9,567,964	9,561,964
Transfers out	<u>135,000</u>	<u>135,000</u>	<u>(9,612,778)</u>	<u>(9,747,778)</u>
Total other financing sources (uses)	<u>141,000</u>	<u>141,000</u>	<u>(44,814)</u>	<u>(185,814)</u>
Net change in fund balances	(1,677,620)	(1,677,620)	(3,827,825)	(2,150,205)
FUND BALANCE, JANUARY 1	<u>8,272,316</u>	<u>8,272,316</u>	<u>8,272,316</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 6,594,696</u>	<u>\$ 6,594,696</u>	<u>\$ 4,444,491</u>	<u>\$ (2,150,205)</u>

WARD COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT BUDGET POLICIES

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

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

NOTE 2 – LEGAL COMPLIANCE

Budget Amendments

The governing board approved the following amendments to the County’s budget for the year ending December 31, 2020:

	Original Budget	Amendment	Amended Budget
General fund	\$ 20,791,503	\$ (231,918)	\$ 20,559,585
Special revenue fund	\$ 19,245,735	\$ -	\$ 19,245,735

Excess of Actual Expenditures Over Budget

Expenditures exceeded budget in the following funds for the year ending December 31, 2020:

Special revenue fund	\$ 1,281,401
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No remedial action is anticipated or required by the County regarding these excess expenditures.

WARD COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NOTE 3 – PENSION AND OPEB

Changes of Assumptions

Main System and Law Enforcement System

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

- The investment return assumption was lowered from 7.5% to 7.0%
- 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

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

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.

Changes of Benefit Terms

Main System and Law Enforcement System

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 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, 2019.

WARD COUNTY
SCHEDULE OF FUND ACTIVITY
ARISING FROM CASH TRANSACTIONS
DECEMBER 31, 2020

	<u>Balance 01/01/20</u>	<u>Receipts</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Disbursements</u>	<u>Balance 12/31/20</u>
MAJOR GOVERNMENTAL FUNDS						
<u>General fund</u>	\$ 8,460,246	\$ 19,655,730	\$ 54,734	\$ (9,920)	\$ (18,900,538)	\$ 9,260,252
<u>Special revenue fund</u>						
Library	74,505	278,407	-	-	(374,406)	(21,494)
911 wired/wireless	153,164	2,265,066	-	(135,000)	(1,950,038)	333,192
911 depreciation	685,939	5,000	135,000	-	(553,263)	272,676
Highway	132,099	3,438,259	8,109,920	-	(11,597,433)	82,845
Highway user	5,377,218	4,332,117	-	(8,100,000)	-	1,609,335
Weed	120,480	461,687	-	-	(333,246)	248,921
Social welfare	(449,349)	5,309,226	1,323,044	-	(5,111,926)	1,070,995
Human services	1,377,778	-	-	(1,377,778)	-	-
State attorney	15,767	10	-	-	(3,044)	12,733
Senior citizens	2,137	620,292	-	-	(618,781)	3,648
Emergency	669,162	34,062	-	-	-	703,224
Emergency FEMA township	68,439	-	-	-	-	68,439
Emergency FEMA county	91,389	-	-	-	-	91,389
CDBG projects	(31,412)	-	-	-	-	(31,412)
Total	<u>8,287,316</u>	<u>16,744,126</u>	<u>9,567,964</u>	<u>(9,612,778)</u>	<u>(20,542,137)</u>	<u>4,444,491</u>
<u>Debt service fund</u>						
Sales tax bond	5,536,296	28,004,943	-	-	(27,743,129)	5,798,110
Special district finance	85,473	380,000	-	-	(292,161)	173,312
Total	<u>5,621,769</u>	<u>28,384,943</u>	<u>-</u>	<u>-</u>	<u>(28,035,290)</u>	<u>5,971,422</u>
<u>Capital projects fund</u>						
Construction	871,292	-	-	-	-	871,292
Country club heights	-	41,859	-	-	-	41,859
Total	<u>871,292</u>	<u>41,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>913,151</u>
TOTAL GOVERNMENTAL FUNDS	<u>23,240,623</u>	<u>64,826,658</u>	<u>9,622,698</u>	<u>(9,622,698)</u>	<u>(67,477,965)</u>	<u>20,589,316</u>

(Continued)

WARD COUNTY
SCHEDULE OF FUND ACTIVITY
ARISING FROM CASH TRANSACTIONS
DECEMBER 31, 2020

<u>Agency fund</u>	Balance 01/01/20	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12/31/20
24/7 sobriety fund	222,886	209,627	-	-	(215,225)	217,288
Crime/victim witness fund	(4,839)	29,596	-	(7,000)	(16,055)	1,702
Marriage license - dvcc fund	(5,985)	18,585	-	-	(18,550)	(5,950)
District reimbursements fund	(20,542)	9,457	-	-	(16,441)	(27,526)
Foster care recruit/retain fund	98,384	8	-	-	(25,268)	73,124
Employee benefits fund	(3,796)	3,796	-	-	-	-
Jail inmate trust (commissary) fund	189,567	157,875	-	-	(18,647)	328,795
Utilities central assess fund	1,284	-	-	-	-	1,284
Gas and oil production fund	27,965	-	-	-	-	27,965
State aid distribution fund	-	-	-	-	-	-
Hazardous chemical fund	31,598	4,863	-	-	-	36,461
Gambling tax fund	1,450	3,279	-	-	(3,729)	1,000
First district health unit fund	56,835	654,349	-	-	(652,385)	58,799
State medical center fund	12,410	321,742	-	-	(319,047)	15,105
State fair fund	18,907	466,663	-	-	(465,048)	20,522
Townships fund	-	-	-	-	-	-
Cities fund	-	-	-	-	-	-
Schools fund	-	-	-	-	-	-
Garrison diversion fund	1,968	346,437	-	-	(345,241)	3,164
Weather modification fund	477	64,301	-	-	(49,497)	15,281
Water management district fund	28,925	1,109,418	-	-	(1,110,745)	27,598
Soil conservation fund	(2,296)	145,253	-	-	(143,894)	(937)
Souris river joint board fund	11,642	648,898	-	-	(646,176)	14,364
Unorganized township fund	-	-	-	-	-	-
Assiniboine river basin board fund	(57)	6,632	-	-	(6,620)	(45)
Prepaid taxes fund	18,253,200	8,740,736	-	-	(364,088)	26,629,848
Tax deed sales fund	460,155	219,974	-	-	(632,851)	47,278
Homeland security grants fund	2,855	-	-	-	-	2,855
Department of justice grants fund	-	-	-	-	(18,894)	(18,894)
Asset forfeitures - sheriff fund	89,689	37,061	-	-	(25,545)	101,205
Drug proceeds - sa fund	25,936	12,354	-	-	(9,829)	28,461
Park improvement fund	39,682	190,601	-	-	-	230,283
Doc preservation fund	336,625	73,721	-	-	(32,364)	377,982
NDSU extension activities fund	24,399	7,277	-	-	(8,296)	23,380
Minot parent resource fund	2,506	8,141	-	-	(9,342)	1,305
Unclaimed property fund	3,942	28,011	-	-	(8,294)	23,659
Vending commissions fund	10,038	1,395	-	-	(150)	11,283
Game & fish licenses fund	-	-	-	-	-	-
Payroll fund	-	-	-	-	680,454	680,454
Afton township fund	356	125,863	-	-	(125,153)	1,066
Anna township fund	-	19,083	-	-	(19,083)	-
Baden township fund	-	33,679	-	-	(33,679)	-
Berthold township fund	-	59,391	-	-	(59,391)	-
Brilliant township fund	-	6,837	-	-	(6,837)	-
Burlington township fund	627	53,879	-	-	(53,982)	524
Burt township fund	-	40,144	-	-	(40,144)	-
Cameron township fund	25	20,482	-	-	(20,507)	-
Carbondale township fund	79	23,487	-	-	(23,523)	43
Carpio township fund	-	24,255	-	-	(24,255)	-
Denmark township fund	-	19,663	-	-	(19,273)	390
Des lacs township fund	649	36,408	-	-	(36,919)	138
Elmdale township fund	99	28,581	-	-	(28,636)	44
Eureka township fund	1,090	107,214	-	-	(107,685)	619
Evergreen township fund	-	10,673	-	-	(10,673)	-
Foxholm township fund	71	34,697	-	-	(33,798)	970
Freedom township fund	425	28,236	-	-	(27,873)	788
Gasman township fund	-	32,715	-	-	(32,306)	409
Greely township fund	54	10,301	-	-	(10,331)	24
Greenbusch township fund	-	14,132	-	-	(14,132)	-
Harrison township fund	1,074	224,510	-	-	(225,242)	342

(Continued)

WARD COUNTY
SCHEDULE OF FUND ACTIVITY
ARISING FROM CASH TRANSACTIONS
DECEMBER 31, 2020

	<u>Balance</u> <u>01/01/20</u>	<u>Receipts</u>	<u>Transfers</u> <u>In</u>	<u>Transfers</u> <u>Out</u>	<u>Disbursements</u>	<u>Balance</u> <u>12/31/20</u>
Hiddenwood township fund	-	26,518	-	-	(26,518)	-
Hilton township fund	-	13,012	-	-	(13,010)	2
Iota flat township fund	-	36,046	-	-	(36,046)	-
Kenmare township fund	130	45,493	-	-	(45,624)	(1)
Kirkelie township fund	441	66,779	-	-	(67,163)	57
Linton township fund	72	9,575	-	-	(9,576)	71
Lund township fund	-	11,792	-	-	(11,741)	51
Mandan township fund	6	19,726	-	-	(19,705)	27
Margaret township fund	202	11,620	-	-	(11,792)	30
Maryland township fund	-	30,507	-	-	(29,306)	1,201
Mayland township fund	-	23,505	-	-	(23,377)	128
Mckinley township fund	-	59,139	-	-	(59,108)	31
Nedrose township fund	1,234	198,171	-	-	(197,859)	1,546
New prairie township fund	627	43,958	-	-	(44,214)	371
Newman township fund	1,339	21,800	-	-	(21,660)	1,479
Orlien township fund	-	21,353	-	-	(21,159)	194
Passport township fund	-	28,958	-	-	(28,752)	206
Ree township fund	126	19,878	-	-	(19,833)	171
Rice lake township fund	177	11,199	-	-	(11,339)	37
Rolling green township fund	610	31,346	-	-	(29,889)	2,067
Rushville township fund	(192,462)	44,205	-	-	(12,846)	(161,103)
Ryder township fund	13	34,199	-	-	(34,212)	-
Sauk prairie township fund	96	27,904	-	-	(27,766)	234
Sawyer township fund	4	40,484	-	-	(40,485)	3
Shealy township fund	-	11,976	-	-	(11,976)	-
Spencer township fund	303	17,869	-	-	(18,171)	1
Spring lake township fund	-	6,161	-	-	(6,161)	-
St Marys township fund	89	13,922	-	-	(13,922)	89
Sundre township fund	268	124,635	-	-	(124,297)	606
Surrey township fund	-	117,465	-	-	(114,311)	3,154
Tatman township fund	-	55,060	-	-	(55,060)	-
Tolgen township fund	(89)	9,863	-	-	(9,863)	(89)
Torning township fund	186	13,434	-	-	(12,649)	971
Vang township fund	581	12,165	-	-	(12,746)	-
Waterford township fund	-	48,782	-	-	(47,773)	1,009
Willis township fund	171	52,281	-	-	(51,195)	1,257
Berthold city fund	1,745	423,427	-	-	(425,428)	(256)
Burlington city fund	2,175	713,546	-	-	(708,882)	6,839
Carpio city fund	568	52,818	-	-	(53,324)	62
Des lacs city fund	-	19,638	-	-	(19,452)	186
Donnybrook city fund	182	11,673	-	-	(11,855)	-
Douglas city fund	22	8,506	-	-	(8,433)	95
Kenmare city fund	543	476,268	-	-	(474,307)	2,504
Makoti city fund	25	18,562	-	-	(18,526)	61
Minot city fund	151,622	26,692,804	-	-	(26,591,611)	252,815
Ryder city fund	153	18,298	-	-	(18,436)	15
Sawyer city fund	33	87,907	-	-	(85,890)	2,050
Surrey city fund	3,318	772,523	-	-	(775,099)	742
United ambulance district fund	881	160,171	-	-	(159,600)	1,452
Berthold rural fire fund	20	22,773	-	-	(22,651)	142
Burlington rural fire fund	826	119,981	-	-	(119,885)	922
Carpio rural fire fund	88	18,215	-	-	(18,234)	69
Deering rural fire fund	35	8,816	-	-	(8,568)	283
Des lacs rural fire fund	400	24,971	-	-	(24,798)	573
Donnybrook rural fire fund	19	9,519	-	-	(9,527)	11
Douglas rural fire fund	6	3,828	-	-	(3,824)	10
Glenburn rural fire fund	1	10,710	-	-	(10,512)	199
Kenmare rural fire fund	287	32,667	-	-	(32,780)	174
Max rural fire fund	-	50,677	-	-	(50,431)	246
Minot rural fire fund	3,888	581,550	-	-	(581,446)	3,992

(Continued)

WARD COUNTY
SCHEDULE OF FUND ACTIVITY
ARISING FROM CASH TRANSACTIONS
DECEMBER 31, 2020

	<u>Balance 01/01/20</u>	<u>Receipts</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Disbursements</u>	<u>Balance 12/31/20</u>
Plaza rural fire fund	-	4,723	-	-	(4,699)	24
Ryder makoti rural fire fund	740	65,052	-	-	(64,975)	817
Sawyer rural fire fund	164	15,228	-	-	(15,117)	275
Surrey rural fire fund	56	20,868	-	-	(20,679)	245
Velva rural fire fund	20	4,910	-	-	(4,855)	75
Berthold city park fund	56	17,595	-	-	(17,588)	63
Carpio city park fund	44	2,286	-	-	(2,325)	5
Des lacs city park fund	-	1,205	-	-	(1,193)	12
Donnybrook city park fund	19	1,112	-	-	(1,131)	-
Kenmare city park fund	42	31,745	-	-	(31,604)	183
Makoti city park fund	(50)	3,937	-	-	(3,940)	(53)
Minot city park fund	41,334	8,897,099	-	-	(8,854,159)	84,274
Ryder city park fund	9	869	-	-	(877)	1
Surrey city park fund	216	49,083	-	-	(49,206)	93
Minot school 1 fund	126,887	23,800,801	-	-	(23,690,076)	237,612
Velva school 2 fund	-	32,119	-	-	(30,580)	1,539
Nedrose school 4 fund	14,027	3,264,556	-	-	(3,258,896)	19,687
United school 7 fund	18,046	2,259,605	-	-	(2,256,473)	21,178
Bowbells school 14 fund	-	8,437	-	-	(8,437)	-
Sawyer school 16 fund	11,143	771,402	-	-	(767,789)	14,756
Glenburn school 26 fund	3,045	440,171	-	-	(437,440)	5,776
Kenmare school 28 fund	7,562	1,282,549	-	-	(1,284,272)	5,839
Surrey school 41 fund	2,517	942,597	-	-	(929,463)	15,651
Max school 50 fund	129	356,857	-	-	(356,734)	252
Garrison school 51 fund	-	5,747	-	-	(5,747)	-
South praire school 70 fund	41,086	2,240,321	-	-	(2,250,943)	30,464
Lewis and clark school 161 fund	12,814	2,740,980	-	-	(2,739,062)	14,732
Rice lake recreation dist fund	6,660	211,598	-	-	(215,106)	3,152
Rice lake sewer assessment fund	2,787	168,359	-	-	(168,638)	2,508
Total	<u>20,190,673</u>	<u>93,816,719</u>	<u>-</u>	<u>(7,000)</u>	<u>(84,461,796)</u>	<u>29,538,596</u>
TOTAL PRIMARY GOVERNMENT	<u>43,431,296</u>	<u>158,643,377</u>	<u>9,622,698</u>	<u>(9,629,698)</u>	<u>(151,939,761)</u>	<u>50,127,912</u>
<u>Component units</u>						
Weather modification	<u>59,335</u>	<u>50,992</u>	<u>-</u>	<u>-</u>	<u>(110,327)</u>	<u>-</u>
Total	<u>59,335</u>	<u>50,992</u>	<u>-</u>	<u>-</u>	<u>(110,327)</u>	<u>-</u>
TOTAL REPORTING ENTITY	<u>\$ 43,490,631</u>	<u>\$ 158,694,369</u>	<u>\$ 9,622,698</u>	<u>\$ (9,629,698)</u>	<u>\$ (152,050,088)</u>	<u>\$ 50,127,912</u>

WARD COUNTY

**SINGLE AUDIT REPORTS AND
SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
DECEMBER 31, 2020**



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

County Commission
Ward County
Minot, 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, each major fund, and the aggregate remaining fund information of **Ward County**, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise **Ward County’s** basic financial statements and have issued our report thereon dated August 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Ward 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 **Ward County’s** internal control. Accordingly, we do not express an opinion on the effectiveness of the **Ward 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, we did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings and questioned costs as items 2020-001, 2020-002, and 2020-003 that we consider to be material weaknesses.

Compliance and Other Matters

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

Ward County's Response to Findings

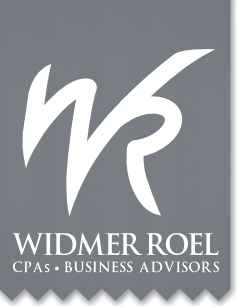
Ward County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Ward County's** response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on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



Fargo, North Dakota
August 30, 2021



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

County Commission
Ward County
Minot, North Dakota

Report on Compliance for Each Major Federal Program

We have audited **Ward County’s** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Ward County’s** major federal programs for the year ended December 31, 2020. **Ward County’s** major federal programs are 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 each of **Ward County’s** major federal programs 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* (CFR) 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 **Ward 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 each major federal program. However, our audit does not provide a legal determination of **Ward County’s** compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of **Ward 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 **Ward County's** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 **Ward 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 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. 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.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Ward County**, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise **Ward County's** basic financial statements. We issued our report thereon dated August 30, 2021, which contained unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink, appearing to read "William R. Rupp". The signature is written in a cursive, flowing style.

Fargo, North Dakota
August 30, 2021

WARD COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Federal Grantor/ Pass- Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipient</u>	<u>Total Federal Expenditures</u>
U.S. Department of Homeland Security passed through North Dakota Department of Emergency Services				
Emergency Management Performance Grant	97.042	5.10	\$ -	\$ 73,441
Homeland Security Grant	97.067	18.31	-	41,729
			<u>-</u>	<u>115,171</u>
Total U.S. Department of Homeland Security				
U.S. Department of Transportation passed through North Dakota Department of Transportation				
National Priority Safety Programs	20.616	HSPID1810	-	15,821
State and Community Highway safety	20.600	N/A	-	1,991
			<u>-</u>	<u>17,813</u>
Total U.S. Department of Transportation				
U.S. Department of the Treasury passed through North Dakota office of the State Treasurer				
Coronavirus Relief Fund	21.019	G19.751A	-	2,705,591
			<u>-</u>	<u>2,705,591</u>
Total U.S. Department of the Treasury				
Total expenditures of federal awards			<u>\$ -</u>	<u>\$ 2,838,574</u>

WARD COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Ward County under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Ward County, it is not intended to and does not present the financial position or changes in net assets of Ward County. Expenditures represent only the federally funded portions of the program. County records should be consulted to determine amounts expended or matched from non-federal sources.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – PASS-THROUGH GRANT NUMBER

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

NOTE 4 – INDIRECT COST RATE

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

WARD COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified
Internal control over financial reporting:
Material weakness(es) identified? X yes no
Significant deficiency(ies) identified that are not considered to be material
weakness(es)? X yes none reported
Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes X no
Significant deficiency(ies) identified that are not considered to be material
weakness(es)? yes X reported

Type of auditor’s report issued on compliance for major programs:
Coronavirus Relief Fund (21.019) Unmodified

Any audit findings disclosed that are required to be reported in accordance
with section 2 CFR section 200.516(a)? yes X no

Identification of major programs:

CFDA Number	Name of Federal Program
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? yes X no

WARD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

2020-001 (MATERIAL WEAKNESS) – BANK RECONCILIATIONS

Condition

Currently the reconciled bank account balances per the County’s daily cash summary differ from the County’s cash balances per its accounting software. The difference varies slightly from month to month, but it typically is approximately \$300,000.

Criteria

A strong system of internal controls ensures the County’s account balances are properly reconciled to ensure all applicable receipts and disbursements are recorded completely, accurately, and in the proper period, and errors are promptly identified and corrected.

Cause

This discrepancy appeared to arise when the County transitioned to new accounting software, and the auditor/treasurer’s office has not yet allocated sufficient time and resources to identify and correct the cause of the discrepancy.

Effect

Because the bank accounts are not fully reconciled, there is an increased risk of inaccurate financial reporting, as well as an increased risk of errors or fraud related to cash transactions.

Recommendation

We recommend the County auditor/treasurer’s office allocate adequate time and resources to work with the software provider and take any other steps to resolve the reconciliation issue.

Views of Responsible Officials

The Auditor/Treasurer plans to make an adjustment prior to 2021 year end in order to reconcile the bank account and accounting software to the same balance.

WARD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

2020-002 (MATERIAL WEAKNESS) – PROCUREMENT POLICY AND CAPITALIZATION POLICY

Condition

The County's capital asset policy is not consistent. One of the County's policies calls for capitalizing assets over \$500, another policy capitalizes assets over \$5,000. Also, the capital asset listing maintained by the County auditor/treasurer's office is incomplete.

Criteria

The County's policies should be sufficient to ensure a complete and accurate presentation of capital assets in accordance with generally accepted accounting principles.

Cause

When the County adopted its comprehensive internal control manual, management forgot that there was mention of the capitalization threshold in the other policy.

Effect

The County's property and equipment records could be materially misstated.

Recommendation

We recommend the County review its capitalization policies to ensure all are consistent. We further recommend the County auditor/treasurer review the capital asset listing which we will provide and ensure the County's records are complete.

Views of Responsible Officials

Management plans to update and implement a more consistent policy in 2021.

2020-003 (MATERIAL WEAKNESS) – GAAP FINANCIAL STATEMENT PRESENTATION

Condition

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

Criteria

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

Cause

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

WARD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Effect

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

Recommendation

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

Views of Responsible Officials

Ward County will continue to have a third-party audit. We will carefully review the draft financial statements and discuss any questions with the outside auditor.

WARD COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2020

2019-001 (MATERIAL WEAKNESS) – BANK RECONCILIATIONS

Condition

Currently the reconciled bank account balances per the County's daily cash summary differ from the County's cash balances per its accounting software. The difference varies slightly from month to month, but it typically is approximately \$300,000.

Recommendation

We recommend the County auditor/treasurer's office allocate adequate time and resources to work with the software provider and take any other steps to resolve the reconciliation issue.

Current Status

The County did not fully implement the corrective action plan that was described in the prior year audit report. The finding remains open and is reported as 2020-001

2019-002 (SIGNIFICANT DEFICIENCY) – INTER-FUND TRANSFERS

Condition

The transfers between funds were out of balance by approximately \$70,000. Several transfers were improperly recorded as revenues or expenditures on one "side" of the entry, and transfers on the other. Furthermore, there were transactions between County funds and agency funds which were recorded as transfers.

Recommendation

We recommend the County auditor/treasurer's office monitor inter-fund transfers to ensure the entries are balanced, and properly record amounts moving between government and agency funds as revenues and expenditures.

Current Status

The County did fully implement the corrective action plan that was described in the prior year audit report.

2019-003 (SIGNIFICANT DEFICIENCY) – CONTROL ENVIRONMENT – AUDITOR/TREASURER

Condition

Based on our interviews and observations, the County auditor/treasurer's office could be more effective and have stronger segregation of duties if the employees in that department were empowered to a greater extent. For example, the deputy auditor/treasurer does not currently attend commission meetings with the auditor/treasurer.

Recommendation

We recommend the auditor/treasurer's office take steps to hire highly qualified staff and empower them to effectively carry out the functions of the auditor/treasurer's office.

WARD COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2020

Current Status

The County did fully implement the corrective action plan that was described in the prior year audit report.

2019-004 (SIGNIFICANT DEFICIENCY) – FINANCIAL REPORTS

Condition

The County's financial reports presented to the County commission consist of various summary-level data entered into spreadsheets. Much of this information could be generated from the County's accounting software.

Recommendation

We recommend the auditor/treasurer's office work with the commission to determine the financial information required by the commission. To the extent feasible, the auditor should generate reports from the County's software.

Current Status

The County did fully implement the corrective action plan that was described in the prior year audit report.

2019-005 (MATERIAL WEAKNESS) – POSTING PRIOR AUDIT ADJUSTMENTS

Condition

Based on our analysis of prior year financial data for the County, we noted that several audit adjustments to correct accounting errors were not posted to the County's financial records. Therefore, the County's financial statements were not updated (where appropriate) to reflect the audited financial records. For example, in 2016 an erroneous entry was posted in recording prepaid taxes. That entry still has not been corrected, so the opening general fund balance for 2017 is overstated, and 2017 tax revenues are understated by approximately \$550,000.

Recommendation

We recommend the auditor/treasurer's office post all approved audit adjustments. We further recommend the County work with the Tyler Systems software provider to learn how to make corrections as needed.

Current Status

The County did fully implement the corrective action plan that was described in the prior year audit report.

2019-006 (MATERIAL WEAKNESS) – ACCOUNTING SOFTWARE ACCESS

Condition

The County does not currently have a process for accurately monitoring access to the accounting software.

Recommendation

We recommend the County establish a policy to periodically monitor which individuals have what levels of access to the accounting software.

WARD COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2020

Current Status

The County did fully implement the corrective action plan that was described in the prior year audit report.

2019-007 (MATERIAL WEAKNESS) – PROCUREMENT POLICY AND CAPITALIZATION POLICY

Condition

The County's capital asset policy is not consistent. One of the County's policies calls for capitalizing assets over \$500, another policy capitalizes assets over \$5,000. Also, the capital asset listing maintained by the County auditor/treasurer's office is incomplete.

Recommendation

We recommend the County review its capitalization policies to ensure all are consistent. We further recommend the County auditor/treasurer review the capital asset listing which we will provide and ensure the County's records are complete.

Current Status

The County did not fully implement the corrective action plan that was described in the prior year audit report. The finding remains open and is reported as 2020-002

2019-008 (MATERIAL WEAKNESS) – GAAP FINANCIAL STATEMENT PRESENTATION

Condition

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

Recommendation

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

Current Status

The County did not fully implement the corrective action plan that was described in the prior year audit report. The finding remains open and is reported as 2020-003.

WARD COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

2019-009 (SIGNIFICANT DEFICIENCY) – GENERAL FUND BALANCES

Condition

In our review of prior years' financial information, we noted the following:

- The general fund balance has fluctuated from year-to-year. Notably, at December 31, 2017, the general fund balance was negative \$500k, and as of December 31, 2019, it had increased to positive \$8.5 million.

Recommendation

We recommend management evaluate its process for monitoring its estimates and the impact on cash balances, and communicate timely with the commission, to enable the County to take timely steps to mitigate large fluctuations in the general fund balance.

We further recommend management and the commission consider adopting a minimum fund balance (i.e. cash reserve) policy, which will help prevent the fund balance from going negative if there is an unexpected circumstance which adversely impacts revenues or expenses.

Current Status

The County did fully implement the corrective action plan that was described in the prior year audit report.



Marisa Haman
Auditor/Treasurer

Misty Hester
Deputy

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

The Ward County respectfully submits the following views of responsible officials and planned corrective action for the year ended December 31, 2020.

Name and address of independent public accounting firm:

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

Audit period: December 31, 2020

The findings from the December 31, 2020 Schedule of Findings and Responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

2020-001 (MATERIAL WEAKNESS) – BANK RECONCILIATIONS

Finding

Currently the reconciled bank account balances per the county's daily cash summary differ from the county's cash balances per its accounting software. The difference varies slightly from month to month, but it typically is approximately \$300,000. Because the bank accounts are not fully reconciled, there is an increased risk of inaccurate financial reporting, as well as an increased risk of errors or fraud related to cash transactions.

We recommend the county auditor/treasurer's office allocate adequate time and resources to work with the software provider and take any other steps to resolve the reconciliation issue.

Views of Responsible Officials and Planned Corrective Action

The Auditor/Treasurer plans to make an adjustment prior to 2021 year end in order to reconcile the bank account and accounting software to the same balance.

2020-002 (MATERIAL WEAKNESS) – PROCUREMENT POLICY AND CAPITALIZATION POLICY

Finding

The county's capital asset policy is not consistent. One of the county's policies calls for capitalizing assets over \$500, another policy capitalizes assets over \$5,000. Also, the capital asset listing maintained by the county auditor/treasurer's office is incomplete. The county's property and equipment records could be materially misstated.

We recommend the county review its capitalization policies to ensure all are consistent. We further recommend the county auditor/treasurer review the capital asset listing which we will provide and ensure the county's records are complete.

Views of Responsible Officials and Planned Corrective Action

Management plans to update and implement a more consistent policy in 2021.

2020-003 (MATERIAL WEAKNESS) – GAAP FINANCIAL STATEMENT PRESENTATION

Finding

Widmer Roel assists Ward County with preparation of its financial statements and related disclosures in accordance with generally accepted accounting principles (GAAP). This is very common for organizations the size and structure of Ward County.

Views of Responsible Officials and Planned Corrective Action

Ward County will continue to have a third-party audit. We will carefully review the draft financial statements and discuss any questions with the outside auditor.

Sincerely yours,



Marisa Haman,
Auditor/Treasurer
Ward County