BENSON COUNTY
MINNEWAUKAN, NORTH DAKOTA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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BENSON COUNTY
COUNTY OFFICIALS
AS OF DECEMBER 31, 2021

David Davidson	Commissioner- Chairman
Doris Griffin	Commissioner- Vice Chairman
Ron Stadum	Commissioner
Michael N. Steffan	Commissioner
John Lunde	Commissioner
Bonnie Erickson	Auditor/Treasurer
Ethan Rode	Sheriff
Rhoda Pfeifer	Register of Deeds
James Wang	State's Attorney
Lucia Jacobson	Superintendent of Schools

BradyMartz

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Benson County
Minnewaukan, North Dakota

Report on the Financial Statements

Opinions

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 Benson County, Minnewaukan, North Dakota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Benson County, as of December 31, 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Benson County, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of fund activity as listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of fund activity is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the roster of county officials on page 1 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023 on our consideration of the County's internal control over financial reporting and 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 Benson County's internal control over financial reporting and compliance.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA

October 23, 2023

BENSON COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government	Component Unit
	Governmental Activities	Water Resource District
ASSETS		
Cash and investments	$ 3,580,783	$ 94,410
Accounts receivable	29,477	-
Taxes receivable	56,923	13,424
Road receivables	40,672	-
Intergovernmental receivable	75,902	-
Asset held for resale	350,000	-
Capital assets (net of accumulated depreciation):		
Land	180,721	-
Infrastructure	11,769,935	-
Buildings	91,050	-
Machinery and vehicles	2,472,093	-
Furniture and equipment	27,885	-
Total capital assets	14,541,684	-
Total assets	18,675,441	107,834
DEFERRED OUTFLOWS OF RESOURCES		
Cost sharing defined benefit pension plan-NDPERS main	1,409,438	-
Cost sharing defined benefit pension plan-NDPERS law enforcement	160,196	-
Cost sharing defined benefit OPEB plan	24,569	-
Total deferred outflows of resources	1,594,203	-
LIABILITIES		
Accounts payable	26,856	-
Unearned income	682,809	-
Long-term liabilities:		
Due within one year:		
Compensated absences payable	82,287	-
Due after one year:		
Net pension liability - main	1,194,914	-
Net pension liability - law enforcement	35,830	-
Net OPEB liability	68,968	-
Total liabilities	2,091,664	-
DEFERRED INFLOWS OF RESOURCES		
Property taxes levied - subs. years	371,955	-
Cost sharing defined benefit pension plan-NDPERS main	2,736,864	-
Cost sharing defined benefit pension plan-NDPERS law enforcement	174,151	-
Cost sharing defined benefit OPEB plan	51,846	-
Total deferred inflows of resources	3,334,816	-
NET POSITION		
Net investment in capital assets	14,541,684	-
Restricted for:		
Public safety	36,248	-
Highways	1,160,740	-
Health and welfare	38,110	-
Culture and recreation	177	-
Conservation of natural resources	170,840	107,834
Special purposes	274,814	-
Unrestricted	(1,379,449)	-
Total net position	$ 14,843,164	$ 107,834

See Notes to the Basic Financial Statements

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Water Resource District
Governmental Activities:						
General government	$ 1,996,635	$ 143,357	$ 666,543	$ -	$ (1,186,735)	$ -
Public safety	5,831,695	62,916	21,105	-	(5,747,674)	-
Highways	2,258,073	453,026	-	581,067	(1,223,980)	-
Health and welfare	38,782	-	-	-	(38,782)	-
Conser. of natural resources	169,192	-	57,599	-	(111,593)	-
Economic development	-	-	1,428	-	1,428	-
Other	290,312	6,478	30,436	-	(253,398)	-
Total governmental activities	$ 10,584,689	$ 665,777	$ 777,111	$ 581,067	(8,560,734)	-
Component Unit:						
Water Resource Board	$ 854,875	$ 794,765	$ -	$ -		$ (60,110)
General Revenues:						
Taxes:						
Property taxes; levied for general purposes					2,252,409	$ 81,969
Non restricted grants and contributions					454,730	-
Earnings on investments					39,380	20
Miscellaneous revenue					4,927,130	25
Total general revenues					7,673,649	82,014
Change in net position					(887,085)	21,904
Net position - January 1					15,730,249	85,930
Net position - December 31					$ 14,843,164	$ 107,834

See Notes to the Basic Financial Statements

BENSON COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	County Road and Bridge	Sheriff Special	ARPA Covid Relief	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	$ 1,335,986	$ 29,988	$ 7,323	$ 663,518	$ 1,543,974	$ 3,580,789
Accounts receivable	9,599	-	622	-	19,256	29,477
Taxes receivable	19,260	4,568	-	-	33,095	56,923
Road receivables	-	40,672	-	-	-	40,672
Intergovernmental receivable	1,750	33,539	-	-	40,613	75,902
Total assets	$ 1,366,595	$ 108,767	$ 7,945	$ 663,518	$ 1,636,938	$ 3,783,763
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 9,741	$ 13,228	$ -	$ -	$ 3,887	$ 26,856
Unearned revenue	-	-	-	663,518	19,291	682,809
Total liabilities	9,741	13,228	-	663,518	23,178	709,665
Deferred Inflows of Resources						
Property taxes collected - subs. years	173,692	25,542	-	-	172,721	371,955
Property taxes collected - delinquent	19,260	4,568	-	-	33,095	56,923
Total deferred inflows of resources	192,952	30,110	-	-	205,816	428,878
Fund Balances:						
Restricted for:						
Public safety	-	-	-	-	36,248	36,248
Highways	-	65,429	-	-	1,057,648	1,123,077
Health and welfare	-	-	7,945	-	30,165	38,110
Culture and recreation	-	-	-	-	177	177
Conservation of natural resources	-	-	-	-	170,840	170,840
Economic development	-	-	-	-	-	-
Special purposes	-	-	-	-	274,814	274,814
Unassigned	1,163,902	-	-	-	(161,948)	1,001,954
Total fund balances	1,163,902	65,429	7,945	-	1,407,944	2,645,220
Total liabilities, deferred inflows of resources, and fund balances	$ 1,366,595	$ 108,767	$ 7,945	$ 663,518	$ 1,636,938	$ 3,783,763

See Notes to the Basic Financial Statements

BENSON COUNTY

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2021

Total *Fund Balances* for Governmental Funds		$ 2,645,220
Total *Net Position* reported for government activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.		
Cost of Capital Assets	$ 62,579,456	
Less Accumulated Depreciation	(48,037,772)	
Net Capital Assets		14,541,684
Net deferred outflows/(inflows) of resources relating to the cost sharing of defined benefit pension and OPEB plans in the governmental activities are not financial resources, and therefore, are not reported as deferred outflows/(inflows) of resources in the governmental funds.		(1,368,661)
Property taxes receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds.		56,923
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities- both current and long-term- are reported in the statement of net position. Balances at December 31, 2021 are:		
Donated assets held for resale		350,000
Compensated Absences	(82,290)	
Net Pension Liability	(1,230,744)	
Net OPEB Liability	(68,968)	
Total Long-Term Liabilities		(1,382,002)
Total Net Position of Governmental Activities		$ 14,843,164

See Notes to the Basic Financial Statements

BENSON COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	County Road and Bridge	Sheriff Special	ARPA Covid Relief	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 821,756	$ 174,272	$ -	$ -	$ 1,274,222	$ 2,270,250
Licenses, permits and fees	345	-	-	-	-	345
Intergovernmental	965,322	-	-	-	847,586	1,812,908
Charges for services	206,273	428,503	-	-	31,001	665,777
Interest income	39,381	-	-	-	-	39,381
Miscellaneous	40,314	16,735	4,846,533	-	23,205	4,926,787
Total revenues	2,073,391	619,510	4,846,533	-	2,176,014	9,715,448
Expenditures:						
Current:						
General government	1,350,855	-	-	-	17,434	1,368,289
Public safety	419,096	-	4,845,833	-	539,353	5,804,282
Highways	-	697,012	-	-	740,811	1,437,823
Health and welfare	23,461	-	-	-	14,771	38,232
Conser. of natural resources	-	-	-	-	169,192	169,192
Other	91,118	-	-	-	199,194	290,312
Capital outlay	-	1,188,834	-	-	-	1,188,834
Total expenditures	1,884,530	1,885,846	4,845,833	-	1,680,755	10,296,964
Excess (deficiency) of revenues over expenditures	188,861	(1,266,336)	700	-	495,259	(581,516)
Other financing sources (uses):						
Transfers in	-	1,266,527	-	-	28,000	1,294,527
Transfers out	(674,527)	-	-	-	(620,000)	(1,294,527)
Total other financing sources and uses	(674,527)	1,266,527	-	-	(592,000)	-
Net change in fund balances	(485,666)	191	700	-	(96,741)	(581,516)
Fund balance - January 1	1,649,568	65,238	7,245	-	1,504,685	3,226,736
Fund balance - December 31	$ 1,163,902	$ 65,429	$ 7,945	$ -	$ 1,407,944	$ 2,645,220

See Notes to the Basic Financial Statements

BENSON COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Change in *Fund Balances* - Total Governmental Funds		$ (581,516)
The change in *Net Position* reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year.		
Current Year Capital Outlay	$ 1,188,834	
Current Year Depreciation Expense	(904,385)	284,449
In the statement of activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.		
Net Book Value of Disposed Asset		(677,600)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Net Decrease in Compensated Absences		(459)
Changes in deferred outflows and inflows of resources related to net pension liability		(2,485,788)
Change in net pension liability		2,558,727
Change in net OPEB liability		32,946
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. This consists of:		
Net increase in taxes receivable		(17,844)
Change in Net Position of Governmental Activities		$ (887,085)

See Notes to the Basic Financial Statements

BENSON COUNTY
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021

	Custodial Funds
Assets:	
Cash and investments	$ 748,490
Liabilities:	
Due to other governments	$ 748,490

See Notes to the Basic Financial Statements

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

	Custodial Funds
Additions	
Property tax collections for other governments	$ 5,614,289
Deductions	
Payments of property tax to other governments	5,614,289
Net position - beginning	-
Net position - ending	$ -

See Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The accompanying financial statements present the activities of Benson 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 Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. This criterion includes appointing a voting majority of an organization’s governing body and (1) the ability of Benson County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on Benson County.

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

Component Unit

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

Discretely Presented Component Unit: The component unit column in the government-wide financial statements includes the financial data of the County's one component unit. The component unit is reported in a separate column to emphasize that it is legally separate from the County.

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

B. Basis of Presentation

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

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

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

Sheriff Special Fund. This is the fund used to account for foreclosures and land auctions.

ARPA Covid Relief Fund. This is the County's fund used for the revenues and expenditures from the ARPA federal program.

Additionally, the County reports the following fund type:

The County reports the following fiduciary fund:

Custodial Fund. This fund accounts for assets held by the County in a custodial capacity as an agent on behalf of others. The County's custodial fund is used to account for various deposits of other governments.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

D. Cash and Investments

Cash includes amounts in demand deposits and money market accounts. The investments consist of certificates of deposits.

E. Capital Assets

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

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

Buildings and Infrastructure	99 years
Machinery, Vehicles, Furniture and Equipment	5 – 30 years

F. Assets Held for Resale

Assets held for resale are long-lived assets for which the County has plans to dispose of by sale. Assets classified as held for resale are recorded at fair value and no depreciation is charged on the assets. Assets held for resale are reported in the governmental activities column in the government-wide financial statements.

G. Compensated Absences

Full time regular County employees are granted vacation benefits from 1 to 1.75 days per month depending on tenure with the County. Part time employees are granted vacation on the same scale, prorated for average hours worked per week. Vacation benefits may accrue to a total of 21 days. All unused vacation will be paid out to all employees upon termination of employment. Unused sick leave benefits for regular County employees are allowed to accumulate up to 120 days. Once an employee has reached their maximum sick leave level, they are eligible to trade any additional sick leave awarded at a rate of one day of vacation for six days of sick leave. Upon termination of employment, sick leave will be converted to one fully compensated day for six sick leave days and paid to the employee. Vested or accumulated leave is reported in the government-wide statements.

H. Long-Term Obligations

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

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

Pensions

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

Other Post-Employment Benefits (OPEB)

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

I. 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.

J. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – consists of amounts that are not in spendable form, such as inventory and prepaid items.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consists of internally imposed constraints. These constraints are established by Resolution of the Board of County Commissioners.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the County's intended use. These constraints are established by the Board of County Commissioners and/or management. Pursuant to Board Resolution, the County's management is authorized to establish assignments of fund balance.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the County's policy to use resources in the following order; 1) committed, 2) assigned and 3) unassigned.

K. Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the County's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *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 resource (expense/expenditure) until then. The County has two items reported on the statement of net position as *cost sharing defined benefit pension plan and cost sharing defined benefit OPEB plan*, which represents actuarial differences within the NDPERS pension and OPEB plan, as well as amounts paid to the plans after the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has four types of items, one which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue – delinquent taxes*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item, *property taxes levied -subs*. *years* is reported as a deferred inflow of resources for both the Balance Sheet – Governmental Funds and the Statement of Net Position as these amounts represent property tax revenue levied for a subsequent period. The County also has two items reported on the statement of net position *as cost sharing defined benefit pension plan and cost sharing defined benefit OPEB plan*, which represents the actuarial differences within the NDPERS pension and OPEB plan and is reported on the statement of net position.

NOTE 2 LEGAL COMPLIANCE – BUDGETS

Excess of Actual Expenditures over Budget

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

Fund	
General Fund	$ 119,364
Sheriff Special Fund	$ 4,845,833

NOTE 3 DEPOSITS AND INVESTMENTS

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

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

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

At the year ended December 31, 2021, the County's carrying amount of deposits was $4,329,273 and the bank balance was $4,234,585. The bank balances at December 31, 2021 consisted of $855,672 that was covered by Federal Depository Insurance. The remaining balance of $3,378,913 was collateralized with securities held by the pledging financial institution's agent in the County's name.

At the year ended December 31, 2021, the Benson County Water Resource District's (a discretely presented component unit of Benson County) carrying amount of deposits was $94,410 and the bank balance was $95,285 The bank balance at December 31, 2021 was covered by Federal Depository Insurance.

Credit Risk

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

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

(b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.

(c) Certificates of Deposit fully insured by the federal deposit insurance corporation.

(d) Obligations of the state.

As of December 31, 2021, the County held certificates of deposit in the amount of $1,520,409, which are all considered deposits.

Concentration of Credit Risk

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

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consists of money due from charges for services provided by various County offices and interest earned on bank deposits. No allowance has been established for estimated uncollectible accounts receivable.

NOTE 5 ROAD RECEIVABLE

Road receivables consist of money due to the highway department for roadwork performed for townships, cities, etc. No allowance has been established for estimated uncollectible road receivables.

NOTE 6 TAXES RECEIVABLE

The taxes receivable represents the past four years of delinquent uncollected taxes. No allowance has been established for estimated uncollectible taxes receivable.

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

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

Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the 5% discount on the property taxes.

NOTE 7 INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables consist of reimbursements due for expenses in the operation of various welfare and emergency management programs. These amounts consist of a mix of state and federal dollars.

NOTE 8 CAPITAL ASSETS

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

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 180,721	$ -	$ -	$ 180,721
Capital assets being depreciated				
Infrastructure	57,640,200	-	-	57,640,200
Buildings	316,300	-	-	316,300
Machinery and vehicles	3,865,633	1,188,834	(921,358)	4,133,109
Furniture and equipment	309,126	-	-	309,126
Total capital assets being depreciated	62,131,259	1,188,834	(921,358)	62,398,735
Less accumulated depreciation				
Infrastructure	(45,288,094)	(582,171)	-	(45,870,265)
Buildings	(223,489)	(1,761)	-	(225,250)
Machinery and vehicles	(1,592,219)	(312,555)	243,758	(1,661,016)
Furniture and equipment	(273,343)	(7,898)	-	(281,241)
Total accumulated depreciation	(47,377,145)	(904,385)	243,758	(48,037,772)
Net capital assets being depreciated	14,754,114	284,449	(677,600)	14,360,963
Net capital assets for governmental activities	$ 14,934,835	$ 284,449	$ (677,600)	$ 14,541,684

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

General government	$ 733,772
Public safety	27,413
Highways	142,650
Health and welfare	550
	$ 904,385

NOTE 9 ACCOUNTS PAYABLE

Accounts payable consists of amounts on open accounts for goods and services received prior to December 31, 2021 and chargeable to the appropriations for the year then ended, but paid for subsequent to that date.

NOTE 10 UNEARNED REVENUE

Unearned revenue consists of amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Amounts unearned were for grant revenues in excess of grant expenditures in Flood funds.

NOTE 11 LONG-TERM DEBT

Changes in Long-Term Liabilities

During the year ended December 31, 2021, the following changes occurred in liabilities for Benson County:

	Balance 1/1/2021	Additions	Retired	Balance 12/31/2021	Due Within One Year
Compensated absences	$ 81,828	$ 82,287	$ (81,828)	$ 82,287	$ 82,287
Totals	$ 81,828	$ 82,287	$ (81,828)	$ 82,287	$ 82,287

Compensated absences are typically liquidated from the general fund.

NOTE 12 RELATED ORGANIZATION

Benson County is also responsible for levying a property tax for the Benson County Council on Aging and Benson County Job Authority but the County's accountability for these entities does not extend beyond the levying of the tax. In 2021, the County remitted 48,134 to the Benson County Council on Aging and $4,028 to the Benson County Job Authority.

NOTE 13 RISK MANAGEMENT

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

In 1986 state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. Benson 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 four million dollars per occurrence for general liability, four million dollars per occurrence for automobile, and $5,869,354 for public assets.

Benson County also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. Benson 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 $250,000,000 dollars per occurrence during a 12-month period. The State Bonding Fund currently provides Benson 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. Benson County has workers compensation with the North Dakota Workforce Safety and Insurance. The County provides health insurance benefits for all regular full and part-time employees. The County contributes up to $1,332 per month per employee for insurance.

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

NOTE 14 DEFINED BENEFIT PENSION PLAN – STATEWIDE

Substantially, all employees of the County are required by state law to belong to a pension plan administered by the North Dakota Public Employees Retirement System (NDPERS), which is administered on a statewide basis.

Disclosures relating to this plan follow:

<u>North Dakota Public Employees Retirement System</u>

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

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

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

Pension Benefits

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

Death and Disability Benefits

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

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

Refunds of Member Account Balance

Upon termination, if a member is not vested (is not 65 for the Main System or 55 for the Law Enforcement system or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Main System Plan members are required to contribute 7% and employers contribute 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. Contribution rates for the Law Enforcement System are established as follows:

Plan	Member Contribution Rate	Employer Contribution Rate
Law Enforcement with previous service		
Political Subdivisions	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, 2021, the County reported a liability of $1,230,744 for its proportionate share of the net pension liability. The net pension liability consisted of $1,194,914 to the Main System pension plan and $35,830 to the Law Enforcement pension plan with prior Main System Service. The net pension liability was measured as of July 1, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of covered payroll in the Main System and Law Enforcement pension plan relative to the covered payroll of all participating Main System and Law Enforcement employers. At July 1, 2021, the County's proportion was 0.116460 percent for the Main System and 0.216217 percent for the Law Enforcement plan, which was an increase of 0.003119 and a decrease of 0.125120, respectively, from the prior year.

For the year ended December 31, 2021, the County recognized pension expense of $33,630 for the Main System plan and (-$11,931) for the Law Enforcement plan. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

For the Main System plan:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	20,630	$	121,957
Changes of assumptions		1,322,538		1,724,313
Net difference between projected and actual earnings on pension plan investments		-		443,175
Changes in proportion and differences between employer contributions and proportionate share of contributions		16,953		447,419
Employer contributions subsequent to the measurement date		49,317		-
Total	$	1,409,438	$	2,736,864

For the Main System plan, $49,317 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

For the Law Enforcement plan:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	68,393	$	1,707
Changes of assumptions		81,237		124,632
Net difference between projected and actual earnings on pension plan investments		-		19,438
Changes in proportion and differences between employer contributions and proportionate share of contributions		4		28,374
Employer contributions subsequent to the measurement date		10,562		-
Total	$	160,196	$	174,151

For the Law Enforcement plan, $10,562 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

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

For the Main System plan:

Year ending December 31:		Pension Expense Amount
2022	$	(291,187)
2023		(363,008)
2024		(294,683)
2025		(427,865)
Thereafter		-

For the Law Enforcement plan:

Year ending December 31:		Pension Expense Amount
2022	$	(210)
2023		(3,726)
2024		(3,642)
2025		(257)
2026		(8,733)
Thereafter		(7,949)

Actuarial Assumptions

The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Main System: 3.5% to 17.75% including inflation Law Enforcement: See chart on next page
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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30.00%	6.00%
International Equity	21.00%	6.70%
Private Equity	7.00%	9.50%
Domestic Fixed Income	23.00%	0.73%
Global Real Assets	19.00%	4.77%

Discount Rate

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.92%; and the resulting single discount rate is 7.00%.

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

For the Main System plan:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	$ 1,900,315	$ 1,194,914	$ 607,557

For the Law Enforcement plan:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	$ 83,861	$ 35,830	$ (2,712)

Pension Plan Fiduciary Net Position

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

NOTE 15 OTHER POST EMPLOYMENT BENEFITS

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

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

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

OPEB Benefits

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

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

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision or long-term care plan premium expense. The befits 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, 2021, the County reported a liability of $68,968 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, 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 County's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2021, the County's proportion was 0.124005 percent, which was an increase of 0.002851 percent from the prior year.

For the year ended December 31, 2021, the County recognized OPEB expense of $2,245. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,961	$ 1,890
Changes of assumptions	10,680	-
Net difference between projected and actual earnings on pension plan investments	-	23,630
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,449	26,326
Employer contributions subsequent to the measurement date	8,479	-
Total	$ 24,569	$ 51,846

$8,479 reported as deferred outflows of resources related to OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

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 ending December 31:	Pension Expense Amount
2022	$ (8,608)
2023	(8,778)
2024	(9,738)
2025	(8,933)
2026	301

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 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

For active members, inactive members and healthy retirees, mortality rates were based on the MortalityPub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33.00%	5.85%
Small Cap Domestic Equities	6.00%	6.75%
International Equities	26.00%	6.25%
Core-Plus Fixed Income	35.00%	0.50%

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

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, 2021, 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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Employer's proportionate share of the net OPEB liability	$ 102,289	$ 68,968	$ 40,774

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued NDPERS financial report. Requests to obtain or review this report should be addressed to the Executive Director – NDPERS, P.O. Box 1657, Bismarck, North Dakota 58502-1657.

NOTE 16 DEFICIT BALANCES

The following funds were in a deficit position at December 31, 2021:

Special Revenue Funds:		
Law Enforcement	$	(24,051)
Emergency Disaster		(46,739)
Comprehensive Health		(7,470)
Federal aid - 4 mills		(73,067)
Federal aid - 5 mills		(4,678)
Emergency Admin - 2011		(5,282)
Emergency Admin - 2013		(661)
Total	$	(161,948)

Benson County plans to eliminate these deficits with transfers from another fund and future revenues.

NOTE 17 CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 18 TAX ABATEMENTS

A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to tax a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

At December 31, 2021, the local governments within the County provided tax abatements to individuals and commercial entities in the form of property tax exemptions under the following criteria.

New Business

Under NDCC §40-57.1-03, a municipality may grant a partial or complete exemption from ad valorem taxation on all buildings, structures, fixtures, and improvements used in or necessary to the operation of a project for a period not exceeding five years from the date of commencement of project operations. A municipality may also grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures, and improvements used in or necessary to the operation of a project that produces or manufactures a product from agricultural commodities for all or part of the sixth year through the tenth year from the date of commencement of project operations. As of December 31, 2021, the County has not valued exempt properties.

Charitable Organization

Under NDCC §57-02-08(8), buildings belonging to institutions of public charity, including public hospitals and nursing homes licensed pursuant to NDCC §23-16-01 under the control of religious or charitable institutions, used wholly or in part for public charity, together with the land actually occupied by such institutions not leased or otherwise used with a view to profit is exempt.

NOTE 19 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the year ended December 31, 2021 were as follows:

Transfer In	Transfer Out	Amount
Other Governmental Funds	General	$ 28,000
County Road and Bridge	Other Governmental Funds	200,000
County Road and Bridge	Other Governmental Funds	420,000
County Road and Bridge	General	646,527
	Total	$ 1,294,527

Interfund transfers were made to pay for road and bridge repair projects and to close out old funds no longer in use.

NOTE 20 NEW PRONOUNCEMENTS

GASB Statement No. 87, Leases, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 92, *Omnibus 2020*, provides additional guidance to improve consistency of authoritative literature by addressing practice issues identified during the application of certain GASB statements. This statement provides accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activity of public entity risk pools, fair value measurements and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information* Arrangements provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 provides additional guidance for determining whether a primary government is financially accountable for a potential component unit. This Statement requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

GASB Statement No. 99, *Omnibus 2022,* provides guidance on the following accounting matters:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statement.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62,* provides guidance on accounting and financial reporting requirements for accounting changes and error corrections. Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences,* provides guidance on the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Management has not yet determined what effect these statements will have on the entity's financial statements.

NOTE 21 SUBSEQUENT EVENTS

No significant events occurred subsequent to the County’s year end. Subsequent events have been evaluated through October 23, 2023, which is the date these financial statements were available to be issued.

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 827,209	$ 827,209	$ 821,756	$ (5,453)
Licenses, permits and fees	-	-	345	345
Intergovernmental	832,921	832,921	965,322	132,401
Charges for services	180,110	180,110	206,273	26,163
Interest income	25,000	25,000	39,381	14,381
Miscellaneous	29,000	29,000	40,314	11,314
Total revenues	1,894,240	1,894,240	2,073,391	179,151
Expenditures:				
Current:				
General government	1,318,916	1,318,916	1,350,855	(31,939)
Public safety	372,995	372,995	419,096	(46,101)
Health and welfare	24,345	24,345	23,461	884
Other	48,910	48,910	91,118	(42,208)
Total expenditures	1,765,166	1,765,166	1,884,530	(119,364)
Excess (deficiency) of revenues over expenditures	129,074	129,074	188,861	59,787
Other financing sources (uses):				
Transfers out	-	-	(674,527)	(674,527)
Total other financing sources and uses	-	-	(674,527)	(674,527)
Net change in fund balances	129,074	129,074	(485,666)	(614,740)
Fund balance - January 1	1,649,568	1,649,568	1,649,568	-
Fund balance - December 31	$ 1,778,642	$ 1,778,642	$ 1,163,902	$ (614,740)

See Notes to the Required Supplementary Information

BENSON COUNTY
BUDGETARY COMPARISON SCHEDULE – COUNTY ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 176,110	$ 176,110	$ 174,272	$ (1,838)
Charges for services	380,000	380,000	428,503	48,503
Miscellaneous	12,000	12,000	16,735	4,735
Total revenues	568,110	568,110	619,510	51,400
Expenditures:				
Current:				
Highways	2,019,530	2,019,530	697,012	1,322,518
Capital outlay	-	-	1,188,834	(1,188,834)
Total expenditures	2,019,530	2,019,530	1,885,846	133,684
Excess (deficiency) of revenues over expenditures	(1,451,420)	(1,451,420)	(1,266,336)	185,084
Other financing sources (uses):				
Transfers in	-	-	1,266,527	1,266,527
Total other financing sources and uses	-	-	1,266,527	1,266,527
Net change in fund balances	(1,451,420)	(1,451,420)	191	1,451,611
Fund balance - January 1	65,238	65,238	65,238	-
Fund balance - December 31	$ (1,386,182)	$ (1,386,182)	$ 65,429	$ 1,451,611

See Notes to the Required Supplementary Information

BENSON COUNTY
BUDGETARY COMPARISON SCHEDULE – SHERIFF SPECIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	$ 300	$ 300	$ 4,846,533	$ 4,846,233
Total revenues	300	300	4,846,533	4,846,233
Expenditures:				
Current:				
Public safety	-	-	4,845,833	(4,845,833)
Excess (deficiency) of revenues over expenditures	300	300	700	400
Other financing sources (uses):				
Proceeds on auction	-	-	-	-
Net change in fund balances	300	300	700	400
Fund balance - January 1	7,245	7,245	7,245	-
Fund balance - December 31	$ 7,545	$ 7,545	$ 7,945	$ 400

See Notes to the Required Supplementary Information

BENSON COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE NDPERS RETIREMENT FUND
LAST 10 YEARS

Main System

For The Year Ended December 31	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 95,355	$ 95,355	-	$ 1,326,254	7.19%
2020	87,260	87,260	-	1,225,562	7.12%
2019	124,116	124,116	-	1,743,207	7.12%
2018	130,283	130,283	-	1,829,821	7.12%
2017	128,176	128,176	-	1,800,226	7.12%
2016	125,090	125,090	-	1,756,875	7.12%
2015	113,496	113,496	-	1,594,046	7.12%

Law Enforcement

For The Year Ended December 31	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 19,369	$ 19,369	$ -	$ 197,441	9.81%
2020	19,060	16,539	-	194,292	9.81%
2019	16,988	16,988	-	181,928	9.34%
2018	16,188	16,188	-	175,972	9.20%
2017	17,402	17,402	-	177,386	9.81%
2016	14,026	14,026	-	166,053	8.45%
2015	17,270	17,270	-	159,912	10.80%

The County implemented GASB Statement No. 68 for its fiscal year ended December 31, 2015. Information for prior years is not available.

The amounts presented for each fiscal year were determined as of the County's year end which is December 31.

See Notes to the Required Supplementary Information

BENSON COUNTY
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 YEARS

Main System

For The Year Ended December 31	County's Proportion of the Net Pension Liability (Asset)	County's Proportionate Share of the Net Pension Liability (Asset)	County's Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.116460%	$ 1,194,914	$ 1,298,190	92.04%	78.26%
2020	0.113341%	3,565,732	1,250,286	285.19%	77.15%
2019	0.167589%	1,964,264	1,743,207	112.68%	71.66%
2018	0.174128%	2,938,600	1,788,848	164.27%	62.80%
2017	0.178197%	2,864,211	1,819,111	157.45%	61.98%
2016	0.174334%	1,699,055	1,756,875	96.71%	70.46%
2015	0.178930%	1,216,693	1,594,046	76.33%	77.15%

Law Enforcement

For The Year Ended December 31	County's Proportion of the Net Pension Liability (Asset)	County's Proportionate Share of the Net Pension Liability (Asset)	County's Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.216217%	$ 35,830	$ 133,046	26.93%	78.26%
2020	0.341337%	223,739	154,912	144.43%	53.12%
2019	0.451524%	53,699	181,928	29.52%	84.95%
2018	0.509752%	118,794	175,972	67.51%	71.64%
2017	0.608725%	134,018	175,104	76.54%	69.86%
2016	0.588308%	67,411	166,053	40.60%	78.73%
2015	1.091045%	66,287	159,912	41.45%	83.61%

The County implemented GASB Statement No. 68 for its fiscal year ended December 31, 2015. Information for prior years is not available.

The amounts presented for each fiscal year were determined as of the measurement date of the County's net pension liability which is June 30, of the previous year for PERS.

See Notes to the Required Supplementary Information

BENSON COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE OPEB FUND
LAST 10 YEARS

OPEB

For The Year Ended December 31	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 16,445	$ 16,445	$ -	$ 1,523,694	1.08%
2020	16,225	16,225	-	1,381,115	1.17%
2019	21,947	21,947	-	1,925,135	1.14%
2018	22,399	22,399	-	1,964,820	1.14%

The Count implemented GASB Statement No. 75 for its fiscal year ended December 31, 2018. Information for prior years is not available.

The amounts presented for each fiscal year were determined as of the County's year end which is December 31.

See Notes to the Required Supplementary Information

BENSON COUNTY
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 YEARS

For The Year Ended December 31	County's Proportion of the Net OPEB Liability (Asset)	County's Proportionate Share of the Net OPEB Liability (Asset)	County's Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.124005%	$ 68,968	$ 1,351,979	5.10%	76.63%
2020	0.121154%	101,914	1,381,115	7.38%	63.38%
2019	0.172525%	138,570	1,925,135	7.20%	63.13%
2018	0.179564%	141,419	1,964,820	7.20%	59.78%

The Count implemented GASB Statement No. 75 for its fiscal year ended December 31, 2018. Information for prior years is not available.

The amounts presented for each fiscal year were determined as of the measurement date of the County's net OPEB liability which is June 30, of the previous year for PERS.

See Notes to the Required Supplementary Information

NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The county commission adopts an "appropriated budget" on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The County auditor prepares an annual budget for the general fund and each special revenue fund of the County. NDCC 11-23-02. The budget includes proposed expenditures and means of financing them.

The County commission holds a public hearing where any taxpayer may appear and shall be heard in favor of or against any proposed disbursements or tax levies. When the hearing shall have been concluded, the board shall adopt such estimate as finally is determined upon. All taxes shall be levied in specific amounts and shall not exceed the amount specified in the published estimates. NDCC 11-23-04

The board of County commissioners, on or before the October meeting shall determine the amount of taxes that shall be levied for County purposes and shall levy all such taxes in specific amounts. NDCC 11-23-05

Each budget is controlled by the County auditor at the revenue and expenditure function/object level.

The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared. NDCC 57-15-31.1

All appropriations lapse at year-end.

No budget was adopted for the ARPA Covid Fund for the year ended December 31, 2021.

NOTE 2 PENSION PLAN AND OPEB

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

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

OPEB:

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

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

BENSON COUNTY
SCHEDULE OF FUND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance 1-1-21	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-21
Major Funds:						
General fund	$ 1,649,567	$ 2,073,392	$ -	$ 674,527	$ 1,884,530	$ 1,163,902
County road and bridge	65,239	619,509	1,266,527	-	1,885,846	65,429
ARPA COVID Relief	-	-	-	-	-	-
Sheriffs special	7,245	4,846,533	-	-	4,845,833	7,945
Total Major Funds	1,722,051	7,539,434	1,266,527	674,527	8,616,209	1,237,276
Nonmajor Funds:						
Excess flood admin	14,275	-	-	-	-	14,275
Social services	7,931	-	-	-	-	7,931
Highway tax distribution	174,991	463,184	-	420,000	-	218,175
Law Enforcement	(58,653)	348,896	-	-	314,294	(24,051)
Federal aid-6 mills	471,027	129,472	-	-	328,993	271,506
County Poor Relief	11,038	-	-	-	-	11,038
Road and bridge unorganized	53,580	18,143	-	-	3,785	67,938
Federal aid-5 mills	292,224	146,285	-	200,000	5,250	233,259
Federal aid-10 mills	3,995	95,827	-	-	104,500	(4,678)
Emergency fund	146,108	620	-	-	-	146,728
Emergency disaster	(45,181)	21,105	28,000	-	50,663	(46,739)
Emergency medical	6,068	174,274	-	-	174,396	5,946
Food pantry	1,089	-	-	-	-	1,089
Insurance reserve	11,781	-	-	-	-	11,781
Comprehensive health	(7,470)	-	-	-	-	(7,470)
Veteran's service officer	6,289	17,538	-	-	14,771	9,056
County agent	47,218	102,521	-	-	61,476	88,263
Extension fund	3,924	630	-	-	624	3,930
Noxious weed	29,321	157,042	-	-	107,716	78,647
County fair	177	-	-	-	-	177
Federal aid-4 mills	(9,415)	139,420	-	-	203,072	(73,067)
Senior citizens	617	48,568	-	-	48,134	1,051
Hazardous chemical	10,302	375	-	-	567	10,110
UCC maintenance	53,874	6,478	-	-	-	60,352
Job authority	41	2,362	-	-	2,403	-
Benson County transportation	56,674	145,743	-	-	99,487	102,930
Emergency administration - 2011	(5,282)	-	-	-	-	(5,282)
Emergency administration - 2013	(661)	-	-	-	-	(661)
Emergency administration - 2014	2,837	-	-	-	-	2,837
Flood - 2017	853	-	-	-	-	853
Flood - 2011	123,364	-	-	-	4,759	118,605
Flood - 2013	29,246	-	-	-	-	29,246
Flood - 2014	53,977	-	-	-	-	53,977
Flood - 2020	-	140,420	-	-	140,420	-
States Attorney Special	5,454	-	-	-	-	5,454
States Attorney SAAF	8,247	11,617	-	-	11,617	8,247
Sheriff's Scram	1,846	5,198	-	-	3,828	3,216
Sheriffs grant	2,978	297	-	-	-	3,275
Total nonmajor funds	1,504,684	2,176,015	28,000	620,000	1,680,755	1,407,944
Total governmental funds	3,226,735	9,715,449	1,294,527	1,294,527	10,296,964	2,645,220

BENSON COUNTY
SCHEDULE OF FUND ACTIVITY - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance 1-1-21	Receipts	Transfers In	Transfers Out	Disbursements	Balance 12-31-21
Component Unit:						
Benson County Water Resource District	$ 85,930	$ 876,779	$ -	$ -	$ 854,875	$ 107,834

BradyMartz

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*

Board of County Commissioners
Benson County
Minnewaukan, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Benson County, Minnewaukan, North Dakota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 23, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Benson County's Responses to Findings

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

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 result 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.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA

October 23, 2023

2021-001 Finding Material Weakness

Criteria

The County does not have the internal resources to identify all journal entries required to maintain a general ledger and prepare full-disclosure financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

Condition

The County's personnel prepare periodic financial information for internal use that meets the needs of management and the County Commissioners. For the year ended December 31, 2021, the County's personnel assisted in the preparation of the year-end journal entries and reviewed a disclosure checklist. However, the County does not have internal resources to identify all journal entries required to maintain a general ledger and prepare full-disclosure financial statements for external reporting. The County Commissioners are aware of this material weakness and address it by obtaining our assistance in the preparation of the County's annual financial statements.

Cause

The County does not have the internal expertise needed to handle all aspects of the external financial reporting.

Effect

The Commissioners are aware of the deficiency and addresses it by reviewing and approving the adjusting journal entries and the completed statements prior to distribution to the end users.

Recommendation

We recommend the County consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future. As a compensating control, the County should establish an internal control policy to document the annual review of the financial statements and schedules and to review a financial statement disclosure checklist.

Views of responsible officials and planned corrective action:

Due to the small size of the County, it is currently not cost effective for the County personnel to obtain the level of training necessary to completely eliminate this internal control finding. The County will review training options and determine what level of training can be obtained on a cost-effective basis.

2021-002 Finding Material Weakness

Criteria

To provide reasonable assurance that segregation of duties takes place while also taking into account the size of the Water Resource District.

Condition

The Water Resource District has one employee who is responsible for all accounting functions involved. The employee handles all income monies, prepares the receipts documents, prepares the deposits, issues all checks and distributes them, receives the bank statements and does the reconciliations. The employee also records the receipts and disbursements to the journals and maintains the general ledger.

Cause

Size and budget constraints limiting the number of personnel within the accounting department.

Effect

Lack of segregation of duties leads to a limited degree of internal control.

Recommendation

The areas should be reviewed periodically and consideration given to improving the segregation of duties. As a compensating control, the County should have someone independent of the person performing the duties review and approve work completed.

Views of responsible officials and planned corrective action:

Due to the small size of the District, it is currently not cost effective for the Water Resource District to hire additional personnel to effectively separate all necessary duties. The District will consider implementing controls within other County departments to help mitigate the risk.