



# NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

## Dickey County

Ellendale, North Dakota

Audit Report for the Year Ended December 31, 2021

*Client Code: PS11000*



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Office of the  
State Auditor

# DICKEY COUNTY

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For the Year Ended December 31, 2021

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## **DICKEY COUNTY**

County Officials  
December 31, 2021

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### **COUNTY OFFICIALS**

John Hokana  
Jerry Walsh  
Joel Hamar  
Dean Simek  
Marke Roberts

Chairman  
Vice Chairman  
Commissioner  
Commissioner  
Commissioner

Wanda Sheppard  
Wonada Lematta  
Chris Estes  
Deb Anderson  
Kim Radermacher

Auditor  
Treasurer  
Sheriff  
Recorder  
States Attorney



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## INDEPENDENT AUDITOR'S REPORT

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Board of County Commissioners  
Dickey County  
Ellendale, North Dakota

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Dickey County, North Dakota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Dickey 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 units, each major fund, and the aggregate remaining fund information of Dickey County, North Dakota, 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 Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dickey County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, the 2020 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dickey 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 Dickey County's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

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

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

**DICKEY COUNTY**Independent Auditor's Report - Continued

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022 on our consideration of Dickey County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dickey County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dickey County's internal control over financial reporting and compliance.

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
June 23, 2022

**DICKEY COUNTY**

## Statement of Net Position

December 31, 2021

	Primary Government	Component Units
<b>ASSETS</b>		
Cash and Investments	\$ 4,783,209	\$ 1,601,801
Accounts Receivable	17,857	35,269
Intergovernmental Receivable	123,332	66,442
Road Receivables	11,973	-
Loans Receivable	-	45,833
Taxes Receivable	58,701	2,820
Special Assessment Receivable	-	843,479
Capital Assets, Net	16,662,043	1,331,130
<b>Total Assets</b>	<b>\$ 21,657,115</b>	<b>\$ 3,926,774</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Derived from Pension and OPEB	\$ 1,805,354	\$ 339,083
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$ 23,462,469</b>	<b>\$ 4,265,857</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 82,695	\$ 3,035
Salary and Benefits Payable	11,028	579
Grants Received in Advance	393,303	-
Retainages Payable	2,517	-
Interest Payable	4,214	4,674
Long-Term Liabilities		
Due Within One Year		
Long Term Debt	337,595	97,837
Compensated Absences Payable	6,483	1,469
Due After One Year		
Long Term Debt	1,236,302	944,484
Compensated Absences Payable	58,349	13,225
Net Pension and OPEB Liability	1,459,698	246,723
<b>Total Liabilities</b>	<b>\$ 3,592,184</b>	<b>\$ 1,312,026</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Taxes Received in Advance	\$ 962,128	\$ 72,150
Derived from Pension and OPEB	3,125,197	465,916
<b>Total Deferred Inflows of Resources</b>	<b>\$ 4,087,325</b>	<b>\$ 538,066</b>
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<b>\$ 7,679,509</b>	<b>\$ 1,850,092</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 15,081,415	\$ 1,145,363
Restricted		
General Government	847,940	-
Highways and Bridges	375,126	-
Culture and Recreation	-	55,302
Conservation of Natural Resources	47,714	962,099
Emergencies	500,772	-
Economic Development	-	223,897
Unrestricted	(1,070,007)	29,104
<b>Total Net Position</b>	<b>\$ 15,782,960</b>	<b>\$ 2,415,765</b>

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

**DICKEY COUNTY**

## Statement of Activities

For the Year Ended December 31, 2021

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
					Primary Government	Component Units	
<b>Primary Government</b>							
Government Activities							
General Government	\$ 1,693,508	\$ 16,204	\$ 370,957	\$ -	\$ (1,306,347)	\$ -	
Public Safety	837,974	141,394	-	-	(696,580)	-	
Highways and Bridges	1,515,013	190,880	561,233	254,592	(508,308)	-	
Flood Repair	43,241	-	202,647	-	159,406	-	
Health and Welfare	59,144	56	-	-	(59,088)	-	
Culture and Recreation	92,044	-	-	-	(92,044)	-	
Conserv. of Natural Resources	329,464	29,207	13,148	-	(287,109)	-	
Emergencies	225	37,000	-	-	36,775	-	
Interest on Long-Term Debt	15,390	-	-	-	(15,390)	-	
Total Primary Government	<u>\$ 4,586,003</u>	<u>\$ 414,741</u>	<u>\$ 1,147,985</u>	<u>\$ 254,592</u>	<u>\$ (2,768,685)</u>	<u>\$ -</u>	
<b>Component Units</b>	<u>\$ 901,216</u>	<u>\$ 456,377</u>	<u>\$ 221,514</u>	<u>\$ 45,960</u>		<u>\$ (177,365)</u>	
<b>General Revenues</b>							
Property Taxes					\$ 3,423,761	\$ 147,196	
Non Restricted Grants and Contributions					615,337	-	
Gain on Disposal of Capital Assets					25,776	-	
Earnings on Investments					31,167	2,278	
Miscellaneous Revenue					16,976	42,482	
Total General Revenues					<u>\$ 4,113,017</u>	<u>\$ 191,956</u>	
Change in Net Position					<u>\$ 1,344,332</u>	<u>\$ 14,591</u>	
Net Position - January 1					<u>\$ 14,438,628</u>	<u>\$ 2,408,174</u>	
Prior Period Adjustments					<u>\$ -</u>	<u>\$ (7,000)</u>	
Net Position - January 1 - As Restated					<u>\$ 14,438,628</u>	<u>\$ 2,401,174</u>	
Net Position - December 31					<u>\$ 15,782,960</u>	<u>\$ 2,415,765</u>	

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



**DICKEY COUNTY**

Balance Sheet – Governmental Funds

December 31, 2021

	General	Special Revenue	Nonmajor Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 1,992,531	\$ 2,763,190	\$ 27,488	\$ 4,783,209
Taxes Receivable	33,200	25,494	7	58,701
Accounts Receivable	6,217	11,635	5	17,857
Intergovernmental Receivable	37,328	86,004	-	123,332
Road Receivables	-	11,973	-	11,973
Total Assets	<u>\$ 2,069,276</u>	<u>\$ 2,898,296</u>	<u>\$ 27,500</u>	<u>\$ 4,995,072</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	\$ 23,677	\$ 59,018	\$ -	\$ 82,695
Salaries and Benefits Payable	5,486	5,542	-	11,028
Grants Received in Advance	-	393,303	-	393,303
Total Liabilities	<u>\$ 29,163</u>	<u>\$ 457,863</u>	<u>\$ -</u>	<u>\$ 487,026</u>
Deferred Inflows of Resources				
Taxes Receivable	\$ 33,200	\$ 25,494	\$ 7	\$ 58,701
Road Receivables	-	11,973	-	11,973
Taxes Received in Advance	508,303	421,753	32,072	962,128
Total Deferred Inflows of Resources	<u>\$ 541,503</u>	<u>\$ 459,220</u>	<u>\$ 32,079</u>	<u>\$ 1,032,802</u>
Total Liabilities & Deferred Inflows	<u>\$ 570,666</u>	<u>\$ 917,083</u>	<u>\$ 32,079</u>	<u>\$ 1,519,828</u>
Fund Balances				
Committed				
County Improvement	\$ -	\$ 80,908	\$ -	\$ 80,908
Restricted				
General Government	-	540	-	540
Public Safety	-	31,989	-	31,989
Highways and Bridges	-	1,230,573	-	1,230,573
Health and Welfare	-	13,693	-	13,693
Conservation of Natural Resources	-	125,809	-	125,809
Emergencies	-	497,701	-	497,701
Unassigned				
General Fund	1,498,610	-	-	1,498,610
Negative Fund Balance	-	-	(4,579)	(4,579)
Total Fund Balances	<u>\$ 1,498,610</u>	<u>\$ 1,981,213</u>	<u>\$ (4,579)</u>	<u>\$ 3,475,244</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,069,276</u>	<u>\$ 2,898,296</u>	<u>\$ 27,500</u>	<u>\$ 4,995,072</u>

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

**DICKEY COUNTY**

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

December 31, 2021

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**Total Fund Balances for Governmental Funds** \$ 3,475,244

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. 16,662,043

Certain receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenues in the funds.

Property Taxes Receivable	\$ 58,701	
Road Receivables	<u>11,973</u>	70,674

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

Deferred Outflows Related to Pensions and OPEB	\$ 1,805,354	
Deferred Inflows Related to Pensions and OPEB	<u>(3,125,197)</u>	(1,319,843)

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

Long-Term Debt	\$ (1,573,897)	
Interest Payable	(4,214)	
Net Pension and OPEB Liability	(1,459,698)	
Retainages Payable	(2,517)	
Compensated Absences Payable	<u>(64,832)</u>	<u>(3,105,158)</u>

**Total Net Position of Governmental Funds** \$ 15,782,960

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

**DICKEY COUNTY**

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

For the Year Ended December 31, 2021

	General	Special Revenue	Nonmajor Fund	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 1,962,266	\$ 1,460,226	\$ 74	\$ 3,422,566
Licenses, Permits and Fees	1,555	-	-	1,555
Intergovernmental	699,014	1,064,304	1	1,763,319
Charges for Services	14,649	405,234	-	419,883
Interest Income	30,549	-	618	31,167
Miscellaneous	408	16,568	-	16,976
			-	
Total Revenues	\$ 2,708,441	\$ 2,946,332	\$ 693	\$ 5,655,466
<b>EXPENDITURES</b>				
Current				
General Government	\$ 1,636,619	\$ 1,180,037	\$ -	\$ 2,816,656
Public Safety	443,219	358,766	-	801,985
Highways	1,790	2,253,165	-	2,254,955
Flood Repair	-	43,241	-	43,241
Health and Welfare	21,402	37,644	-	59,046
Culture and Recreation	89,893	-	-	89,893
Conserv. of Natural Resources	-	308,036	-	308,036
Debt Service				
Principal	168,052	80,343	-	248,395
Interest and Fees	5,954	4,305	5,278	15,537
Total Expenditures	\$ 2,366,929	\$ 4,265,537	\$ 5,278	\$ 6,637,744
Excess (Deficiency) of Revenues Over Expenditures	\$ 341,512	\$ (1,319,205)	\$ (4,585)	\$ (982,278)
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease Financing	\$ -	\$ 361,486	\$ -	\$ 361,486
Bond Drawdown Proceeds	-	1,000,000	-	1,000,000
Sale of Assets	4,500	-	-	4,500
Transfers In	36,182	500,907	-	537,089
Transfers Out	(500,907)	(36,182)	-	(537,089)
Total Other Financing Sources (Uses)	\$ (460,225)	\$ 1,826,211	\$ -	\$ 1,365,986
Net Change in Fund Balances	\$ (118,713)	\$ 507,006	\$ (4,585)	\$ 383,708
Fund Balance - January 1	\$ 1,617,323	\$ 1,474,207	\$ 6	\$ 3,091,536
Fund Balance - December 31	\$ 1,498,610	\$ 1,981,213	\$ (4,579)	\$ 3,475,244

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

## DICKEY COUNTY

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities For the Year Ended December 31, 2021

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**Net Change in *Fund Balances* - Total Governmental Funds** **\$ 383,708**

The change in net position reported for governmental activities in the statement of activities is different because:

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

Current Year Capital Outlay	\$ 2,525,799	
Current Year Depreciation Expense	<u>(460,732)</u>	2,065,067

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

Gain on Sale of Capital Assets	\$ 25,776	
Sale of Capital Assets	<u>(4,500)</u>	21,276

The proceeds of debt issuances are reporting as other financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond Proceeds	\$ (1,000,000)	
Capital Lease Financing	(361,486)	
Repayment of Debt	<u>248,395</u>	(1,113,091)

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

Net Change in Net Pension Liability and OPEB	\$ 2,548,525	
Net Change in Deferred Intflows of Resources Related to Pensions and OPEB	(558,912)	
Net Change in Deferred Outflows of Resources Related to Pensions and OPEB	<u>(1,996,241)</u>	(6,628)

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

Net Change in Compensated Absences Liability	\$ 1,868	
Net Change in Retainage Payable	(2,517)	
Net Change in Interest Payable	<u>147</u>	(502)

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

Net Change in Taxes Receivable	\$ 1,195	
Net Change in Road Receivables	<u>(6,693)</u>	<u>(5,498)</u>

**Change in Net Position of Governmental Activities** **\$ 1,344,332**

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

**DICKEY COUNTY**

Combining Statement of Net Position – All Discretely Presented Component Units  
For the Year Ended December 31, 2021

	Water Resource District	Health District	Fair	Job Development Authority	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 998,201	\$ 353,457	\$ 73,051	\$ 177,092	\$ 1,601,801
Accounts Receivable	403	34,449	-	417	35,269
Intergovernmental Receivable	110	66,332	-	-	66,442
Loans Receivable	-	-	-	45,833	45,833
Taxes Receivable	463	1,802	-	555	2,820
Special Assessment Receivable	843,479	-	-	-	843,479
Capital Assets, Net	1,188,114	143,016	-	-	1,331,130
Total Assets	\$ 3,030,770	\$ 599,056	\$ 73,051	\$ 223,897	\$ 3,926,774
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension and OPEB Items	\$ -	\$ 339,083	\$ -	\$ -	\$ 339,083
Total Assets & Deferred Outflows of Resources	\$ 3,030,770	\$ 938,139	\$ 73,051	\$ 223,897	\$ 4,265,857
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,497	\$ 1,538	\$ -	\$ -	\$ 3,035
Salary and Benefits Payable	579	-	-	-	579
Interest Payable	4,246	-	428	-	4,674
Long-Term Liabilities					
Due Within One Year					
Long Term Debt	85,000	-	12,837	-	97,837
Compensated Absences	-	1,469	-	-	1,469
Due After One Year					
Long Term Debt	940,000	-	4,484	-	944,484
Compensated Absences	-	13,225	-	-	13,225
Net Pension and OPEB Liability	-	246,723	-	-	246,723
Total Liabilities	\$ 1,031,322	\$ 262,955	\$ 17,749	\$ -	\$ 1,312,026
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension and OPEB Items	\$ -	\$ 465,916	\$ -	\$ -	\$ 465,916
Taxes Received in Advance	35,002	37,148	-	-	72,150
Total Liabilities & Deferred Inflows	\$ 1,066,324	\$ 766,019	\$ 17,749	\$ -	\$ 1,850,092
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ 1,002,347	\$ 143,016	\$ -	\$ -	\$ 1,145,363
Restricted					
Culture and Recreation	-	-	55,302	-	55,302
Economic Development	-	-	-	223,897	223,897
Conservation of Natural Resources	962,099	-	-	-	962,099
Unrestricted	-	29,104	-	-	29,104
Total Net Position	\$ 1,964,446	\$ 172,120	\$ 55,302	\$ 223,897	\$ 2,415,765

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

# DICKEY COUNTY

## Combining Statement of Activities – All Discretely Presented Component Units

December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Water Resource District	Health District	Fair	Job Development Authority	Totals
<b>Component Units</b>									
Water Resource District	\$ 113,895	\$ -	\$ 2,068	\$ 45,960	\$ (65,867)	\$ -	\$ -	\$ -	\$ (65,867)
Health District	623,735	427,221	219,355	-	-	22,841	-	-	22,841
Fair	91,701	787	-	-	-	-	(90,914)	-	(90,914)
Job Development Authority	71,885	28,369	91	-	-	-	-	(43,425)	(43,425)
<b>Total Component Units</b>	<b>\$ 901,216</b>	<b>\$ 456,377</b>	<b>\$ 221,514</b>	<b>\$ 45,960</b>	<b>\$ (65,867)</b>	<b>\$ 22,841</b>	<b>\$ (90,914)</b>	<b>\$ (43,425)</b>	<b>\$ (177,365)</b>
<b>General Revenues</b>									
Property taxes					\$ 1,946	\$ 88,725	\$ 46,587	\$ 9,938	\$ 147,196
Earnings on investments					2,258	-	20	-	2,278
Miscellaneous revenue					15,971	-	26,511	-	42,482
<b>Total General Revenues</b>					<b>\$ 20,175</b>	<b>\$ 88,725</b>	<b>\$ 73,118</b>	<b>\$ 9,938</b>	<b>\$ 191,956</b>
<b>Change in Net Position</b>					<b>\$ (45,692)</b>	<b>\$ 111,566</b>	<b>\$ (17,796)</b>	<b>\$ (33,487)</b>	<b>\$ 14,591</b>
<b>Net Position - January 1</b>					<b>\$ 2,010,138</b>	<b>\$ 60,554</b>	<b>\$ 80,098</b>	<b>\$ 257,384</b>	<b>2,408,174</b>
<b>Prior Period Adjustment</b>					<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,000)</b>	<b>\$ -</b>	<b>\$ (7,000)</b>
<b>Net Position - January 1, As Restated</b>					<b>\$ 2,010,138</b>	<b>\$ 60,554</b>	<b>\$ 73,098</b>	<b>\$ 257,384</b>	<b>\$ 2,401,174</b>
<b>Net Position - December 31</b>					<b>\$ 1,964,446</b>	<b>\$ 172,120</b>	<b>\$ 55,302</b>	<b>\$ 223,897</b>	<b>\$ 2,415,765</b>

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

**DICKEY COUNTY**

Statement of Fiduciary Net Position – Fiduciary Funds  
December 31, 2021

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	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 1,846,263</u>
<b>LIABILITIES</b>	
Liabilities	
Funds Held for Other Governmental Units	<u>\$ 75,844</u>
Deferred Inflows of Resources	
Taxes Received in Advance	<u>\$ 1,770,419</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,846,263</u>

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

**DICKEY COUNTY**Statement of Changes in Fiduciary Net Position – Fiduciary Funds  
December 31, 2021

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	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Tax Collections for Other Governments	\$ 6,796,872
Grant Collections for Other Governments	770,070
Miscellaneous Collections	<u>126,855</u>
Total Additions	<u><u>\$ 7,693,797</u></u>
<b>DEDUCTIONS</b>	
Tax Disbursements to Other Governments	\$ 6,796,872
Grant Disbursements to Other Governments	770,070
Miscellaneous Disbursements	<u>126,855</u>
Total Deductions	<u><u>\$ 7,693,797</u></u>
Net Increase (Decrease) in Fiduciary Net Position	<u>\$ -</u>
Net Position - Beginning	<u>\$ -</u>
Net Position - Ending	<u><u>\$ -</u></u>

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



## DICKEY COUNTY

Notes to the Financial Statements  
For the Year Ended December 31, 2021

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Reporting Entity

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

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

#### Component Units

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

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

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

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

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

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

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

**Basis of Presentation**

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

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

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

The County reports the following major governmental funds:

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

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

Additionally, the County reports the following fund type:

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

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

**Cash and Investments**

Cash includes amounts in demand deposits and money market accounts.

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

**Capital Assets**

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

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

<b>Assets</b>	<b>Years</b>
Land and Intangibles	Indefinite
Vehicles and Equipment	7
Buildings	30
Infrastructure	75

**Compensated Absences**

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

**Long-Term Obligations**

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

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

**Pension**

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

## DICKEY COUNTY

### Notes to the Financial Statements – Continued

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#### **Other Post-Employment Benefits (OPEB)**

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

#### **Fund Balances**

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

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

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

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

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

#### **Net Position**

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

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

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

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

#### **Interfund Transactions**

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

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

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

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

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

Net position of the Dickey County Fair Board as of January 1, 2021 has been restated to adjust the cash balance to the correct amount.

<b>Governmental Activities - County Fair</b>	<b>Amounts</b>
<b>Beginning Net Position, as Previously Reported</b>	\$ 80,098
Adjustments to restate the January 1, 2021 Net Position	
Cash Adjustment	(7,000)
<b>Net Position January 1, as restated</b>	<b>\$ 73,098</b>

**NOTE 3 DEPOSITS****Custodial Credit Risk**

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

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

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

At year ended December 31, 2021, the County's carrying amount of deposits totaled \$8,156,696 and the bank balances totaled \$8,014,553. Of the bank balances, \$787,569 was covered by Federal Depository Insurance. The remaining bank balances were collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2021, the Fair's carrying amount of deposits totaled \$73,051 and the bank balances totaled \$73,541, all of which were covered by Federal Depository Insurance.

**NOTE 4 PROPERTY TAXES**

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

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

**NOTE 5 CAPITAL ASSETS****Primary Government**

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

<b>Primary Government</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
Capital Assets Not Being Depreciated					
Land	\$ 40,398	\$ -	\$ -	\$ -	\$ 40,398
Construction in Progress	543,637	2,074,626	-	1,527,750	1,090,513
<b>Total Capital Assets, Not Being Depreciated</b>	<b>\$ 584,035</b>	<b>\$ 2,074,626</b>	<b>\$ -</b>	<b>\$ 1,527,750</b>	<b>\$ 1,130,911</b>
Capital Assets, Being Depreciated					
Buildings	\$ 2,187,699	\$ -	\$ -	\$ 1,233,406	\$ 3,421,105
Equipment	1,421,935	504,174	96,125	-	1,829,984
Vehicles	1,328,877	-	26,253	-	1,302,624
Infrastructure	13,130,391	-	-	294,344	13,424,735
<b>Total Capital Assets, Being Depreciated</b>	<b>\$ 18,068,902</b>	<b>\$ 504,174</b>	<b>\$ 122,378</b>	<b>\$ 1,527,750</b>	<b>\$ 19,978,448</b>
Less Accumulated Depreciation					
Buildings	\$ 886,460	\$ 60,674	\$ -	\$ -	\$ 947,134
Equipment	1,262,085	120,008	64,404	-	1,317,689
Vehicles	950,164	101,054	26,254	-	1,024,964
Infrastructure	978,532	178,997	-	-	1,157,529
<b>Total Accumulated Depreciation</b>	<b>\$ 4,077,241</b>	<b>\$ 460,733</b>	<b>\$ 90,658</b>	<b>\$ -</b>	<b>\$ 4,447,316</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 13,991,661</b>	<b>\$ 43,441</b>	<b>\$ 31,720</b>	<b>\$ 1,527,750</b>	<b>\$ 15,531,132</b>
<b>Capital Assets - Net</b>	<b>\$ 14,575,696</b>	<b>\$ 2,118,067</b>	<b>\$ 31,720</b>	<b>\$ -</b>	<b>\$ 16,662,043</b>

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

<b>Primary Government</b>	
General Government	\$ 57,208
Public Safety	32,927
Highways	345,540
Culture and Recreation	2,151
Conservation of Natural Resources	22,907
<b>Total Depreciation Expense</b>	<b>\$ 460,733</b>

**Component Units**

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

<b>Water Resource District</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
Capital Assets Not Being Depreciated					
Intangible	\$ 33,296	\$ -	\$ -	\$ -	\$ 33,296
Capital Assets, Being Depreciated					
Infrastructure	\$ 1,219,696	\$ -	\$ -	\$ -	\$ 1,219,696
Less Accumulated Depreciation					
Infrastructure	\$ 48,617	\$ 16,261	\$ -	\$ -	\$ 64,878
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 1,171,079</b>	<b>\$ (16,261)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,154,818</b>
<b>Capital Assets - Net</b>	<b>\$ 1,204,375</b>	<b>\$ (16,261)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,188,114</b>

Depreciation was charged to the conservation of natural resources function.

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

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

<b>Health District</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
Capital Assets, Being Depreciated					
Equipment	\$ 29,792	\$ -	\$ -	\$ -	\$ 29,792
Vehicles	-	40,542	-	-	40,542
Buildings	108,732	-	-	-	108,732
Total Capital Assets, Being Depreciated	\$ 138,524	\$ 40,542	\$ -	\$ -	\$ 179,066
Less Accumulated Depreciation					
Equipment	\$ 4,256	\$ 4,256	\$ -	\$ -	\$ 8,512
Vehicles	-	5,792	-	-	5,792
Buildings	18,122	3,624	-	-	21,746
Total Accumulated Depreciation	\$ 22,378	\$ 13,672	\$ -	\$ -	\$ 36,050
Total Capital Assets Being Depreciated, Net	\$ 116,146	\$ 26,870	\$ -	\$ -	\$ 143,016
Capital Assets - Net	\$ 116,146	\$ 26,870	\$ -	\$ -	\$ 143,016

Depreciation was charged to the Health and Welfare function.

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

During the year ended December 31, 2021, the following changes occurred in governmental activities long-term liabilities:

<b>Primary Government</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31</b>	<b>Due Within One Year</b>
Long-Term Debt					
Leases Payable	\$ 121,325	\$ 361,486	\$ 80,343	\$ 402,468	\$ 71,166
Bonds Payable	339,481	1,000,000	168,052	1,171,429	266,429
Total Long-Term Debt	\$ 460,806	\$ 1,361,486	\$ 248,395	\$ 1,573,897	\$ 337,595
Compensated Absences *	\$ 66,700	\$ -	\$ 1,868	\$ 64,832	\$ 6,483
Net Pension and OPEB Liability	4,008,223	-	2,548,525	1,459,698	-
Total Primary Government	\$ 4,535,729	\$ 1,361,486	\$ 2,798,788	\$ 3,098,427	\$ 344,078

\* The change in Compensated Absences is shown as a net change.

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

<b>GOVERNMENTAL ACTIVITIES</b>				
<b>Year Ending December 31</b>	<b>Capital Leases</b>		<b>Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 71,166	\$ 13,482	\$ 266,429	\$ 9,544
2023	73,615	11,033	95,000	6,541
2024	32,802	8,501	95,000	6,114
2025	33,885	7,419	100,000	5,675
2026	191,000	6,301	100,000	5,125
Thereafter	-	-	515,000	12,850
Total	\$ 402,468	\$ 46,736	\$ 1,171,429	\$ 45,849

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

During the year ended December 31, 2021, the following changes occurred in governmental activities long-term liabilities for the following component units:

<b>Water Resource District</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31</b>	<b>Due Within One Year</b>
Long-Term Debt					
Bonds Payable	\$ 1,110,000	\$ -	\$ 85,000	\$ 1,025,000	\$ 85,000

<b>Fair</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31</b>	<b>Due Within One Year</b>
Long-Term Debt					
Loan Payable	\$ 23,894	\$ -	\$ 6,572	\$ 17,321	\$ 12,837

<b>Health District</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31</b>	<b>Due Within One Year</b>
Compensated Absences *	\$ 18,611	\$ -	\$ 3,917	\$ 14,694	\$ 1,469
Net Pension and OPEB Liability	669,207	-	422,484	246,723	-
Total Health District	\$ 687,818	\$ -	\$ 426,401	\$ 261,417	\$ 1,469

\* The change in Compensated Absences is shown as a net change.

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

<b>Water Resource District</b>		
<b>Year Ending December 31</b>	<b>Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 85,000	\$ 24,758
2023	85,000	23,313
2024	85,000	21,676
2025	90,000	19,795
2026	90,000	17,860
2027-2031	485,000	52,171
2032-2036	105,000	1,575
Total	\$ 1,025,000	\$ 161,148

<b>Fair</b>		
<b>Year Ending December 31</b>	<b>Loans Payable</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 12,837	\$ 988
2023	4,484	261
Total	\$ 17,321	\$ 1,249



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

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

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

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

**Pension Benefits**

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

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

**Death and Disability Benefits**

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

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

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

**Refunds of Member Account Balance**

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

**Member and Employer Contributions**

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

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

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

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

At December 31, 2021, the following net pension liabilities were reported:

	<b>Net Pension Liability</b>
Primary Government	\$ 1,394,431
Health District	233,767

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on their respective share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2021 the entities had the following proportions, change in proportions, and pension expense:

	<b>Proportion</b>	<b>Increase (Decrease) in Proportion from June 30, 2020 Measurement</b>	<b>Pension Expense</b>
Primary Government	0.133784%	0.009294%	\$ 130,324
Health District	0.022428%	0.001693%	55,571

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

At December 31, 2021, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

<b>Primary Government</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 24,074	\$ 142,321
Changes of Assumptions	1,543,365	2,012,225
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	-	517,173
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	151,328	405,041
Employer Contributions Subsequent to the Measurement Date	55,937	-
<b>Total</b>	<b>\$ 1,774,704</b>	<b>\$ 3,076,760</b>

<b>Component Unit - Health District</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 4,036	\$ 23,859
Changes of Assumptions	258,735	337,336
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	-	86,701
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	58,405	12,189
Employer Contributions Subsequent to the Measurement Date	9,870	-
<b>Total</b>	<b>\$ 331,046</b>	<b>\$ 460,085</b>

The following amounts were reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022:

Primary Government	\$ 55,937
Health District	9,870

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

	<b>Primary Government</b>	<b>Health District</b>
2022	(251,782)	(11,280)
2023	(346,018)	(29,375)
2024	(283,202)	(18,617)
2025	(476,991)	(79,637)

**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	3.5% to 17.75% including inflation
Investment Rate of Return	7.00%, Net of Investment Expenses
Cost-of-Living Adjustments	None

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	30%	6.00%
International Equity	21%	6.70%
Private Equity	7%	9.50%
Domestic Fixed Income	23%	0.73%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.77%
Cash Equivalents	0%	0.00%

**Discount Rate**

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.92%; and the resulting Single Discount Rate is 7.00%

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

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

<b>Proportionate Share of the Net Pension Liability</b>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
County	\$ 2,217,615	\$ 1,394,431	\$ 709,002
Health District	371,768	233,767	118,859

**Pension Plan Fiduciary Net Position**

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

**NOTE 9 OTHER POST EMPLOYMENT BENEFITS (OPEB)****General Information about the OPEB Plan*****North Dakota Public Employees Retirement System***

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

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

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

**OPEB Benefits**

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

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

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

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

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

At December 31, 2021, the following net OPEB liabilities were reported:

	<b>Net OPEB Liability</b>
Primary Government	\$ 65,267
Health District	12,956

The net OPEB liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net OPEB liability was based on their respective share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2021, the entities had the following proportions, change in proportions, and pension expense:

	<b>Proportion</b>	<b>Increase (Decrease) in Proportion from June 30, 2020 Measurement</b>	<b>OPEB Expense</b>
Primary Government	0.117351%	0.008291%	\$ 4,158
Health District	0.023295%	0.003230%	2,423

At December 31, 2021, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

<b>Primary Government</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 3,750	\$ 1,789
Changes of Assumptions	10,107	-
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	-	22,362
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	7,836	24,286
Employer Contributions Subsequent to the Measurement Date	8,956	-
<b>Total</b>	<b>\$ 30,649</b>	<b>\$ 48,437</b>

<b>Component Unit - Health District</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 743	\$ 355
Changes of Assumptions	2,006	-
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	-	4,439
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,707	1,037
Employer Contributions Subsequent to the Measurement Date	1,580	-
<b>Total</b>	<b>\$ 8,036</b>	<b>\$ 5,831</b>

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

The following amounts were reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022:

Primary Government	\$ 8,956
Health District	1,580

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

	Primary Government	Health District
2022	(6,109)	383
2023	(6,270)	351
2024	(7,340)	160
2025	(7,548)	(388)
Thereafter	523	119

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

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

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	5.85%
Small Cap Domestic Equities	6%	6.75%
Domestic Fixed Income	40%	0.50%
International Equities	21%	6.25%

**DICKEY COUNTY**

## Notes to the Financial Statements – Continued

**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:

<b>Proportionate Share of the Net OPEB Liability</b>	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
County	\$ 96,800	\$ 65,267	\$ 38,586
Health District	19,215	12,956	7,660

**NOTE 10 TRANSFERS**

The following table shows amounts reported for transfers in and transfers out as reported in the basic financial statements in the governmental funds for the year ended December 31, 2021.

	<b>Transfers In</b>	<b>Transfers Out</b>
<b>Major Funds</b>		
General Fund	\$ 36,182	500,907
Special Revenue Fund	500,907	36,182
<b>Total Transfers</b>	<b>\$ 537,089</b>	<b>\$ 537,089</b>

**NOTE 11 RISK MANAGEMENT**

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

In 1986, state agencies and political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The County pays an annual premium to NDIRF for its general liability, automobile, and inland marine insurance coverage. For the County the coverage by NDIRF is limited to losses of two million dollars per occurrence for general liability, two million for automobile, and \$2,787,629 for public assets/mobile equipment and portable property.

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

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



**DICKEY COUNTY**

## Budgetary Comparison Schedule – General Fund

For the Year Ended December 31, 2021

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 2,008,191	\$ 2,008,191	\$ 1,962,266	\$ (45,925)
Licenses, Permits and Fees	900	900	1,555	655
Intergovernmental	535,496	535,496	699,014	163,518
Charges for Services	13,000	13,000	14,649	1,649
Interest Income	12,000	12,000	30,549	18,549
Miscellaneous	-	-	408	408
Total Revenues	<u>\$ 2,569,587</u>	<u>\$ 2,569,587</u>	<u>\$ 2,708,441</u>	<u>\$ 138,854</u>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 2,071,054	\$ 2,071,054	\$ 1,636,619	\$ 434,435
Public Safety	573,542	573,542	443,219	130,323
Highways	1,790	1,790	1,790	-
Health and Welfare	41,700	41,700	21,402	20,298
Culture and Recreation	98,947	98,947	89,893	9,054
Debt Service				
Principal	174,005	174,005	168,052	5,953
Interest & Fees	-	-	5,954	(5,954)
Total Expenditures	<u>\$ 2,961,038</u>	<u>\$ 2,961,038</u>	<u>\$ 2,366,929</u>	<u>\$ 594,109</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (391,451)</u>	<u>\$ (391,451)</u>	<u>\$ 341,512</u>	<u>\$ 732,963</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ -	\$ -	\$ 36,182	\$ 36,182
Sale of Assets	-	-	4,500	4,500
Transfers Out	-	-	(500,907)	(500,907)
Net Change in Fund Balances	<u>\$ (391,451)</u>	<u>\$ (391,451)</u>	<u>\$ (118,713)</u>	<u>\$ 272,738</u>
Fund Balance - January 1	<u>\$ 1,617,323</u>	<u>\$ 1,617,323</u>	<u>\$ 1,617,323</u>	<u>\$ -</u>
Fund Balance - December 31	<u><u>\$ 1,225,872</u></u>	<u><u>\$ 1,225,872</u></u>	<u><u>\$ 1,498,610</u></u>	<u><u>\$ 272,738</u></u>

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

**DICKEY COUNTY**

## Budgetary Comparison Schedule – Special Revenue Fund

For the Year Ended December 31, 2021

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,510,215	\$ 1,510,215	\$ 1,460,226	\$ (49,989)
Intergovernmental	2,662,478	2,662,478	1,064,304	(1,598,174)
Charges for Services	300,000	300,000	405,234	105,234
Miscellaneous	11,000	11,000	16,568	5,568
Total Revenues	<u>\$ 4,483,693</u>	<u>\$ 4,483,693</u>	<u>\$ 2,946,332</u>	<u>\$ (1,537,361)</u>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 1,158,639	\$ 2,253,501	\$ 1,180,037	1,073,464
Public Safety	432,319	602,164	358,766	243,398
Highways	2,555,517	2,555,517	1,891,679	663,838
Flood Repair	-	-	43,241	(43,241)
Health and Welfare	-	-	37,644	(37,644)
Conserv. of Natural Resources	315,770	315,770	308,036	7,734
Debt Service				
Principal	-	-	80,343	(80,343)
Interest	-	-	4,305	(4,305)
Total Expenditures	<u>\$ 4,462,245</u>	<u>\$ 5,726,952</u>	<u>\$ 3,904,051</u>	<u>\$ 1,822,901</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 21,448</u>	<u>\$ (1,243,259)</u>	<u>\$ (957,719)</u>	<u>\$ 285,540</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Drawdown Proceeds	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Transfer In	462,500	462,500	500,907	38,407
Transfers Out	-	-	(36,182)	(36,182)
Total Other Financing Sources and Uses	<u>\$ 462,500</u>	<u>\$ 462,500</u>	<u>\$ 1,464,725</u>	<u>\$ 1,002,225</u>
Net Change in Fund Balances	<u>\$ 483,948</u>	<u>\$ (780,759)</u>	<u>\$ 507,006</u>	<u>\$ 1,287,765</u>
Fund Balance - January 1	<u>\$ 1,474,207</u>	<u>\$ 1,474,207</u>	<u>\$ 1,474,207</u>	<u>\$ -</u>
Fund Balance - December 31	<u><u>\$ 1,958,155</u></u>	<u><u>\$ 693,448</u></u>	<u><u>\$ 1,981,213</u></u>	<u><u>\$ 1,287,765</u></u>

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

**DICKEY COUNTY**

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

For the Year Ended December 31, 2021

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

<b>County</b>	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.133784%	\$ 1,394,431	\$ 1,514,956	92.04%	78.26%
2020	0.124490%	3,916,482	1,373,279	285.19%	48.91%
2019	0.175834%	2,060,902	1,828,968	112.68%	71.66%
2018	0.180704%	3,049,577	1,856,405	164.27%	62.80%
2017	0.172414%	2,771,259	1,760,080	157.45%	61.98%
2016	0.176041%	1,715,691	1,774,076	96.71%	70.46%
2015	0.174130%	1,184,054	1,551,286	76.33%	77.15%
2014	0.185246%	1,175,796	1,560,478	75.35%	77.70%

<b>Health District</b>	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.022428%	\$ 233,767	\$ 253,975	92.04%	78.26%
2020	0.020735%	652,328	228,731	285.19%	48.91%
2019	0.016608%	194,658	172,756	112.68%	71.66%
2018	0.019040%	321,321	195,606	164.27%	62.80%
2017	0.018787%	301,969	191,790	157.45%	61.98%
2016	0.014428%	140,615	145,399	96.71%	70.46%
2015	0.014590%	99,210	129,979	76.33%	77.15%
2014	0.016663%	122,325	140,364	87.15%	77.70%

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

**DICKEY COUNTY**

Schedule of Employer's Share of Net Pension Liability and Employer Contributions - Continued  
 For the Year Ended December 31, 2021

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

<b>County</b>	<b>Statutory Required Contribution</b>	<b>Contributions in Relation to the Statutory Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered-Employee Payroll</b>	<b>Contributions as a Percentage of Covered-Employee Payroll</b>
2021	\$ 111,721	\$ 111,655	\$ 66	\$ 1,514,956	7.37%
2020	97,240	121,923	(24,683)	1,373,279	8.88%
2019	133,160	138,432	(5,272)	1,828,968	7.57%
2018	136,732	136,134	598	1,856,405	7.44%
2017	127,627	133,674	(6,047)	1,760,080	7.59%
2016	128,440	129,909	(1,469)	1,774,076	7.32%
2015	117,833	122,862	(5,029)	1,551,286	7.92%
2014	111,106	111,106	-	1,560,478	7.12%

<b>Health District</b>	<b>Statutory Required Contribution</b>	<b>Contributions in Relation to the Statutory Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered-Employee Payroll</b>	<b>Contributions as a Percentage of Covered-Employee Payroll</b>
2021	\$ 18,729	\$ 18,430	\$ 299	\$ 253,975	7.26%
2020	16,196	15,099	1,097	252,629	5.98%
2019	12,577	12,572	5	172,756	7.28%
2018	14,407	13,926	481	195,606	8.06%
2017	13,907	13,655	252	191,790	7.12%
2016	10,527	10,352	175	145,399	7.12%
2015	9,873	9,610	263	129,979	7.39%
2014	9,994	9,994	-	140,364	7.12%

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

**DICKEY COUNTY**

Schedule of Employer's Share of Net OPEB Liability and Employer Contributions  
For the Year Ended December 31, 2021

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

<b>Primary Government</b>	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	0.117351%	\$ 65,267	\$ 1,279,425	5.10%	76.63%
2020	0.109060%	91,741	1,243,254	7.38%	63.38%
2019	0.163907%	131,648	1,828,968	7.20%	63.13%
2018	0.169656%	133,616	1,856,405	7.20%	61.89%
2017	0.162693%	128,692	1,760,080	7.31%	59.78%

<b>Health District</b>	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	0.023295%	\$ 12,956	\$ 253,975	5.10%	76.63%
2020	0.020065%	16,879	228,731	7.38%	63.38%
2019	0.020065%	16,879	228,731	7.38%	63.13%
2018	0.017876%	14,079	195,606	7.20%	61.89%
2017	0.017728%	14,023	191,790	7.31%	59.78%

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

**DICKEY COUNTY**

Schedule of Employer's Share of Net OPEB Liability and Employer Contributions – Continued  
 For the Year Ended December 31, 2021

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

<b>Primary Government</b>	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2021	\$ 15,385	\$ 15,887	\$ (502)	\$ 1,279,425	1.24%
2020	14,606	19,058	(4,452)	1,514,343	1.26%
2019	21,271	22,165	(894)	1,828,968	1.21%
2018	21,775	21,797	(22)	1,856,405	1.17%
2017	20,460	21,403	(943)	1,760,080	1.22%

<b>Health District</b>	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2021	\$ 3,054	\$ 2,951	\$ 103	\$ 253,975	1.16%
2020	2,687	2,418	269	228,731	1.06%
2019	2,009	2,013	(4)	172,756	1.17%
2018	2,294	2,230	64	195,606	1.14%
2017	2,229	2,186	43	191,790	1.14%

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

## **DICKEY COUNTY**

Notes to the Required Supplementary Information  
For the Year Ended December 31, 2021

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### **NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **Budgetary Information**

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

### **NOTE 2: SCHEDULE OF EMPLOYER PENSION AND OPEB LIABILITY AND CONTRIBUTIONS**

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

### **NOTE 3: CHANGES OF BENEFIT TERMS – PENSION AND OPEB**

#### **Pension**

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

#### **OPEB**

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

**DICKEY COUNTY**

## Notes to the Required Supplementary Information – Continued

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

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

**OPEB**

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

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

The board of County commissioners amended the budget for 2021 as follows:

Fund	EXPENDITURES		
	Original Budget	Amendment	Amended Budget
<b>Major Funds</b>			
Special Revenue Fund	\$ 4,462,245	\$ 1,264,707	\$ 5,726,952

**NOTE 6        BUDGET TO ACTUAL RECONCILIATION**

Leases issued that are paid by the special revenue fund are not included in the budgetary comparison schedule expenditures, but are included in the combined statement of revenues, expenditures and changes in fund balance. The reconciliation is provided below:

	Combined Statement	Adjustment	Budget to Actual Statement
<b>Special Revenue Fund</b>			
Expenditures	\$ 4,265,537	\$ (361,483)	\$ 3,904,054
Lease Proceeds	361,483	(361,483)	-



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## 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*

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### Independent Auditor's Report

Board of County Commissioners  
Dickey County  
Ellendale, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Dickey County as of and for the years ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Dickey County's basic financial statements, and have issued our report thereon dated June 23, 2022.

### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**DICKEY COUNTY**

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

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dickey County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

**Purpose of this Report**

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

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
June 23, 2022

## DICKEY COUNTY

Summary of Auditor's Results  
For the Year Ended December 31, 2021

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### Financial Statements

Type of Report Issued:

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

### Internal control over financial reporting

Material weaknesses identified? \_\_\_\_\_ Yes      X   None Noted

Significant deficiencies identified not considered  
to be material weaknesses? \_\_\_\_\_ Yes      X   None Noted

Noncompliance material to financial statements  
noted? \_\_\_\_\_ Yes      X   None Noted

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## GOVERNANCE COMMUNICATION

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June 23, 2022

Board of County Commissioners  
Dickey County  
Ellendale, North Dakota

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Dickey County, North Dakota, for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 25, 2022. Professional standards also require that we communicate to you with the following information related to our audit.

### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Dickey County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by Dickey County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the useful lives of capital assets is based on past history of each classification of capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

### Difficulties Encountered in Performing the Audit

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

### Corrected and Uncorrected Misstatements

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

	Audit Adjustments	
	Debit	Credit
<b>Governmental Activities</b>		
<u>To Properly Record Retainage Payable</u>		
Retainage Payable	10,683	-
Capital Assets	-	10,683

### Disagreements with Management

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

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 23, 2022.

### Management Consultations with Other Independent Accountants

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

### Other Audit Findings or Issues

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

### Other Matters

We applied certain limited procedures to the *budgetary comparison information, schedule of district's share of net pension liability and district contributions, schedule of district's share of net OPEB liability and district contributions, and notes to the required supplementary information* which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**DICKEY COUNTY**Governance Communication – Continued

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**Restriction on Use**

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

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

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
June 23, 2022



Office of the  
State Auditor

NORTH DAKOTA STATE AUDITOR  
JOSHUA C. GALLION

**NORTH DAKOTA STATE AUDITOR'S OFFICE**

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