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Schedule of Employer's Share of Net Pension Liability and Employer Contributions - Continued  
 For the Year Ended December 31, 2022

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

<b>Water System</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
2022	\$ 24,574	\$ 23,231	\$ 1,343	\$ 338,828	6.86%
2021	23,524	22,712	812	333,297	6.81%
2020	21,579	21,697	(119)	324,776	6.68%
2019	20,794	19,825	969	285,613	6.94%
2018	18,208	19,771	(1,563)	247,214	8.00%
2017	19,199	18,851	348	264,767	7.12%
2016	18,511	17,618	893	255,680	6.89%
2015	16,526	15,491	1,035	217,570	7.12%
2014	14,737	14,737	-	206,982	7.12%

<b>Sewer System</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
2022	\$ 7,043	\$ 6,658	\$ 385	\$ 96,272	6.92%
2021	5,879	5,676	203	80,759	7.03%
2020	5,675	5,707	(31)	73,164	7.80%
2019	5,960	5,682	278	81,863	6.94%
2018	4,776	5,186	(410)	64,840	8.00%
2017	5,102	5,010	92	70,366	7.12%
2016	4,920	4,682	238	67,950	6.89%
2015	4,392	4,117	275	57,822	7.12%
2014	3,917	3,917	-	55,008	7.12%

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

**GREATER RAMSEY WATER DISTRICT**

Schedule of Employer’s Share of Net OPEB Liability and Employer Contributions  
 For the Year Ended December 31, 2022

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

<b>Water System</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
2022	0.031602%	\$ 37,933	\$ 326,264	11.63%	56.28%
2021	0.029259%	16,273	318,992	5.10%	76.63%
2020	0.026733%	22,488	304,749	7.38%	63.38%
2019	0.026125%	20,984	291,521	7.20%	63.13%
2018	0.022592%	17,793	247,214	7.20%	61.89%
2017	0.024474%	19,359	264,767	7.31%	59.78%

<b>Sewer System</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
2022	0.009058%	\$ 10,872	\$ 93,514	11.63%	56.28%
2021	0.007312%	4,067	79,722	5.10%	76.63%
2020	0.007031%	5,914	80,151	7.38%	63.38%
2019	0.006807%	5,467	75,955	7.20%	63.13%
2018	0.005926%	4,667	64,840	7.20%	61.89%
2017	0.006504%	5,145	70,366	7.31%	59.78%

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



**GREATER RAMSEY WATER DISTRICT**

Schedule of Employer's Share of Net Pension Liability and Employer Contributions - Continued  
 For the Year Ended December 31, 2022

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

<b>Water System</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
2022	\$ 3,971	\$ 3,720	\$ 251	\$ 338,828	1.10%
2021	3,836	3,636	200	333,297	1.09%
2020	3,580	3,474	106	324,776	1.07%
2019	3,322	3,174	148	285,613	1.11%
2018	2,900	3,166	(266)	247,214	1.28%
2017	3,078	3,019	59	264,767	1.14%

<b>Sewer System</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
2022	\$ 1,138	\$ 1,066	\$ 72	\$ 96,272	1.11%
2021	959	909	50	80,759	1.13%
2020	942	914	28	73,164	1.25%
2019	952	910	42	81,863	1.11%
2018	760	830	(70)	64,840	1.28%
2017	818	802	16	70,366	1.14%

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

## **GREATER RAMSEY WATER DISTRICT**

Notes to the Required Supplementary Information  
For the Year Ended December 31, 2022

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### **NOTE 1: 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 District will present information for those years for which information is available.

### **NOTE 2: CHANGES OF BENEFIT TERMS – PENSION AND OPEB**

#### **Pension**

The interest rate earned on member contributions decreased from 6.50 percent to 6.00 percent effective January 1, 2023 (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.

### **NOTE 3: CHANGES OF ASSUMPTIONS – PENSION AND OPEB**

#### **Pension**

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020.

#### **OPEB**

The investment return assumption was updated from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2021.



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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

Governing Board  
Greater Ramsey Water District  
Devils Lake, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Greater Ramsey Water District as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Greater Ramsey Water District's basic financial statements, and have issued our report thereon dated June 28, 2023

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Greater Ramsey Water District'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 Greater Ramsey Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Greater Ramsey Water District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying *schedule of audit findings* as item 2022-001 that we consider to be a material weakness.

**Report on Compliance and Other matters**

As part of obtaining reasonable assurance about whether Greater Ramsey Water District'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*.

**GREATER RAMSEY WATER DISTRICT**

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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**Greater Ramsey Water District’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Greater Ramsey Water District’s response to the findings identified in our audit and described in the accompanying *schedule of audit findings*. Greater Ramsey Water District’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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 28, 2023

# GREATER RAMSEY WATER DISTRICT

Summary of Auditor's Results  
For the Year Ended December 31, 2022

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## Financial Statements

Type of Report Issued:

Business-Type Activities

Unmodified

Major Funds

Unmodified

## Internal control over financial reporting

Material weaknesses identified?

X  Yes         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

# GREATER RAMSEY WATER DISTRICT

Schedule of Audit Findings

For the Year Ended December 31, 2022

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## 2022-001 LACK OF SEGREGATION OF DUTIES – MATERIAL WEAKNESS

### Condition

Greater Ramsey Water District has limited staff responsible for the primary accounting functions. A lack of segregation of duties exists as one employee is responsible to collect monies, deposit monies, issue checks, send checks to vendors, record receipts and disbursements in the check register, maintain the general ledger, and perform bank reconciliations.

### Effect

The lack of segregation of duties increases the risk of material misstatement to Greater Ramsey Water District's financial condition, whether due to error or fraud.

### Cause

Management has chosen to allocate its economic resources to other functions of Greater Ramsey Water District.

### Criteria

According to the COSO framework, proper internal control surrounding custody of assets, the recording of transactions, reconciling bank accounts and preparation of financial statements dictates that there should be sufficient accounting personnel, so duties of employees are properly segregated. The segregation of duties would provide better control over the assets of the Greater Ramsey Water District.

### Prior Recommendation

Yes.

### Recommendation

To mitigate the risk associated with this lack of segregation of duties, we recommend the following:

- Financial statements and credit memos should be reviewed by a responsible official.
- Where possible, segregate the functions of approval, posting, custody of assets, and reconciliation as they relate to any amounts which impact the financial statements.
- Include the board in reviewing bank reconciliations, credit memos, manual adjustments, etc.

### Greater Ramsey Water District's Response

We agree a lack of segregation of duties exists and if the board hires more administration, duties will be further segregated to the extent possible. Ongoing cross-training of duties within the office has provided limited segregation. With a new manager in place, approval and allocation of District expenditures is conducted at that level before posting and reconciliation duties are performed. Management will work to incorporate recommendations on a day-to-day basis to the extent that they are able. We understand this will be a repeated recommendation due to the limited number of staff employed by Greater Ramsey Water District.



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## GOVERNANCE COMMUNICATION

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June 28, 2023  
Governing Board  
Greater Ramsey Water District  
Devils Lake, North Dakota

We have audited the financial statements of the business-type activities and each major fund of Greater Ramsey Water District, Devils Lake, North Dakota, for the year ended December 31, 2022. 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 March 28, 2023. 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 Greater Ramsey Water District 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 2022. We noted no transactions entered into by the Greater Ramsey Water District 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. None of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

**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 June 28, 2023

**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 Greater Ramsey Water District'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 *schedule of employer share of net pension liability and employer contributions, schedule of employer share of net OPEB liability and employer 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.

**Restrictions on Use**

This information is intended solely for the use of the Water District Commissioners and management of Greater Ramsey Water District, 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 Greater Ramsey Water District 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 Greater Ramsey Water District.

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
June 28, 2023





Office of the  
State Auditor

NORTH DAKOTA STATE AUDITOR  
JOSHUA C. GALLION

**NORTH DAKOTA STATE AUDITOR'S OFFICE**

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