



# NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

## Ramsey County

### Devils Lake, North Dakota

Audit Report for the Years Ended December 31, 2022 and December 31, 2021

*Client Code: PS36000*



Photo credit: North Dakota Tourism



Office of the  
State Auditor

# RAMSEY COUNTY

## Table of Contents

For the Years Ended December 31, 2022 and December 31, 2021

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County Officials .....	1
Independent Auditor's Report .....	2
Basic Financial Statements	
2022 Statements	
Statement of Net Position .....	5
Statement of Activities .....	6
Balance Sheet - Governmental Funds.....	7
Reconciliation of Governmental Funds Balance Sheets to the Statement of Net Position .....	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	10
Statement of Net Position Proprietary Fund – Health Insurance .....	11
Statement of Revenues Expenses and Changes in Fund Net Position Proprietary Fund – Health Insurance .....	12
Statement of Cash Flow - Proprietary Fund – Health Insurance .....	13
2021 Statements	
Statement of Net Position .....	14
Statement of Activities .....	15
Balance Sheet - Governmental Funds.....	16
Reconciliation of Governmental Funds Balance Sheets to the Statement of Net Position .....	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	19
Statement of Net Position Proprietary Fund – Health Insurance .....	20
Statement of Revenues Expenses and Changes in Fund Net Position Proprietary Fund – Health Insurance .....	21
Statement of Cash Flow - Proprietary Fund – Health Insurance .....	22
Statement of Fiduciary Net Position – Fiduciary Funds.....	23
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	24
Notes to the Financial Statements .....	25
Required Supplementary Information	
Budgetary Comparison Schedules .....	45
Schedule of Employer's Share of Net Pension Liability and Employer Contributions .....	49
Schedule of Employer's Share of Net OPEB Liability and Employer Contributions .....	51
Notes to the Required Supplementary Information .....	53
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 .....	55
Summary of Auditor's Results.....	57
Schedule of Audit Findings .....	58
Governance Communication .....	64

## **RAMSEY COUNTY**

County Officials

December 31, 2022, and December 31, 2021

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### **COUNTY OFFICIALS**

#### **At December 31, 2022**

Chairman	Jeff Frith
Vice Chairman	Blaine Volk
Commissioner	Lee Gessner
Commissioner	Paul Wilhelmi
Commissioner	Bill Hodous
County Auditor	Kandy Christopherson
County Treasurer	Lisa Diseth
County Recorder	Beverly Bachmeier
Sheriff	Bryan Lang
State's Attorney	Beau Cummings
Water Resource Secretary- Treasurer	Stacy Peters

#### **At December 31, 2021**

Chairman	Jeff Frith
Vice Chairman	Blaine Volk
Commissioner	Lee Gessner
Commissioner	Paul Wilhelmi
Commissioner	Bill Hodous
County Auditor	Kandy Christopherson
County Treasurer	Lisa Diseth
County Recorder	Beverly Bachmeier
Sheriff	Bryan Lang
State's Attorney	Beau Cummings
Water Resource Secretary- Treasurer	Stacy Peters

STATE AUDITOR  
Joshua C. Gallion



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## INDEPENDENT AUDITOR'S REPORT

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Board of County Commissioners  
Ramsey County  
Devils Lake, North Dakota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Ramsey County, North Dakota, as of and for the years ended December 31, 2022, and December 31, 2021 and the related notes to the financial statements, which collectively comprise Ramsey County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities the discretely presented component unit, each major fund, and the aggregate remaining fund information of Ramsey County, North Dakota, as of December 31, 2022 and December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *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 Ramsey 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 misstatements. 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 Ramsey 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 Ramsey 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 Ramsey 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.

**RAMSEY 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 January 26, 2024 on our consideration of Ramsey 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 Ramsey 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 Ramsey County's internal control over financial reporting and compliance.

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
January 26, 2024

**RAMSEY COUNTY**

## Statement of Net Position

December 31, 2022

	Primary Government	Component Unit
	Governmental Activities	Water Resource District
<b>ASSETS</b>		
Cash and Investments	\$ 11,792,369	\$ 822,326
Accounts Receivable	55,583	-
Intergovernmental Receivable	268,203	-
Road Receivable	18,810	-
Taxes Receivable	74,333	1,538
Other Receivable	1,530	-
Capital Assets		
Nondepreciable	1,950,339	-
Depreciable, Net	33,952,765	-
Total Assets	<u>\$ 48,113,932</u>	<u>\$ 823,864</u>
<b>DEFFERED OUTFLOWS OF RESOURCES</b>		
Pensions & OPEB	<u>\$ 9,945,399</u>	<u>\$ 72,929</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 198,872	\$ 2,480
Salaries & Benefits Payable	794,497	-
Payroll Liabilities	-	1,852
Retainage Payable	15,592	-
Grants Received in Advance	2,679,769	-
Interest Payable	1,713	-
Incurred, But Not Reported Claims	76,500	-
Long-Term Liabilities		
Due Within One Year		
Long-Term Debt	55,000	-
Compensated Absences Payable	148,487	-
Due After One Year		
Long-Term Debt	460,000	-
Compensated Absences Payable	275,761	-
Net Pension and OPEB Liability	13,842,295	62,019
Total Liabilities	<u>\$ 18,548,486</u>	<u>\$ 66,351</u>
<b>DEFFERED INFLOWS OF RESOURCES</b>		
Prepaid Taxes	\$ 1,430,590	\$ -
Pensions & OPEB	5,439,936	55,993
Total Deferred Inflows of Resources	<u>\$ 6,870,526</u>	<u>\$ 55,993</u>
Total Liabilities & Deferred Inflows of Resources	<u>\$ 25,419,012</u>	<u>\$ 122,344</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 35,370,799	\$ -
Restricted for		
Debt Service	8,781	-
Capital Projects	16,924	-
Highways and Bridges	4,271,624	-
Flood Repair & Mitigation	57,590	-
Conservation of Natural Resources	129,030	774,449
Emergencies	54,360	-
Unrestricted	(7,268,789)	-
Total Net Position	<u>\$ 32,640,319</u>	<u>\$ 774,449</u>

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

**RAMSEY COUNTY**

## Statement of Activities

For the Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Fees, Fines, Forfeits and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
Functions/Programs	Expenses				Governmental Activities	Water Resource District
<b>Primary Government</b>						
Governmental Activities						
General Government	\$ 3,960,157	\$ 108,669	\$ 50,367	\$ -	\$ (3,801,121)	
Public Safety	2,922,616	28,716	138,981	-	(2,754,919)	
Highways and Bridges	4,397,278	710,622	2,013,620	1,276,039	(396,997)	
Flood Repair & Mitigation	27,078	-	84,668	-	57,590	
Health and Welfare	5,723,164	488,126	4,833,220	-	(401,818)	
Conservation of Natural Resources	367,991	9,936	-	-	(358,055)	
Emergency	21,310	-	-	-	(21,310)	
Interest on Long-Term Debt	22,303	-	-	-	(22,303)	
Total Primary Government	\$ 17,441,897	\$ 1,346,069	\$ 7,120,856	\$ 1,276,039	\$ (7,698,933)	
<b>Component Unit</b>						
Water Resource District	\$ 182,365	\$ 197,333	\$ -	\$ -	\$ -	\$ 14,968
<b>General Revenues</b>						
Property Taxes					\$ 5,212,649	\$ 105,033
Unrestricted Grants and Contributions					1,123,571	12,849
Unrestricted Investment Earnings					19,719	2,306
Loss of Sales of Capital Assets					(33,390)	-
Miscellaneous Revenue					161,089	1,548
Total General Revenues					\$ 6,483,638	\$ 121,736
Change in Net Position					\$ (1,215,295)	\$ 136,704
Net Position - January 1					\$ 33,855,614	\$ 637,745
Net Position - December 31					\$ 32,640,319	\$ 774,449

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



**RAMSEY COUNTY**

Balance Sheet – Governmental Funds  
December 31, 2022

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 531,777	\$ 9,728,280	\$ 43,246	\$ 10,303,303
Intergovernmental Receivable	68,131	199,966	106	268,203
Road Receivable	-	18,810	-	18,810
Taxes Receivable	43,545	29,670	1,118	74,333
Other Assets	1,530	-	-	1,530
Total Assets	<u>\$ 644,983</u>	<u>\$ 9,976,726</u>	<u>\$ 44,470</u>	<u>\$ 10,666,179</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	\$ 21,177	\$ 177,695	\$ -	\$ 198,872
Salaries and Benefits Payable	273,233	521,264	-	794,497
Retainage Payable	-	15,592	-	15,592
Grants Received in Advance	-	2,679,769	-	2,679,769
Total Liabilities	<u>\$ 294,410</u>	<u>\$ 3,394,320</u>	<u>\$ -</u>	<u>\$ 3,688,730</u>
Deferred Inflows of Resources				
Road Receivable	\$ -	\$ 18,810	\$ -	\$ 18,810
Taxes Received in Advance	842,122	569,703	18,765	1,430,590
Taxes Receivable	43,545	29,670	1,118	74,333
Total Deferred Inflows of Resources	<u>\$ 885,667</u>	<u>\$ 618,183</u>	<u>\$ 19,883</u>	<u>\$ 1,523,733</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,180,077</u>	<u>\$ 4,012,503</u>	<u>\$ 19,883</u>	<u>\$ 5,212,463</u>
Fund Balances				
Restricted				
Debt Service	\$ -	\$ -	\$ 7,663	\$ 7,663
Capital Projects	-	-	16,924	16,924
Highways and Bridges	-	5,159,253	-	5,159,253
Health and Welfare	-	447,224	-	447,224
Flood Repair & Mitigation	-	57,590	-	57,590
Conservation of Natural Resources	-	237,666	-	237,666
Emergency	-	166,854	-	166,854
General Government	-	15,496	-	15,496
Unassigned	(535,094)	(119,860)	-	(654,954)
Total Fund Balances	<u>\$ (535,094)</u>	<u>\$ 5,964,223</u>	<u>\$ 24,587</u>	<u>\$ 5,453,716</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 644,983</u>	<u>\$ 9,976,726</u>	<u>\$ 44,470</u>	<u>\$ 10,666,179</u>

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

## RAMSEY COUNTY

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2022

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<b>Total Fund Balances of Governmental Funds</b>	<b>\$ 5,453,716</b>
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Total *net position* reported for government activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	35,903,104
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An internal service fund is used by the county to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	1,468,149
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Certain receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflow of resources in the funds.

Taxes Receivable	\$ 74,333	
Road Receivable	<u>18,810</u>	93,143

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 Derived From Pensions and OPEB	\$ 9,945,399	
Deferred Inflows Derived From Pensions and OPEB	<u>(5,439,936)</u>	4,505,463

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Long-Term Debt	\$ (515,000)	
Interest Payable	(1,713)	
Compensated Absences	(424,248)	
Net Pension & OPEB Liability	<u>(13,842,295)</u>	<u>(14,783,256)</u>

<b>Total Net Position of Governmental Activities</b>	<b><u>\$ 32,640,319</u></b>
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The notes to the financial statements are an integral part of this statement.

**RAMSEY COUNTY**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2022

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 3,045,738	\$ 2,096,836	\$ 81,120	\$ 5,223,694
Intergovernmental	975,143	7,205,794	63,490	8,244,427
Charges for Services	582,688	752,270	-	1,334,958
Licenses, Permits and Fees	8,461	-	-	8,461
Interest Income	19,719	-	-	19,719
Miscellaneous	151,179	9,910	-	161,089
Total Revenues	\$ 4,782,928	\$ 10,064,810	\$ 144,610	\$ 14,992,348
<b>EXPENDITURES</b>				
Current				
General Government	\$ 3,677,549	\$ -	\$ 1,249	\$ 3,678,798
Public Safety	943,734	1,910,211	-	2,853,945
Highways and Bridges	-	4,044,298	-	4,044,298
Flood Repair & Mitigation	-	27,078	-	27,078
Health and Welfare	5,699	4,892,665	-	4,898,364
Conserv. of Natural Resources	-	287,144	-	287,144
Capital Outlay	-	-	66,467	66,467
Debt Service				
Principal	-	-	55,000	55,000
Interest and Fiscal Charges	-	-	22,463	22,463
Total Expenditures	\$ 4,626,982	\$ 11,161,396	\$ 145,179	\$ 15,933,557
Excess (Deficiency) of Revenues Over Expenditures	\$ 155,946	\$ (1,096,586)	\$ (569)	\$ (941,209)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ -	\$ 2,201,860	\$ -	\$ 2,201,860
Transfers Out	(564,631)	(999,285)	-	(1,563,916)
Total Other Financing Sources and Uses	\$ (564,631)	\$ 1,202,575	\$ -	\$ 637,944
Net Change in Fund Balances	\$ (408,685)	\$ 105,989	\$ (569)	\$ (303,265)
Fund Balances - January 1	\$ (126,409)	\$ 5,858,234	\$ 25,156	\$ 5,756,981
Fund Balances - December 31	\$ (535,094)	\$ 5,964,223	\$ 24,587	\$ 5,453,716

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

## RAMSEY 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, 2022

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (303,265)</b>
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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.

Capital Outlay	\$ 1,527,301	
Capital Contributions	1,276,039	
Depreciation Expense	<u>(1,675,927)</u>	1,127,413

In the statement of activities, only the gain(loss) on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the assets sold.

Loss on Sales of Capital Assets	(33,390)
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Repayment of long-term debt is an expenditure in the governmental funds, but reduced long-term debt in the statement of net position.

55,000
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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	\$ 17,370	
Net Change in Interest Payable	<u>160</u>	17,530

The net pension and OPEB 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 & OPEB Liability	\$ (9,069,366)	
Net Change in Deferred Outflows of Resources	3,611,045	
Net Change in Deferred Inflows of Resources	<u>3,689,621</u>	(1,768,700)

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	\$ (11,045)	
Net Change in Road Receivables	<u>2,650</u>	(8,395)

An internal service fund is used by the county's management to charge the cost of health insurance to individual functions. The net operating loss of certain activities of internal service funds is reported with governmental activities.

<u>(301,488)</u>
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<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (1,215,295)</u></b>
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The notes to the financial statements are an integral part of this statement.

**RAMSEY COUNTY**

Statement of Net Position – Proprietary Fund – Health Insurance  
December 31, 2022

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	<u>Internal Service Fund</u>
<b>CURRENT ASSETS</b>	
Cash	\$ 1,489,066
Accounts Receivable	<u>55,583</u>
Total assets	<u>\$ 1,544,649</u>
<b>CURRENT LIABILITIES</b>	
Incurred But Not Reported Claims	<u>\$ 76,500</u>
<b>NET POSITION</b>	
Restricted	<u>\$ 1,468,149</u>
Total Net Position	<u>\$ 1,468,149</u>

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

**RAMSEY COUNTY**

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund – Health Insurance  
For the Year Ended December 31, 2022

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	<u>Internal Service Fund</u>
<b>OPERATING REVENUES</b>	
Contributions to Self-Insurance	<u>\$ 2,566,490</u>
<b>OPERATING EXPENSES</b>	
Health Insurance Claims	<u>\$ 2,230,034</u>
Operating Income	<u>\$ 336,456</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>	
Transfer out	<u>\$ (637,944)</u>
Total Non-operating Revenues (Expenses)	<u>(637,944)</u>
Net Income (Loss)	<u>\$ (301,488)</u>
Net Position - January 1	<u>\$ 1,769,637</u>
Net Position - December 31	<u><u>\$ 1,468,149</u></u>

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

**RAMSEY COUNTY**

Statement of Cash Flows – Proprietary Fund – Health Insurance  
For the Year Ended December 31, 2022

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	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from User Charges	\$ 2,510,909
Payments for Health Insurance Claims	<u>(2,226,834)</u>
Net Cash Provided by Operating Activities	<u>\$ 284,075</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Transfers Out	<u>\$ (637,946)</u>
Net Cash Used by Non-capital and Related Financing Activities	<u>\$ (637,946)</u>
Net Decrease in Cash	<u>\$ (353,871)</u>
Cash - January 1	<u>\$ 1,842,937</u>
Cash - December 31	<u><u>\$ 1,489,066</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET DECREASE IN CASH</b>	
Operating Income	<u>\$ 336,458</u>
Adjustments to Reconcile Operating Income to Net Increase in Cash	
Increase in IBNR Claims Payable	\$ 3,200
Increase in Accounts Receivable	<u>(55,583)</u>
Net Increase in Cash	<u><u>\$ 284,075</u></u>

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

**RAMSEY COUNTY**

## Statement of Net Position

December 31, 2021

	Primary Government	Component Unit
	Governmental Activities	Water Resource District
<b>ASSETS</b>		
Cash and Investments	\$ 11,554,098	\$ 678,725
Intergovernmental Receivable	165,050	-
Road Receivable	16,160	-
Taxes Receivable	85,378	1,972
Other Asset	-	2,715
Capital Assets		
Nondepreciable	423,317	-
Depreciable, Net	34,385,764	-
Total Assets	\$ 46,629,767	\$ 683,412
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions & OPEB	\$ 6,334,354	\$ 2,158
<b>LIABILITIES</b>		
Accounts Payable	\$ 122,657	\$ 2,910
Salaries and Benefits Payable	781,454	-
Payroll Liabilities	12,885	-
Grants Received in Advance	1,561,053	-
Interest Payable	1,873	-
Incurred, But Not Reported Claims	73,300	-
Long-Term Liabilities		
Due Within One Year		
Long-Term Debt	55,000	-
Compensated Absences Payable	154,566	-
Due After One Year		
Long-Term Debt	515,000	-
Compensated Absences Payable	287,052	-
Net Pension and OPEB Liability	4,772,929	-
Total Liabilities	\$ 8,337,769	\$ 2,910
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Prepaid Taxes	\$ 1,641,181	\$ -
Pensions & OPEB	9,129,557	44,915
Total Deferred Inflows of Resources	\$ 10,770,738	\$ 44,915
Total Liabilities & Deferred Inflows of Resources	\$ 19,108,507	\$ 47,825
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 34,237,208	\$ -
Restricted for		
Debt Service	11,352	-
Capital Projects	15,391	-
Highways and Bridges	4,457,438	-
Conservation of Natural Resources	164,880	637,745
Emergencies	66,157	-
Unrestricted	(5,096,812)	-
Total Net Position	\$ 33,855,614	\$ 637,745

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



**RAMSEY COUNTY**

## Statement of Activities

For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Fees, Fines, Forfeits and Charges for Services	Operating Grants and Contributions	Primary Governmental Activities	Component Unit Water Resource District
<b>Primary Government</b>					
Governmental Activities					
General Government	\$ 3,125,398	\$ 119,311	\$ 38,234	\$ (2,967,853)	
Public Safety	2,608,370	33,235	44,546	(2,530,589)	
Highways and Bridges	3,587,126	445,909	1,000,731	(2,140,486)	
Health and Welfare	4,926,109	444,006	4,701,680	219,577	
Conservation of Natural Resources	319,696	13,175	-	(306,521)	
Emergency	6,810	-	-	(6,810)	
Interest on Long-Term Debt	24,088	-	-	(24,088)	
Total Primary Government	\$ 14,597,597	\$ 1,055,636	\$ 5,785,191	\$ (7,756,770)	
<b>Component Unit</b>					
Water Resource District	\$ 142,621	\$ 107,762	\$ -	\$ -	\$ (34,859)
<b>General Revenues</b>					
Property Taxes				\$ 4,572,084	\$ 108,425
Unrestricted Grants and Contributions				986,603	13,646
Unrestricted Investment Earnings				37,800	1,217
Miscellaneous Revenue				207,562	396
Total General Revenues				\$ 5,804,049	\$ 123,684
Change in Net Position				\$ (1,952,721)	\$ 88,825
Net Position - January 1				\$ 36,118,161	\$ 583,704
Prior Period Adjustments				\$ (309,826)	\$ (34,784)
Net Position - January 1, as restated				\$ 35,808,335	\$ 548,920
Net Position - December 31				\$ 33,855,614	\$ 637,745

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

**RAMSEY COUNTY**

Balance Sheet – Governmental Funds  
December 31, 2021

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 1,048,747	\$ 8,613,748	\$ 48,666	\$ 9,711,161
Intergovernmental Receivable	53,730	111,225	95	165,050
Road Receivable	-	16,160	-	16,160
Taxes Receivable	52,103	31,688	1,587	85,378
Total Assets	<u>\$ 1,154,580</u>	<u>\$ 8,772,821</u>	<u>\$ 50,348</u>	<u>\$ 9,977,749</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	\$ 20,411	\$ 102,246	\$ -	\$ 122,657
Salaries and Benefits Payable	251,002	530,452	-	781,454
Grants Received in Advance	-	1,561,053	-	1,561,053
Payroll Liabilities	12,885	-	-	12,885
Total Liabilities	<u>\$ 284,298</u>	<u>\$ 2,193,751</u>	<u>\$ -</u>	<u>\$ 2,478,049</u>
Deferred Inflows of Resources				
Road Receivable	\$ -	\$ 16,160	\$ -	\$ 16,160
Taxes Received in Advance	944,588	672,988	23,605	1,641,181
Taxes Receivable	52,103	31,688	1,587	85,378
Total Deferred Inflows of Resources	<u>\$ 996,691</u>	<u>\$ 720,836</u>	<u>\$ 25,192</u>	<u>\$ 1,742,719</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,280,989</u>	<u>\$ 2,914,587</u>	<u>\$ 25,192</u>	<u>\$ 4,220,768</u>
Fund Balances				
Restricted				
Debt Service	\$ -	\$ -	\$ 9,765	\$ 9,765
Capital Projects	-	-	15,391	15,391
Highways and Bridges	-	5,150,341	-	5,150,341
Health and Welfare	-	417,334	-	417,334
Conservation of Natural Resources	-	243,957	-	243,957
Emergency	-	157,605	-	157,605
General Government	-	993	-	993
Unassigned	(126,409)	(111,996)	-	(238,405)
Total Fund Balances	<u>\$ (126,409)</u>	<u>\$ 5,858,234</u>	<u>\$ 25,156</u>	<u>\$ 5,756,981</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,154,580</u>	<u>\$ 8,772,821</u>	<u>\$ 50,348</u>	<u>\$ 9,977,749</u>

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

## RAMSEY COUNTY

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2021

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<b>Total Fund Balances of Governmental Funds</b>	<b>\$ 5,756,981</b>
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Total *net position* reported for government activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	34,809,081
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An internal service fund is used by the county to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	1,769,637
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Certain receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflow of resources in the funds.

Taxes Receivable	\$ 85,378	
Road Receivable	<u>16,160</u>	101,538

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 Derived From Pensions and OPEB	\$ 6,334,354	
Deferred Inflows Derived From Pensions and OPEB	<u>(9,129,557)</u>	(2,795,203)

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Long-Term Debt	\$ (570,000)	
Interest Payable	(1,873)	
Compensated Absences	(441,618)	
Net Pension & OPEB Liability	<u>(4,772,929)</u>	<u>(5,786,420)</u>

<b>Total Net Position of Governmental Activities</b>	<b><u>\$ 33,855,614</u></b>
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The notes to the financial statements are an integral part of this statement.

**RAMSEY COUNTY**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2021

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 2,802,422	\$ 1,711,721	\$ 75,425	\$ 4,589,568
Intergovernmental	843,741	5,859,197	68,855	6,771,793
Charges for Services	588,335	445,160	-	1,033,495
Licenses, Permits and Fees	8,217	-	-	8,217
Interest Income	35,045	2,755	-	37,800
Miscellaneous	163,542	44,020	-	207,562
Total Revenues	\$ 4,441,302	\$ 8,062,853	\$ 144,280	\$ 12,648,435
<b>EXPENDITURES</b>				
Current				
General Government	\$ 3,022,772	\$ -	\$ 1,504	\$ 3,024,276
Public Safety	892,054	1,766,913	-	2,658,967
Highways and Bridges	-	2,348,001	-	2,348,001
Health and Welfare	7,153	4,851,824	-	4,858,977
Conserv. of Natural Resources	-	252,462	-	252,462
Capital Outlay	-	-	67,400	67,400
Debt Service				
Principal	82,889	-	55,000	137,889
Interest and Fiscal Charges	1,492	-	23,864	25,356
Total Expenditures	\$ 4,006,360	\$ 9,219,200	\$ 147,768	\$ 13,373,328
Excess (Deficiency) of Revenues Over Expenditures	\$ 434,942	\$ (1,156,347)	\$ (3,488)	\$ (724,893)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 566,165	\$ 1,059,757	\$ -	\$ 1,625,922
Transfers Out	(1,625,598)	-	(324)	(1,625,922)
Total Other Financing Sources and Uses	\$ (1,059,433)	\$ 1,059,757	\$ (324)	\$ -
Net Change in Fund Balances	\$ (624,491)	\$ (96,590)	\$ (3,812)	\$ (724,893)
Fund Balances - January 1	\$ 602,038	\$ 6,217,971	\$ 28,968	\$ 6,848,977
Prior Period Adjustment	\$ (103,956)	\$ (263,147)	\$ -	\$ (367,103)
Fund Balance - Jan. 1, as restated	\$ 498,082	\$ 5,954,824	\$ 28,968	\$ 6,481,874
Fund Balances - December 31	\$ (126,409)	\$ 5,858,234	\$ 25,156	\$ 5,756,981

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

## RAMSEY 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** **\$ (724,893)**

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.

Capital Outlay	\$ 459,769	
Depreciation Expense	<u>(1,764,576)</u>	(1,304,807)

Repayment of long-term debt is an expenditure in the governmental funds, but reduced long-term debt in the statement of net position. 137,889

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	\$ 42,774	
Net Change in Retainage Payable	31,098	
Net Change in Interest Payable	<u>1,268</u>	75,140

The net pension and OPEB 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 & OPEB Liability	\$ 10,017,981	
Net Change in Deferred Outflows of Resources	(3,527,620)	
Net Change in Deferred Inflows of Resources	<u>(7,053,983)</u>	(563,622)

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

Net Change in Taxes Receivable	\$ (17,484)	
Net Change in Road Receivables	<u>13,925</u>	(3,559)

An internal service fund is used by the county's management to charge the cost of health insurance to individual functions. The net operating income of certain activities of internal service funds is reported with governmental activities. 431,131

**Change in Net Position of Governmental Activities** **\$ (1,952,721)**

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

**RAMSEY COUNTY**

Statement of Net Position – Proprietary Fund – Health Insurance  
December 31, 2021

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	Internal Service Fund
<b>CURRENT ASSETS</b>	
Cash	<u>\$ 1,842,937</u>
<b>CURRENT LIABILITIES</b>	
Incurred But Not Reported Claims	<u>\$ 73,300</u>
<b>NET POSITION</b>	
Restricted	<u><u>\$ 1,769,637</u></u>

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

**RAMSEY COUNTY**

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund – Health Insurance  
For the Year Ended December 31, 2021

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	Internal Service Fund
<b>OPERATING REVENUES</b>	
Contributions to Self-Insurance	<u>\$ 2,506,048</u>
<b>OPERATING EXPENSES</b>	
Health Insurance Claims	<u>\$ 2,074,917</u>
Operating Income	<u>\$ 431,131</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>	
Other Receipts	<u>\$ -</u>
Total Non-operating Revenues (Expenses)	<u>\$ -</u>
Net Income (Loss)	<u>\$ 431,131</u>
Net Position - January 1	<u>\$ 1,338,506</u>
Net Position - December 31	<u><u>\$ 1,769,637</u></u>

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

**RAMSEY COUNTY**

Statement of Cash Flows – Proprietary Fund – Health Insurance  
For the Year Ended December 31, 2021

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	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from User Charges	\$ 2,506,048
Payments for Health Insurance Claims	<u>(2,083,417)</u>
Net Cash Provided by Operating Activities	<u>\$ 422,631</u>
Net Increase in Cash	<u>\$ 422,631</u>
Cash - January 1	<u>\$ 1,420,306</u>
Cash - December 31	<u><u>\$ 1,842,937</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET DECREASE IN CASH</b>	
Operating Income	<u>\$ 431,131</u>
Adjustments to Reconcile Operating Income to Net Increase in Cash	
Increase in IBNR Claims Payable	<u>\$ (8,500)</u>
Net Increase in Cash	<u><u>\$ 422,631</u></u>

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



**RAMSEY COUNTY**

## Statement of Fiduciary Net Position – Fiduciary Funds

For the Years Ended December 31, 2022 and December 31, 2021

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	2022 Custodial Funds	2021 Custodial Funds
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 3,058,219</u>	<u>\$ 3,795,611</u>
<b>LIABILITIES &amp; DERRERED INFLOWS OF RESOURCES</b>		
Liabilities		
Funds Held for Other Governmental Units	<u>\$ 192,157</u>	<u>\$ 192,014</u>
Total Liabilities	<u>\$ 192,157</u>	<u>\$ 192,014</u>
Deferred Inflows of Resources		
Taxes Received in Advance	<u>\$ 2,643,720</u>	<u>\$ 3,396,865</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 2,835,877</u>	<u>\$ 3,588,879</u>
<b>NET POSITION</b>		
Resticted		
Funds Held for Other Governmental Units	\$ 206,058	\$ 199,959
Funds Held for Other Purposes	<u>16,284</u>	<u>6,773</u>
Total Net Position	<u>\$ 222,342</u>	<u>\$ 206,732</u>

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

**RAMSEY COUNTY**Statement of Changes in Fiduciary Net Position – Fiduciary Funds  
December 31, 2022 and December 31, 2021

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	2022 Custodial Funds	2021 Custodial Funds
<b>ADDITIONS</b>		
Tax Collections for Other Governments	\$ 15,726,062	\$ 16,509,426
Tax Collections for Tax Increment District	206,058	199,959
Grant Collections for Other Governments	1,222,226	1,152,982
Miscellaneous Collections	<u>198,187</u>	<u>173,169</u>
Total Additions	<u><u>\$ 17,352,533</u></u>	<u><u>\$ 18,035,536</u></u>
<b>DEDUCTIONS</b>		
Tax Disbursements to Other Governments	\$ 15,726,063	\$ 16,509,426
Tax Disbursements for Tax Increment District	199,959	235,038
Grant Disbursements to Other Governments	1,222,226	1,152,982
Miscellaneous Disbursements	<u>188,675</u>	<u>191,569</u>
Total Deductions	<u><u>\$ 17,336,923</u></u>	<u><u>\$ 18,089,015</u></u>
Net Increase (Decrease) in Fiduciary Net Position	<u>\$ 15,610</u>	<u>\$ (53,479)</u>
Net Position - Beginning	<u>\$ 206,732</u>	<u>\$ -</u>
Prior Period Adjustment	<u>\$ -</u>	<u>\$ 260,211</u>
Net Position - Beginning - Restated	<u>\$ 206,732</u>	<u>\$ 260,211</u>
Net Position - Ending	<u><u>\$ 222,342</u></u>	<u><u>\$ 206,732</u></u>

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

## RAMSEY COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2022 and 2021

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 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 are 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 unit discussed below is included within the County's reporting entity because of the significance of its operational or financial relationship with the County.

#### Component 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 unit columns in the government wide financial statements include the financial data of the County's one component unit. This component unit is reported in a separate column to emphasize that it is legally separate from the County.

Ramsey 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's operational and capital budgets. The County also must approve the tax levy established by the Water Resource District.

Component Unit Financial Statements: The financial statements of the discretely presented component unit are presented in the basic financial statements. Complete financial statements of the individual component units can be obtained from the Secretary-Treasurer, Ramsey County Water Resource District, 524 4th Avenue, Devils Lake, North Dakota, 58301

#### 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.

## RAMSEY COUNTY

### Notes to the Financial Statements – Continued

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*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.

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 as well as municipal bonds that are recorded at fair market value.

**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 of the County are depreciated using the straight-line method over the following estimated useful lives (in years):

Land	Indefinite
Buildings	40
Vehicles	3 - 5
Office Equipment	3 - 5
Machinery & Equipment	5 - 15
Infrastructure	40

**Compensated Absences**

Vacation leave is earned by county employees at the rate of one to two days per month depending on years of service. Up to 30 days of vacation leave may be carried over at each year-end. Sick leave benefits are earned by full-time employees at the rate of one day per month regardless of the years of service. An unlimited number of sick leave hours may be carried over by employees. Employees are paid 1/6 of their accumulated sick leave upon termination of employment. A liability for the vested or accumulated vacation leave is reported in government-wide 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.

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis 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.

## **RAMSEY COUNTY**

### **Notes to the Financial Statements – Continued**

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#### **Fund Balances**

*Minimum Fund Balance Policy.* The County budget committee established a 10-15% general fund carryover balance target to help with financial stability. The 10-15% fund balance range is a part of the budget recommendation adopted by the County each fiscal year. 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 3<sup>rd</sup> parties (state and federal governments for various grants & reimbursements).

*Unassigned Fund Balances.* Unassigned fund balances are 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.

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

**NOTE 2 PRIOR PERIOD ADJUSTMENTS**

Net Position of the County as of January 1, 2021 has been restated for adjustments to capital assets, benefits payable, and reclassification of Fiduciary Funds as shown below. Special Revenue Fund Balance as of January 1, 2021 has also been restated for a benefits payable adjustment. General Fund Balance as of January 1, 2021 also has been restated for a benefits payable adjustment. The adjustments can be seen below:

<b>Primary Government</b>	<b>Government Activities</b>	<b>Special Revenue Fund</b>	<b>General Fund</b>	<b>Fiduciary Funds</b>
<b>Beginning Net Position, as Previously Reported</b>	\$ 36,118,161	\$ 602,038	\$ 6,217,971	\$ -
Prior Period Adjustment				
Net Capital Assets	57,277	-	-	-
Benefits Payable	(367,103)	(103,956)	(263,147)	-
Reclassification of Fiduciary Funds	-	-	-	260,211
<b>Net Position January 1, Restated</b>	<b>\$ 35,808,335</b>	<b>\$ 498,082</b>	<b>\$ 5,954,824</b>	<b>\$ 260,211</b>

Net Position of the Water Resource District as of January 1, 2021 has been restated for adjustments to bank reconciliation errors as shown below. The results of the adjustments increased Net Position for the Water Resource District.

<b>Water Resource District</b>	<b>Amounts</b>
<b>Beginning Net Position, as Previously Reported</b>	\$ 583,704
Prior Period Adjustment	
Cash Adjustment	(34,784)
<b>Net Position January 1, Restated</b>	<b>\$ 548,920</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 it 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, 2022, the County's carrying amount of deposits totaled \$14,605,421 and the bank balances totaled \$14,100,647. Of the bank balances, \$1,500,000 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, 2022, the Water Resource District's carrying amount of deposits totaled \$824,714, and the bank balances totaled \$827,754. Of the bank balances, \$250,000 was covered by Federal Depository Insurance. The remaining bank balances were collateralized with securities held by the pledging financial institution's agent in the

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

government's name.

At year ended December 31, 2021, the County's carrying amount of deposits totaled \$15,347,824 and the bank balances totaled \$15,478,783. Of the bank balances, \$1,448,119 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 Water Resource District's carrying amount of deposits totaled \$717,464, and the bank balances totaled \$680,595. Of the bank balances, \$250,000 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.

**NOTE 4 INVESTMENTS**

As of December 31, 2022 and 2021 respectively, the County had the following investments:

<b>2022</b> Investment Type	Moody's or S&P Rating	Investment Maturities				Percent of Investments	Fair Value Hierarchy
		Less than One Year	1-5 Years	6-10 Years	Fair Value		
US Treasury Notes	Not Rated	\$ 351,156	\$ -	\$ -	\$ 351,156	13%	Level 2
US Government Agency	Aaa	51,801	510,744	124,118	686,663	25%	Level 2
US Government Agency	AA+	-	-	23,867	23,867	1%	Level 2
US Government Agency	Not Rated	96,471	24,977	-	121,448	4%	Level 2
Municipal Bond	Aaa	-	268,457	83,382	351,839	13%	Level 2
Municipal Bond	Aa1	-	137,402	-	137,402	5%	Level 2
Municipal Bond	Aa2	-	327,158	45,058	372,216	14%	Level 2
Municipal Bond	Aa3	-	46,770	-	46,770	2%	Level 2
Municipal Bond	AAA	39,877	85,545	-	125,422	5%	Level 2
Municipal Bond	AA-	-	68,186	44,362	112,548	4%	Level 2
Municipal Bond	AA+	-	90,550	85,567	176,117	6%	Level 2
Municipal Bond	AA	-	89,437	31,271	120,708	4%	Level 2
Municipal Bond	Not Rated	99,322	-	-	99,322	4%	Level 2
Money Market Fund	Not Rated	1,817	-	-	1,817	0%	Level 1
Total Investments		\$ 640,443	\$ 1,649,225	\$ 437,625	\$ 2,727,293	100%	

<b>2021</b> Investment Type	Moody's or S&P Rating	Investment Maturities				Percent of Investments	Fair Value Hierarchy
		Less than One Year	1-5 Years	6-10 Years	Fair Value		
US Treasury Notes	Not Rated	\$ 201,136	\$ 52,047	\$ -	\$ 253,183	9%	Level 2
US Government Agency	Aaa	-	470,664	181,545	652,209	22%	Level 2
US Government Agency	Not Rated	-	99,403	-	99,403	3%	Level 2
Municipal Bond	Aaa	-	217,086	178,429	395,515	13%	Level 2
Municipal Bond	Aa1	-	152,094	-	152,094	5%	Level 2
Municipal Bond	Aa2	-	227,276	200,873	428,149	15%	Level 2
Municipal Bond	Aa3	-	49,280	-	49,280	2%	Level 2
Municipal Bond	AAA	-	42,510	98,520	141,030	5%	Level 2
Municipal Bond	AA-	-	73,147	53,460	126,607	4%	Level 2
Municipal Bond	AA+	-	98,171	103,908	202,079	7%	Level 2
Municipal Bond	AA	-	97,860	38,403	136,262	5%	Level 2
Municipal Bond	Not Rated	201,575	103,479	-	305,054	10%	Level 2
Money Market Fund	Not Rated	11,116	-	-	11,116	0%	Level 1
Total Investments		\$ 413,827	\$ 1,683,016	\$ 855,138	\$ 2,951,980	100%	



## **RAMSEY COUNTY**

### **Notes to the Financial Statements – Continued**

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As authorized in North Dakota Statutes, idle funds may be invested as follows:

1. Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress.
2. Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above.
3. Certificates of deposit fully insured by the federal deposit insurance corporation or by the state.
4. Certificates of deposit, savings deposits, or other deposits fully insured or guaranteed by the federal deposit insurance corporation and placed for the benefit of the public depositor by a public depository through an appropriate deposit placement service as determined by the commissioner of financial institutions.
5. State and local securities:
  - a. Any security that is a general obligation of any state or local government with taxing powers and is rated in the highest three categories by a nationally recognized rating agency.
  - b. An obligation of the state housing finance agency that is rated in the highest two categories by a nationally recognized rating agency.
  - c. Any security that is a general obligation of a school district and is rated in the highest two categories by a nationally recognized rating agency.
  - d. Obligations of this state and general obligations of its political subdivisions.
6. Commercial paper issued by a United States corporation rated in the highest quality category by at least two nationally recognized rating agencies and matures in two hundred seventy days or less.

#### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rate. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

#### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County does not have a formal investment policy that specifically addresses credit risk.

#### **Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer.

#### **Fair Value Measurement**

In accordance with GASB Statement No. 72, assets, deferred outflows of resources, liabilities and deferred inflows of resources are grouped at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Valuation is based upon quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Valuation is based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The fair value leveling of the County's investment portfolio were as of December 31, 2022 and 2021 respectively.

The Level 1 securities are valued using the quoted prices in active markets for identical assets. Level 2 and Level 3 securities are valued based on methodologies such as bid evaluations, market averages, and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

**NOTE 5 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.

**NOTE 6 CAPITAL ASSETS****Primary Government**

The following is a summary of changes in capital assets for the years ended December 31, 2022 and December 31, 2021 for the County:

<b>2022</b>	<b>Balance</b>				<b>Balance</b>
<b>Primary Government</b>	<b>Jan 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Dec 31</b>
Capital Assets Not Being Depreciated					
Land	\$ 29,966	\$ -	\$ -	\$ -	\$ 29,966
Vehicles In Transit	157,872	-	-	(157,872)	-
Intangibles	152,176	-	-	-	152,176
Construction in Progress	83,303	1,684,894	-	-	1,768,197
<b>Total Capital Assets, Not Being Depreciated</b>	<b>\$ 423,317</b>	<b>\$ 1,684,894</b>	<b>\$ -</b>	<b>\$ (157,872)</b>	<b>\$ 1,950,339</b>
Capital Assets Being Depreciated					
Buildings	\$ 4,354,329	\$ 56,850	\$ -	\$ -	\$ 4,411,179
Equipment	4,314,950	1,460,097	1,046,365	157,872	4,886,554
Infrastructure	39,356,439	-	-	-	39,356,439
<b>Total Capital Assets, Being Depreciated</b>	<b>\$ 48,025,718</b>	<b>\$ 1,516,947</b>	<b>\$ 1,046,365</b>	<b>\$ 157,872</b>	<b>\$ 48,654,172</b>
Less Accumulated Depreciation					
Buildings	\$ 2,157,048	\$ 109,671	\$ -	\$ -	\$ 2,266,719
Equipment	2,057,774	254,375	614,475	-	1,697,674
Infrastructure	9,425,134	1,311,882	-	-	10,737,016
<b>Total Accumulated Depreciation</b>	<b>\$ 13,639,956</b>	<b>\$ 1,675,928</b>	<b>\$ 614,475</b>	<b>\$ -</b>	<b>\$ 14,701,409</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 34,385,762</b>	<b>\$ (158,981)</b>	<b>\$ 431,890</b>	<b>\$ 157,872</b>	<b>\$ 33,952,765</b>
<b>Governmental Capital Assets, Net</b>	<b>\$ 34,809,079</b>	<b>\$ 1,525,913</b>	<b>\$ 431,890</b>	<b>\$ -</b>	<b>\$ 35,903,104</b>

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

<b>2021 Primary Government</b>	<b>Restated Balance Jan 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance Dec 31</b>
Capital Assets Not Being Depreciated					
Land	\$ 29,966	\$ -	\$ -	\$ -	\$ 29,966
Vehicles In Transit	-	157,872	-	-	157,872
Intangibles	152,176	-	-	-	152,176
Construction in Progress	6,895	76,408	-	-	83,303
Total Capital Assets, Not Being Depreciated	\$ 189,037	\$ 234,280	\$ -	\$ -	\$ 423,317
Capital Assets Being Depreciated					
Buildings	\$ 4,331,809	\$ 22,520	\$ -	\$ -	\$ 4,354,329
Equipment	4,270,775	202,968	158,793	-	4,314,950
Infrastructure	39,356,439	-	-	-	39,356,439
Total Capital Assets, Being Depreciated	\$ 47,959,023	\$ 225,488	\$ 158,793	\$ -	\$ 48,025,718
Less Accumulated Depreciation					
Buildings	\$ 2,048,128	\$ 108,920	\$ -	\$ -	\$ 2,157,048
Equipment	1,872,792	343,775	158,793	-	2,057,774
Infrastructure	8,113,252	1,311,882	-	-	9,425,134
Total Accumulated Depreciation	\$ 12,034,172	\$ 1,764,577	\$ 158,793	\$ -	\$ 13,639,956
Total Capital Assets Being Depreciated, Net	\$ 35,924,851	\$ (1,539,089)	\$ -	\$ -	\$ 34,385,764
Governmental Capital Assets, Net	\$ 36,113,888	\$ (1,304,809)	\$ -	\$ -	\$ 34,809,081

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

<b>Primary Government</b>	<b>2022</b>	<b>2021</b>
General Government	\$ 115,405	\$ 115,879
Public Safety	23,368	30,258
Highways and Bridges	1,487,553	1,576,532
Health and Welfare	49,602	41,908
Total Depreciation Expense	\$ 1,675,928	\$ 1,764,577

**NOTE 7 LONG-TERM LIABILITIES****Primary Government**

During the years ended December 31, 2022 and December 31, 2021, the following changes occurred in governmental activities long-term liabilities:

<b>2022 Primary Government</b>	<b>Balance Jan 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec 31</b>	<b>Due Within One Year</b>
Long-Term Debt					
Bonds Payable	\$ 570,000	\$ -	\$ 55,000	\$ 515,000	\$ 55,000
Compensated Absences *	\$ 441,618	\$ 387,013	\$ 404,383	\$ 424,248	\$ 148,487
Net Pension and OPEB Liability	4,772,929	9,069,366	-	13,842,295	-
Total Primary Government	\$ 5,784,547	\$ 9,456,379	\$ 459,383	\$ 14,781,543	\$ 203,487

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

<b>2021 Primary Government</b>	<b>Balance Jan 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec 31</b>	<b>Due Within One Year</b>
Long-Term Debt					
Loans Payable	\$ 82,889	\$ -	\$ 82,889	\$ -	\$ -
Bonds Payable	625,000	-	55,000	570,000	55,000
Total Long-Term Debt	\$ 707,889	\$ -	\$ 137,889	\$ 570,000	\$ 55,000
Compensated Absences *	\$ 484,393	\$ 307,980	\$ 350,755	\$ 441,618	\$ 154,566
Net Pension and OPEB Liability	14,790,910	-	10,017,981	4,772,929	-
Total Primary Government	\$15,983,192	\$ 307,980	\$10,506,625	\$ 5,784,547	\$ 209,566

Compensated absences are paid out of the General Fund and Special Revenue Fund.

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

<b>Year Ending Dec 31</b>	<b>Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>
2023	55,000	19,587
2024	60,000	17,500
2025	60,000	15,250
2026	65,000	12,825
2027	65,000	10,225
2028-2032	210,000	13,813
Total	\$ 515,000	\$ 89,200

**Discretely Presented Component Unit**

During the years ended December 31, 2022 and December 31, 2021, the following changes occurred in governmental long-term liabilities of the Water Resource District:

<b>2022 Water Resource District</b>	<b>Balance Jan 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec 31</b>	<b>Due Within One Year</b>
Net Pension and OPEB Liability	\$ -	\$ 62,019	\$ -	\$ 62,019	\$ -

<b>2021 Water Resource District</b>	<b>Balance Jan 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec 31</b>	<b>Due Within One Year</b>
Net Pension and OPEB Liability	\$ 99,921	\$ -	\$ 99,921	\$ -	\$ -

\* The change in Net Pension & OPEB Liability is shown as a net change.

**NOTE 8: 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.

**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

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

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, 2022 and 2021, the County reported a liability of \$13,346,113 and \$4,554,280 respectively, for its proportionate share of net pension liability. The Water Resource District reported a liability of \$59,243 and \$0 respectively, for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2022 and 2021 respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2022 and 2021, the County had the following proportions, change in proportions, and pension expense:

		<b>Increase (Decrease) in Proportion from June 30, 2021 Measurement</b>	<b>Pension Expense</b>
<b>2022</b>	<b>Proportion</b>		
Primary Government	0.463396%	0.026451%	\$ 2,109,556
Water Resource District	0.002057%	0.002057%	5,704

		<b>Increase (Decrease) in Proportion from June 30, 2020 Measurement</b>	<b>Pension Expense</b>
<b>2021</b>	<b>Proportion</b>		
Primary Government	0.436945%	-0.021921%	\$ 978,773
Water Resource District	0.000000%	-0.003096%	(9,732)

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

At December 31, 2022 and 2021, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Primary Government</b>				
Differences Between Expected and Actual Experience	\$ 69,618	\$ 254,934	\$ 78,628	\$ 464,827
Changes of Assumptions	7,981,172	4,947,885	5,040,704	6,572,024
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	488,465	-	-	1,689,111
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	943,966	220,963	916,634	306,938
Employer Contributions Subsequent to the Measurement Date	195,334	-	184,203	-
Total Primary Government	\$ 9,678,555	\$ 5,423,782	\$ 6,220,169	\$ 9,032,900

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Water Resource District</b>				
Differences Between Expected and Actual Experience	\$ 311	\$ 1,132	\$ -	\$ -
Changes of Assumptions	35,428	21,964	-	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2,168	-	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	30,052	31,677	1,302	43,355
Employer Contributions Subsequent to the Measurement Date	2,275	-	710	-
Total Water Resource District	\$ 70,234	\$ 54,773	\$ 2,012	\$ 43,355

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 years ended December 31, 2022, and 2021:

	2022	2021
Primary Government	\$ 195,334	\$ 184,203
Water Resource District	2,275	710

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	Water Resource District
2023	\$ 1,265,624	\$ 974
2024	1,404,357	1,659
2025	97,305	236
2026	1,292,153	10,317

**Actuarial Assumptions**

The total pension liability in the July 1, 2022 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	5.10%, Net of Investment Expenses
Cost-of-Living Adjustments	None

**RAMSEY 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 6.50%; the municipal bond rate is 3.69%; and the resulting Single Discount Rate is 5.10%.

**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 5.10 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 (4.10 percent) or 1-percentage-point higher (6.10 percent) than the current rate:

<b>Proportionate Share of the Net Pension Liability</b>	<b>1% Decrease (4.10%)</b>	<b>Current Discount Rate (5.10%)</b>	<b>1% Increase (6.10%)</b>
Primary Government	\$ 17,615,952	\$ 13,346,113	\$ 9,840,724
Water Resource District	78,197	59,243	43,683



**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.

**RAMSEY 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, 2022 and 2021, the County reported a liability of \$496,182 and \$218,649 respectively, for its proportionate share of net OPEB liability. The Water Resource District reported a liability of \$2,776 and \$0 respectively, for its proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2022 and 2021 respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on the County's share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. At June 30, 2022 and 2021, the County had the following proportions, change in proportions, and pension expense:

		<b>Increase (Decrease) in Proportion from June 30, 2021 Measurement</b>	<b>Pension Expense</b>
<b>2022</b>	<b>Proportion</b>		
Primary Government	0.463396%	0.026451%	\$ 2,109,556
Water Resource District	0.002057%	0.002057%	5,704

		<b>Increase (Decrease) in Proportion from June 30, 2020 Measurement</b>	<b>Pension Expense</b>
<b>2021</b>	<b>Proportion</b>		
Primary Government	0.436945%	-0.021921%	\$ 978,773
Water Resource District	0.000000%	-0.003096%	(9,732)

At December 31, 2022 and 2021, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

	<b>2022</b>		<b>2021</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Primary Government</b>				
Differences Between Expected and Actual Experience	\$ 11,764	\$ 4,267	\$ 12,557	\$ 5,993
Changes of Assumptions	124,982	-	33,860	-
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	66,809	-	-	74,915
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	39,054	11,887	43,102	15,749
Employer Contributions Subsequent to the Measurement Date	24,235	-	24,666	-
Total Primary Government	\$ 266,844	\$ 16,154	\$ 114,185	\$ 96,657

	<b>2022</b>		<b>2021</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Water Resource District</b>				
Differences Between Expected and Actual Experience	\$ 67	\$ 24	\$ -	\$ -
Changes of Assumptions	699	-	-	-
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	374	-	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	1,191	1,196	32	1,560
Employer Contributions Subsequent to the Measurement Date	364	-	114	-
Total Water Resource District	\$ 2,695	\$ 1,220	\$ 146	\$ 1,560

**RAMSEY 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 years ended December 31, 2022, and 2021:

	2022	2021
Primary Government	\$ 24,235	\$ 24,666
Water Resource District	364	114

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

	Primary Government	Water Resource District
2023	\$ 62,062	\$ 239
2024	58,837	220
2025	48,497	177
2026	57,059	475
2027	-	-
2028	-	-
Thereafter	-	-

**Actuarial Assumptions**

The total OPEB liability in the July 1, 2022 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	5.75%, 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	35%	0.50%
International Equities	26%	6.25%

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

**Discount Rate**

The discount rate used to measure the total OPEB liability was 5.75%. 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, 2022, calculated using the discount rate of 5.39%, 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 (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

<b>Proportionate Share of the Net OPEB Liability</b>	<b>1% Decrease (4.39%)</b>	<b>Current Discount Rate (5.39%)</b>	<b>1% Increase (6.39%)</b>
Primary Government	\$ 633,346	\$ 496,182	\$ 381,036
Water Resource District	3,544	2,776	2,132

**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, 2022, and 2021:

	<b>2022</b>		<b>2021</b>	
	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Transfers In</b>	<b>Transfers Out</b>
<b>Major Funds</b>				
General Fund	\$ -	\$ 564,631	\$ 566,165	\$ 1,625,598
Special Revenue Funds	2,201,860	999,285	1,059,757	-
<b>Internal Service Fund</b>	-	637,944	-	-
<b>Total Transfers</b>	<b>\$ 2,201,860</b>	<b>\$ 2,201,860</b>	<b>\$ 1,625,922</b>	<b>\$ 1,625,598</b>

Transfers are primarily used to move operating funds between the General Fund and the Special Revenue Fund in 2021 and 2022. In 2021, the General Fund transferred out \$1,033,147 to cover expenses to the Lake Region Law Enforcement Center that were in excess of the revenues. In 2022, the Internal Service Fund and the General Fund had transfers of \$637,944 and \$444,442 respectively, to the Lake Region Law Enforcement Center to cover expenses that were in excess of revenues. The remaining transfers are for various purposes.

**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 ten million dollars per occurrence for general liability, ten million for automobile, and \$3,111,511 for public assets/mobile equipment and portable property.

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

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 two 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.

IBNR Payable: Claims, which have been incurred at year-end but not reported, have been recorded as a claim reserve payable in the amount of \$76,500 and \$73,300 as of December 31, 2022, and 2021 respectively. Blue Cross Blue Shield, the plan administrator, has calculated this reserve requirement.

**NOTE 12 CONSTRUCTION COMMITMENTS**

The County had open constructions commitment as of December 31, 2022 as follows:

<b>Project</b>	<b>Contract Amount</b>	<b>Total Completed</b>	<b>Retainage</b>	<b>Remaining Balance</b>
SC-CVD-3627(067)	\$ 1,539,596	\$ 1,559,224	\$ 15,592	\$ (4,036)

**NOTE 13 JOINT VENTURES****Lake Region Law Enforcement Center**

Pursuant to an inter-local agreement authorized by state statutes, the County joined the City of Devils Lake to establish and operate the Lake Region Law Enforcement Center. Each government appoints two members of the board of directors for the joint venture. The operating and capital budgets are funded by contributions from each government and from other governments that use the center along with charges for services to governmental units that use the center. The County's share of assets, liabilities and fund equity is 50%.

The following is a summary of financial information on the joint venture as of and for the year ended December 31, 2021, which is the most current audited information.

	<b>Lake Region Law Enforcement</b>
Total Assets	\$ 4,017,932
Total Liabilities	674,221
Total Net Position	\$ 3,343,711
Total Revenues	\$ 4,706,601
Total Expenses	4,694,400
Change in Net Position	\$ 12,201

Additional financial information may be obtained from the Lake Region Law Enforcement Center, Devils Lake, ND 58301.

**RAMSEY COUNTY**

## Notes to the Financial Statements – Continued

**Lake Region District Health Unit**

Under authorization of state statutes, the County joined Benson County, Pierce County, and Eddy County to establish and operate the Lake Region District Health Unit. Each government appoints two members of the directors for the joint venture. The operating and capital expenses are funded by contributions from each government. Each government's share of assets, liabilities, and fund equity is 25%.

The following is a summary of financial information on the joint venture as of and for the year ended December 31, 2021, which is the most current audited information.

	<b>Lake Region District Health</b>
Total Assets & Def. Outflows	\$ 3,863,168
Total Liabilities & Def. Inflows	2,778,690
Total Net Position	\$ 1,084,478
Total Revenues	\$ 2,744,104
Total Expenses	1,116,523
Change in Net Position	\$ 1,627,581

Additional financial information may be obtained from the Lake Region District Health Unit, Courthouse, Devils Lake, ND 58301.

**Devils Lake Basin Joint Water Resource District**

Under authorization of state statutes, the Water Resource District joined the water resource districts of Cavalier County, Nelson County, Pierce County, Rolette County, Benson County, Towner County and Walsh County to establish and operate a joint exercise of powers agreement for water management districts located within the Devils Lake basin. The joint agreement created Devils Lake Basin Joint Water Resource Board. The agreement was established for the mutual advantage of the governments. Each government appoints one member of the directors for the joint venture. The operating and capital expenses are funded by contributions from each government. Each government's share of assets, liabilities, and fund equity cannot be determined due to the lack of provisions being made for this in the joint power's agreement.

The following is a summary of financial information on the joint venture as of and for the year ended December 31, 2022, which is the most current unaudited information.

	<b>Devils Lake Basin Joint WRD</b>
Total Assets & Def. Outflows	\$ 220,714
Total Liabilities & Def. Inflows	1
Total Net Position	\$ 220,713
Total Revenues	\$ 146,721
Total Expenses	178,553
Change in Net Position	\$ (31,832)

Additional financial information may be obtained from the Devils Lake Basin Joint Water Resource District, 524, 4<sup>th</sup> Ave. #27, Devils Lake, ND 58301.

**NOTE 14 CONTINGENT LIABILITIES**

The County is a defendant in various lawsuits incident to its operations. In the opinion of County Counsel and management, such claims against the County not covered by insurance would not materially affect the financial condition of the County.

**RAMSEY COUNTY**Budgetary Comparison Schedule - General Fund  
December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 2,841,001	\$ 3,049,792	\$ 3,045,738	\$ (4,054)
Intergovernmental	857,445	873,883	975,143	101,260
Charges for Services	542,460	544,369	582,688	38,319
Licenses, Permits and Fees	8,461	9,478	8,461	(1,017)
Interest Income	125,224	125,224	19,719	(105,505)
Miscellaneous	282,817	282,863	151,179	(131,684)
Total Revenues	<u>\$ 4,657,408</u>	<u>\$ 4,885,609</u>	<u>\$ 4,782,928</u>	<u>\$ (102,681)</u>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 3,322,775	\$ 4,261,698	\$ 3,677,549	\$ 584,149
Public Safety	1,196,191	1,196,191	943,734	252,457
Health and Welfare	16,000	16,000	5,699	10,301
Total Expenditures	<u>\$ 4,534,966</u>	<u>\$ 5,473,889</u>	<u>\$ 4,626,982</u>	<u>\$ 846,907</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 122,442</u>	<u>\$ (588,280)</u>	<u>\$ 155,946</u>	<u>\$ 744,226</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	\$ -	\$ -	\$ (564,631)	\$ (564,631)
Net Change in Fund Balance	<u>\$ 122,442</u>	<u>\$ (588,280)</u>	<u>\$ (408,685)</u>	<u>\$ 179,595</u>
Fund Balance - January 1	<u>\$ (126,409)</u>	<u>\$ (126,409)</u>	<u>\$ (126,409)</u>	<u>\$ -</u>
Fund Balance - December 31	<u><u>\$ (3,967)</u></u>	<u><u>\$ (714,689)</u></u>	<u><u>\$ (535,094)</u></u>	<u><u>\$ 179,595</u></u>

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

**RAMSEY COUNTY**Budgetary Comparison Schedule - Special Revenue Fund  
December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,030,650	\$ 3,186,904	\$ 2,096,836	\$ (1,090,068)
Intergovernmental	1,273,098	7,313,883	7,205,794	(108,089)
Charges for Services	366,000	735,069	752,270	17,201
Miscellaneous	4,000	10,984	9,910	(1,074)
Total Revenues	\$ 2,673,748	\$ 11,246,840	\$10,064,810	\$ (1,182,030)
<b>EXPENDITURES</b>				
Current				
Public Safety	\$ 2,032,733	\$ 1,959,021	\$ 1,910,211	\$ 48,810
Highways and Bridges	4,831,159	4,831,159	4,044,298	786,861
Flood Repair/Disaster Mitigation	426,500	426,500	27,078	399,422
Health and Welfare	4,910,181	4,910,181	4,892,665	17,516
Conservation of Natural Resources	345,895	345,895	287,144	58,751
Total Expenditures	\$ 12,546,468	\$ 12,472,756	\$11,161,396	\$ 1,311,360
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,872,720)	\$ (1,225,916)	\$ (1,096,586)	\$ 129,330
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ -	\$ -	\$ 2,201,860	\$ 2,201,860
Transfers Out	-	-	(999,285)	(999,285)
Total Other Financing Sources and Uses	\$ -	\$ -	\$ 1,202,575	\$ 1,202,575
Net Change in Fund Balances	\$ (9,872,720)	\$ (1,225,916)	\$ 105,989	\$ 1,331,905
Fund Balance - January 1	\$ 5,858,234	\$ 5,858,234	\$ 5,858,234	\$ -
Fund Balance - December 31	\$ (4,014,486)	\$ 4,632,318	\$ 5,964,223	\$ 1,331,905

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



**RAMSEY COUNTY**

Budgetary Comparison Schedule - General Fund  
December 31, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 2,830,024	\$ 2,830,520	\$ 2,802,422	\$ (28,098)
Intergovernmental	1,225,715	1,445,345	843,741	(601,604)
Charges for Services	555,304	557,213	588,335	31,122
Licenses, Permits and Fees	7,200	8,207	8,217	10
Interest Income	125,224	125,224	35,045	(90,179)
Miscellaneous	646,152	648,552	163,542	(485,010)
<b>Total Revenues</b>	<b>\$ 5,389,619</b>	<b>\$ 5,615,061</b>	<b>\$ 4,441,302</b>	<b>\$ (1,173,759)</b>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 3,603,135	\$ 3,824,289	\$ 3,022,772	\$ 801,517
Public Safety	1,077,569	1,078,514	892,054	186,460
Health and Welfare	16,000	16,000	7,153	8,847
Debt Service				
Principal	-	-	82,889	(82,889)
Interest & Service Charges	-	-	1,492	(1,492)
<b>Total Expenditures</b>	<b>\$ 4,696,704</b>	<b>\$ 4,918,803</b>	<b>\$ 4,006,360</b>	<b>\$ 912,443</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 692,915	\$ 696,258	\$ 434,942	\$ (261,316)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ -	\$ -	\$ 566,165	\$ 566,165
Transfers Out	-	-	(1,625,598)	(1,625,598)
<b>Total Other Financing Sources and Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,059,433)</b>	<b>\$ (1,059,433)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 692,915</b>	<b>\$ 696,258</b>	<b>\$ (624,491)</b>	<b>\$ (1,320,749)</b>
<b>Fund Balance - January 1</b>	<b>\$ 602,038</b>	<b>\$ 602,038</b>	<b>\$ 602,038</b>	<b>\$ -</b>
<b>Prior Period Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (103,956)</b>	<b>\$ 103,956</b>
<b>Fund Balance - Jan. 1, as restated</b>	<b>\$ 602,038</b>	<b>\$ 602,038</b>	<b>\$ 498,082</b>	<b>\$ 103,956</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,294,953</b>	<b>\$ 1,298,296</b>	<b>\$ (126,409)</b>	<b>\$ (1,216,793)</b>

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

**RAMSEY COUNTY**Budgetary Comparison Schedule - Special Revenue Fund  
December 31, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,397,186	\$ 2,275,023	\$ 1,711,721	\$ (563,302)
Intergovernmental	1,291,299	7,154,481	5,859,197	(1,295,284)
Charges for Services	456,000	461,546	445,160	(16,386)
Interest Income	1,763	1,763	2,755	992
Miscellaneous	42,850	96,088	44,020	(52,068)
Total Revenues	<u>\$ 3,189,098</u>	<u>\$ 9,988,901</u>	<u>\$ 8,062,853</u>	<u>\$ (1,926,048)</u>
<b>EXPENDITURES</b>				
Current				
Public Safety	\$ 1,634,070	\$ 1,872,876	\$ 1,766,913	\$ 105,963
Highways and Bridges	3,138,020	3,138,020	2,348,001	790,019
Flood Repair/Disaster Mitigation	394,500	394,500	-	394,500
Health and Welfare	85,431	4,896,099	4,851,824	44,275
Conservation of Natural Resources	335,068	335,068	252,462	82,606
Total Expenditures	<u>\$ 5,587,089</u>	<u>\$ 10,636,563</u>	<u>\$ 9,219,200</u>	<u>\$ 1,417,363</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,397,991)</u>	<u>\$ (647,662)</u>	<u>\$ (1,156,347)</u>	<u>\$ (508,685)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ -	\$ -	\$ 1,059,757	\$ 1,059,757
Net Change in Fund Balances	<u>\$ (2,397,991)</u>	<u>\$ (647,662)</u>	<u>\$ (96,590)</u>	<u>\$ 551,072</u>
Fund Balance - January 1	<u>\$ 6,217,971</u>	<u>\$ 6,217,971</u>	<u>\$ 6,217,971</u>	<u>\$ -</u>
Prior Period Adjustments	\$ -	\$ -	\$ (263,147)	\$ (263,147)
Fund Balance - Jan. 1, as restated	<u>\$ 6,217,971</u>	<u>\$ 6,217,971</u>	<u>\$ 5,954,824</u>	<u>\$ (263,147)</u>
Fund Balance - December 31	<u>\$ 3,819,980</u>	<u>\$ 5,570,309</u>	<u>\$ 5,858,234</u>	<u>\$ 287,925</u>

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

**RAMSEY COUNTY**

Schedule of Employer's Share of Net Pension and Employer Contributions  
For the Years Ended December 31, 2022 and 2021

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

<b>Primary Government</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
2022	0.463396%	\$ 13,346,113	\$ 5,379,274	248.10%	54.47%
2021	0.436945%	4,554,280	4,947,924	92.04%	79.13%
2020	0.458866%	14,436,023	5,061,850	285.19%	48.91%
2019	0.339602%	3,980,381	3,532,434	112.68%	71.66%
2018	0.343607%	5,798,743	3,529,931	164.27%	62.80%
2017	0.336521%	5,408,997	3,435,357	157.45%	61.98%
2016	0.364810%	2,986,956	3,088,608	96.71%	70.46%
2015	0.323680%	2,200,969	2,883,596	76.33%	77.15%
2014	0.322807%	2,048,925	2,719,249	75.35%	77.70%

<b>Water Resource 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
2022	0.002057%	\$ (59,243)	\$ 23,884	-248.04%	54.47%
2021	0.000000%	-	-	0.00%	79.13%
2020	0.003096%	97,401	34,152	285.20%	48.91%
2019	0.003188%	37,366	33,157	112.69%	71.66%
2018	0.003195%	53,919	32,824	164.27%	62.80%
2017	0.003025%	48,622	30,880	157.45%	61.98%
2016	0.001726%	16,822	17,392	96.72%	70.46%
2015	0.001890%	12,852	16,836	76.34%	77.15%
2014	0.001822%	11,565	15,355	75.32%	77.70%

The notes to the required supplementary information are an integral part of this statement.

**RAMSEY COUNTY**

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

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

<b>Primary Government</b>	<b>Statutory Required Contribution</b>	<b>Contributions in Relation to the Statutory Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered-Employee Payroll</b>	<b>Contributions as a Percentage of Covered-Employee Payroll</b>
2022	\$ 405,151	\$ 374,096	31,055	\$ 5,550,029	6.74%
2021	364,888	394,370	(29,482)	5,331,274	7.40%
2020	358,423	298,422	60,001	5,107,142	5.84%
2019	257,181	253,294	3,887	3,532,434	7.17%
2018	259,995	243,168	16,827	3,529,931	6.89%
2017	249,105	230,080	19,025	3,326,930	6.92%
2016	223,610	214,195	9,415	3,095,705	6.92%
2015	219,032	204,185	14,847	2,874,419	7.10%
2014	193,611	193,611	-	2,820,923	6.86%

<b>Water Resource District</b>	<b>Statutory Required Contribution</b>	<b>Contributions in Relation to the Statutory Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered-Employee Payroll</b>	<b>Contributions as a Percentage of Covered-Employee Payroll</b>
2022	\$ 1,798	\$ 1,700	\$ 98	\$ 33,431	5.09%
2021	-	1,243	(1,243)	-	0.00%
2020	2,418	2,406	12	38,897	6.19%
2019	2,414	2,365	49	33,157	7.13%
2018	2,418	2,150	268	32,824	6.55%
2017	2,239	2,199	40	32,335	6.80%
2016	1,259	1,339	(80)	23,887	5.61%
2015	1,279	1,199	80	17,139	7.00%
2014	1,093	1,093	-	15,983	6.84%

The notes to the required supplementary information are an integral part of this statement.

**RAMSEY COUNTY**

Schedule of Employer's Share of Net OPEB Liability and Employer Contributions  
For the Years Ended December 31, 2022 and 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
2022	0.413378%	\$ 496,182	\$ 4,267,737	11.63%	56.28%
2021	0.393132%	218,649	4,286,147	5.10%	76.63%
2020	0.421883%	354,887	5,061,850	7.01%	63.38%
2019	0.316567%	254,263	3,532,434	7.20%	63.13%
2018	0.322599%	254,069	3,529,931	7.20%	61.89%
2017	0.317547%	251,183	3,435,357	7.31%	59.78%

<b>Water Resource 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
2022	0.002313%	\$ 2,776	\$ 23,884	11.62%	56.28%
2021	0.000000%	-	-	0.00%	76.63%
2020	0.002996%	2,520	34,152	7.38%	63.38%
2019	0.002971%	2,386	33,157	7.20%	63.13%
2018	0.003000%	2,363	32,824	7.20%	61.89%
2017	0.002854%	2,258	30,880	7.31%	59.78%

The notes to the required supplementary information are an integral part of this statement.

**RAMSEY COUNTY**

## Schedule of Employer's Share of Net OPEB Liability and Employer Contributions - Continued

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

<b>Primary Government</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>
2022	\$ 51,943	\$ 48,685	\$ 3,258	\$ 4,544,780	1.07%
2021	51,542	57,079	(5,537)	5,331,274	1.07%
2020	56,500	47,282	9,218	5,107,142	0.93%
2019	41,082	40,556	526	3,532,434	1.15%
2018	41,404	38,934	2,470	3,529,931	1.10%
2017	39,934	36,839	3,095	3,435,357	1.07%

<b>Water Resource 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>
2022	\$ 291	\$ 272	\$ 19	\$ 33,431	0.81%
2021	-	-	-	-	0.00%
2020	401	385	16	38,897	0.99%
2019	386	379	7	33,157	1.14%
2018	385	344	41	32,824	1.05%
2017	359	352	7	30,880	1.14%

The notes to the required supplementary information are an integral part of this statement.

## **RAMSEY COUNTY**

Notes to the Required Supplementary Information  
For the Years Ended December 31, 2022 and 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.

**RAMSEY 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, 2021.

**OPEB**

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2021.

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

The board of County commissioners amended the County budget for 2022 and 2021 respectively:

	REVENUES		
	Original Budget	Amendment	Amended Budget
<b>2022</b>			
<b>Major Funds</b>			
General Fund	\$ 4,657,408	\$ 228,201	\$ 4,885,609
Special Revenue Fund	2,673,748	8,573,092	11,246,840

	EXPENDITURES		
	Original Budget	Amendment	Amended Budget
<b>2022</b>			
<b>Major Funds</b>			
General Fund	\$ 4,534,966	\$ 938,923	\$ 5,473,889
Special Revenue Fund	12,546,468	(73,712)	12,472,756

	REVENUES		
	Original Budget	Amendment	Amended Budget
<b>2021</b>			
<b>Major Funds</b>			
General Fund	\$ 5,389,619	\$ 225,442	\$ 5,615,061
Special Revenue Fund	3,189,098	6,799,803	9,988,901

	EXPENDITURES		
	Original Budget	Amendment	Amended Budget
<b>2021</b>			
<b>Major Funds</b>			
General Fund	\$ 4,696,704	\$ 222,099	\$ 4,918,803
Special Revenue Fund	5,587,089	5,049,474	10,636,563



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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  
Ramsey County  
Devils Lake, 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 unit, each major fund, and the aggregate remaining fund information of Ramsey County as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Ramsey County's basic financial statements, and have issued our report thereon dated January 26, 2024.

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

In planning and performing our audit of the financial statements, we considered Ramsey 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 Ramsey County's internal control. Accordingly, we do not express an opinion on the effectiveness of Ramsey 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. We identified certain deficiencies in internal control, described in the accompanying *schedule of audit findings* as item 2022-001 through 2022-005 to be a material weakness.

## **RAMSEY 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 Ramsey 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Audit Findings as items 2022-001.

### **Ramsey County's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on Ramsey County's response to the findings identified in our audit and described in the accompanying *schedule of audit findings*. Ramsey County's response was not subjected to the other 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  
January 26, 2024

**RAMSEY COUNTY**

## Summary of Auditor's Results

For the Years Ended December 31, 2022 and 2021

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**Financial Statements**

## Type of Report Issued:

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

**Internal control over financial reporting**

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

### Schedule of Audit Findings

For the Years Ended December 31, 2022 and 2021

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#### **2022-001— BUDGET PREPARATION – MATERIAL WEAKNESS – MATERIAL NON-COMPLIANCE**

##### **Condition**

Ramsey County did not prepare its 2022 budget or mill levy calculation in accordance with state laws listed below:

- The preliminary and final budget files for 2022 did not include the 5th and 9th required elements included in N.D.C.C. §11-23-02.
- The mill levy calculation including the estimated cash amount did not have proper supporting documentation in accordance with N.D.C.C. §57-15-31(1).

##### **Criteria**

N.D.C.C. §57-15-31(1) states, "The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes must be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance;
2. Estimated revenues from sources other than direct property taxes;
3. The total estimated collections from tax levies for previous years;
4. Expenditures that must be made from bond sources;
5. The amount of distributions received from an economic growth increment pool under section 57-15-61; and
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03."

N.D.C.C. §11-23-02 states, " The county auditor shall prepare an annual budget for the general fund, each special revenue fund, and each debt service fund of the county in the form prescribed by the state auditor. The budget must set forth specifically:

1. The detailed breakdown of the estimated revenues and appropriations requested for each fund for the ensuing year.
2. The detailed breakdown of the revenues and expenditures for each fund for the preceding year.
3. The detailed breakdown of estimated revenues and expenditures for each fund for the current year.
4. The transfers in or out for each fund for the preceding year and the estimated transfers in or out for the current year and the ensuing year.
5. The beginning and ending balance of each fund or estimates of the balances for the preceding year, current year, and ensuing year.
6. The tax levy request for any funds levying taxes for the ensuing year.
7. The certificate of levy showing the amount levied for each fund and the total amount levied.
8. The budget must be prepared on the same basis of accounting used by the county for its annual financial reports.
9. The amount of cash reserve for the general fund and each special revenue fund, not to exceed seventy-five percent of the appropriation for the fund.

##### **Cause**

Ramsey County may not have procedures in place to ensure the preliminary budget, final budget, and mill levy calculations have supporting documentation that include all of the elements required by N.D.C.C. §11-23-02 and N.D.C.C. §57-15-31(1).

**RAMSEY COUNTY**Schedule of Audit Findings – Continued

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**Effect**

The estimates for year-end cash and the 5<sup>th</sup> and 9<sup>th</sup> element identified in N.D.C.C. §11-23-02 are key components in the tax levy calculation in any budget year. Thus, Ramsey County may have improperly calculated the tax levies for the 2022 preliminary and final budgets.

**Repeat Finding**

No.

**Recommendation**

We recommend that Ramsey County implement procedures to ensure its compliance with all aspects of N.D.C.C. §57-15-31(1) and N.D.C.C. §11-23-02.

**Ramsey County's Response**

Agree. We will review the budget going forward to ensure compliance with N.D.C.C. §11-23-02 and N.D.C.C §57-15-31(1).

**2022-002    AUDIT ADJUSTMENTS – MATERIAL WEAKNESS**

**Condition**

Auditor-identified adjusting entries related to payables, receivables, and capital assets were proposed to properly reflect the financial statements in accordance with generally accepted accounting principles (GAAP). The financial statements reflect the adjustments and were approved by management.

**Criteria**

Ramsey County is responsible to ensure the financial statements are reliable, free of material misstatements, and in accordance with GAAP.

**Cause**

Ramsey County does not have sufficient procedures in place to ensure an accurate listing of receivables, payables or capital assets which are used in the preparation of its financial statements.

**Effect**

The financial statements may have been misstated if the receivables had not been adjusted during the audit.

**Repeat Finding**

No.

**Recommendation**

We recommend Ramsey County review all adjusting entries to the financial statements to properly reflect the financial statements are in accordance with GAAP.

**Ramsey County's Response**

Agree. We will review the adjustments needed for presentation in the financial statements.

**2022-003    AUDIT ADJUSTMENTS – WATER RESOURCE DISTRICT – MATERIAL WEAKNESS**

**Condition**

Auditor-identified adjusting entries related to payables, prior period adjustments, and revenue classifications were proposed to properly reflect the financial statements in accordance with generally accepted accounting principles (GAAP). The financial statements reflect the adjustments and were approved by management.

**Criteria**

Ramsey County Water Resource District is responsible to ensure the financial statements are reliable, free of material misstatements, and in accordance with GAAP.

**Cause**

Ramsey County Water Resource District does not have sufficient procedures in place to ensure an accurate listing of payables, or accurate revenue classification which are used in the preparation of its financial statements.

**Effect**

The financial statements may have been misstated if the payables and revenues had not been adjusted during the audit.

**Repeat Finding**

No.

**Recommendation**

We recommend Ramsey County Water Resource District review all adjusting entries to the financial statements to properly reflect the financial statements are in accordance with GAAP.

**Ramsey County Water Resource District's Response**

Agree. We will review the adjustments needed for presentation in the financial statements. Ramsey County Water Resource District has contracted with a local accounting firm (Buchli, Britsch & Svidal, PC) to review financial statements for 2023 and moving forward. The accounting firm has reviewed the Water District's chart of accounts, payables and revenue classifications.

**2022-004 – LACK OF SEGREGATION OF DUTIES - COMPONENT UNIT – MATERIAL WEAKNESS**

**Condition**

Ramsey County Water Resource District has limited personnel responsible for most accounting functions. A lack of segregation of duties exists as limited personnel are recording receipts disbursement in journals, maintain the general ledger, and perform bank reconciliations.

**Effect**

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

**Cause**

Management has chosen to allocate economic resources to other functions of the Ramsey County Water Resource 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 districts.

**Repeat Finding**

Yes.

**Recommendation**

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

- Financial statements, credit memos, and payroll registers should be reviewed, analyzed, and spot-checked 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.

**Ramsey County Water Resource District's Response**

We agree that a lack of segregation of duties exists due to limited personnel as of 2022. We will segregate duties when feasible. The Ramsey County Water Resource District has contracted with a local accounting firm (Buchli, Britsch & Svidal, PC) who will be reviewing financials.



**2022-005 – BANK RECONCILIATIONS - COMPONENT UNIT – MATERIAL WEAKNESS**

**Condition**

Testing of Bank reconciliations performed by Ramsey County Water Resource District identified an adjustment of \$34,739 resulting from transactions which had cleared the bank statements and recorded in the general ledger but not marked as cleared on the bank reconciliation. In 2022, Ramsey County Water Resource District made adjusting entries to correctly balance the reconciliations, however a prior period adjustment was proposed and accepted by management in the amount of \$34,739 to correctly state the cash balance as of 1/1/2021.

**Effect**

There is an increased risk of material misstatement to Ramsey County Water Resource District's financial statements whether due to error or fraud if bank reconciliations are not complete and accurate.

**Cause**

Ramsey County Water Resource District may not have been aware of how to correct the bank reconciliation errors. In addition, the district does not currently have a review process over the bank reconciliations to catch the errors in a timely manner.

**Criteria**

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) model defines internal control as a process designed to provide reasonable assurance of the achievement of objectives that involve the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. Pertaining to the bank reconciliations, management is responsible for the policies and procedures to ensure accurate and timely bank reconciliations.

**Repeat Finding**

No.

**Recommendation**

We recommend Ramsey County Water Resource District review its current procedures and ensure that all bank reconciliations are accurately completed on a monthly basis.

**Ramsey County Water Resource District's Response**

We agree. The reconciliations are now being reconciled monthly and issues from converting from Quickbooks Desktop and Quickbooks Online have been reconciled. The Ramsey County Water Resource District has contracted with a local accounting firm (Buchli, Britsch & Svidal, PC) and will address any future issues they encounter with any banking reconciliations.

STATE AUDITOR  
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## GOVERNANCE COMMUNICATION

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January 26, 2024

Board of County Commissioners  
Ramsey County  
Devils Lake, North Dakota

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Ramsey County, North Dakota, for the years ended December 31, 2022, and 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 August 22, 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 Ramsey 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 2022. We noted no transactions entered into by Ramsey 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.

**RAMSEY COUNTY**

## Governance Communication – Continued

**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.

	<b><u>2022 Audit Adjustments</u></b>	
	<b><u>Debit</u></b>	<b><u>Credit</u></b>
<b>Primary Government</b>		
<b><u>Governmental Funds</u></b>		
<b><u>To accure Accounts Payable</u></b>		
Expenditures	112,939	-
Accounts Payable - General Fund	-	3,132
Accounts Payable - Special Revenue Fund	-	109,807
<b><u>To accure Retainage Payable</u></b>		
Expenditures	15,592	-
Retainage Payable - Special Revenue Fund	-	15,592
<b><u>To accure Intergovernmental Receivables</u></b>		
Intergovernmental Receivable - Special Revenue Fund	84,668	-
Revenue	-	84,668
<b><u>Government Wide</u></b>		
<b><u>To adjust Capital Assets</u></b>		
Capital Assets, Net	114,874	-
Net Position	-	114,874
<b>Water Resource District</b>		
<b><u>To Adjust Cash from Reconciliation Errors</u></b>		
Cash	2,388	-
Fund Balance	-	2,388

**RAMSEY COUNTY**

## Governance Communication – Continued

	<b>2021 Audit Adjustments</b>	
	<b>Debit</b>	<b>Credit</b>
<b>Primary Government</b>		
<b><u>Governmental Funds</u></b>		
<b><u>To accrue Accounts Payable</u></b>		
Expenditures	6,129	-
Accounts Payable - General Fund	-	4,025
Accounts Payable - Special Revenue Fund	-	2,104
<b><u>To accrue Intergovernmental Receivables</u></b>		
Intergovernmental Receivable - Special Revenue Fund	99,543	-
Revenue	-	99,543
<b><u>To Record Prior Period Adjustment for Benefits Payable</u></b>		
Fund Balance - General Fund	103,957	-
Fund Balance - Special Revenue Fund	263,147	-
Benefits Payable - General Fund	-	103,957
Benefits Payable - Special Revenue Fund	-	263,147
<b><u>Government Wide</u></b>		
<b><u>To Record Prior Period Adjustment for Capital Assets</u></b>		
Capital Assets	57,277	-
Net Position	-	57,277
<b><u>Water Resource District</u></b>		
<b><u>To record Prior Period Adjustment</u></b>		
Net Position	34,784	-
Cash	-	34,784
<b><u>To adjust Payroll Liabilities</u></b>		
Payroll Liabilities	25,603	-
Other Asset	2,715	-
Fund Balance	-	28,318
<b><u>To reclass revenue to proper classification</u></b>		
Miscellaneous Revenue	33,108	-
Property Taxes	47,341	-
Intergovernmental Revenue - State Aid	-	6,823
Charge for Service	-	73,626

**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 January 26, 2024.

**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 Ramsey 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.

**Restriction on Use**

This information is intended solely for the use of Ramsey County board members and management of Ramsey 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 Ramsey 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 Ramsey County.

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
January 26, 2024



Office of the  
State Auditor

NORTH DAKOTA STATE AUDITOR  
JOSHUA C. GALLION

**NORTH DAKOTA STATE AUDITOR'S OFFICE**

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