



# NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

## Dickey County

Ellendale, North Dakota

Audit Report for the Year Ended December 31, 2023

*Client Code: PS11000*



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Office of the  
State Auditor

# DICKEY COUNTY

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For the Year Ended December 31, 2023

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# DICKEY COUNTY

County Officials

December 31, 2023

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## COUNTY OFFICIALS

John Hokana  
Jerry Walsh  
Brandon Carlson  
Kacey Holm  
Marke Roberts

Chairman  
Vice Chairman  
Commissioner  
Commissioner  
Commissioner

Wanda Sheppard  
Wonada Lematta  
Chris Estes  
Kelly Schmidt  
Kim Radermacher

Auditor  
Treasurer  
Sheriff  
Recorder  
States Attorney

STATE AUDITOR  
Joshua C. Gallion



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## INDEPENDENT AUDITOR'S REPORT

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Board of County Commissioners  
Dickey County  
Ellendale, North Dakota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dickey County, North Dakota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Dickey County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dickey County, North Dakota, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dickey County's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dickey County's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

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

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dickey County's basic financial statements. The *schedule of expenditures of federal awards and notes to the schedule of expenditures of federal awards*, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *schedule of expenditures of federal awards and notes to the schedule of expenditures of federal awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of Dickey County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dickey County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dickey County's internal control over financial reporting and compliance.

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
November 13, 2024

**DICKEY COUNTY**  
Statement of Net Position  
December 31, 2023

	Primary Government	Component Units
<b>ASSETS</b>		
Cash and Investments	\$ 5,809,004	\$ 1,437,335
Accounts Receivable	41,485	23,691
Intergovernmental Receivable	115,071	117,002
Road Receivables	33,075	-
Loans Receivable	-	86,305
Taxes Receivable	67,253	3,062
Special Assessment Receivable	-	642,283
Inventory	730,941	-
Capital Assets, Net	<u>22,893,857</u>	<u>1,280,760</u>
 Total Assets	 <u>\$ 29,690,686</u>	 <u>\$ 3,590,438</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Derived from Pension and OPEB	<u>\$ 1,699,780</u>	<u>\$ 293,759</u>
 Total Assets & Deferred Outflows of Resources	 <u>\$ 31,390,466</u>	 <u>\$ 3,884,197</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 95,791	\$ 11,390
Salary and Benefits Payable	13,054	1,618
Grants Received in Advance	66,960	-
Retainages Payable	46,607	-
Interest Payable	15,572	3,765
Long-Term Liabilities		
Due Within One Year		
Long Term Debt	187,705	85,000
Compensated Absences Payable	5,158	1,037
Due After One Year		
Long Term Debt	1,442,843	770,000
Compensated Absences Payable	46,422	9,334
Net Pension and OPEB Liability	<u>2,594,092</u>	<u>390,541</u>
 Total Liabilities	 <u>\$ 4,514,204</u>	 <u>\$ 1,272,685</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Taxes Received in Advance	\$ 891,444	\$ 123,136
Derived from Pension and OPEB	<u>2,148,492</u>	<u>387,215</u>
 Total Deferred Inflows of Resources	 <u>\$ 3,039,936</u>	 <u>\$ 510,351</u>
 Total Liabilities & Deferred Inflows of Resources	 <u>\$ 7,554,140</u>	 <u>\$ 1,783,036</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 21,201,130	\$ 1,059,361
Restricted		
Debt Service	30,969	-
Highways and Bridges	2,061,239	-
Culture and Recreation	-	39,757
Conservation of Natural Resources	309,836	772,968
Emergencies	469,130	-
Economic Development	-	146,531
Unrestricted	<u>(235,978)</u>	<u>82,544</u>
 Total Net Position	 <u>\$ 23,836,326</u>	 <u>\$ 2,101,161</u>

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

**DICKEY COUNTY**  
Statement of Activities  
For the Year Ended December 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					Primary Government	Component Units
<b>Primary Government</b>						
Government Activities						
General Government	\$ 1,740,604	\$ 150,280	\$ 3,730,767	\$ -	\$ 2,140,443	\$ -
Public Safety	803,480	130,508	-	-	(672,972)	-
Highways and Bridges	3,762,988	305,671	599,850	3,520,367	662,900	-
Flood Repair	-	-	36,946	-	36,946	-
Health and Welfare	69,688	-	-	-	(69,688)	-
Culture and Recreation	130,821	-	-	-	(130,821)	-
Conserv. of Natural Resources	332,317	36,827	10,084	-	(285,406)	-
Emergencies	(1,583)	-	-	-	1,583	-
Debt Service	30,537	-	1,353	-	(29,184)	-
Interest on Long-Term Debt	34,757	-	-	-	(34,757)	-
<b>Total Primary Government</b>	<b>\$ 6,903,609</b>	<b>\$ 623,286</b>	<b>\$ 4,379,000</b>	<b>\$ 3,520,367</b>	<b>\$ 1,619,044</b>	<b>\$ -</b>
<b>Component Units</b>	<b>\$ 1,257,646</b>	<b>\$ 449,313</b>	<b>\$ 308,287</b>	<b>\$ 67,385</b>		<b>\$ (432,661)</b>
<b>General Revenues</b>						
Property Taxes					\$ 3,442,882	\$ 200,561
Non Restricted Grants and Contributions					780,287	-
Gain on Disposal of Capital Assets					25,461	-
Earnings on Investments					207,692	294
Miscellaneous Revenue					31,727	51,321
Special Item - Loan Forgiveness					\$ -	\$ (11,778)
<b>Total General Revenues</b>					<b>\$ 4,488,049</b>	<b>\$ 240,398</b>
<b>Change in Net Position</b>					<b>\$ 6,107,093</b>	<b>\$ (192,263)</b>
<b>Net Position - January 1</b>					<b>\$ 17,729,233</b>	<b>\$ 2,293,424</b>
<b>Net Position - December 31</b>					<b>\$ 23,836,326</b>	<b>\$ 2,101,161</b>

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



**DICKEY COUNTY**

Balance Sheet – Governmental Funds

December 31, 2023

	General	Special Revenue	Nonmajor Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 1,821,256	\$ 3,935,695	\$ 52,053	\$ 5,809,004
Taxes Receivable	30,899	33,526	2,828	67,253
Accounts Receivable	14,031	27,454	-	41,485
Intergovernmental Receivable	43,952	71,119	-	115,071
Road Receivables	-	33,075	-	33,075
Inventory	-	730,941	-	730,941
<b>Total Assets</b>	<b>\$ 1,910,138</b>	<b>\$ 4,831,810</b>	<b>\$ 54,881</b>	<b>\$ 6,796,829</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 15,815	\$ 79,976	\$ -	\$ 95,791
Salaries and Benefits Payable	8,258	4,796	-	13,054
Grants Received in Advance	-	66,960	-	66,960
Retainage Payable	-	46,607	-	46,607
<b>Total Liabilities</b>	<b>\$ 24,073</b>	<b>\$ 198,339</b>	<b>\$ -</b>	<b>\$ 222,412</b>
<b>Deferred Inflows of Resources</b>				
Taxes Receivable	\$ 30,899	\$ 33,526	\$ 2,828	\$ 67,253
Road Receivables	-	33,075	-	33,075
Taxes Received in Advance	350,842	516,690	23,912	891,444
<b>Total Deferred Inflows of Resources</b>	<b>\$ 381,741</b>	<b>\$ 583,291</b>	<b>\$ 26,740</b>	<b>\$ 991,772</b>
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>\$ 405,814</b>	<b>\$ 781,630</b>	<b>\$ 26,740</b>	<b>\$ 1,214,184</b>
<b>Fund Balances</b>				
<b>Non-Spendable</b>				
Inventory	\$ -	\$ 730,941	\$ -	\$ 730,941
<b>Restricted</b>				
General Government	-	540	-	540
Public Safety	-	57,378	-	57,378
Highways and Bridges	-	2,632,201	-	2,632,201
Health and Welfare	-	16,500	-	16,500
Conservation of Natural Resources	-	143,550	-	143,550
Emergencies	-	469,070	-	469,070
Debt Service	-	-	28,141	28,141
<b>Unassigned</b>				
General Fund	1,504,324	-	-	1,504,324
<b>Total Fund Balances</b>	<b>\$ 1,504,324</b>	<b>\$ 4,050,180</b>	<b>\$ 28,141</b>	<b>\$ 5,582,645</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,910,138</b>	<b>\$ 4,831,810</b>	<b>\$ 54,881</b>	<b>\$ 6,796,829</b>

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

# DICKEY COUNTY

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2023

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**Total Fund Balances for Governmental Funds** \$ 5,582,645

Total net position reported for government activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.

Cost of Capital Assets	\$ 28,563,588	
Less Accumulated Depreciation	<u>(5,669,731)</u>	22,893,857

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

Property Taxes Receivable	\$ 67,253	
Road Receivables	<u>33,075</u>	100,328

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

Deferred Outflows Related to Pensions and OPEB	\$ 1,699,780	
Deferred Inflows Related to Pensions and OPEB	<u>(2,148,492)</u>	(448,712)

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

Long-Term Debt	\$ (1,630,548)	
Interest Payable	(15,572)	
Net Pension and OPEB Liability	(2,594,092)	
Compensated Absences Payable	<u>(51,580)</u>	(4,291,792)

**Total Net Position of Governmental Funds** \$ 23,836,326

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

**DICKEY COUNTY**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2023

	General	Special Revenue	Nonmajor Fund	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 1,523,812	\$ 1,762,526	\$ 151,819	\$ 3,438,157
Licenses, Permits and Fees	46,942	-	-	46,942
Intergovernmental	645,227	4,512,707	1,353	5,159,287
Charges for Services	91,521	465,795	-	557,316
Interest Income	207,692	-	-	207,692
Miscellaneous	14,146	17,581	-	31,727
				-
Total Revenues	\$ 2,529,340	\$ 6,758,609	\$ 153,172	\$ 9,441,121
<b>EXPENDITURES</b>				
Current				
General Government	\$ 1,686,840	\$ 157,055	\$ -	\$ 1,843,895
Public Safety	453,933	378,970	-	832,903
Highways	1,790	4,792,157	-	4,793,947
Health and Welfare	18,150	52,510	-	70,660
Culture and Recreation	129,003	-	-	129,003
Conserv. of Natural Resources	-	336,361	-	336,361
Other	-	-	30,537	30,537
Debt Service				
Principal	-	131,604	95,000	226,604
Interest and Fees	-	31,515	7,636	39,151
Total Expenditures	\$ 2,289,716	\$ 5,880,172	\$ 133,173	\$ 8,303,061
Excess (Deficiency) of Revenues Over Expenditures	\$ 239,624	\$ 878,437	\$ 19,999	\$ 1,138,060
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	\$ 7,605	\$ -	\$ -	\$ 7,605
Transfers In	-	176,241	-	176,241
Transfers Out	(60,495)	(115,746)	-	(176,241)
Total Other Financing Sources (Uses)	\$ (52,890)	\$ 60,495	\$ -	\$ 7,605
Net Change in Fund Balances	\$ 186,734	\$ 938,932	\$ 19,999	\$ 1,145,665
Fund Balance - January 1	\$ 1,317,590	\$ 3,111,248	\$ 8,142	\$ 4,436,980
Fund Balance - December 31	\$ 1,504,324	\$ 4,050,180	\$ 28,141	\$ 5,582,645

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

# DICKEY COUNTY

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities For the Year Ended December 31, 2023

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**Net Change in Fund Balances - Total Governmental Funds** \$ 1,145,665

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

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

Current Year Capital Outlay	\$ 5,359,958	
Current Year Depreciation Expense	<u>(732,720)</u>	4,627,238

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

Gain on Sale of Capital Assets	\$ 25,461	
Sale of Capital Assets	<u>(7,605)</u>	17,856

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

Repayment of Debt	\$	226,604
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The net pension liability and related deferred outflows of resources and deferred inflows of resources are reported in the government wide statements; however, activity related to these pension items do not involve current financial resources, and are not reported in the funds.

Net Change in Net Pension Liability and OPEB	\$ 1,453,390	
Net Change in Deferred Intflows of Resources Related to Pensions and OPEB	(1,056,551)	
Net Change in Deferred Outflows of Resources Related to Pensions and OPEB	<u>(349,995)</u>	46,844

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

Net Change in Compensated Absences Liability	\$ 14,739	
Net Change in Interest Payable	<u>4,394</u>	19,133

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	\$ 4,725	
Net Change in Road Receivables	<u>19,028</u>	<u>23,753</u>

**Change in Net Position of Governmental Activities** \$ 6,107,093

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

# DICKEY COUNTY

Combining Statements of Net Position – All Discretely Presented Component Units  
 For the Year Ended December 31, 2023

	Water Resource District	Health District	Fair	Job Development Authority	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 837,225	\$ 468,742	\$ 34,840	\$ 96,528	\$ 1,437,335
Accounts Receivable	-	23,691	-	-	23,691
Intergovernmental Receivable	129	116,873	-	-	117,002
Loans Receivable	-	-	-	86,305	86,305
Taxes Receivable	326	2,655	-	81	3,062
Special Assessment Receivable	642,283	-	-	-	642,283
Capital Assets, Net	1,155,587	120,256	4,917	-	1,280,760
<b>Total Assets</b>	<b>\$ 2,635,550</b>	<b>\$ 732,217</b>	<b>\$ 39,757</b>	<b>\$ 182,914</b>	<b>\$ 3,590,438</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension and OPEB Items	\$ -	\$ 293,759	\$ -	\$ -	\$ 293,759
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$ 2,635,550</b>	<b>\$ 1,025,976</b>	<b>\$ 39,757</b>	<b>\$ 182,914</b>	<b>\$ 3,884,197</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 3,639	\$ 7,751	\$ -	\$ -	\$ 11,390
Salary and Benefits Payable	32	1,586	-	-	1,618
Interest Payable	3,765	-	-	-	3,765
Long-Term Liabilities					
Due Within One Year					
Long Term Debt	85,000	-	-	-	85,000
Compensated Absences	-	1,037	-	-	1,037
Due After One Year					
Long Term Debt	770,000	-	-	-	770,000
Compensated Absences	-	9,334	-	-	9,334
Net Pension and OPEB Liability	-	390,541	-	-	390,541
<b>Total Liabilities</b>	<b>\$ 862,436</b>	<b>\$ 410,249</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,272,685</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension and OPEB Items	\$ -	\$ 387,215	\$ -	\$ -	\$ 387,215
Taxes Received in Advance	61,041	25,712	-	36,383	123,136
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>\$ 923,477</b>	<b>\$ 823,176</b>	<b>\$ -</b>	<b>\$ 36,383</b>	<b>\$ 1,783,036</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ 939,105	\$ 120,256	\$ -	\$ -	\$ 1,059,361
Restricted					
Culture and Recreation	-	-	39,757	-	39,757
Economic Development	-	-	-	146,531	146,531
Conservation of Natural Resources	772,968	-	-	-	772,968
Unrestricted	-	82,544	-	-	82,544
<b>Total Net Position</b>	<b>\$ 1,712,073</b>	<b>\$ 202,800</b>	<b>\$ 39,757</b>	<b>\$ 146,531</b>	<b>\$ 2,101,161</b>

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



**DICKEY COUNTY**

Statement of Fiduciary Net Position – Fiduciary Funds  
For the Year Ended December 31, 2023

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	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 2,205,799</u>
<b>LIABILITIES</b>	
Liabilities	
Funds Held for Other Governmental Units	<u>\$ 253,935</u>
Deferred Inflows of Resources	
Taxes Received in Advance	<u>\$ 1,951,864</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 2,205,799</u>
Total Net Position	<u>\$ -</u>

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

**DICKEY COUNTY**

Statement of Changes in Fiduciary Net Position – Fiduciary Funds  
December 31, 2023

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	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Tax Collections for Other Governments	\$ 7,612,756
Grant Collections for Other Governments	1,023,444
Miscellaneous Collections	<u>11,100</u>
Total Additions	<u>\$ 8,647,300</u>
<b>DEDUCTIONS</b>	
Tax Disbursements to Other Governments	\$ 7,612,756
Grant Disbursements to Other Governments	1,023,444
Miscellaneous Disbursements	<u>11,100</u>
Total Deductions	<u>\$ 8,647,300</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>\$ -</u>
Net Position - Beginning	<u>\$ -</u>
Net Position - Ending	<u>\$ -</u>

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



## DICKEY COUNTY

Notes to the Financial Statements  
For the Year Ended December 31, 2023

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Dickey County ("County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as 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 units 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 units' columns in the basic financial statements includes the financial data of the County's four component units. These units are reported in separate columns to emphasize that they are legally separate from the County.

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

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

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

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

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

## DICKEY COUNTY

### Notes to the Financial Statements – Continued

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#### **Basis of Presentation**

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

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

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

The County reports the following major governmental funds:

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

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

Additionally, the County reports the following fund type:

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

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

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

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

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

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

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

**Cash and Investments**

Cash includes amounts in demand deposits and money market accounts.

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

**Inventories**

Inventories are value using the first in first out (FIFO) method. The cost of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

**Capital Assets**

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

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

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

**Compensated Absences**

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

**Long-Term Obligations**

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

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

**Pension**

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

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

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, 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.

**Fund Balances**

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

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

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

*Nonspendable Balances.* Nonspendable fund balance is shown for inventory in the special revenue fund.

*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.

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

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**NOTE 2: 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, 2023, the County’s carrying amount of deposits totaled \$9,416,584 and the bank balances totaled \$10,159,791. Of the bank balances, \$560,359 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, 2023, the Fair’s carrying amount of deposits totaled \$34,840 and the bank balances totaled \$35,957, all of which were covered by Federal Depository Insurance.

**NOTE 3: 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 4: LOANS RECEIVABLE**

The Dickey County Job Development Authority provides loans to businesses for either startup costs or expansion costs. The Job Development Authority had the following loans receivable activity for the year ended December 31, 2023:

<b>Job Development Authority</b>	<b>Balance January 1</b>	<b>New Loans/ Additions</b>	<b>Principal Payments</b>	<b>Loans Forgiven</b>	<b>Balance December 31</b>
Loans Receivable Total	\$ 25,183	\$ 80,000	\$ 7,100	\$ 11,778	\$ 86,305

**NOTE 5: SPECIAL ITEM**

In 2022, the Dickey County Job Authority agreed to convert the loan receivable balance with Growing Small Towns into a grant over the course of three years. In 2022, \$8,833 of the \$26,500 loan balance was forgiven. In 2023, \$11,778 will be converted to a grant and recorded as a loan forgiveness special item on the Statement of Activities. The remaining balance of \$5,889 is expected to be converted to a grant and forgiven in 2024.

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

**NOTE 6: CAPITAL ASSETS**

**Primary Government**

The following is a summary of changes in capital assets for the year ended December 31, 2023 for the County:

<b>Primary Government</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
Capital Assets Not Being Depreciated					
Land	\$ 40,398	\$ -	\$ -	\$ -	\$ 40,398
Construction in Progress	1,365,532	4,017,336	-	118,374	5,264,494
<b>Total Capital Assets, Not Being Depreciated</b>	<b>\$ 1,405,930</b>	<b>\$ 4,017,336</b>	<b>\$ -</b>	<b>\$ 118,374</b>	<b>\$ 5,304,892</b>
Capital Assets, Being Depreciated					
Buildings	\$ 3,421,105	\$ 92,040	\$ -		\$ 3,513,145
Equipment	2,582,533	1,093,775	56,573	62,904	3,682,639
Vehicles	1,347,257	206,329	28,500	55,470	1,580,556
Infrastructure	14,482,355	-	-	-	14,482,355
<b>Total Capital Assets, Being Depreciated</b>	<b>\$ 21,833,250</b>	<b>\$ 1,392,144</b>	<b>\$ 85,073</b>	<b>\$ 118,374</b>	<b>\$ 23,258,695</b>
Less Accumulated Depreciation					
Buildings	\$ 1,007,474	\$ 61,567	\$ -	\$ -	\$ 1,069,041
Equipment	1,528,062	357,957	24,907	-	1,861,112
Vehicles	1,104,254	120,098	28,500	-	1,195,852
Infrastructure	1,350,627	193,098	-	-	1,543,725
<b>Total Accumulated Depreciation</b>	<b>\$ 4,990,417</b>	<b>\$ 732,720</b>	<b>\$ 53,407</b>	<b>\$ -</b>	<b>\$ 5,669,730</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 16,842,833</b>	<b>\$ 659,424</b>	<b>\$ 31,666</b>	<b>\$ 118,374</b>	<b>\$ 17,588,965</b>
<b>Capital Assets - Net</b>	<b>\$ 18,248,763</b>	<b>\$ 4,676,760</b>	<b>\$ 31,666</b>	<b>\$ -</b>	<b>\$ 22,893,857</b>

Depreciation was charged to functions of the County as follows:

<b>Primary Government</b>	
General Government	\$ 72,788
Public Safety	40,227
Highways	604,298
Culture and Recreation	1,818
Conservation of Natural Resources	13,589
<b>Total Depreciation Expense</b>	<b>\$ 732,720</b>

**Component Units**

The following is a summary of changes in capital assets for the year ended December 31, 2023 for the Water Resource District:

<b>Water Resource District</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
Capital Assets Not Being Depreciated					
Intangible	\$ 33,296	\$ -	\$ -	\$ -	\$ 33,296
Capital Assets, Being Depreciated					
Infrastructure	\$ 1,219,696	\$ -	\$ -	\$ -	\$ 1,219,696
Less Accumulated Depreciation					
Infrastructure	\$ 81,141	\$ 16,263	\$ -	\$ -	\$ 97,404
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 1,138,555</b>	<b>\$ (16,263)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,122,292</b>
<b>Capital Assets - Net</b>	<b>\$ 1,171,851</b>	<b>\$ (16,263)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,155,588</b>

Depreciation was charged to the conservation of natural resources function.

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

The following is a summary of changes in capital assets for the year ended December 31, 2023 for the Health District:

<b>Health District</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
Capital Assets, Being Depreciated					
Equipment	\$ 29,792	\$ 5,349	\$ -	\$ -	\$ 35,141
Vehicles	40,542	-	-	-	40,542
Buildings	108,732	-	-	-	108,732
<b>Total Capital Assets, Being Depreciated</b>	<b>\$ 179,066</b>	<b>\$ 5,349</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 184,415</b>
Less Accumulated Depreciation					
Equipment	\$ 12,136	\$ 3,625	\$ -	\$ -	\$ 15,761
Vehicles	10,048	5,020	-	-	15,068
Buildings	27,538	5,792	-	-	33,330
<b>Total Accumulated Depreciation</b>	<b>\$ 49,722</b>	<b>\$ 14,437</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,159</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 129,344</b>	<b>\$ (9,088)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,256</b>
<b>Capital Assets - Net</b>	<b>\$ 129,344</b>	<b>\$ (9,088)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,256</b>

Depreciation was charged to the Health and Welfare function.

The following is a summary of changes in capital assets for the year ended December 31, 2023 for the Fair Board:

<b>County Fair</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance December 31</b>
Capital Assets, Being Depreciated					
Equipment	\$ 6,883	\$ -	\$ -	\$ -	\$ 6,883
<b>Total Capital Assets, Being Depreciated</b>	<b>\$ 6,883</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,883</b>
Less Accumulated Depreciation					
Equipment	\$ 983	\$ 983	\$ -	\$ -	\$ 1,966
<b>Total Accumulated Depreciation</b>	<b>\$ 983</b>	<b>\$ 983</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,966</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 5,900</b>	<b>\$ (983)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,917</b>
<b>Capital Assets - Net</b>	<b>\$ 5,900</b>	<b>\$ (983)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,917</b>

Depreciation was charged to the Culture and Recreation Function.

**NOTE 7: LONG-TERM LIABILITIES**

**Primary Government**

During the year ended December 31, 2023, the following changes occurred in governmental activities long-term liabilities:

<b>Primary Government</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31</b>	<b>Due Within One Year</b>
Long-Term Debt					
Note Payable	\$ 952,152	\$ -	\$ 131,604	\$ 820,548	\$ 92,705
Bonds Payable	905,000	-	95,000	810,000	95,000
<b>Total Long-Term Debt</b>	<b>\$ 1,857,152</b>	<b>\$ -</b>	<b>\$ 226,604</b>	<b>\$ 1,630,548</b>	<b>\$ 187,705</b>
Compensated Absences	\$ 66,319	\$ 65,062	\$ 79,801	\$ 51,580	\$ 5,158
Net Pension and OPEB Liability *	4,047,482	-	1,453,390	2,594,092	-
<b>Total Primary Government</b>	<b>\$ 5,970,953</b>	<b>\$ 65,062</b>	<b>\$ 1,759,795</b>	<b>\$ 4,276,220</b>	<b>\$ 192,863</b>

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

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

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

<b>GOVERNMENTAL ACTIVITIES</b>				
<b>Year Ending December 31</b>	<b>Note Payable</b>		<b>Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 92,705	\$ 27,069	\$ 95,000	\$ 6,114
2025	95,764	24,010	100,000	5,675
2026	254,920	20,851	100,000	5,125
2027	377,159	12,442	100,000	4,475
2028			100,000	3,650
Thereafter	-	-	315,000	4,725
<b>Total</b>	<b>\$ 820,548</b>	<b>\$ 84,372</b>	<b>\$ 810,000</b>	<b>\$ 29,764</b>

**Discretely Presented Component Units**

During the year ended December 31, 2023, the following changes occurred in governmental activities long-term liabilities for the following component units:

<b>Water Resource District</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31</b>	<b>Due Within One Year</b>
Long-Term Debt Bonds Payable	\$ 940,000	\$ -	\$ 85,000	\$ 855,000	\$ 85,000

<b>Fair</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31</b>	<b>Due Within One Year</b>
Long-Term Debt Loan Payable	\$ 4,485	\$ -	\$ 4,485	\$ -	

<b>Health District</b>	<b>Balance January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31</b>	<b>Due Within One Year</b>
Compensated Absences	\$ 8,279	\$ 18,381	\$ 16,289	\$ 10,371	\$ 1,037
Net Pension and OPEB Liability *	730,211		339,670	390,541	-
<b>Total Health District</b>	<b>\$ 738,490</b>	<b>\$ 18,381</b>	<b>\$ 355,959</b>	<b>\$ 400,912</b>	<b>\$ 1,037</b>

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

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

<b>Water Resource District</b>		
<b>Year Ending December 31</b>	<b>Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 85,000	\$ 21,676
2025	90,000	19,795
2026	90,000	17,860
2027	95,000	15,871
2028	95,000	13,425
Thereafter	400,000	24,450
<b>Total</b>	<b>\$ 855,000</b>	<b>\$ 113,077</b>



**DICKEY COUNTY**

Notes to the Financial Statements – Continued

**NOTE 8: COMMITMENTS**

The County had open construction commitments as of December 31, 2023 as follows:

Project	Original Contract	Change Orders	Total Contract with Change Orders	Total Completed	Retainage	Remaining Balance includes Retainages	% Complete
BRO-0011(021) Co. Rd. 6 Bridge	\$ 861,001	-	861,001	\$ 813,881	\$ 17,220	\$ 29,900	94.53%
SC-CVD-1127(066) Co Rd 8 Milling	2,938,656	-	2,938,656	2,810,369	29,387	98,900	95.63%
<b>Total</b>	<b>\$ 3,799,657</b>	<b>\$ -</b>	<b>\$ 3,799,657</b>	<b>\$ 3,624,250</b>	<b>\$ 46,607</b>	<b>\$ 128,800</b>	<b>95.38%</b>

**NOTE 9: 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 eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

**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 to be replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. 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.

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

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 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, 2023, the following net pension liabilities were reported:

	<b>Net Pension Liability</b>
Primary Government	\$ 2,471,094
Health District	370,745

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on its respective share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. The entities had the following proportions and change in proportions at June 30, 2023 and reported the following pension expense for the year ended December 31, 2023:

	<b>Proportion</b>	<b>Increase (Decrease) in Proportion from June 30, 2022 Measurement</b>	<b>Pension Expense</b>
Primary Government	0.128152%	(0.007025%)	\$ 75,328
Health District	0.019227%	(0.005956%)	24,990

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

At December 31, 2023, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

<b>Primary Government</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 80,442	\$ 13,628
Changes of Assumptions	1,362,590	1,875,623
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	64,837	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	75,357	234,653
Employer Contributions Subsequent to the Measurement Date	61,556	-
<b>Total</b>	<b>\$ 1,644,782</b>	<b>\$ 2,123,904</b>

<b>Component Unit - Health District</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 12,068	\$ 2,045
Changes of Assumptions	204,433	281,405
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	9,728	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	48,837	98,992
Employer Contributions Subsequent to the Measurement Date	9,016	-
<b>Total</b>	<b>\$ 284,082</b>	<b>\$ 382,442</b>

The following amounts were reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023:

Primary Government	\$ 61,556
Health District	9,016

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

	<b>Primary Government</b>	<b>Health District</b>
2024	(106,556)	(1,816)
2025	(287,504)	(55,538)
2026	11,156	(15,769)
2027	(157,774)	(34,253)

**Actuarial Assumptions**

The total pension liability in the July 1, 2023 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	6.50%, Net of Investment Expenses
Cost-of-Living Adjustments	None

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	31%	6.25%
International Equity	20%	6.95%
Private Equity	7%	9.45%
Domestic Fixed Income	23%	2.51%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.33%
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 3.86%; and the resulting Single Discount Rate is 6.50%.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

<b>Proportionate Share of the Net Pension Liability</b>	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
County	\$ 3,407,045	\$ 2,471,094	\$ 1,694,650
Health District	511,168	370,745	254,253

**Pension Plan Fiduciary Net Position**

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

**NOTE 10: 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. 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 in-crases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

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

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

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

At December 31, 2023, the following net OPEB liabilities were reported:

	<b>Net OPEB Liability</b>
Primary Government	\$ 122,998
Health District	19,796

The net OPEB liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net OPEB liability was based on their respective share of covered payroll in the main system pension plan relative to the covered payroll of all participating main system employers. The entities had the following proportions and change in proportions at June 30, 2023 and reported the following OPEB expense for the year ended December 31, 2023:

	<b>Proportion</b>	<b>Increase (Decrease) in Proportion from June 30, 2022 Measurement</b>	<b>OPEB Expense</b>
Primary Government	0.123029%	(0.005516%)	\$ 20,135
Health District	0.019801%	(0.004829%)	3,977

At December 31, 2023, the following deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were reported:

<b>Primary Government</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 2,315	\$ 1,408
Changes of Assumptions	26,233	10,186
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	8,884	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	7,967	12,994
Employer Contributions Subsequent to the Measurement Date	9,599	-
<b>Total</b>	<b>\$ 54,998</b>	<b>\$ 24,588</b>

<b>Component Unit - Health District</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 372	\$ 227
Changes of Assumptions	4,222	1,639
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	1,430	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,209	2,907
Employer Contributions Subsequent to the Measurement Date	1,444	-
<b>Total</b>	<b>\$ 9,677</b>	<b>\$ 4,773</b>

**DICKEY COUNTY**

Notes to the Financial Statements – Continued

The following amounts were reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023:

Primary Government	\$ 9,599
Health District	1,444

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	Health District
2024	5,912	3,460
2025	5,617	1,706
2026	12,879	1,212
2027	(3,597)	1,419

**Actuarial Assumptions**

The total OPEB liability in the July 1, 2023 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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	6.10%
Small Cap Domestic Equities	6%	7.10%
Domestic Fixed Income	35%	2.59%
International Equities	26%	6.50%

**DICKEY 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, 2023, calculated using the discount rate of 5.75%, 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

<b>Proportionate Share of the Net OPEB Liability</b>	<b>1% Decrease (4.75%)</b>	<b>Current Discount Rate (5.75%)</b>	<b>1% Increase (6.75%)</b>
County	\$ 161,650	\$ 122,998	\$ 90,458
Health District	26,017	19,796	14,559

**NOTE 11: 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, 2023:

	<b>Transfers In</b>	<b>Transfers Out</b>
<b>Major Funds</b>		
General Fund	\$ -	\$ 60,495
Special Revenue Fund	176,241	115,746
<b>Total Transfers</b>	<b>\$ 176,241</b>	<b>\$ 176,241</b>

The primary purpose of the transfers was to move money to the road fund to cover budgeted expenses.

**NOTE 12: 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 (NDRIF), 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 NDRIF for its general liability, automobile, and inland marine insurance coverage. For the County the coverage by NDRIF is limited to losses of three million dollars per occurrence for general liability, three million for automobile, and \$3,495,437 for public assets/mobile equipment and portable property.

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

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



**DICKEY COUNTY**

Notes to the Financial Statements – Continued

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**NOTE 13: SUBSEQUENT EVENT**

Subsequent to December 31, 2023, the Water Resource District made an advanced payment of \$675,000 towards their bonds payable.

**DICKEY COUNTY**

## Budgetary Comparison Schedule - General Fund

December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,537,668	\$ 1,537,668	\$ 1,523,812	\$ (13,856)
Licenses, Permits and Fees	43,900	43,900	46,942	3,042
Intergovernmental	430,493	430,493	645,227	214,734
Charges for Services	87,662	87,662	91,521	3,859
Interest Income	15,000	15,000	207,692	192,692
Miscellaneous	-	-	14,146	14,146
<b>Total Revenues</b>	<b>\$ 2,114,723</b>	<b>\$ 2,114,723</b>	<b>\$ 2,529,340</b>	<b>\$ 414,617</b>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 1,890,448	\$ 1,890,448	\$ 1,686,840	\$ 203,608
Public Safety	572,326	572,326	453,933	118,393
Highways	1,790	1,790	1,790	-
Health and Welfare	42,000	42,000	18,150	23,850
Culture and Recreation	135,061	135,061	129,003	6,058
<b>Total Expenditures</b>	<b>\$ 2,641,625</b>	<b>\$ 2,641,625</b>	<b>\$ 2,289,716</b>	<b>\$ 351,909</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (526,902)	\$ (526,902)	\$ 239,624	\$ 766,526
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	\$ -	\$ -	\$ 7,605	\$ 7,605
Transfers Out	(60,000)	(60,000)	(60,495)	(495)
<b>Net Change in Fund Balances</b>	<b>\$ (586,902)</b>	<b>\$ (586,902)</b>	<b>\$ 186,734</b>	<b>\$ 773,636</b>
Fund Balance - January 1	\$ 815,291	\$ 815,291	\$ 1,317,590	\$ (502,299)
Fund Balance - December 31	<u>\$ 228,389</u>	<u>\$ 228,389</u>	<u>\$ 1,504,324</u>	<u>\$ 271,337</u>

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

**DICKEY COUNTY**

## Budgetary Comparison Schedule - Special Revenue Fund

December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,836,468	\$ 1,836,468	\$ 1,762,526	\$ (73,942)
Intergovernmental	2,985,194	2,985,194	4,512,707	1,527,513
Charges for Services	298,571	298,571	465,795	167,224
Miscellaneous	151,000	151,000	17,581	(133,419)
<b>Total Revenues</b>	<b>\$ 5,271,233</b>	<b>\$ 5,271,233</b>	<b>\$ 6,758,609</b>	<b>\$ 1,487,376</b>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 173,514	\$ 230,967	\$ 157,055	73,912
Public Safety	935,200	936,200	378,970	557,230
Highways	5,303,026	6,086,826	4,792,157	1,294,669
Health and Welfare	89,947	89,947	52,510	37,437
Conserv. of Natural Resources	365,881	365,881	336,361	29,520
Debt Service				
Principal	-	-	131,604	(131,604)
Interest	-	-	31,515	(31,515)
<b>Total Expenditures</b>	<b>\$ 6,867,568</b>	<b>\$ 7,709,821</b>	<b>\$ 5,880,172</b>	<b>\$ 1,829,649</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,596,335)	\$ (2,438,588)	\$ 878,437	\$ 3,317,025
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	\$ 170,000	\$ 170,000	\$ 176,241	\$ 6,241
Transfers Out	(110,000)	(110,000)	(115,746)	(5,746)
<b>Total Other Financing Sources and Uses</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 60,495</b>	<b>\$ 495</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,536,335)</b>	<b>\$ (2,378,588)</b>	<b>\$ 938,932</b>	<b>\$ 3,317,520</b>
Fund Balance - January 1	\$ 3,111,248	\$ 3,111,248	\$ 3,111,248	\$ -
Fund Balance - December 31	\$ 1,574,913	\$ 732,660	\$ 4,050,180	\$ 3,317,520

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

**DICKEY COUNTY**

Schedule of Employer's Share of Net Pension and Employer Contributions  
For the Year Ended December 31, 2023

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

<b>County</b>	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.128152%	\$ 2,471,094	\$ 1,567,133	157.68%	65.31%
2022	0.135177%	3,893,188	1,569,185	248.10%	54.47%
2021	0.133784%	1,394,431	1,514,956	92.04%	78.26%
2020	0.124490%	3,916,482	1,373,279	285.19%	48.91%
2019	0.175834%	2,060,902	1,828,968	112.68%	71.66%
2018	0.180704%	3,049,577	1,856,405	164.27%	62.80%
2017	0.172414%	2,771,259	1,760,080	157.45%	61.98%
2016	0.176041%	1,715,691	1,774,076	96.71%	70.46%
2015	0.174130%	1,184,054	1,551,286	76.33%	77.15%
2014	0.185246%	1,175,796	1,560,478	75.35%	77.70%

<b>Health District</b>	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.019227%	\$ 370,745	\$ 235,120	157.68%	65.31%
2022	0.025183%	725,287	292,339	248.10%	54.47%
2021	0.022428%	233,767	253,975	92.04%	78.26%
2020	0.020735%	652,328	228,731	285.19%	48.91%
2019	0.016608%	194,658	172,756	112.68%	71.66%
2018	0.019040%	321,321	195,606	164.27%	62.80%
2017	0.018787%	301,969	191,790	157.45%	61.98%
2016	0.014428%	140,615	145,399	96.71%	70.46%
2015	0.014590%	99,210	129,979	76.33%	77.15%
2014	0.016663%	122,325	140,364	87.15%	77.70%

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

**DICKEY 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>County</b>	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 126,100	\$ 126,100	\$ (0)	\$ 1,702,237	7.41%
2022	118,186	118,206	(20)	1,569,185	7.53%
2021	111,721	111,655	66	1,514,956	7.37%
2020	97,240	121,923	(24,683)	1,373,279	8.88%
2019	133,160	138,432	(5,272)	1,828,968	7.57%
2018	136,732	136,134	598	1,856,405	7.44%
2017	127,627	133,674	(6,047)	1,760,080	7.59%
2016	128,440	129,909	(1,469)	1,774,076	7.32%
2015	117,833	122,862	(5,029)	1,551,286	7.92%
2014	111,106	111,106	-	1,560,478	7.12%

<b>Health District</b>	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 19,450	\$ 19,457	\$ (7)	\$ 266,765	7.29%
2022	22,018	20,712	1,306	292,339	7.08%
2021	18,729	18,430	299	253,975	7.26%
2020	16,196	15,099	1,097	252,629	5.98%
2019	12,577	12,572	5	172,756	7.28%
2018	14,407	13,926	481	195,606	8.06%
2017	13,907	13,655	252	191,790	7.12%
2016	10,527	10,352	175	145,399	7.12%
2015	9,873	9,610	263	129,979	7.39%
2014	9,994	9,994	-	140,364	7.12%

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

**DICKEY COUNTY**

Schedule of Employer’s Share of Net OPEB Liability and Employer Contributions  
 For the Year Ended December 31, 2023

**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
2023	0.123029%	\$ 122,998	\$ 1,236,664	9.95%	62.74%
2022	0.128545%	154,294	1,327,107	11.63%	56.28%
2021	0.117351%	65,267	1,279,245	5.10%	76.63%
2020	0.109060%	91,741	1,243,254	7.38%	63.38%
2019	0.163907%	131,648	1,828,968	7.20%	63.13%
2018	0.169656%	133,616	1,856,405	7.20%	61.89%
2017	0.162693%	128,692	1,760,080	7.31%	59.78%

<b>Health District</b>	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.019801%	\$ 19,796	\$ 199,037	9.95%	62.74%
2022	0.024630%	4,924	254,282	1.94%	56.28%
2021	0.023295%	12,956	253,975	5.10%	76.63%
2020	0.020065%	16,879	228,731	7.38%	63.38%
2019	0.024630%	4,924	254,282	1.94%	63.13%
2018	0.017876%	14,079	195,606	7.20%	61.89%
2017	0.017728%	14,023	191,790	7.31%	59.78%

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

**DICKEY 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>	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 16,108	\$ 16,107	\$ 0	\$ 1,412,970	1.14%
2022	19,354	19,038	316	1,697,716	1.12%
2021	15,385	15,887	(502)	1,279,425	1.24%
2020	14,606	19,058	(4,452)	1,514,343	1.26%
2019	21,271	22,165	(894)	1,828,968	1.21%
2018	21,775	21,797	(22)	1,856,405	1.17%
2017	20,460	21,403	(943)	1,760,080	1.22%

<b>Health District</b>	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 2,585	\$ 2,585	\$ 0	\$ 226,744	1.14%
2022	2,993	3,324	(331)	262,504	1.27%
2021	3,054	2,951	103	253,975	1.16%
2020	2,687	2,418	269	228,731	1.06%
2019	2,009	2,013	(4)	172,756	1.17%
2018	2,294	2,230	64	195,606	1.14%
2017	2,229	2,186	43	191,790	1.14%

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

## **DICKEY COUNTY**

Notes to the Required Supplementary Information  
For the Year Ended December 31, 2023

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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**

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

#### **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, 2022.



**DICKEY COUNTY**

Notes to the Required Supplementary Information - Continued

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

**Pension**

All actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

**OPEB**

All actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

**NOTE 5: LEGAL COMPLIANCE - BUDGETS**

**Budget Amendments**

The board of County commissioners amended the County budget for 2023:

Fund	EXPENDITURES		
	Original Budget	Amendment	Amended Budget
<b>Major Funds</b>			
Special Revenue Fund	\$ 6,867,568	\$ 842,253	\$ 7,709,821

# DICKEY COUNTY

## Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2023

ALN Number	Program Title	Pass-Through Grantor's Number	Total Expenditures	Passed through to Subrecipients
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>				
Passed through the State Department of Veterans Affairs				
64.035	Veterans Transportation Program	N/A	\$ 10,846	\$ -
Total U.S Department of Veterans Affairs			\$ 10,846	\$ -
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through State Department of Health and Human Services				
93.959	Block Grants for Prevention and Treatment of Substance Abuse	N/A	\$ 70,500	\$ 70,500
93.069	Public Health Emergency Preparedness*	G21.871	2,903	-
93.268	Immunization Cooperative Agreements*	G19.1292, G21.813	22,606	-
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health			
93.391	Department Response to Public Health or Healthcare Crises*	G19.1292, G21.1095	47,173	-
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)*	G19.1071	23,584	-
93.994	Maternal and Child Health Services Block Grant to the States*	G21.1071	3,922	-
Total U.S Department of Health and Human Services			\$ 170,687	\$ 70,500
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through the State Department of Emergency Management				
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	444DR, 4660DR, & 4717DR	\$ 120,061	\$ -
Total U.S Department of Homeland Security			\$ 120,061	\$ -
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
Direct Program				
21.027	Coronavirus State and Local Fiscal Recovery Funds		\$ 889,885	\$ -
21.032	Local Assistance and Tribal Consistency Fund		57,396	-
Total U.S. Department of the Treasury			\$ 947,281	\$ -
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed Through State Department of Transportation				
20.600	State and Community Highway Safety	N/A	\$ 151	\$ -
Total U.S Department of Transportation			\$ 151	\$ -
Total Expenditures of Federal Awards			\$ 1,249,026	\$ 70,500

\* Grants to Dickey County Health District - a discretely presented component unit of Dickey County.

See notes to the Schedule of Expenditures of Federal Awards

## **DICKEY COUNTY**

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023

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### **NOTE 1 BASIS OF PRESENTATION / ACCOUNTING**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2023. The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County. Expenditures represent only the federally funded portions of the program. County records should be consulted to determine amounts expended or matched from non-federal sources.

### **NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

Governmental fund types account for the County's federal grant activity. The County's summary of significant accounting policies is presented in Note 1 in the County's basic financial statements.

### **NOTE 3 PASS-THROUGH GRANT NUMBER**

For federal programs marked "N/A", the County was unable to obtain a pass-through grant number.

### **NOTE 4 INDIRECT COST RATE**

The County does not draw for indirect administrative expenses and has not elected to use the 10% de minimis cost rate.

STATE AUDITOR  
Joshua C. Gallion



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701-328-2241

FAX  
701-328-2345

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OFFICE OF THE STATE AUDITOR  
STATE CAPITOL  
600 E. Boulevard Ave. Dept. 117  
Bismarck, North Dakota, 58505

[ndsao@nd.gov](mailto:ndsao@nd.gov)

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

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### Independent Auditor's Report

Board of County Commissioners  
Dickey County  
Ellendale, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Dickey County as of and for the years ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Dickey County's basic financial statements, and have issued our report thereon dated November 13, 2024.

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

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

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

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

**DICKEY COUNTY**

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

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**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
November 13, 2024

STATE AUDITOR  
Joshua C. Gallion



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701-328-2241

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## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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### Independent Auditor's Report

Board of County Commissioners  
Dickey County  
Bismarck, North Dakota

#### **Opinion on Each Major Federal Program**

We have audited Dickey County's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Dickey County's major federal programs for the year ended December 31, 2023. Dickey County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Dickey County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Dickey County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Dickey County's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management's Responsibility***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Dickey County's federal programs.

## DICKEY COUNTY

### Report on Compliance for Each Major Federal Programs, and Report on Internal Control Over Compliance - Continued

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#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Dickey County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Dickey County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Dickey County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Dickey County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Dickey County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**DICKEY COUNTY**

Report on Compliance for Each Major Federal Programs, and Report on Internal Control Over Compliance - Continued

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

/S/

Joshua C. Gallion  
State Auditor

Bismarck, North Dakota  
November 13, 2024



**DICKEY COUNTY**

Summary of Auditor's Results  
For the Year Ended December 31, 2023

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**Financial Statements**

Type of Report Issued:	
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Unmodified
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

**Internal control over financial reporting**

Material weaknesses identified?	_____	Yes	___X___	None Noted
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	___X___	None Noted
Noncompliance material to financial statements noted?	_____	Yes	___X___	None Noted

**Federal Awards**

Internal Control Over Major Programs

Material weaknesses identified?	_____	Yes	___X___	None noted
Significant deficiencies identified?	_____	Yes	___X___	None noted
Type of auditor's report issued on compliance for major programs:				Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR §200.516 (Uniform Guidance) requirements?	_____	Yes	___X___	None noted

**Identification of Major Programs**

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ALN Number	Name of Federal Program or Cluster
ALN 21.027	Coronavirus State and Local Fiscal Recovery Funds

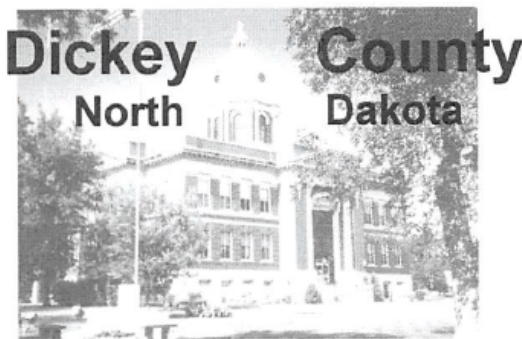
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Dollar threshold used to distinguish between Type A and B programs:	_____	\$	<u>750,000</u>	
Auditee qualified as low-risk auditee?	_____	Yes	___X___	No

**DICKEY COUNTY**  
 Status of Prior Year Findings  
 For the Year Ended December 31, 2023

---

**County Officers**  
 Wanda Sheppard.....Auditor  
 Wonada Lematta.....Treasurer  
 Deb Anderson.....Recorder  
 Andi Schimke.....Clerk of District Court  
 Kim Radermacher.....States Attorney  
 Chris Estes.....Sheriff  
 Perry Hoven.....Coroner  
 Daniel D. Narum.....District Judge  
 Don Flaherty.....Director of Tax Equalization  
 Dickey County Leader.....Official Newspaper



309 N. SECOND STREET \* PO BOX 215  
**ELLEDALE, NORTH DAKOTA 58436**  
**PHONE: 349-3249**

**County Commissioners**  
**First District**  
 Joel Hamar.....Ellendale  
**Second District**  
 Jerry Walsh.....Ellendale  
**Third District**  
 Dean Simek.....Fullerton  
**Fourth District**  
 Marke Roberts.....Oakes  
**Fifth District**  
 John Hokana.....Oakes

**TDD: 349-2680**  
**FAX: 349-4639**

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Date: October 8, 2024  
 To: Joshua C. Gallion, ND State Auditor  
 FROM: Wanda Sheppard, County Auditor *WS*  
 RE: Dickey County – FY2023 Schedule of Prior Year Findings

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2022-001 INVENTORY ADJUSTMENTS – MATERIAL WEAKNESS

**Condition**

During the audit of Dickey County, we proposed material adjusting entries for inventory to the financial statements in accordance with generally accepted accounting principles (GAAP). The inventory adjustments were approved by management and are reflected in the financial statements.

**Recommendation**

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

**Current Status**

Fully Implemented.



Office of the  
State Auditor

NORTH DAKOTA STATE AUDITOR  
JOSHUA C. GALLION

**NORTH DAKOTA STATE AUDITOR'S OFFICE**

600 E. Boulevard Ave. Dept. 117 | Bismarck, North Dakota 58505