



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

LaMoure County

LaMoure, North Dakota

Audit Report for the Year Ended December 31, 2023

Client Code: PS23000



Photo credit: North Dakota Tourism



Office of the
State Auditor

LAMOURE COUNTY

Table of Contents

For the Year Ended December 31, 2023

County Officials	1
Independent Auditor's Report	2
Basic Financial Statements	
Statement of Net Position	5
Statement of Activities	6
Balance Sheet - Governmental Funds.....	7
Reconciliation of Governmental Funds Balance Sheets to the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	10
Statement of Fiduciary Net Position – Fiduciary Funds.....	11
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	12
Notes to the Financial Statements.....	13
Required Supplementary Information	
Budgetary Comparison Schedules	27
Schedule of Employer's Share of Net Pension Liability and Employer Contributions	29
Schedule of Employer's Share of Net OPEB Liability and Employer Contributions	30
Notes to the Required Supplementary Information	31
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	33
Summary of Auditor's Results.....	35

LAMOURE COUNTY

County Officials
December 31, 2023

COUNTY OFFICIALS

At December 31, 2023

Chairman	Bruce Klein
Vice Chairman	Bob Flath
Commissioner	Keith Heidinger
Commissioner	Lee Miller
Commissioner	Jason Weigel
County Auditor	Jan Hamlin
County Treasurer	Cindy Worrel
County Recorder	Laurie Good
Sheriff	Robert Fernandes
State's Attorney	James Shockman

STATE AUDITOR
Joshua C. Gallion



PHONE
701-328-2241

FAX
701-328-2345

www.nd.gov/auditor

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

ndsao@nd.gov

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
LaMoure County
LaMoure, North Dakota

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of LaMoure 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LaMoure County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the 2022 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LaMoure 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 LaMoure 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 LaMoure 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.

LAMOURE COUNTY

Independent Auditor's Report – Continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024 on our consideration of LaMoure 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 LaMoure 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 LaMoure County's internal control over financial reporting and compliance.

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
October 1, 2024

LAMOURE COUNTY

Statement of Net Position

December 31, 2023

	Primary Government	Component Unit
	Governmental Activities	Water Resource District
ASSETS		
Cash and Investments	\$ 10,386,327	\$ 72,641
Intergovernmental Receivable	380,865	-
Accounts Receivable	138,849	-
Road Receivables	165,925	-
Taxes Receivable	49,874	401
Capital Assets		
Nondepreciable	224,582	-
Depreciable, Net	18,588,953	-
Total Assets	<u>\$ 29,935,375</u>	<u>\$ 73,042</u>
DEFERRED OUTFLOWS OF RESOURCES		
Derived from Pension and OPEB	<u>\$ 2,239,345</u>	<u>\$ -</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 32,174,720</u>	<u>\$ 73,042</u>
LIABILITIES		
Accounts Payable	\$ 788,612	\$ -
Salaries Payable	21,693	-
Grant Received in Advance	865,919	-
Long-Term Liabilities		
Due Within One Year		
Compensated Absences Payable	54,855	-
Due After One Year		
Compensated Absences Payable	82,282	-
Net Pension and OPEB Liability	3,319,529	-
Total Liabilities	<u>\$ 5,132,890</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES		
Derived from Pension and OPEB	\$ 2,578,725	\$ -
Taxes Received in Advance	972,671	-
Total Liabilities and Deferred Inflows of Resources	<u>\$ 8,684,286</u>	<u>\$ -</u>
NET POSITION		
Net Investment in Capital Assets	\$ 18,813,536	\$ -
Restricted		
Debt Service	521	-
Highways	2,442,405	-
Culture and Recreation	72,915	-
Conservation of Natural Resources	-	73,042
Emergencies	228,971	-
Unrestricted	1,932,086	-
Total Net Position	<u>\$ 23,490,434</u>	<u>\$ 73,042</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Water Resource District
Primary Government						
General Government	\$ 1,868,833	\$ 65,815	\$ 72,059	\$ -	\$ (1,730,959)	
Public Safety	903,095	111,938	83,057	-	(708,100)	
Highways	4,465,588	1,069,622	3,454,368	-	58,402	
Flood Repair	277,612	-	240,285	-	(37,327)	
Health and Welfare	706,374	541,068	258,793	-	93,487	
Culture and Recreation	109,650	56,065	11,318	-	(42,267)	
Conservation of Natural Resources	235,002	14,529	-	-	(220,473)	
Emergencies	2,800	-	-	-	(2,800)	
Total Primary Government	\$ 8,568,954	\$ 1,859,037	\$ 4,119,880	\$ -	\$ (2,590,037)	
Component Unit						
Water Resource District	\$ 20,210	\$ 1,500	\$ -	\$ -		\$ (18,710)
General Revenues						
Property Taxes					\$ 3,194,586	\$ 27,170
Grants and Contributions Not Restricted to Specific Programs					1,063,757	-
Gain on Sale of Assets					38,035	-
Interest Revenue					77,411	146
Miscellaneous Revenue					118,880	1
Total General Revenues					\$ 4,492,669	\$ 27,317
Change in Net Position					\$ 1,902,632	\$ 8,607
Net Position - January 1					\$ 21,581,736	\$ 64,435
Prior Period Adjustment					\$ 6,066	\$ -
Net Position - January 1 as restated					\$ 21,587,802	\$ 64,435
Net Position - December 31					\$ 23,490,434	\$ 73,042

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

LAMOURE COUNTY

Balance Sheet – Governmental Funds
December 31, 2023

	General	Special Revenue	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 3,895,879	\$ 6,489,927	\$ 521	\$ 10,386,327
Intergovernmental Receivable	273,283	107,582	-	380,865
Accounts Receivable	2,618	136,231	-	138,849
Road Receivables	-	165,924	-	165,924
Taxes Receivable	30,083	19,791	-	49,874
Total Assets	\$ 4,201,863	\$ 6,919,455	\$ 521	\$ 11,121,839
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 26,589	\$ 762,023	\$ -	\$ 788,612
Salaries Payable	20,214	1,479	-	21,693
Grants Received in Advance	-	865,919	-	865,919
Total Liabilities	\$ 46,803	\$ 1,629,421	\$ -	\$ 1,676,224
Deferred Inflows of Resources				
Taxes Receivable	\$ 30,083	\$ 19,791	\$ -	\$ 49,874
Road Receivables	-	165,924	-	165,924
Taxes Received In Advance	569,741	402,930	-	972,671
Total Deferred Inflows of Resources	\$ 599,824	\$ 588,645	\$ -	\$ 1,188,469
Total Liabilities and Deferred Inflows of Resources	\$ 646,627	\$ 2,218,066	\$ -	\$ 2,864,693
Fund Balances				
Restricted				
Debt Service	\$ -	\$ -	\$ 521	\$ 521
Public Safety	-	153,785	-	153,785
Highways	-	3,809,002	-	3,809,002
Health and Welfare	-	126,928	-	126,928
Culture and Recreation	-	125,225	-	125,225
Conservation of Natural Resources	-	77,107	-	77,107
Emergency	-	228,971	-	228,971
General Government	-	180,371	-	180,371
Unassigned	3,555,236	-	-	3,555,236
Total Fund Balances	\$ 3,555,236	\$ 4,701,389	\$ 521	\$ 8,257,146
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,201,863	\$ 6,919,455	\$ 521	\$ 11,121,839

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

LAMOURE COUNTY

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

Total Fund Balances for Governmental Funds		\$ 8,257,146
Total <i>net position</i> 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.		18,813,536
Certain receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflow of resources in the funds.		
Property taxes receivable	\$ 49,874	
Road receivables	<u>165,924</u>	215,798
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows derived from pensions and OPEB	\$ 2,239,345	
Deferred inflows derived from pensions and OPEB	<u>(2,578,725)</u>	(339,380)
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities-both current and long-term- are reported in the statement of net position.		
Compensated absences	\$ (137,137)	
Net pension and OPEB liability	<u>(3,319,529)</u>	<u>(3,456,666)</u>
Total Net Position of Governmental Activities		<u><u>\$ 23,490,434</u></u>

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

LAMOURE COUNTY

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

	General	Special Revenue	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,946,326	\$ 1,246,571	\$ -	\$ 3,192,897
Intergovernmental	1,055,614	4,128,024	-	5,183,638
Charges for Services	81,617	1,641,521	-	1,723,138
Licenses, Permits and Fees	60,495	-	-	60,495
Interest Income	77,411	-	-	77,411
Miscellaneous	53,811	65,068	-	118,879
Total Revenues	\$ 3,275,274	\$ 7,081,184	\$ -	\$ 10,356,458
EXPENDITURES				
Current				
General Government	\$ 1,698,027	\$ 131,926	\$ -	\$ 1,829,953
Public Safety	604,299	314,134	-	918,433
Highways	-	3,822,545	-	3,822,545
Flood Repair	-	277,612	-	277,612
Health and Welfare	-	697,808	-	697,808
Culture and Recreation	101,895	-	-	101,895
Conser. of Natural Resources	-	234,113	-	234,113
Emergency	-	2,800	-	2,800
Capital Outlay	-	16,011	-	16,011
Total Expenditures	\$ 2,404,221	\$ 5,496,949	\$ -	\$ 7,901,170
Excess (Deficiency) of Revenues Over Expenditures	\$ 871,053	\$ 1,584,235	\$ -	\$ 2,455,288
OTHER FINANCING SOURCES (USES)				
Sale of Asset	\$ 9,218	\$ 15,641	\$ -	\$ 24,859
Transfers In	1,226	681,198	-	682,424
Transfers Out	(659,292)	(23,132)	-	(682,424)
Total Other Financing Sources and Uses	\$ (648,848)	\$ 673,707	\$ -	\$ 24,859
Net Change in Fund Balances	\$ 222,205	\$ 2,257,942	\$ -	\$ 2,480,147
Fund Balance - January 1	\$ 3,326,965	\$ 2,443,447	\$ 521	\$ 5,770,933
Prior Period Adjustment	\$ 6,066		\$ -	\$ 6,066
Fund Balance - January 1 as restated	\$ 3,333,031	\$ 2,443,447	\$ 521	\$ 5,776,999
Fund Balance - December 31	\$ 3,555,236	\$ 4,701,389	\$ 521	\$ 8,257,146

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

LAMOURE 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

Net Change in Fund Balances - Total Governmental Funds \$ 2,480,147

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	\$ 341,417	
Current year depreciation	<u>(944,781)</u>	(603,364)

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

Gain on Sale of Capital Assets	38,035	
Proceeds from Sale of Capital Assets	<u>(24,859)</u>	13,176

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		2,748
------------------------------------	--	-------

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

Net Change in Taxes Receivable	\$ 1,689	
Net Change in Road Receivable	<u>75,404</u>	77,093

The Net Pension & OPEB Liability and related Deferred Outflows of Resources and Deferred Inflows of Resources are reported in the government wide statements; however, activity related to these pension items do not involve current financial resources, and are not reported in the funds.

Net Change in Net Pension & OPEB Liability	\$ 1,760,136	
Net Change in Deferred Outflows of Resources	(1,261,459)	
Net Change in Deferred Inflows of Resources	<u>(565,846)</u>	<u>(67,169)</u>

Change in Net Position of Governmental Activities \$ 1,902,632

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

LAMOURE COUNTY

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

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 2,026,377</u>
 LIABILITIES & DERRERED INFLOWS OF RESOURCES	
Liabilities	
Funds Held for Other Governmental Units	<u>\$ 328,793</u>
Total Liabilities	<u>\$ 328,793</u>
Deferred Inflows of Resources	
Taxes Received in Advance	<u>\$ 1,691,319</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 2,020,112</u>
 NET POSITION	
Restricted	
Funds Held for Other Purposes	<u>\$ 6,265</u>
Total Net Position	<u>\$ 6,265</u>

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

LAMOURE COUNTY

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

	<u>Custodial Funds</u>
ADDITIONS	
Tax Collections for Other Governments	\$ 8,180,759
Grant Collections for Other Governments	246,491
Miscellaneous Collections	<u>44,358</u>
Total Additions	<u>\$ 8,471,608</u>
DEDUCTIONS	
Tax Disbursements to Other Governments	\$ 8,180,761
Grant Disbursements to Other Governments	246,491
Miscellaneous Disbursements	<u>38,131</u>
Total Deductions	<u>\$ 8,465,383</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>\$ 6,225</u>
Net Position - Beginning	<u>\$ -</u>
Net Position - Ending	<u>\$ 6,225</u>

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

LAMOURE COUNTY

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Component Units

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

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

The LaMoure County Water Resource District ("Water Resource District") governing board is appointed by the County's governing body. The County's governing body has the authority to disapprove, amend, or approve the Water Resource District budget.

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.

LAMOURE COUNTY

Notes to the Financial Statements – Continued

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:

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Cash and Investments

Cash includes amounts in demand deposits and money market accounts.

The investments of the County during the year ended December 31, 2023 consist of certificates of deposit stated at cost with maturities in excess of three months.

Capital Assets

Capital assets, which include property, plant, and equipment, 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.

LAMOURE COUNTY

Notes to the Financial Statements – Continued

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

Assets	Years
Buildings	50
Equipment	5-10
Vehicles	5
Infrastructure	50

Compensated Absences

Full time employees, except for social services employees, earn vacation benefits from eight to fourteen hours per month, depending on tenure with the County. Social services employees earn vacation benefits from eight to sixteen hours per month, depending on tenure with the County. Employees, except social services employees, can carry over a maximum of 240 hours of vacation at December 31 of each year. Social services employees can carry over a maximum of 240 hours at April 30, of each year.

Upon termination of employment, employees will be paid for vacation benefits that have accrued to a maximum of 240 hours, based on their current rate of pay. Vested or accumulated vacation leave is reported in the general long-term debt account group. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Long-Term Obligations

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

When applicable, 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, and discounts received on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Pension

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

Other Post-Employment Benefits (OPEB)

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

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

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

Assigned Fund Balances. Amounts reported as assigned fund balance in the Special Revenue Fund are for flood repair purposes based on management decision.

LAMOURE COUNTY

Notes to the Financial Statements – Continued

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.

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 \$12,411,361, and the bank balances totaled \$12,627,718. Of the bank balances, \$2,188,702 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 Water Resource District’s carrying amount of deposits totaled \$72,703, and the bank balances totaled \$76,344, all of which were covered by Federal Depository Insurance.

LAMOURE COUNTY

Notes to the Financial Statements – Continued

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 CAPITAL ASSETS

Primary Government

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

	Balance Jan 1	Increases	Decreases	Balance Dec 31
Primary Government				
<i>Capital assets not being depreciated</i>				
Land	\$ 33,600	\$ -	\$ -	\$ 33,600
Construction in Progress	-	190,982	-	190,982
Total capital assets not being depreciated	\$ 33,600	\$ 190,982	\$ -	\$ 224,582
<i>Capital assets, being depreciated</i>				
Vehicles	\$ 1,376,076	\$ 67,746	\$ (85,850)	\$ 1,357,972
Equipment	5,232,660	210,439	(164,713)	5,278,386
Buildings	731,793	-	-	731,793
Infrastructure	19,915,960	-	-	19,915,960
Total capital assets, being depreciated	\$ 27,256,489	\$ 278,185	\$ (250,563)	\$ 27,284,111
<i>Less accumulated depreciation for</i>				
Vehicles	\$ 786,473	\$ 126,050	\$ (85,850)	\$ 826,673
Equipment	3,515,129	412,409	(50,140)	3,877,398
Buildings	536,874	8,003	-	544,877
Infrastructure	3,047,891	398,319	-	3,446,210
Total accumulated depreciation	\$ 7,886,367	\$ 944,781	\$ (135,990)	\$ 8,695,158
Total capital assets being depreciated, net	\$ 19,370,122	\$ (666,596)	\$ (114,573)	\$ 18,588,953
Total capital assets, net	\$ 19,403,722	\$ (475,614)	\$ (114,573)	\$ 18,813,535

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

Primary Government	
General Government	\$ 18,736
Public Safety	35,848
Highways	860,436
Health and Welfare	5,456
Culture and Recreation	6,795
Conservation of Natural Resources	17,510
Total Depreciation Expense	\$ 944,781

LAMOURE COUNTY

Notes to the Financial Statements – Continued

NOTE 5 LONG-TERM LIABILITIES

Primary Government

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

Primary Government	Balance Jan 1	Increases	Decreases	Balance Dec 31	Due Within One Year
Compensated Absences	\$ 139,886	\$ 109,519	\$ 112,268	\$ 137,137	\$ 54,855
Net Pension and OPEB Liability *	5,079,665	-	1,760,136	3,319,529	-
Total Long Term Liabilities	\$ 5,219,551	\$ 109,519	\$ 1,872,404	\$ 3,456,666	\$ 54,855

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

NOTE 6 PENSION PLAN

General Information about the NDPERS Pension Plan

North Dakota Public Employees Retirement System (Main System)

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

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

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

Pension Benefits

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

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

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the

LAMOURE COUNTY

Notes to the Financial Statements – Continued

surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member’s accrued normal retirement benefit, or monthly payments in an amount equal to the member’s accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member’s accumulated pension benefits are paid, the balance will be payable to the surviving spouse’s designated beneficiary.

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

Refunds of Member Account Balance

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

	Net Pension Liability
County	\$ 3,175,889

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:

	Proportion	Increase (Decrease) in Proportion from June 30, 2022 Measurement	Pension Expense
County	0.164703%	-0.006169%	\$ 241,820

LAMOURE 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:

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 103,385	\$ 17,515
Changes in Assumptions	1,751,223	2,410,581
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	83,330	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	95,454	129,427
Contributions - Employer	142,318	-
Total Deferred Outflow and Inflow of Resources	\$ 2,175,710	\$ 2,557,523

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

Primary Government	\$ 142,318
--------------------	------------

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

2024	\$ 27,343
2025	(15,944)
2026	7,898
2027	(19,773)

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

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.

LAMOURE COUNTY

Notes to the Financial Statements – Continued

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30%	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 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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Proportionate Share of the Net Pension Liability	\$ 4,378,789	\$ 3,175,889	\$ 2,177,991

Pension Plan Fiduciary Net Position

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

LAMOURE COUNTY

Notes to the Financial Statements – Continued

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

North Dakota Public Employees Retirement System

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

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

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

OPEB Benefits

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

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

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

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:

	Net OPEB Liability
County	\$ 143,640

LAMOURE COUNTY

Notes to the Financial Statements – Continued

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:

	Proportion	Increase (Decrease) in Proportion from June 30, 2022 Measurement	OPEB Expense
County	0.143676%	0.011678%	\$ 26,529

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

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,703	\$ 1,644
Changes of Assumptions	30,635	11,895
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	10,375	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	8,431	7,663
Contributions - Employer	11,490	-
Total Deferred Outflow and Inflow of Resources	\$ 63,634	\$ 21,202

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	\$ 11,490
--------------------	-----------

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

2024	10,044
2025	8,152
2026	15,562
2027	(3,016)
2028	-

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

LAMOURE COUNTY

Notes to the Financial Statements – Continued

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%

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:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Proportionate Share of the OPEB Liability	\$ 188,778	\$ 143,640	\$ 105,639

LAMOURE COUNTY

Notes to the Financial Statements – Continued

NOTE 8 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:

	Transfers In	Transfers Out
Major Funds		
General Fund	\$ 1,226	\$ 659,292
Special Revenue Fund	681,198	23,132
Total Transfers	\$ 682,424	\$ 682,424

Transfers are primarily used to move funds between the general fund and road and bridge fund to help cover project costs. The remaining transfers are for various purposes.

NOTE 9 RISK MANAGEMENT

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

In 1986, state agencies and political subdivisions of the state of North Dakota joined together to form the North Dakota Insurance Reserve Fund (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. The coverage by NDRIF is limited to losses of \$3,000,000 per occurrence for general liability and for automobile, and \$4,575,463 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 \$1,000,000 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 North Dakota Workforce Safety and Insurance.

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

NOTE 12 CONSTRUCTION COMMITMENTS

The County had open constructions commitment as of December 31, 2023 as follows:

Project	Original Contract	Total Contract with Change Orders	Total Completed	Retainage	Remaining Balance includes Retainages
#1100 - Memorial Park Maintance Shop	\$ 116,408	\$ 116,408	\$ 62,640	\$ -	\$ 53,768
#1025 - Courthouse storage shed	243,840	243,840	128,342	-	115,498
Total	\$ 360,248	\$ 360,248	\$ 190,982	\$ -	\$ 169,266

LAMOURE COUNTY

Notes to the Financial Statements – Continued

NOTE 13 PRIOR PERIOD ADJUSTMENT

Net position and Fund Balance as of January 1, 2023 has been restated due to reclassifying a fiduciary fund to the general fund and governmental activities of the County:

	Governmental Activities	General Fund
Beginning Net Position/Fund Balance, as previously reported	\$ 21,581,736	\$ 3,326,965
Adjustments to restate the January 1, 2023 Net Position/Fund Balance:		
Accounts Payable	6,066	6,066
Net Position/Fund Balance January 1, as restated	\$ 21,587,802	\$ 3,333,031

LAMOURE COUNTY

Budgetary Comparison Schedule - General Fund

December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 52,500	\$ 52,500	\$ 1,946,326	\$ 1,893,826
Intergovernmental	782,134	782,134	1,055,614	273,480
Charges for Services	81,000	81,000	81,617	617
Licenses, Permits and Fees	54,385	54,385	60,495	6,110
Interest Income	45,000	45,000	77,411	32,411
Miscellaneous	24,520	24,520	53,811	29,291
Total Revenues	<u>\$ 1,039,539</u>	<u>\$ 1,039,539</u>	<u>\$ 3,275,274</u>	<u>\$ 2,235,735</u>
EXPENDITURES				
Current				
General Government	\$ 1,676,793	\$ 1,676,793	\$ 1,698,027	\$ (21,234)
Public Safety	787,084	787,084	604,299	182,785
Culture & Recreation	141,919	141,919	101,895	40,024
Total Expenditures	<u>\$ 2,605,796</u>	<u>\$ 2,605,796</u>	<u>\$ 2,404,221</u>	<u>\$ 201,575</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,566,257)</u>	<u>\$ (1,566,257)</u>	<u>\$ 871,053</u>	<u>\$ 2,437,310</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	\$ -	\$ -	\$ (659,292)	\$ (659,292)
Net Change in Fund Balance	<u>\$ (1,566,257)</u>	<u>\$ (1,566,257)</u>	<u>\$ 222,205</u>	<u>\$ 1,788,462</u>
Fund Balance - January 1	<u>\$ 3,326,965</u>	<u>\$ 3,326,965</u>	<u>\$ 3,326,965</u>	<u>\$ -</u>
Fund Balance - December 31	<u>\$ 1,766,774</u>	<u>\$ 1,766,774</u>	<u>\$ 3,555,236</u>	<u>\$ 1,788,462</u>

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

LAMOURE COUNTY

Budgetary Comparison Schedule - Special Revenue Fund
 December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 1,031,917	\$ 1,031,918	\$ 1,246,571	\$ 214,653
Intergovernmental	1,185,818	1,185,818	4,128,024	2,942,206
Charges for Services	671,240	671,240	1,641,521	970,281
Miscellaneous	32,680	32,680	65,068	32,388
Total Revenues	\$ 2,921,655	\$ 2,921,656	\$ 7,081,184	\$ 4,159,528
EXPENDITURES				
Current				
General Government	\$ 57,177	\$ 180,284	\$ 131,926	\$ 48,358
Public Safety	197,249	197,249	314,134	(116,885)
Highways	3,448,294	3,616,613	3,822,545	(205,932)
Flood Repair	-	-	277,612	(277,612)
Health and Welfare	798,572	862,430	697,808	164,622
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	16,011	(16,011)
Conser. of Natural Resources	236,263	236,263	234,113	2,150
Emergency	-	2,800	2,800	-
Total Expenditures	\$ 4,737,555	\$ 5,095,639	\$ 5,496,949	\$ (401,310)
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,815,900)	\$ (2,173,983)	\$ 1,584,235	\$ 3,758,218
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 6,935	\$ 6,935	\$ 681,198	\$ 674,263
Transfers Out	-	-	(23,132)	(23,132)
Total Other Financing Sources and Uses	\$ 6,935	\$ 6,935	\$ 673,707	\$ 666,772
Net Change in Fund Balances	\$ (1,808,965)	\$ (2,167,048)	\$ 2,257,942	\$ 4,424,990
Fund Balance - January 1	\$ 2,443,447	\$ 2,443,447	\$ 2,443,447	\$ -
Fund Balance - December 31	\$ 634,482	\$ 276,399	\$ 4,701,389	\$ 4,424,990

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

LAMOURE 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**

	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	0.164703%	\$ 3,175,889	\$ 2,014,102	157.68%	65.31%
2022	0.170872%	4,921,227	1,983,542	248.10%	54.47%
2021	0.171655%	1,789,161	1,943,803	92.04%	78.26%
2020	0.156871%	4,935,195	1,730,479	285.19%	48.91%
2019	0.164139%	1,923,828	1,707,321	112.68%	71.66%
2018	0.179026%	3,021,259	1,839,167	164.27%	62.80%
2017	0.170663%	2,743,114	1,742,201	157.45%	61.98%
2016	0.160028%	1,559,629	1,612,702	96.71%	70.46%
2015	0.163428%	1,111,282	1,455,944	76.33%	77.70%
2014	0.142199%	1,043,902	1,197,858	87.15%	77.70%

	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	164,248	\$ 164,247	1	\$ 2,186,024	7.51%
2022	149,395	153,248	(3,853)	1,757,899	8.72%
2021	143,347	140,255	3,092	1,945,938	7.21%
2020	122,533	130,263	(7,730)	1,730,479	7.53%
2019	124,303	135,484	(11,181)	1,707,321	7.94%
2018	135,462	129,102	6,360	1,839,167	7.02%
2017	126,331	123,987	2,344	1,742,201	7.12%
2016	116,757	116,625	132	1,612,702	7.23%
2015	110,591	101,693	8,898	1,455,944	6.98%
2014	105,740	105,740	-	1,197,858	8.83%

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

LAMOURE 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**

	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	0.143676%	\$ 143,640	\$ 1,444,207	9.95%	62.74%
2022	0.131998%	158,438	1,362,755	11.63%	56.28%
2021	0.127777%	71,066	1,393,099	5.10%	76.63%
2020	0.134196%	112,885	1,529,793	7.38%	63.38%
2019	0.153005%	122,392	1,707,321	7.17%	63.13%
2018	0.168081%	132,375	1,839,167	7.20%	62.80%
2017	0.161040%	127,384	1,742,201	7.31%	59.78%

	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	\$ 17,657	\$ 17,658	(0)	\$ 1,548,901	1.14%
2022	16,586	16,536	50	1,757,899	0.94%
2021	16,752	17,329	(577)	1,945,938	0.89%
2020	17,972	20,035	(2,063)	1,529,793	1.31%
2019	19,856	21,693	(1,837)	1,707,321	1.27%
2018	21,572	20,671	901	1,839,167	1.12%
2017	20,252	19,852	400	1,742,201	1.14%

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

LAMOURE COUNTY

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

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

NOTE 3: CHANGES OF BENEFIT TERMS – PENSION AND OPEB

Pension

The interest rate earned on member contributions decreased from 7.00 percent to 6.50 percent effective January 1, 2023 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System increased from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

OPEB

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

LAMOURE COUNTY

Notes to the Required Supplementary Information - Continued

NOTE 4: CHANGES OF ASSUMPTIONS – PENSION AND OPEB

Pension

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

OPEB

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

NOTE 5: LEGAL COMPLIANCE - BUDGETS

Budget Amendments

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

	Original Budget	Amendment	Amended Budget
EXPENDITURES/TRANSFERS OUT			
Special Revenue Fund	\$ 4,737,555	\$ 358,084	\$ 5,095,639

NOTE 6: EXPENDITURES IN EXCESS OF BUDGET

During fiscal year 2023, LaMoure County had the following fund Expenditures and Transfers Out in excess of budgeted amounts:

	Final Budget	Actual	Excess
Special Revenue Fund			
Expenditures	\$ 5,095,639	\$ 5,496,949	\$ 401,310
Transfers Out	-	(23,132)	23,132

STATE AUDITOR
Joshua C. Gallion



PHONE
701-328-2241

FAX
701-328-2345

www.nd.gov/auditor

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

ndsao@nd.gov

**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***

Independent Auditor's Report

Board of County Commissioners
LaMoure County
LaMoure, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of LaMoure County as of and for the years ended December 31, 2023, and the related notes to the financial statements, which collectively comprise LaMoure County's basic financial statements, and have issued our report thereon dated October 1, 2024.

Report on Internal Control Over Financial Reporting

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

LAMOURE 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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LaMoure 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
October 1, 2024

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

Financial Statements

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

Internal control over financial reporting

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



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