

MCINTOSH COUNTY

**FINANCIAL STATEMENTS
DECEMBER 31, 2023**

WITH INDEPENDENT AUDITOR'S REPORT

MCINTOSH COUNTY
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INDEPENDENT AUDITOR'S REPORT

County Commission
McIntosh County
Ashley, 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 **McIntosh County** ("County"), as of and for the year ended December 31, 2023, the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 **McIntosh County** as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 **McIntosh 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 – Correction of an Error

As discussed in Note 10 to the financial statements, **McIntosh County** restated its net position on the statement of activities to correct an error in the previously issued financial statements. 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 the 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 **McIntosh 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 GAS 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 an audit in accordance with GAAS and GAS, 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 **McIntosh 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 **McIntosh 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 Schedule of Employer's Share of Net Pension and OPEB Liability, Schedule of Employer Contributions, budgetary comparison schedules, and Notes to the Required Supplementary Information, as listed in the table of contents 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 requires 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2024, on our consideration of the **McIntosh 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 the 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 **McIntosh County's** internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "William R. Roe". The signature is fluid and cursive, with a large initial "W" and a stylized "R".

Fargo, North Dakota
September 11, 2024

MCINTOSH COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government Governmental Activities	Component Unit Water Resource District	Health District
ASSETS			
Cash and investments	\$ 5,609,302	\$ 23,521	\$ 368,715
Taxes receivable	51,132	167	1,162
Capital assets, net of accumulated depreciation			
Buildings	445,205	-	-
Machinery and vehicles	1,347,896	-	-
Infrastructure	<u>7,042,691</u>	<u>-</u>	<u>-</u>
Total assets	14,496,226	23,688	369,877
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions and OPEB	<u>839,203</u>	<u>-</u>	<u>166,647</u>
Total assets and deferred outflows of resources	<u>\$ 15,335,429</u>	<u>\$ 23,688</u>	<u>\$ 536,524</u>

	Primary Government Governmental Activities	Component Unit Water Resource District	Health District
LIABILITIES			
Current liabilities			
Accounts payable	\$ 103,391	\$ -	\$ 2,061
Due to other governments	9,271	-	-
Accrued expenses	28,720	-	22
Salary payable	12,399	-	761
Long-term liabilities			
Portion due or payable within one year			
Long term debt	339,610	-	-
Portion due or payable after one year			
Long term debt	790,227	-	-
Net pension and OPEB liability	<u>1,346,800</u>	<u>-</u>	<u>228,049</u>
Total liabilities	<u>2,630,418</u>	<u>-</u>	<u>230,893</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions and OPEB	1,243,052	-	177,771
Property taxes levied for subsequent year	<u>462,147</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>1,705,199</u>	<u>-</u>	<u>177,771</u>
NET POSITION			
Net investment in capital assets	7,705,955	-	-
Restricted for:			
General government	482,961	-	-
Public safety/911	106,770	-	-
Highways and public improvements	2,715,087	-	-
Health and welfare	15,793	-	-
Culture and recreation	1,237	-	-
Emergency services	238,347	-	-
Conservation and economic development	313,404	-	-
Unrestricted	<u>(579,742)</u>	<u>23,688</u>	<u>127,860</u>
Total net position	<u>10,999,812</u>	<u>23,688</u>	<u>127,860</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 15,335,429</u>	<u>\$ 23,688</u>	<u>\$ 536,524</u>

MCINTOSH COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Program Revenues		Primary Government Governmental Activities	Component Unit	
		Charges for Services	Operating Grants and Contributions		Water Resource District	Health District
Primary Government:						
Governmental Activities:						
General government	\$ 1,665,975	\$ 37,574	\$ -	\$ (1,628,401)	\$ -	\$ -
Public safety	331,883	58,402	197,548	(75,933)	-	-
Highways and public improvement	2,578,271	32,832	2,753,986	208,547	-	-
Health and welfare	-	-	13,612	13,612	-	-
Culture and recreation	6,000	-	-	(6,000)	-	-
Conservation and economic development	51,394	-	17,581	(33,813)	-	-
Total governmental activities	<u>\$ 4,633,523</u>	<u>\$ 128,808</u>	<u>\$ 2,982,727</u>	<u>\$ (1,521,988)</u>	<u>\$ -</u>	<u>\$ -</u>
Component Units:						
Water resource district	\$ 6,857	\$ -	\$ -	\$ -	\$ (6,857)	\$ -
Health district	<u>351,684</u>	<u>43,773</u>	<u>227,503</u>	<u>-</u>	<u>-</u>	<u>(80,408)</u>
Total component units	<u>\$ 358,541</u>	<u>\$ 43,773</u>	<u>\$ 227,503</u>	<u>-</u>	<u>(6,857)</u>	<u>(80,408)</u>
GENERAL REVENUES						
Property taxes; levied for general purposes				1,251,530	9,294	66,010
Property taxes; levied for special purposes				1,209,080	-	-
Telecommunications taxes				20,796	-	-
Federal payments in lieu of taxes				1,432	-	-
State aid distribution				408,719	-	-
Interest and other revenue				<u>202,613</u>	<u>361</u>	<u>14,578</u>
Total general revenues				<u>3,094,170</u>	<u>9,655</u>	<u>80,588</u>
Change in net position				1,572,182	2,798	180
Net position - January 1 as previously reported				1,702,794	20,890	127,680
Prior period restatement - see Note 10				<u>7,724,836</u>	<u>-</u>	<u>-</u>
Net position January 1, as restated				<u>9,427,630</u>	<u>20,890</u>	<u>127,680</u>
Net position - December 31				<u>\$ 10,999,812</u>	<u>\$ 23,688</u>	<u>\$ 127,860</u>

See Notes to Financial Statements

MCINTOSH COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>General Fund</u>	<u>Unorganized Road Fund</u>	<u>Road & Bridge Fund</u>	<u>HB1505 Prairie Dog</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and investments	\$ 1,417,611	\$ 201,718	\$ 408,622	\$ 1,987,761	\$ 1,593,590	\$ 5,609,302
Taxes receivable	<u>21,840</u>	<u>4,595</u>	<u>4,527</u>	<u>-</u>	<u>20,170</u>	<u>51,132</u>
Total assets	<u><u>\$ 1,439,451</u></u>	<u><u>\$ 206,313</u></u>	<u><u>\$ 413,149</u></u>	<u><u>\$ 1,987,761</u></u>	<u><u>\$ 1,613,760</u></u>	<u><u>\$ 5,660,434</u></u>
LIABILITIES						
Accrued expenses	\$ 18,322	\$ 10,399	\$ -	\$ -	\$ -	\$ 28,721
Salaries payable	6,905	5,151	-	-	343	12,399
Accounts payable	46,245	11	31,397	14,458	11,280	103,391
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,271</u>	<u>9,271</u>
Total liabilities	<u>71,472</u>	<u>15,561</u>	<u>31,397</u>	<u>14,458</u>	<u>20,894</u>	<u>153,782</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred tax revenue	21,840	4,595	4,527	-	20,170	51,132
Property taxes levied for subsequent year	<u>226,364</u>	<u>73,978</u>	<u>47,548</u>	<u>-</u>	<u>114,256</u>	<u>462,146</u>
Total deferred inflows of resources	<u>248,204</u>	<u>78,573</u>	<u>52,075</u>	<u>-</u>	<u>134,426</u>	<u>513,278</u>
FUND BALANCES						
Restricted for:						
General government	-	-	-	-	405,049	405,049
Public safety/911	-	-	-	-	80,146	80,146
Highways and public improvements	-	112,179	329,677	1,973,303	299,928	2,715,087
Health and welfare	-	-	-	-	15,793	15,793
Culture and recreation	-	-	-	-	1,237	1,237
Emergency services	-	-	-	-	238,347	238,347
Conservation and economic development	-	-	-	-	313,404	313,404
Assigned to:						
General government	-	-	-	-	77,912	77,912
Public safety/911	-	-	-	-	26,624	26,624
Unassigned	<u>1,119,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,119,775</u>
Total fund balances	<u>1,119,775</u>	<u>112,179</u>	<u>329,677</u>	<u>1,973,303</u>	<u>1,458,440</u>	<u>4,993,374</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 1,439,451</u></u>	<u><u>\$ 206,313</u></u>	<u><u>\$ 413,149</u></u>	<u><u>\$ 1,987,761</u></u>	<u><u>\$ 1,613,760</u></u>	<u><u>\$ 5,660,434</u></u>

See Notes to Financial Statements

MCINTOSH COUNTY
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total fund balances for governmental funds		\$ 4,993,374
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.		
Cost of capital assets	17,977,187	
Less accumulated depreciation	<u>(9,141,395)</u>	
		8,835,792
Property taxes 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 revenue in the funds.		
		51,132
Net pension and OPEB obligations are not due and payable in the current period, and therefore are not reported in the governmental funds.		
		(1,346,800)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Total deferred outflows of resources	839,203	
Total deferred inflows of resources	<u>(1,243,052)</u>	
		(403,849)
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Notes payable		<u>(1,129,837)</u>
Total net position of governmental activities		\$ <u><u>10,999,812</u></u>

MCINTOSH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Unorganized Road Fund	Road & Bridge Fund	HB1505 Prairie Dog	Other Governmental Fund	Total Governmental Funds
REVENUES						
Taxes	\$ 1,282,449	\$ 397,271	\$ 257,925	\$ -	\$ 556,395	\$ 2,494,040
Licenses, permits and fees	685	-	-	-	-	685
Intergovernmental	495,536	287,856	636,161	1,484,109	489,217	3,392,879
Charges for services	89,830	-	32,450	-	5,843	128,123
Miscellaneous	69,039	735	30,848	13,611.00	88,382	202,615
	<u>1,937,539</u>	<u>685,862</u>	<u>957,384</u>	<u>1,497,720</u>	<u>1,139,837</u>	<u>6,218,342</u>
Total revenues						
EXPENDITURES						
Current						
General government	1,430,992	-	-	-	234,918	1,665,910
Public safety/911	58,544	-	-	-	277,574	336,118
Highways and public improvements	-	625,195	689,425	230,750	469,665	2,015,035
Health and welfare	5,757	-	-	-	-	5,757
Culture and recreation	6,000	-	-	-	-	6,000
Conservation and economic development	-	-	-	-	51,394	51,394
Capital outlay	-	-	-	-	54,416	54,416
	<u>1,501,293</u>	<u>625,195</u>	<u>689,425</u>	<u>230,750</u>	<u>1,087,967</u>	<u>4,134,630</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>436,246</u>	<u>60,667</u>	<u>267,959</u>	<u>1,266,970</u>	<u>51,870</u>	<u>2,083,712</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	58,627	-	452,655	511,282
Transfers out	(81,000)	-	-	-	(430,282)	(511,282)
	<u>(81,000)</u>	<u>-</u>	<u>58,627</u>	<u>-</u>	<u>22,373</u>	<u>-</u>
Total other financing sources (uses)						
Net change in fund balances	<u>355,246</u>	<u>60,667</u>	<u>326,586</u>	<u>1,266,970</u>	<u>74,243</u>	<u>2,083,712</u>
FUND BALANCES - JANUARY 1	<u>764,529</u>	<u>51,512</u>	<u>3,091</u>	<u>706,333</u>	<u>1,384,197</u>	<u>2,909,662</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,119,775</u>	<u>\$ 112,179</u>	<u>\$ 329,677</u>	<u>\$ 1,973,303</u>	<u>\$ 1,458,440</u>	<u>\$ 4,993,374</u>

See Notes to Financial Statements

MCINTOSH COUNTY

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds \$ 2,083,712

Amount reported for governmental activities in the statement of activities are 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. In the current period these amounts are:

Current year capital outlay	79,165	
Current year depreciation	<u>(954,839)</u>	
		(875,674)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments exceeded proceeds.

Debt payments	290,731
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The net pension and OPEB liability, and related deferred outflows and inflows of resources are reported in the government wide statements; however, activity related to these pension and OPEB items do not involve financial resources, and are not reported in the funds.

Increase in net pension and OPEB liability	835,985	
Increase in deferred outflows of resources	(578,295)	
Decrease in deferred inflows of resources	<u>(171,642)</u>	
		86,048

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 decrease in taxes receivable	<u>(12,635)</u>
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Change in net position of governmental activities \$ 1,572,182

MCINTOSH COUNTY
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ <u><u>898,067</u></u>
LIABILITIES	
Due to other governments	\$ <u><u>898,067</u></u>

MCINTOSH COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Property tax collections for other governments	\$ 4,633,527
DEDUCTIONS	
Payments of property tax to other governments	<u>4,460,182</u>
Change in net position	<u>173,345</u>
NET POSITION - JANUARY 1	<u>724,722</u>
NET POSITION - DECEMBER 31	\$ <u><u>898,067</u></u>

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of McIntosh 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 Government 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.

Financial Reporting Entity

The accompanying financial statements present the activities of the County. The County has considered all potential component units for which the County is financially accountable and other organizations for which the nature and significance of their relationships with the County are such that exclusion would cause the County’s financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization’s governing board 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 imposed specific financial burdens on the County.

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

Discretely Presented Component Unit

The component unit columns in the basic financial statements include the financial data of the County’s component units. The units are reported in separate columns to emphasize they are legally separate from the County.

McIntosh County Water Resource District

The McIntosh County Water Resource District’s (“Water Resource District”) governing board is appointed by the County’s governing board. The County’s governing body has the authority to disapprove, amend, or approve the water resource district budget. The water resource district has the authority to issue its own debt.

McIntosh County Health District

The McIntosh County Health District’s (“Health District”) governing board is appointed by the County’s governing board. The County’s governing body has the authority to disapprove, amend, or approve the health district budget. The health district has the authority to issue its own debt.

The financial statements of each discretely presented component unit are presented in the basic financial statements. Additional information may be obtained from the McIntosh County Auditor; 112 NE 1st Street, Ashley, ND 58413.

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the primary government, McIntosh County and its component unit. These statements include the financial activities of the overall government, except for financial 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 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, 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.

Unorganized Road Fund: This fund accounts for a special levy and township road funds from the State of North Dakota used for the maintenance and repair of township roads within the county.

Road & Bridge Fund: This fund is used to account for a special levy and all financial resources related to road and bridge maintenance, except for those required to be accounted for in another fund.

HB1505 Prairie Dog Fund: This fund account for federal fiscal recovery funds and state appropriations to be used for capital projects.

The County reports the following fiduciary fund type:

Custodial Funds: These funds account for assets held by the County in a custodial capacity as an agent on behalf of others. The County's custodial funds are used to account for various deposits of other governments.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. These 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

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

been satisfied. Accounts past due more than sixty days are analyzed for collectability. When management deems any account receivable to be uncollectible, an allowance is setup and deducted from the related accounts receivable.

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 general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General 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-reimbursements grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted components of net position 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.

Cash and Investments

Cash includes amounts in demand deposits money market accounts. Investments consist of certificates of deposit stated at cost. Certificates of deposit principal may be withdrawn at any time before maturity with a penalty of interest.

Capital Assets

Capital assets include property, plant, and equipment. Assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or 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 the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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:

Buildings	50 to 100 years
Machinery, Vehicles, and Equipment	5 to 10 years
Infrastructure	20 years

Compensated Absences

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Vested or accumulated vacation leave and compensatory time is not reported in government-wide statement of net position as management considers it immaterial.

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows and outflows of resources related to pensions and other post-employment benefits.

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported separately from the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts 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”); additions to/deductions from NDPERS’ fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (“OPEB”)

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

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash such as inventories or prepaid expenses) or (b) legally or contractually required to be maintained intact (i.e., endowment funds).

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, contributors, or law or regulations of other governments (i.e., funds restricted by state statute, unspent bond proceeds, grants earned but not spent, debt covenants or taxes raised for a specific purpose).

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County commission through the adoption of a resolution. The County commission also may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

1. Committed
2. Assigned
3. Unassigned

Net Position – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has not spent) for acquisition, construction, or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted. When both restricted and unrestricted amounts of net position are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed.

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.

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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In the government-wide financial statements, interfund transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reporting amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

In accordance with North Dakota Statutes, the County maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in another 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 of 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 other securities approved by the banking board.

At year ended December 31, 2023, the County's carrying amount of deposits was \$5,609,302 and the bank balances were \$6,287,380. Of the bank balance, \$250,000 was covered by Federal Depository Insurance. The remaining balance of \$6,037,380 was collateralized with securities held by the pledging financial institution's agent in the government's name.

At year ended December 31, 2023, the Health District had total carrying amount of \$368,715 and \$373,800 of bank balances of which \$136,180 were not insured and not collateralized by securities held by the Health Districts agent in their name.

At year ended December 31, 2023, the Water Resource District bank balance was fully covered by Federal Depository Insurance.

Credit Risk

The County may invest idle funds as authorized in North Dakota Statutes, as follows:

- a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by the Treasury of the United States, or its agencies, instrumentalities, or organizations created by an Act of Congress.
- b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.
- c) Certificates of deposit fully insured by the Federal Deposit Insurance Corporation.

MCINTOSH COUNTY
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d) Obligations of the state.

At December 31, 2023 the County held certificates of deposits in the amount of \$2,269,092 which are all considered deposits.

Concentration of Credit Risk

The County does not have a limit on the amount the County may invest in any one issuer.

NOTE 3 – TAXES RECEIVABLE

Taxes and special assessments receivable represent the past three years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes and special assessments receivable.

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Any material tax collections are distributed after the end of each month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments, and 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 5.00% 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

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

Governmental Activities

	<u>Balance 1/1/2023</u>	<u>Prior Period Restatement</u>	<u>Beginning Balance, as Restated</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance 12/31/2023</u>
Capital assets, being depreciated						
Buildings	\$ 780,040	\$ -	\$ 780,040	\$ -	\$ -	\$ 780,040
Machinery, vehicles, and equipment	3,485,682	-	3,485,682	79,165	10,600	3,554,247
Infrastructure	-	13,642,900	13,642,900	-	-	13,642,900
Total capital assets, being depreciated	<u>4,265,722</u>	<u>13,642,900</u>	<u>17,908,622</u>	<u>79,165</u>	<u>10,600</u>	<u>17,977,187</u>
Less accumulated depreciation for						
Buildings	326,473	-	326,473	8,362	-	334,835
Machinery, vehicles, and equipment	1,952,619	-	1,952,619	264,332	10,600	2,206,351
Infrastructure	-	5,918,064	5,918,064	682,145	-	6,600,209
Total accumulated depreciation	<u>2,279,092</u>	<u>5,918,064</u>	<u>8,197,156</u>	<u>954,839</u>	<u>10,600</u>	<u>9,141,395</u>
Total capital assets, being depreciated, net	<u>1,986,630</u>	<u>7,724,836</u>	<u>9,711,466</u>	<u>(875,674)</u>	<u>-</u>	<u>8,835,792</u>
Governmental activities capital assets, net	<u>\$ 1,986,630</u>	<u>\$ 7,724,836</u>	<u>\$ 9,711,466</u>	<u>\$ (875,674)</u>	<u>\$ -</u>	<u>\$ 8,835,792</u>

(Continued)

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

General government	\$ 11,943
Public safety	8,400
Highways and public improvements	<u>934,496</u>
	<u>\$ 954,839</u>

NOTE 5 – LONG-TERM DEBT

Changes in Long-Term Liabilities

During the year ended December 31, 2023, the following changes occurred in liabilities reported in the long-term liabilities – Governmental Activities:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Equipment notes	\$ 1,265,085	\$ -	\$ 236,315	\$ 1,028,770	\$ 285,194
Notes payable	<u>155,483</u>	<u>-</u>	<u>54,416</u>	<u>101,067</u>	<u>54,416</u>
Total	<u>\$ 1,420,568</u>	<u>\$ -</u>	<u>\$ 290,731</u>	<u>\$ 1,129,837</u>	<u>\$ 339,610</u>

The County holds various notes payable with principal and interest payments due annually ranging from \$9,800 to \$90,224 and interest rates ranging from 2.00% to 4.39%. All notes are collateralized by the related equipment.

Future maturities of all notes outstanding are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 339,610	\$ 38,540	\$ 378,150
2025	623,796	28,057	651,853
2026	87,634	7,568	95,202
2027	34,843	3,678	38,521
2028	<u>43,954</u>	<u>2,096</u>	<u>46,050</u>
	<u>\$ 1,129,837</u>	<u>\$ 79,939</u>	<u>\$ 1,209,776</u>

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 – TRANSFERS

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2023:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ -	\$ 81,000
Special revenue funds		
County General TCD - Wishek	-	465
Unison-Wishek TCD #74591	104,515	-
McIntosh County TCD	465	104,515
Road and bridge	58,627	-
FEMA 2022	-	58,627
Technology	30,000	-
Roof repair	30,000	-
Jail	21,000	-
Noxious weed control	266,675	266,675
	<u>\$ 511,282</u>	<u>\$ 511,282</u>

NOTE 7 – RISK MANAGEMENT

McIntosh 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, the state agencies and political subdivisions of the state of North Dakota joined together to form the North Dakota Insurance Reserve Fund (“NDIRF”), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The County pays an annual premium to NDIRF for its general liability, automobile, and public assets insurance coverage. The coverage by NDIRF is limited to losses of \$5,000,000 per occurrence for general liability and automobile; \$2,187,430 for general public assets and \$12,976,934 for buildings and inventory.

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 Department of Workforce Safety and Insurance and purchases commercial insurance for employee health and accident insurance.

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

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 – PENSION PLANS

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 North Dakota Century Code (“NDCC”) Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees for 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 NDPERS 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 managements, 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. Members of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016, the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020, the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

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

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member’s accumulated contributions, plus interest, is paid to the member’s beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50.0% 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 25.0% 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.

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 is 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 7.00% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020, member contribution rates are 7.00% 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 County and District Health Unit reported a liability for their proportionate shares of net pension liability. The net pension liability was measured as of June 30, 2023, of \$1,282,153 and \$214,518, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County and District Health Unit's proportion of the net pension liability was based on the County and District Health Unit's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2023, the County and District Health Unit's proportion was 0.066493 and 0.011125 percent, respectively, which was a decrease 0.006650 and 0.000718 percent, respectively, from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the County and District Health Unit recognized NDPERS expense as follows:

	2023
County	\$ (19,481)
District Health Unit	\$ 30,018

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

County

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 41,739	\$ 7,071
Changes of assumptions	706,994	973,187
Net difference between projected and actual earnings on pension plan investments	33,641	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	248,008
County contributions subsequent to the measurement date	<u>32,712</u>	<u>-</u>
	\$ <u><u>815,086</u></u>	\$ <u><u>1,228,266</u></u>

\$32,712 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, 2024.

District Health Unit

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,983	\$ 1,183
Changes of assumptions	118,288	162,825
Net difference between projected and actual earnings on pension plan investments	5,629	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,626	12,487
County contributions subsequent to the measurement date	<u>5,028</u>	<u>-</u>
	\$ <u><u>159,554</u></u>	\$ <u><u>176,495</u></u>

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

\$5,028 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, 2024.

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

County

Year Ended June 30:	
2024	\$ (106,994)
2025	(223,869)
2026	(27,130)
2027	(87,899)
2028	-
Thereafter	-

District Health Unit

Year Ended June 30:	
2024	\$ 10,756
2025	(18,843)
2026	154
2027	(14,036)
2028	-
Thereafter	-

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.

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:

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NOTES TO THE FINANCIAL STATEMENTS
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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	31%	6.25%
International equity	20%	6.95%
Private equity	7%	9.45%
Domestic fixed income	23%	2.51%
Global real assets	19%	4.33%

Discount Rate

For NDPERS, 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 NDPERS 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 County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share as of June 30, 2023, of the net pension liability calculated using the discount rate of 6.50%, as well as what the Employer's proportionate share of 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:

County

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
District's proportionate share of net pension liability	\$ <u>1,767,781</u>	\$ <u>1,282,153</u>	\$ <u>879,287</u>

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District Health Unit

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District's proportionate share of net pension liability	\$ <u>295,769</u>	\$ <u>214,518</u>	\$ <u>147,114</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report. Additional financial and actuarial information is available on their website, www.nd.gov/ndpers, or may be obtained by contacting the agency at: North Dakota Public Employees Retirement System, 400 E Broadway Ave Suite 505, P.O. Box 1657, Bismarck, ND, 58502-1657 or by calling (701) 328-3900.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS PLANS

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 NDPERS, 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 NDPERS, 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 ("RHIC"). 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.

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 NDPERS, 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 County and District Health Unit reported a liability of \$64,647 and \$13,531, respectively for their proportionate shares of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County and District Health Unit's proportion of the net OPEB liability was based on the County and District Health Unit's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. The County and District Health Unit's proportion was measured at June 30, 2023. At June 30, 2023, the County and District Health Unit proportion was 0.064663 and 0.013534 percent, respectively, which was an increase of 0.001164 and 0.000217 from its proportion measured as of June 30, 2022.

The table shows the net OPEB liability and the proportionate share for employer:

Inflation	2.25%
Salary increases	Not applicable
Investment rate of return	5.75%, net of investment expenses
Cost-of-living adjustments	None

For the year ended December 31, 2023, the County and District Health Unit recognized OPEB expense as follows:

	<u>2023</u>
County	8,493
District Health Unit	3,576

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

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

County

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,217	\$ 740
Changes of assumptions	13,788	5,354
Net difference between projected and actual earnings on pension plan investments	4,669	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	476	8,692
County contributions subsequent to the measurement date	<u>3,967</u>	<u>-</u>
	\$ <u><u>24,117</u></u>	\$ <u><u>14,786</u></u>

\$3,967 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024.

District Health Unit

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 256	\$ 155
Changes of assumptions	2,886	1,121
Net difference between projected and actual earnings on pension plan investments	977	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,169	-
County contributions subsequent to the measurement date	<u>805</u>	<u>-</u>
	\$ <u><u>7,093</u></u>	\$ <u><u>1,276</u></u>

\$805 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024.

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

	County	
Year Ended June 30:		
2024	\$	1,082
2025		880
2026		5,084
2027		(1,682)
2028		-
Thereafter		-

	District Health Unit	
Year Ended June 30:		
2024	\$	2,024
2025		1,717
2026		1,631
2027		(360)
2028		-
Thereafter		-

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:

For active members, inactive members and healthy retirees, mortality rates were based on the Mortality Pub-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 92.0% 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:

MCINTOSH COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large cap domestic equities	33%	5.50%
Small cap domestic equities	6%	7.65%
World Equity ex-US	26%	6.82%
US High Yield	3%	5.32%
Emerging Markets Debt	4%	6.25%
Core Fixed Income	28%	4.04%

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:

County

	<u>1% Decrease (4.75%)</u>	<u>Current Discount Rate (5.75%)</u>	<u>1% Increase (6.75%)</u>
County's proportionate share of net OPEB liability	\$ <u>84,962</u>	\$ <u>64,647</u>	\$ <u>47,554</u>

District Health Unit

	<u>1% Decrease (4.75%)</u>	<u>Current Discount Rate (5.75%)</u>	<u>1% Increase (6.75%)</u>
District's proportionate share of net OPEB liability	\$ <u>17,783</u>	\$ <u>13,531</u>	\$ <u>9,951</u>

NOTE 10 – CORRECTION OF AN ERROR

The 2023 beginning net position fund balance amount has been restated to include infrastructure assets that had not previously been recorded. This resulted in an adjustment to the January 1, 2023, net position increasing it by \$7,724,836.

MCINTOSH COUNTY

**REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

MCINTOSH COUNTY
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION AND OPEB LIABILITY
LAST 10 FISCAL YEARS*

Schedule of Employer's Share of Net Pension Liability

Pension Plan	Measurement Date	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
ND PERS - Main System	6/30/2023	0.066493%	\$ 1,282,153	\$ 813,121	157.68%	65.31%
ND PERS - Main System	6/30/2022	0.073143%	\$ 2,106,567	\$ 849,068	248.10%	54.47%
ND PERS - Main System	6/30/2021	0.080795%	\$ 842,127	\$ 914,920	92.04%	78.26%
ND PERS - Main System	6/30/2020	0.085972%	\$ 2,704,698	\$ 948,371	285.19%	48.91%
ND PERS - Main System	6/30/2019	0.097485%	\$ 1,142,595	\$ 1,014,011	112.68%	71.66%
ND PERS - Main System	6/30/2018	0.103414%	\$ 1,745,224	\$ 1,062,391	164.27%	62.80%
ND PERS - Main System	6/30/2017	0.106098%	\$ 1,705,343	\$ 1,083,094	157.45%	61.98%
ND PERS - Main System	6/30/2016	0.103717%	\$ 1,010,823	\$ 1,045,218	96.71%	70.46%
ND PERS - Main System	6/30/2015	0.103406%	\$ 703,143	\$ 921,222	76.33%	77.15%
ND PERS - District Health Unit	6/30/2023	0.011125%	\$ 214,518	\$ 136,046	157.68%	65.31%
ND PERS - District Health Unit	6/30/2022	0.011843%	\$ 341,086	\$ 137,481	248.10%	54.47%
ND PERS - District Health Unit	6/30/2021	0.011759%	\$ 122,512	\$ 133,104	92.04%	78.26%
ND PERS - District Health Unit	6/30/2020	0.008366%	\$ 263,196	\$ 92,287	285.19%	48.91%
ND PERS - District Health Unit	6/30/2019	0.008175%	\$ 95,817	\$ 85,035	112.68%	71.66%
ND PERS - District Health Unit	6/30/2018	0.007792%	\$ 131,498	\$ 80,045	164.28%	62.80%
ND PERS - District Health Unit	6/30/2017	0.006474%	\$ 104,058	\$ 66,088	157.45%	61.98%
ND PERS - District Health Unit	6/30/2016	0.006428%	\$ 62,647	\$ 64,784	96.70%	70.46%
ND PERS - District Health Unit	6/30/2015	0.006859%	\$ 46,640	\$ 61,104	76.33%	77.15%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Schedule of Employer's Share of Net OPEB Liability

Pension Plan	Measurement Date	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
OPEB - County	6/30/2023	0.064663%	\$ 64,647	\$ 649,981	9.95%	62.74%
OPEB - County	6/30/2022	0.063499%	\$ 76,218	\$ 655,567	11.63%	56.28%
OPEB - County	6/30/2021	0.073124%	\$ 40,670	\$ 797,236	5.10%	76.63%
OPEB - County	6/30/2020	0.078078%	\$ 65,679	\$ 890,070	7.38%	63.38%
OPEB - County	6/30/2019	0.090873%	\$ 72,988	\$ 1,014,011	7.20%	63.13%
OPEB - County	6/30/2018	0.097091%	\$ 76,466	\$ 1,062,391	7.20%	61.89%
OPEB - County	6/30/2017	0.100116%	\$ 79,193	\$ 1,083,094	7.31%	59.78%
OPEB - District Health Unit	6/30/2023	0.013534%	\$ 13,531	\$ 136,046	9.95%	62.74%
OPEB - District Health Unit	6/30/2022	0.013317%	\$ 15,985	\$ 137,481	11.63%	56.28%
OPEB - District Health Unit	6/30/2021	0.012208%	\$ 6,790	\$ 133,104	5.10%	76.63%
OPEB - District Health Unit	6/30/2020	0.008096%	\$ 6,810	\$ 92,287	7.38%	63.38%
OPEB - District Health Unit	6/30/2019	0.007621%	\$ 6,121	\$ 85,035	7.20%	63.13%
OPEB - District Health Unit	6/30/2018	0.007315%	\$ 5,761	\$ 80,045	7.20%	61.89%
OPEB - District Health Unit	6/30/2017	0.006109%	\$ 4,832	\$ 66,088	7.31%	59.78%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

MCINTOSH COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS*

Schedule of Employer's Contributions

Pension Plan	Measurement Date	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
ND PERS - Main System	6/30/2023	\$ 61,513	\$ (69,140)	\$ (7,627)	\$ 813,121	8.50%
ND PERS - Main System	6/30/2022	\$ 63,949	\$ (65,831)	\$ (1,882)	\$ 849,068	7.75%
ND PERS - Main System	6/30/2021	\$ 67,471	\$ (68,087)	\$ (616)	\$ 914,920	7.44%
ND PERS - Main System	6/30/2020	\$ 67,153	\$ (74,546)	\$ (7,393)	\$ 948,371	7.86%
ND PERS - Main System	6/30/2019	\$ 73,826	\$ (76,106)	\$ (2,280)	\$ 1,014,011	7.51%
ND PERS - Main System	6/30/2018	\$ 78,250	\$ (74,220)	\$ 4,030	\$ 1,062,391	6.99%
ND PERS - Main System	6/30/2017	\$ 78,538	\$ (76,883)	\$ 1,655	\$ 1,083,094	7.10%
ND PERS - Main System	6/30/2016	\$ 75,672	\$ (74,676)	\$ 996	\$ 1,045,218	7.14%
ND PERS - Main System	6/30/2015	\$ 69,974	\$ (71,280)	\$ (1,306)	\$ 921,222	7.74%
ND PERS - District Health Unit	6/30/2023	\$ 10,292	\$ (9,699)	\$ 593	\$ 136,046	7.13%
ND PERS - District Health Unit	6/30/2022	\$ 10,354	\$ (10,423)	\$ (69)	\$ 137,481	7.58%
ND PERS - District Health Unit	6/30/2021	\$ 9,816	\$ (8,790)	\$ 1,026	\$ 133,104	6.60%
ND PERS - District Health Unit	6/30/2020	\$ 6,535	\$ (6,471)	\$ 64	\$ 92,287	7.01%
ND PERS - District Health Unit	6/30/2019	\$ 6,191	\$ (10,493)	\$ (4,302)	\$ 85,035	12.34%
ND PERS - District Health Unit	6/30/2018	\$ 5,896	\$ (5,629)	\$ 267	\$ 80,045	7.03%
ND PERS - District Health Unit	6/30/2017	\$ 4,792	\$ (4,710)	\$ 82	\$ 66,088	7.13%
ND PERS - District Health Unit	6/30/2016	\$ 4,690	\$ (4,600)	\$ 90	\$ 64,784	7.10%
ND PERS - District Health Unit	6/30/2015	\$ 4,641	\$ (4,577)	\$ 64	\$ 61,104	7.49%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Schedule of Employer's OPEB Contributions

Pension Plan	Measurement Date	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
OPEB - County	6/30/2023	\$ 7,848	\$ (7,624)	\$ 224	\$ 649,981	1.17%
OPEB - County	6/30/2022	\$ 7,979	\$ (8,836)	\$ (857)	\$ 655,567	1.35%
OPEB - County	6/30/2021	\$ 9,587	\$ (9,748)	\$ (161)	\$ 797,236	1.22%
OPEB - County	6/30/2020	\$ 10,456	\$ (11,712)	\$ (1,256)	\$ 890,070	1.32%
OPEB - County	6/30/2019	\$ 11,793	\$ (12,185)	\$ (392)	\$ 1,014,011	1.20%
OPEB - County	6/30/2018	\$ 12,461	\$ (11,884)	\$ 577	\$ 1,062,391	1.12%
OPEB - County	6/30/2017	\$ 12,590	\$ (12,310)	\$ 280	\$ 1,083,094	1.14%
OPEB - District Health Unit	6/30/2023	\$ 1,643	\$ (1,553)	\$ 90	\$ 136,046	1.14%
OPEB - District Health Unit	6/30/2022	\$ 1,673	\$ (1,669)	\$ 4	\$ 137,481	1.21%
OPEB - District Health Unit	6/30/2021	\$ 1,601	\$ (1,407)	\$ 194	\$ 133,104	1.06%
OPEB - District Health Unit	6/30/2020	\$ 1,084	\$ (1,036)	\$ 48	\$ 92,287	1.12%
OPEB - District Health Unit	6/30/2019	\$ 989	\$ (1,703)	\$ (714)	\$ 85,035	2.00%
OPEB - District Health Unit	6/30/2018	\$ 939	\$ (901)	\$ 38	\$ 80,045	1.13%
OPEB - District Health Unit	6/30/2017	\$ 768	\$ (754)	\$ 14	\$ 66,088	1.14%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

MCINTOSH COUNTY
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES			
Taxes	\$ 1,154,557	\$ 1,282,449	\$ 127,892
Licenses, permits and fees	500	685	185
Intergovernmental	238,435	495,536	257,101
Charges for services	63,169	89,830	26,661
Miscellaneous	<u>10,400</u>	<u>69,039</u>	<u>58,639</u>
Total revenues	<u>1,467,061</u>	<u>1,937,539</u>	<u>470,478</u>
EXPENDITURES			
Current			
General government	1,574,552	1,430,992	(143,560)
Public safety/911	21,518	58,544	37,026
Health and welfare	-	5,757	5,757
Culture and recreation	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total expenditures	<u>1,602,070</u>	<u>1,501,293</u>	<u>(100,777)</u>
Excess (deficiency) of revenues over expenditures	<u>(135,009)</u>	<u>436,246</u>	<u>571,255</u>
OTHER FINANCING USES			
Transfers out	<u>-</u>	<u>(81,000)</u>	<u>(81,000)</u>
Net change in fund balance	(135,009)	355,246	490,255
FUND BALANCE, JANUARY 1	<u>764,529</u>	<u>764,529</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	\$ <u><u>629,520</u></u>	\$ <u><u>1,119,775</u></u>	\$ <u><u>490,255</u></u>

MCINTOSH COUNTY
BUDGETARY COMPARISON SCHEDULE – UNORGANIZED ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES			
Taxes	\$ 354,019	\$ 397,271	\$ 43,252
Intergovernmental	273,400	287,856	14,456
Miscellaneous	<u>-</u>	<u>735</u>	<u>735</u>
Total revenues	<u>627,419</u>	<u>685,862</u>	<u>58,443</u>
EXPENDITURES			
Current			
Highways and public improvements	<u>661,419</u>	<u>625,195</u>	<u>(36,224)</u>
Excess (deficiency) of revenues over expenditures	<u>(34,000)</u>	<u>60,667</u>	<u>94,667</u>
Net change in fund balance	(34,000)	60,667	94,667
FUND BALANCE, JANUARY 1	<u>51,512</u>	<u>51,512</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	\$ <u><u>17,512</u></u>	\$ <u><u>112,179</u></u>	\$ <u><u>94,667</u></u>

MCINTOSH COUNTY

**BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES			
Taxes	\$ 256,125	\$ 257,925	\$ 1,800
Intergovernmental	-	636,161	636,161
Charges for services	-	32,450	32,450
Miscellaneous	-	30,848	30,848
	<u>256,125</u>	<u>957,384</u>	<u>701,259</u>
Total revenues	<u>256,125</u>	<u>957,384</u>	<u>701,259</u>
EXPENDITURES			
Current			
Highways and public improvements	<u>287,125</u>	<u>689,425</u>	<u>402,300</u>
Excess (deficiency) of revenues over	<u>(31,000)</u>	<u>267,959</u>	<u>298,959</u>
OTHER FINANCING USES			
Transfers in	<u>-</u>	<u>58,627</u>	<u>58,627</u>
Net change in fund balance	<u>(31,000)</u>	<u>326,586</u>	<u>357,586</u>
FUND BALANCE, JANUARY 1	<u>3,091</u>	<u>3,091</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ (27,909)</u>	<u>\$ 329,677</u>	<u>\$ 357,586</u>

MCINTOSH COUNTY
BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT BUDGET POLICIES

Annually, the Board of county commissioners provides each office a department budget. The departments complete their budget and file it with the county auditor. Based upon the departmental budget requests and other financial information, the county auditor prepares the preliminary county budget. The budget is prepared for the general, special revenue and debt service funds on the modified accrual basis of accounting. The preliminary budget includes the proposed expenditures and the means of financing them. All annual appropriations lapse at year-end.

The Board of county commissioners holds a public hearing where any taxpayer may testify in favor or against any proposed expenditures or tax levies requested in the preliminary budget. After the budget hearing and on or before the October meeting, the Board adopts the final budget and shall determine the amount of taxes that shall be levied for county purposes and shall levy all such taxes in specific amounts. No expenditure shall be made, or liability incurred in excess of the total appropriation by fund, except for transfers as authorized by the North Dakota Century Code Section 11-23-07. However, the Board of county commissioners may amend the budget, except for property taxes, during the year for any revenues and appropriations not anticipated at the time the budget was prepared. The budget amendments must be approved by the Board and the approval must be noted in the proceedings of the Board.

NOTE 2 – LEGAL COMPLIANCE

The 2023 road and bridge fund expenditures exceeded budget by \$402,300. No remedial action is anticipated.

NOTE 3 – PENSIONS AND OPEB

Main System

Changes of Benefit Terms

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.

Changes of Assumptions

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 for July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

OPEB

Changes of Benefit Terms

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.

MCINTOSH COUNTY
BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

Changes of Assumptions

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.