



BASICS OF FUND ACCOUNTING



WHAT IS FUND ACCOUNTING?

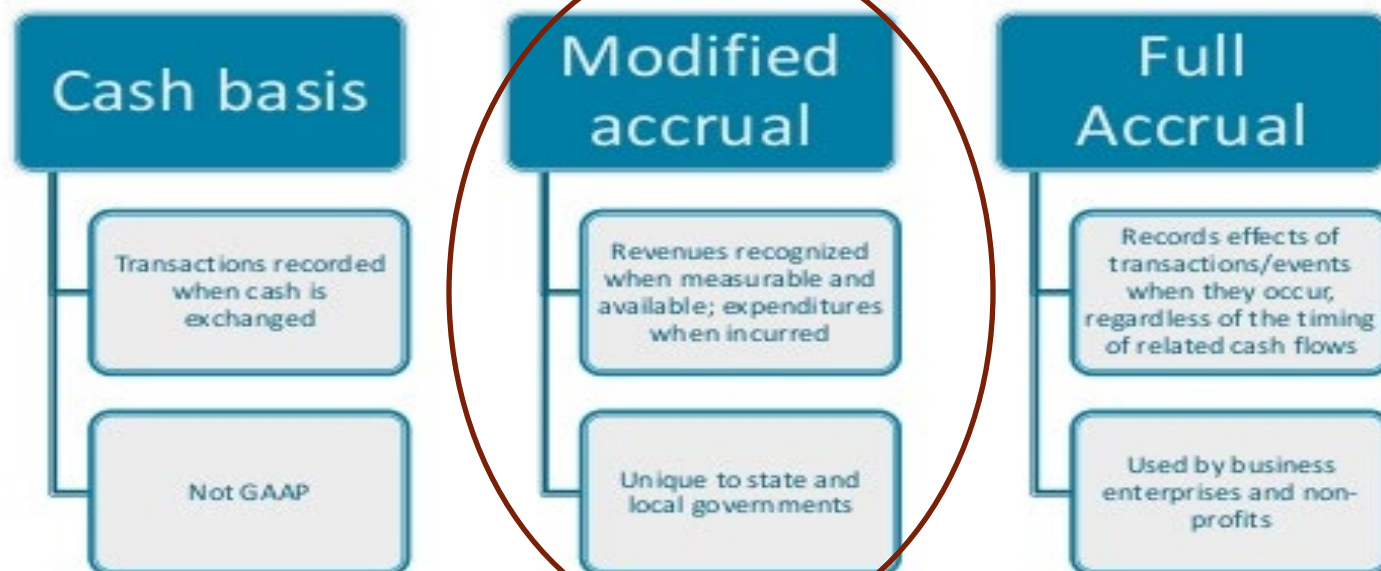
FUND ACCOUNTING PRINCIPLES

General Accounting **VS** Fund Accounting



ACCOUNTING BASIS

Basis of Accounting



GENERAL LEDGER

- **What is a General Ledger?**
- The record of all financial transactions used to prepare financial statements
 - Revenues
 - Expenses
 - Assets
 - Liabilities

ACCOUNT	INCREASED BY	DECREASED BY
Assets	Debit	Credit
Expenses	Debit	Credit
Liabilities	Credit	Debit
Equity	Credit	Debit
Revenue	Credit	Debit



REVENUE & EXPENDITURE CATEGORIES

REVENUES	EXPENDITURES
Property Taxes	General Government
Sales Tax	Public Safety
Licenses, Permits, Fees	Roads & Bridges
Intergovernmental	Health & Welfare
Charges for Services	Culture & Recreation
Interest Income	Economic Development
Special Assessments	Capital Outlay
	Debt Service

ASSETS

- Cash & Investments
- Receivables
- Inventory
- Prepaid Items
- Capital Assets

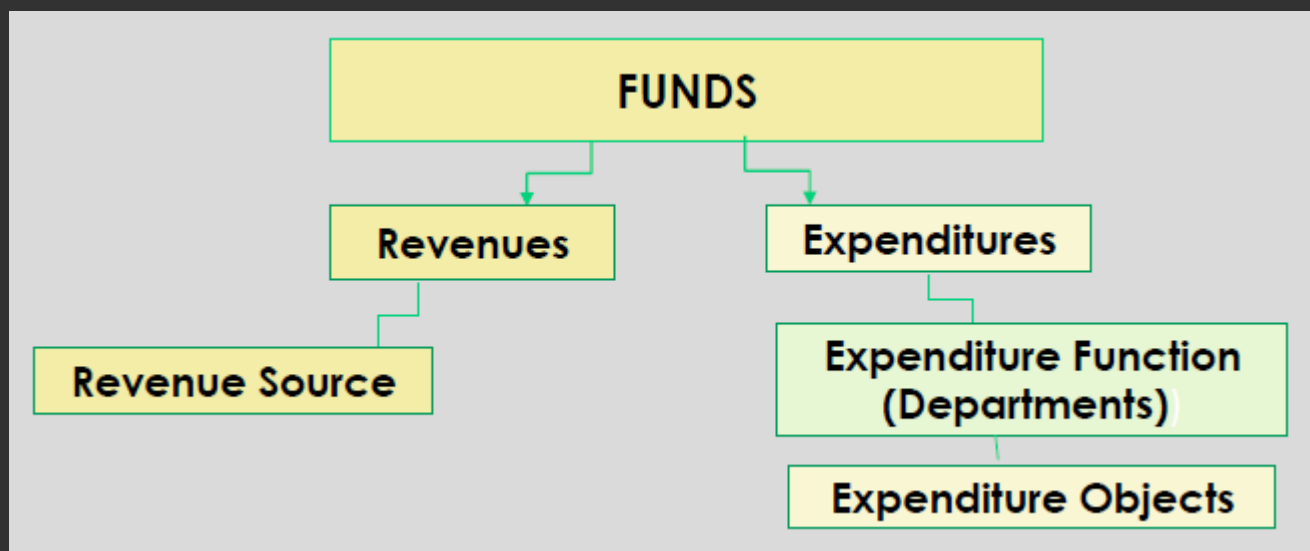


LIABILITIES

- Accounts Payable
- Debt & Bonds Payable
- Interest Payable
- Compensated Absences Payable
- Pension & OPEB Liabilities



CHART OF ACCOUNTS



Accounts are categorized by:

1. Fund – separated by specific purpose
2. Account – separate programs within a fund (Departments)
3. Object – specific revenue or expense



CHART OF ACCOUNTS

FUND CODING

FUND	DESCRIPTION
100	GENERAL FUND
200	SPECIAL REVENUE FUNDS
300	DEBT SERVICE FUNDS
400	OTHER FUNDS

CHART OF ACCOUNTS REVENUE CODING

REVENUE SOURCE	
3000	TAXES
3200	LICENSES, PERMITS & FEES
3300	INTERGOVERNMENTAL
3400	CHARGES FOR SERVICES
3500	FINES & FORFEITURES
3600	MISCELLANEOUS
3999	TRANSFERS IN



CHART OF ACCOUNTS EXPENDITURE CODING

EXPENDITURE FUNCTION (DEPARTMENT)	
4100	GENERAL GOVERNMENT
4200	PUBLIC SAFETY
4300	ROAD & BRIDGE
4400	HEALTH & WELFARE
4500	CULTURE & RECREATION
4600	DEBT SERVICE
4800	ECONOMIC DEVELOPMENT
4900	MISCELLANEOUS
4999	TRANFERS OUT



CHART OF ACCOUNTS EXPENDITURE OBJECT CODING

EXPENDITURE OBJECT	
100	SALARIES & WAGES
200	FRINGE BENEFITS
300	SERVICES
320	INSURANCE
330	RENTALS
340	TRAVEL
350	UTILITIES

EXPENDITURE OBJECT	
370	DUES & MEMBERSHIPS
380	REPAIRS & MAINTENANCE
390	OTHER SERVICES
400	SUPPLIES & MAINTENANCE
600	CAPITAL OUTLAY
700	DEBT SERVICE
800	OTHER CHARGES

CHART OF ACCOUNTS

CODING REVENUE - EXAMPLES

Coding Number	Fund Number	Fund Name	Revenue Number	Revenue Name
100-3110	100	General	3110	Property Taxes
100-3510	100	General	3510	Fines
201-3353	201	Road & Bridge	3353	Highway Tax
205-3440	205	Veterans Service	3440	Charges for Services
210-3215	210	County Agent	3215	Licenses & Fees

FUND	DESCRIPTION
100	GENERAL FUND
200	SPECIAL REVENUE FUNDS
300	DEBT SERVICE FUNDS
400	OTHER FUNDS

REVENUE SOURCE	
3000	TAXES
3200	LICENSES, PERMITS & FEES
3300	INTERGOVERNMENTAL
3400	CHARGES FOR SERVICES
3500	FINES & FORFEITURES
3600	MISCELLANEOUS
3999	TRANSFERS IN

CHART OF ACCOUNTS

CODING EXPENSES - EXAMPLES

Coding Number	Fund Number	Fund Name	Expense Dept. No.	Expense Dept. Name	Expense Object No.	Expense Object Name
100-4110-341	100	General	4110	Governing Board	341	Mileage
100-4210-356	100	General	4210	Sheriff Dept	356	Telephone
201-4310-424	201	Road & Bridge	4310	Road Dept	424	Gas & Oil
205-4420-375	205	Veterans Service	4420	Veterans Service	375	Dues
210-4510-415	210	County Agent	4510	County Agent	415	Supplies

FUND	DESCRIPTION
100	GENERAL FUND
200	SPECIAL REVENUE FUNDS
300	DEBT SERVICE FUNDS
400	OTHER FUNDS

EXPENDITURE FUNCTION (DEPARTMENT)	
4100	GENERAL GOVERNMENT
4200	PUBLIC SAFETY
4300	ROAD & BRIDGE
4400	HEALTH & WELFARE
4500	CULTURE & RECREATION
4600	DEBT SERVICE
4800	ECONOMIC DEVELOPMENT
4900	MISCELLANEOUS
4999	TRANSFERS OUT

EXPENDITURE OBJECT	
100	SALARIES & WAGES
200	FRINGE BENEFITS
300	SERVICES
320	INSURANCE
330	RENTALS
340	TRAVEL
350	UTILITIES

EXPENDITURE OBJECT	
370	DUES & MEMBERSHIPS
380	REPAIRS & MAINTENANCE
390	OTHER SERVICES
400	SUPPLIES & MAINTENANCE
600	CAPITAL OUTLAY
700	DEBT SERVICE
800	OTHER CHARGES

POSTING TRANSACTIONS REVENUE

- **Revenues**
 - Post timely, when revenue becomes available
 - Receipts should be numbered in sequential order by date issued
 - Deposits should be made on a regular basis (daily)
 - Depository banks designated by the governing board
 - Depository banks must be member of Federal Reserve system
 - Bank of ND or other financial institution in the State
 - Deposits must be fully insured or bonded
 - In lieu of bond, financial institution may provide pledge of securities equal to 110% of the deposits not covered by FDIC

POSTING TRANSACTIONS EXPENDITURES

- **Expenditures**

- Obtain proper authorization for bills before paying
- Commissioners approve all bills
Exceptions - payroll; utilities, contract payments; scheduled debt
(AG Opinion: 2005-L-25)
- Invoices must include a date, who purchased, the vendor's information, the value of the item or service purchased, what the item was purchased for, and an invoice number. Do not pay from a statement.
- Indicate designated fund(s) on invoice
 - Vouchers
- Vendor invoices and customer receipts should be posted on a timely basis.

FINANCIAL REPORTING

GASB: The Government Accounting Standards Board is a private non-governmental organization that creates accounting reporting standards, or generally accepted accounting principles (GAAP), for state and local governments in the United States.

- GASB 34 - established 3 groups of funds used to prepare financial statements
 - Governmental
 - Proprietary
 - Fiduciary

FUND CLASSIFICATIONS

Governmental Funds

- Most commonly used funds
- Cover most of the functions of county government
- Funds supported by levied property taxes

Proprietary Funds

- Used to report activities financed primarily by revenues generated by the activities themselves

Fiduciary Funds

- Revenues held by the county, belonging to other entities

GOVERNMENTAL FUNDS

- **Governmental Funds**

- *General Fund*

- Accounts for everything not accounted for in another fund

- *Special Revenue Funds*

- Used to account for specific revenue that is limited to being used for a specific purpose

- *Capital Projects Funds*

- Accounts for the construction, rehabilitation, and acquisition of capital assets such as buildings, equipment, and roads. You are not required to account for all capital expenditures in this fund

- *Debt Service Funds*

- Accounts for the repayment of debt

- *Permanent Funds*

- Accounts for resources that cannot be expended, must be held in perpetuity

PROPRIETARY FUNDS

- **Proprietary Funds**

- *Internal Service*

- Used to report activities financed primarily by revenues generated by the activities themselves
 - Health Insurance; Correction/Treatment Center (Pierce)

- *Enterprise Funds*

- Account for activity for which a fee is charged for goods and services
 - Water, Sewer, Garbage



FIDUCIARY FUNDS

- **Fiduciary Funds**

- *Agency Funds*

- Used to account for property taxes collected on behalf of other governments
 - Schools, Cities, Townships, Fire Districts, Health Units, etc.

- *Trust Funds*

- Used to account for resources held in trust for employee benefits
 - Pensions, Deferred Comp, 457 Plans
 - Often administered by outside agencies (NDPERS, Nationwide, etc.)

FUNDS CONTINUED

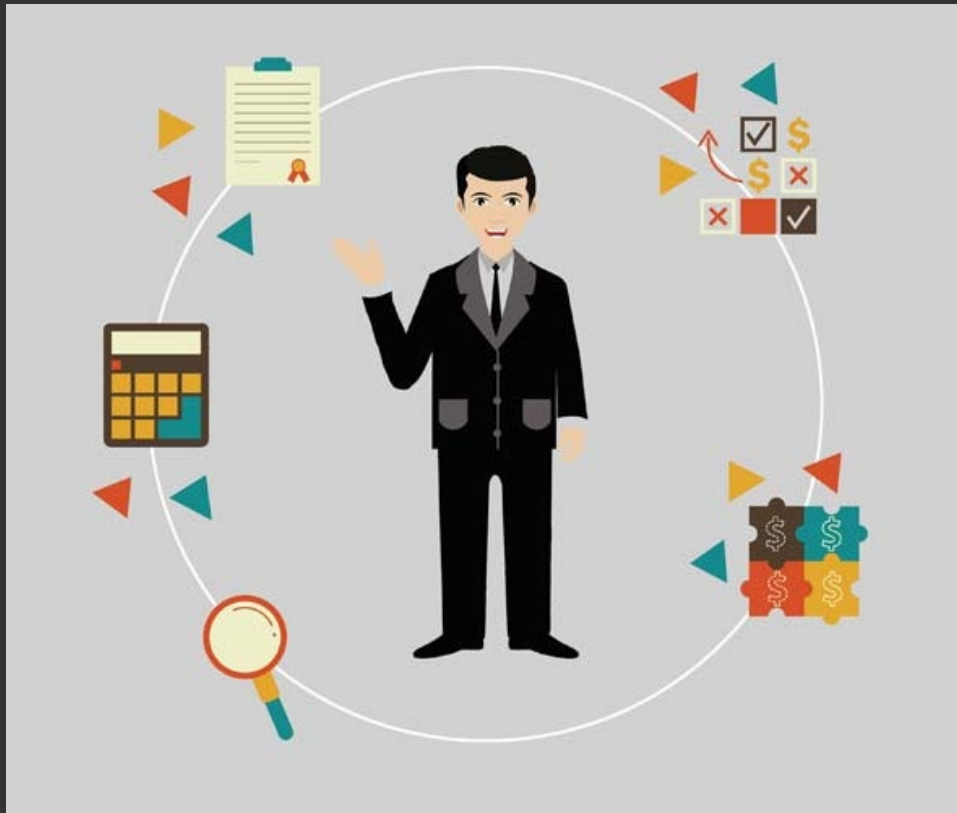
- **Component Units**

- Legally separate organization for which the county commissioners are financially accountable
 - Shown separately on county's financial statements
 - Library, JDA, Water Resource District, Building Authority, Atmospheric Resources, Fair Associations, etc.

*No right or wrong answer for number of funds beyond those required by law

*All funds with levies should have a separate fund for tracking revenue & expenses

FUND BALANCES



Fund balances are classified as follows:

- Non-spendable
- Restricted
- Committed
- Assigned
- Unassigned



FUND BALANCE CLASSIFICATIONS

CLASSIFICATION	DEFINITION	EXAMPLES
Non-spendable	Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.	Inventories, prepaid amounts (expenses), long-term receivables (loans), endowment funds.
Restricted	Fund balance is reported as restricted when constraints are placed on the use of resources that are either (a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments. (b) Imposed by law through constitutional provisions or enabling legislation.	Funds restricted by State Statute, unspent bond proceeds, grants earned but not spent, debt covenants, taxes raised for a specific purpose.
Committed	A committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the governing board. Formal action is required to be taken to establish, modify or rescind a fund balance commitment.	By board action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Assigned	Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes, but are under the direction of the board and the County auditor.	By board action, construction, claims and judgments, retirements of loans and notes payable, capital expenditures and self-insurance.
Unassigned	Unassigned fund balance is the lowest classification for the General Fund. This is fund balance that has not been reported in any other classification. (a) The General Fund is the only fund that can report a positive unassigned fund balance. (b) A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.	Available for any remaining general fund expenditure.

INDEPENDENT AUDIT

- **NDCC 54-10-14. Political Subdivision Audits**
- Minimum – once every 2 years
- Audit conducted by State Auditor or, if approved by the commissioners, by a certified public accountant or licenses public accountant
- State Auditor reviews all audit reports and must accept the audit
 - County shall retain 20% of payment until audit report is accepted by state auditor - NDCC 54-10-14 (5)





AUDIT REPORT FINANCIAL STATEMENTS



Government Wide Financial Statement

Summary of primary county financial activities and component units, except fiduciary activities

Presents program revenues and their direct expenses (fees, grants).

Revenues not classified as program revenues are presented as general revenues



Fund Based Financial Statement

Summary of all county funds and accounts including fiduciary funds

Major Funds (General, Road & Bridge) displayed separately in own column

All other funds are aggregated and shown as nonmajor funds in one column



AUDIT REPORT FINANCIAL STATEMENTS

Statement of Net Position

- What the county would have left over after satisfying liabilities

Statement of Activities

- Reflects changes by county function

BURLEIGH COUNTY
Statement of Activities
For the Year Ended December 31, 2021

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 Board
Primary Government						
Governmental Activities						
General Government	\$ 8,016,998	\$ 1,869,308	\$ 1,625,846	\$ -	\$ (4,521,844)	\$ -
Public Safety	21,493,678	6,156,592	156,104	-	(15,180,982)	-
Highways and Bridges	9,928,254	2,301,969	6,544,888	4,623,213	3,541,816	-
Health and Welfare	7,809,081	27,476	6,877,696	-	(903,909)	-
Culture and Recreation	929,156	-	-	-	(929,156)	-
Conservation and Economic Development	848,526	142,905	-	-	(705,621)	-
Other	1,428,949	-	2,720	-	(1,426,229)	-
Interest on Long Term Debt	1,322,248	-	-	-	(1,322,248)	-
Total Primary Government	\$ 51,776,890	\$ 10,496,250	\$ 15,207,254	\$ 4,623,213	\$ (21,448,173)	\$ -
Component Unit						
Water Resource District	\$ 877,344	\$ -	\$ 103,804	\$ 47,948	\$ -	\$ (725,592)
General Revenues						
Property taxes				\$ 17,375,138	\$ 879,915	
Sales taxes				10,795,572	-	
Non restricted grants and contributions				4,850,327	6,287	
Interest Income				112,337	271	
Gain (Loss) on Sale of Assets				(117,818)	-	
Miscellaneous revenues				1,039,806	38,431	
Total General Revenues				\$ 34,055,362	\$ 924,904	
Change in Net Position				\$ 12,607,189	\$ 199,312	
Net Position - January 1				\$ 116,836,089	\$ 8,816,827	
Prior Period Adjustments				\$ 66,820	120,054	
Net Position - January 1, as restated				\$ 116,902,909	\$ 8,936,881	
Net Position - December 31				\$ 129,510,098	\$ 9,136,193	

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

STATEMENT OF NET POSITION

WALSH COUNTY
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Primary Government	Component Units
Primary Government						
Governmental Activities						
General Government	\$ 2,481,107	\$ 108,707	\$ -	\$ -	\$ (2,372,400)	
Public Safety	2,357,705	600,104	256,140	-	(1,501,461)	
Highways	4,816,724	3,913	1,025,108	2,880,170	(907,533)	
Flood Repair	307,337	-	984,654	-	677,317	
Health and Welfare	67,896	69,585	-	-	1,689	
Culture and Recreation	121,133	755	-	-	(120,378)	
Conserv. of Natural Resources	406,015	-	13,141	-	(392,874)	
Interest on Long-Term Debt	11,860	-	-	-	(11,860)	
Total Primary Government	\$ 10,569,777	\$ 783,064	\$ 2,279,043	\$ 2,880,170	\$ (4,627,500)	
Component Units	\$ 3,365,177	\$ 441,258	\$ 1,551,405	\$ 1,387,227		\$ 14,713
General Revenues						
Property Taxes					\$ 5,898,267	\$ 545,120
Non Restricted Grants and Contributions					1,012,308	41,519
Unrestricted Investment Earnings					25,540	25,891
Gain (loss) on Sale of Capital Assets					(31,151)	-
Miscellaneous Revenue					365,419	7,969
Total General Revenues					\$ 7,270,383	\$ 620,499
Change in Net Position					\$ 2,642,883	\$ 635,212
Net Position - January 1					\$ 26,710,046	\$13,934,858
Prior Period Adjustments					\$ 171,080	\$ -
Net Position - January 1, as restated					\$ 26,881,126	\$13,934,858
Net Position - December 31					\$ 29,524,009	\$14,570,070

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

STATEMENT OF ACTIVITIES



AUDIT REPORT FINANCIAL STATEMENTS

Balance Sheet Governmental Funds

- Balance between the county's assets and liabilities & fund balances
- Fund Balances - reported as "reserved" and "unreserved"
- "Reserved" - resources that cannot be spent (inventory, reserved for specific purpose)
- "Unreserved" – available to be used for the purpose of the fund they are reported in

Balance Sheet Reconciliation

- Explains the differences in scope and accounting bases between fund balances and total government activities

Statement of Revenue & Expenditures and Changes in Fund Balance - Governmental Funds

- Governmental Funds income statement
- Tracks flows of resources in & out (revenues & expenditures)

Income Statement Reconciliation

- Explains the differences in scope and accounting bases between the activity statement and income statement

STARK COUNTY

Balance Sheet – Governmental Funds

December 31, 2021

	General	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 25,984,336	\$ 10,681,515	\$ 2,133,824	\$ 38,799,675
Intergovernmental Receivable	497,251	398,138	-	895,389
Accounts Receivable	99,122	176,907	-	276,029
Interest Receivable	6,358	-	-	6,358
Taxes Receivable	117,669	89,367	-	207,036
Total Assets	\$ 26,704,736	\$ 11,345,927	\$ 2,133,824	\$ 40,184,487
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 653,592	\$ 516,874	\$ 98,105	\$ 1,268,571
Salaries Payable	179,739	79,455	-	259,194
Retainage Payable	-	14,876	-	14,876
Payroll Liabilities	116,749	-	-	116,749
Total Liabilities	\$ 950,080	\$ 611,205	\$ 98,105	\$ 1,659,390
Deferred Inflows Of Resources				
Taxes Received in Advance	\$ 1,571,570	\$ 1,407,337	-	2,978,907
Taxes Receivable	117,669	89,367	-	207,036
Grants Received in Advance	1,675,185	-	-	1,675,185
Total Deferred Inflows of Resources	\$ 3,364,424	\$ 1,496,704	-	\$ 4,861,128
Total Liabilities and Deferred Inflows of Resources	\$ 4,314,504	\$ 2,107,909	\$ 98,105	\$ 6,520,518
Fund Balances				
Restricted				
Public Safety	\$ -	\$ 2,648,640	\$ -	\$ 2,648,640
Highways & Bridges	-	3,371,275	-	3,371,275
Health & Welfare	-	884,747	-	884,747
Conservation of Natural Resources	-	1,789,363	-	1,789,363
Emergencies	-	533,744	-	533,744
Economic Development	-	9,645	-	9,645
Capital Projects	-	-	2,035,719	2,035,719
Other Purposes/General Government	-	604	-	604
Unassigned				
General Fund	22,390,232	-	-	22,390,232
Total Fund Balances	\$ 22,390,232	\$ 9,238,018	\$ 2,035,719	\$ 33,663,969
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 26,704,736	\$ 11,345,927	\$ 2,133,824	\$ 40,184,487

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

BALANCE SHEET

MORTON COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
For the Year Ended December 31, 2021

	Major Funds			Other	Total
	General	Special Revenue Fund	Debt Service Fund	Governmental Fund	Governmental Funds
REVENUES					
Property Taxes	\$ 7,188,522	\$ 3,054,263	\$ -	\$ -	\$ 10,242,785
Sales Taxes	-	-	2,085,433	-	2,085,433
Special Assessments	-	-	110,672	-	110,672
Intergovernmental Revenues	2,750,601	7,381,042	1,881	101,112	10,234,636
Charges for Services	582,079	1,409,599	-	-	1,991,678
Licenses, Permits, & Fees	95,850	24,593	-	-	120,443
Interest Income	94,352	-	-	-	94,352
Miscellaneous Revenues	461,702	88,186	10,485	-	560,373
Total Revenues	\$ 11,173,106	\$ 11,957,683	\$ 2,208,471	\$ 101,112	\$ 25,440,372
EXPENDITURES					
Current					
General Government	\$ 3,678,816	\$ 236,935	\$ -	\$ 89,000	\$ 4,004,751
Public Safety	6,192,828	872,706	-	-	7,065,534
Highways & Public Improvements	-	6,100,437	825,204	-	6,925,641
Health and Welfare	-	3,847,926	-	-	3,847,926
Culture and Recreation	-	577,957	-	-	577,957
Conserv. of Natural Resources	104,800	470,286	-	-	575,086
Economic Development	-	127,035	-	-	127,035
Capital Outlay	-	262,483	-	46,732	309,215
Debt Service	-	-	-	-	-
Principal	-	54,000	1,040,524	-	1,094,524
Interest and Service Charge	-	3,004	237,993	-	240,997
Total Expenditures	\$ 9,978,444	\$ 12,552,769	\$ 2,103,721	\$ 135,732	\$ 24,768,666
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,196,662	\$ (595,086)	\$ 104,750	\$ (34,620)	\$ 671,706
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	\$ -	\$ -	\$ 822,191	\$ -	\$ 822,191
Proceeds from Sale of Capital Assets	-	24,770	-	-	24,770
Transfers In	-	3,579,729	208,543	80,000	3,888,272
Transfers Out	(518,729)	(3,141,000)	(208,543)	-	(3,868,272)
Total Other Financing Sources (Uses)	\$ (518,729)	\$ 463,499	\$ 822,191	\$ 80,000	\$ 846,961
Net Change in Fund Balances	\$ 677,933	\$ (131,587)	\$ 926,941	\$ 45,380	\$ 1,518,667
Fund Balance - January 1	\$ 5,322,693	\$ 8,987,512	\$ 2,726,934	\$ 434,093	\$ 17,471,232
Fund Balance - December 31	\$ 6,000,626	\$ 8,855,925	\$ 3,653,875	\$ 479,473	\$ 18,989,899

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

REVENUE EXPENDITURES & FUND BALANCES



AUDIT REPORT FINANCIAL STATEMENTS

Budget Comparison

- Compares the difference between the budgeted revenues & expenditures and the actual amounts for the year

Pension & Other Post-employment Benefits Liability Schedule

- Shows county's liability for employee pension and other benefits

PEMBINA COUNTY
 Budgetary Comparison Schedule –General Fund
 For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	\$ 3,269,188	\$ 3,269,188	\$ 3,238,384	\$ (30,804)
Intergovernmental	570,385	570,385	751,729	181,344
Charges for Services	594,478	594,478	617,542	23,064
Licenses, Permits and Fees	4,550	4,550	3,145	(1,405)
Interest Income	30,000	30,000	41,485	11,485
Miscellaneous	207,200	207,200	372,106	164,906
Total Revenues	\$ 4,675,801	\$ 4,675,801	\$ 5,024,391	\$ 348,590
EXPENDITURES				
Current				
General Government	\$ 3,008,856	\$ 3,092,471	\$ 2,611,904	\$ 480,567
Public Safety	1,566,424	1,687,746	1,624,946	62,800
Health and Welfare	373,790	404,730	378,463	26,267
Economic Development	23,200	23,200	23,000	200
Total Expenditures	\$ 4,972,270	\$ 5,208,147	\$ 4,638,313	\$ 569,834
Excess (Deficiency) of Revenues Over Expenditures	\$ (296,469)	\$ (532,346)	\$ 386,078	\$ 918,424
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ 52,811	\$ 52,811
Transfers Out	(30,000)	(30,000)	(72,811)	(42,811)
Sale of Capital Assets	-	-	1,953	1,953
Total Other Financing Sources (Uses)	\$ (30,000)	\$ (30,000)	\$ (18,047)	\$ 11,953
Net Change in Fund Balances	\$ (326,469)	\$ (562,346)	\$ 368,031	\$ 930,377
Fund Balances - January 1	\$ 2,685,254	\$ 2,685,254	\$ 2,685,254	\$ -
Fund Balances - December 31	\$ 2,358,785	\$ 2,122,908	\$ 3,053,285	\$ 930,377

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

BUDGET COMPARISON



PEMBINA COUNTY

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

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

Primary Government	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
2021	0.210474%	\$ 2,193,774	\$ 2,383,391	92.04%	78.26%
2020	0.209452%	6,589,414	2,310,516	285.19%	48.91%
2019	0.274380%	3,215,932	2,854,021	112.68%	71.66%
2018	0.282429%	4,766,291	2,901,440	164.27%	62.80%
2017	0.277074%	4,453,494	2,828,490	157.45%	61.98%
2016	0.274259%	2,672,926	2,763,888	96.71%	70.46%
2015	0.283066%	1,924,801	2,521,772	76.33%	77.15%
2014	0.285196%	1,810,202	2,402,441	75.35%	77.70%

Water Resource District	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
2021	0.004898%	\$ 51,050	\$ 55,463	92.04%	78.26%
2020	0.004602%	144,771	50,763	285.19%	48.91%
2019	0.004525%	53,036	47,067	112.68%	71.66%
2018	0.006283%	106,039	64,551	164.27%	62.80%
2017	0.006349%	102,044	64,810	157.45%	61.98%
2016	0.004177%	40,704	42,090	96.71%	70.46%
2015	0.003961%	26,934	35,287	76.33%	77.15%
2014	0.003991%	25,330	33,618	75.35%	77.70%

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

PENSION & OPEB SCHEDULE



AUDIT REPORT FINANCIAL STATEMENTS

Schedule of Fund Activity

- Tracks the receipts, disbursements, and in/out transfers for each fund
- Provides an end of year fund balance for each fund

Schedule of Findings

- List of audit findings that indicate nonconformity with audit criteria
- Provides condition found and recommended action to be taken
- Provides county response to finding and planned action
- Provides opportunity for improvement in procedures and processes

Findings – Financial Statement Audit

2016-A Segregation of Duties – Significant Deficiency

Condition - The County and various departments have a lack of segregation of duties in certain areas over the cash receipt process due to one employee being able to handle a transaction from inception to completion.

Criteria - A good system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Cause – The County and various departments have limited staff to be able to adequately segregate duties.

Effect - Inadequate segregation of duties could adversely affect the County's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned function.

Recommendation – While we recognize that your office staff may not be large enough to permit complete segregation of duties in all respects for an effective system of internal control, all accounting functions should be reviewed to determine if additional segregation is feasible and to improve efficiency and effectiveness of financial management of the County.

Views of Responsible Officials – Management agrees with the finding.

2016-B Preparation of Financial Statements – Significant Deficiency

Condition – With the switch to modified cash basis of accounting it is believed that Mountrail County could prepare the financial statements without any material misstatements. However, there is still a risk over preparation of the financial statements because of the likelihood that the County would not be able to prepare all of the accompanying notes to the financial statements without the assistance of auditors.

Criteria – A good system of internal accounting control contemplates an adequate system for the preparation of the financial statements.

Cause – The County has not trained staff in GASB reporting standards.

Effect – With the switch to modified cash basis of accounting it is believed that Mountrail County could prepare the financial statements without any material misstatements. However, it is still considered a finding because of the likelihood that the County would not be able to prepare all of the accompanying notes to the financial statements without the assistance of auditors.

Recommendation – The circumstance is not unusual in an organization of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

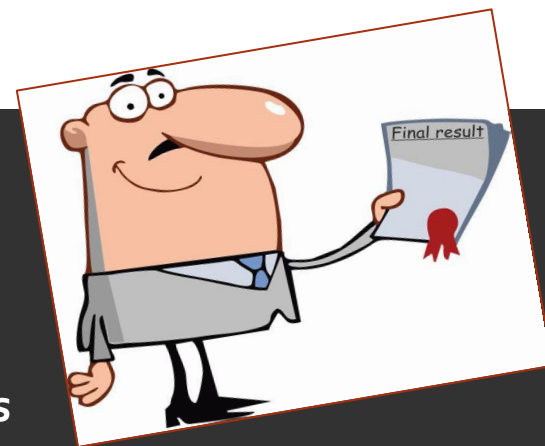
Views of Responsible Officials – Management agrees with the finding.

SCHEDULE OF FINDINGS

AUDIT FINDINGS

- **Common Audit Findings:**

- Lack of internal controls and segregation of duties
- Lack of trained staff to prepare financial statements
- Some counties do not have the staff or expertise to implement adequate internal controls or to prepare the required financial statements
- Cost prohibitive
- Counties should make every effort to segregate the duties related to journal entries, receipting, deposits, and reconciliations
- Independent auditors prepare the financial statements and note disclosures



QUESTIONS??



Presented by:
Linda Svihovec
ND Association of Counties
(701) 328-7317
Linda.Svihovec@ndaco.org