



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

2021 Annual Financial Report of **City of Ross**



TABLE OF CONTENTS

INTRODUCTION

Basic Review Summary 1

REPORT

Annual Financial Report..... 2

Long-Term Debt Table 3







Comments..... 4



HAVE QUESTIONS? ASK US.

**NORTH DAKOTA STATE
AUDITOR’S OFFICE**

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

-  701-328-2241
-  NDSAO@nd.gov
-  ND.gov/Auditor
-  Facebook.com/NDStateAuditor
-  Linkedin.com/company/NDStateAuditor
-  Youtube.com/@NDStateAuditor



OFFICE OF GOOD GOVERNMENT

Free resources and support for local
governments across North Dakota.

-  ND.gov/Auditor/Office-Good-Government



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Capitol
600 E. Boulevard Ave. Dept. 117
Bismarck, ND 58505

www.nd.gov/auditor

ndsao@nd.gov

Basic Review Summary

We have reviewed the cash basis Annual Financial Report for the City of Ross for the year ended 2021. This review was done under the authority of North Dakota Century Code 54-10-14. These reviews are limited in scope and are not completed under the Auditing or Attestation standards issued by the American Institute of Certified Public Accountants.

This review was limited to verifying the following:

- Fund balances submitted on the Annual Financial Report agreed to the balances held at the bank.
- Long-term debt reported agrees to debt statements.
- Required fund breakouts are reported.

During the basic review, we identified that bank balances didn't agree to total balances reported on the Annual Financial Report.

Additional procedures for the bank balances were completed. We received a listing of outstanding checks and deposits at the year end. These were verified with accounting records to ensure they were an outstanding item that would impact the Annual Financial Report. There were additional differences identified.

We determined the total amount of revenue and expenditures from bank records. We performed a comparison between the bank records and the accounting records and identified the transactions that were not recorded to the accounting ledger. Finally, we reviewed the support for those transactions to ensure nothing appeared unusual.

Any comments from either the Basic Review or Extended Review are included at the back of the report.

North Dakota State Auditor's Office
Bismarck, North Dakota
May 14, 2025



	Special			
	General Fund	Revenue Fund	Enterprise Fund	Total Funds
Receipts				
General Property Taxes	\$ 63,794.26	\$ -	\$ -	\$ 63,794.26
Oil And Gas Taxes	179,290.40	-	-	179,290.40
Highway Taxes	7,628.31	-	-	7,628.31
All Other Taxes	<u>220.40</u>	<u>-</u>	<u>-</u>	<u>220.40</u>
Total Taxes	<u>250,933.37</u>	<u>-</u>	<u>-</u>	<u>250,933.37</u>
Licenses And Permits	3,189.00	-	-	3,189.00
Fees	<u>4,299.96</u>	<u>-</u>	<u>-</u>	<u>4,299.96</u>
Total Licenses And Permits, And Fees	<u>7,488.96</u>	<u>-</u>	<u>-</u>	<u>7,488.96</u>
State Aid Distribution	<u>10,404.81</u>	<u>-</u>	<u>-</u>	<u>10,404.81</u>
Total Intergovernmental	<u>10,404.81</u>	<u>-</u>	<u>-</u>	<u>10,404.81</u>
Municipal Utilities	-	-	94,869.11	94,869.11
Other	<u>32,134.00</u>	<u>-</u>	<u>-</u>	<u>32,134.00</u>
Total Service Revenue	<u>32,134.00</u>	<u>-</u>	<u>94,869.11</u>	<u>127,003.11</u>
Interest And Dividends	1,427.70	-	2.93	1,430.63
Charitable Gaming And Fundraising	58,161.00	21,968.00	-	80,129.00
Fines, Forfeits, And Penalties	1,283.61	-	-	1,283.61
All Other Miscellaneous Receipts	<u>23,229.93</u>	<u>-</u>	<u>-</u>	<u>23,229.93</u>
Total Miscellaneous Receipts	<u>84,102.24</u>	<u>21,968.00</u>	<u>2.93</u>	<u>106,073.17</u>
Total Receipts	<u>\$ 385,063.38</u>	<u>\$ 21,968.00</u>	<u>\$ 94,872.04</u>	<u>\$501,903.42</u>
Disbursements				
Payroll And Benefits	\$ 34,295.47	\$ -	\$ 26,187.22	\$ 60,482.69
Insurance	2,070.00	-	-	2,070.00
Utilities	20,677.09	-	1,652.17	22,329.26
Other Operating	<u>13,100.85</u>	<u>-</u>	<u>-</u>	<u>13,100.85</u>
Total Personnel And Administrative	<u>70,143.41</u>	<u>-</u>	<u>27,839.39</u>	<u>97,982.80</u>
Infrastructure	93,267.24	-	-	93,267.24
Repairs And Maintenance	<u>90,841.44</u>	<u>-</u>	<u>948.78</u>	<u>91,790.22</u>
Total Capital And Infrastructure	<u>184,108.68</u>	<u>-</u>	<u>948.78</u>	<u>185,057.46</u>
Debt Payments	<u>63,505.00</u>	<u>-</u>	<u>-</u>	<u>63,505.00</u>
Total Debt	<u>63,505.00</u>	<u>-</u>	<u>-</u>	<u>63,505.00</u>
Municipal Utilities	-	-	<u>69,141.45</u>	<u>69,141.45</u>
Total Cost Of Service Revenue	<u>-</u>	<u>-</u>	<u>69,141.45</u>	<u>69,141.45</u>
Culture And Recreation	-	<u>17,724.00</u>	<u>-</u>	<u>17,724.00</u>
Total Functional	<u>-</u>	<u>17,724.00</u>	<u>-</u>	<u>17,724.00</u>
Charitable Gaming And Fundraising	<u>58,661.00</u>	<u>-</u>	<u>-</u>	<u>58,661.00</u>
Total Miscellaneous	<u>58,661.00</u>	<u>-</u>	<u>-</u>	<u>58,661.00</u>
Total Disbursements	<u>\$ 376,418.09</u>	<u>\$ 17,724.00</u>	<u>\$ 97,929.62</u>	<u>\$492,071.71</u>
Transfers In	\$ -	\$ -	\$ 56,877.41	\$ 56,877.41
Transfers Out	<u>56,877.41</u>	<u>-</u>	<u>-</u>	<u>56,877.41</u>
Total Transfers	<u>(56,877.41)</u>	<u>-</u>	<u>56,877.41</u>	<u>-</u>
Beginning Fund Balance	\$ 257,794.58	\$ 24,793.16	\$ 48,030.96	\$330,618.70
Current Year Activity	<u>8,645.29</u>	<u>4,244.00</u>	<u>(3,057.58)</u>	<u>9,831.71</u>
Adjustment To Fund Balance (Sao Use)	(487.83)	-	-	(487.83)
Ending Fund Balance	<u>\$ 209,074.63</u>	<u>\$ 29,037.16</u>	<u>\$ 101,850.79</u>	<u>\$339,962.58</u>



Long-Term Debt Table

Long-Term Debt					Total	698,000.00
Type	Bank/Institution	Purpose of Debt	Maturity Date	Original Amount	Balance Amount	
Loans Payable	North Dakota Public Finance Authority	Water Connection	9/1/2032	1,740,267.00	485,000.00	
Loans Payable	North Dakota Public Finance Authority	Water Expansion	9/1/2047	947,758.00	213,000.00	



Comments Letter

Highway Tax Dollars - Not in its own Fund (2021)

During review of the annual financial report, a total of \$7,628.31 in Highway tax revenue was received and deposited into the General Fund.

North Dakota Century Code 54-27-19(5) requires all highway tax funds to be deposited into a separate fund by cities.

Suggested Change:

The entity should track revenues and expenditures related to highway tax revenue in a Highway Tax Fund.

Inaccurate Reporting of Revenues and Expenditures (2021)

It is noted that the annual report submitted for the entity does not tie to the bank statements at the end of the year, nor are revenues or expenditures recorded accurately.

Suggested Change:

Adjustments were made to the annual financial report to reflect the missing revenues and/or expenditures. The entity should record all revenues and expenditures throughout the year to ensure the accuracy of the annual financial report.

Charitable Gaming or Fundraising Expenditures were Reported (2021)

A total of \$58,661 was reported as Charitable Gaming and Fundraising disbursements.

ND Constitution Article X, Section 18 states that government funds can only be used to pay for things that are essential for operating the government entity.

Suggested Change:

The entity should create a separate unincorporated entity for charitable gaming or fundraising revenues and expenditures.



Office of the
State Auditor

NORTH DAKOTA STATE AUDITOR
JOSHUA C. GALLION

NORTH DAKOTA STATE AUDITOR'S OFFICE

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

 [ND.gov/Auditor](https://nd.gov/Auditor)

 NDSAO@nd.gov

 701-328-2241

 Facebook.com/NDStateAuditor

 YouTube.com/@NDStateAuditor

 Linkedin.com/company/NDStateAuditor