



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

2023 Annual Financial Report of **City of Conway**



TABLE OF CONTENTS

INTRODUCTION

Basic Review Summary 1

REPORT

Annual Financial Report 2

Comments 3

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 Conway for the year ended 2022. 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
July 10, 2025



	<u>General Fund</u>	<u>Total Funds</u>
Receipts		
Highway Taxes	\$ 1,184.44	\$ 1,184.44
All Other Taxes	<u>26.23</u>	<u>26.23</u>
Total Taxes	<u>1,210.67</u>	<u>1,210.67</u>
 Grants From State Government	1,983.34	1,983.34
State Aid Distribution	<u>1,365.51</u>	<u>1,365.51</u>
Total Intergovernmental	<u>3,348.85</u>	<u>3,348.85</u>
 All Other Miscellaneous Receipts	<u>35.48</u>	<u>35.48</u>
Total Miscellaneous Receipts	<u>35.48</u>	<u>35.48</u>
 Total Receipts	<u>\$ 4,595.00</u>	<u>\$ 4,595.00</u>
 Disbursements		
Payroll And Benefits	\$ 2,235.39	\$ 2,235.39
Other Operating	<u>24.00</u>	<u>24.00</u>
Total Personnel And Administrative	<u>2,259.39</u>	<u>2,259.39</u>
 Repairs And Maintenance	<u>691.38</u>	<u>691.38</u>
Total Capital And Infrastructure	<u>691.38</u>	<u>691.38</u>
 Total Disbursements	<u>\$ 2,950.77</u>	<u>\$ 2,950.77</u>
 Beginning Fund Balance	\$ 3,300.12	\$ 3,300.12
Current Year Activity	<u>1,644.23</u>	<u>1,644.23</u>
 Ending Fund Balance	<u>\$ 4,944.35</u>	<u>\$ 4,944.35</u>



Comments Letter

Highway Tax Dollars - Not in its own Fund (2023)

During review of the annual financial report, a total of \$903.58 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.

Municipal Infrastructure Fund - Not in its own Fund (2023)

During review of the annual financial report, the entity received Municipal Infrastructure Funds, also known as Prairie Dog funds, and did no record them in a Capital Projects Fund.

HB 1066 from the 66th Legislative Assembly during the 2019 Legislative Session allocated Prairie Dog Funds for "essential infrastructure projects". "Essential infrastructure projects" are defined as capital construction projects to construct new infrastructure or to replace existing infrastructure, which provide the fixed installations necessary for the function of a city.

GASB 54 state capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

Suggested Change:

The entity should track revenues and expenditures related to the Municipal Infrastructure Funds in a Capital Project Fund.



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