



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

Cass County

Fargo, North Dakota

Governance Communication and Additional Reports
for the Year Ended December 31, 2024

Client Code: PS9000



Photo credit: North Dakota Tourism



Office of the
State Auditor

CASS COUNTY

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Current Officials

Commissioners:	Tony Grindberg, Chairman Tim Flakoll Jim Kapitan Duane Breitling Joel Vettel
Administrator:	Robert Wilson
Finance Director:	Brandy Madrigga
Sheriff:	Jesse Jahner
Recorder:	Deborah Moeller
States Attorney:	Kim Hegvik

2024 Officials

Commissioners:	Chad M. Peterson, Chairman Tony Grindberg Jim Kapitan Duane Breitling Mary Scherling
Administrator:	Robert Wilson
Finance Director:	Brandy Madrigga
Sheriff:	Jesse Jahner
Recorder:	Deborah Moeller
States Attorney:	Kim Hegvik

CASS COUNTYSchedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

ALN Number	Program Title	Grantor's Number	Expenditures
U.S. DEPARTMENT OF THE TREASURY			
<u>Passed through the North Dakota Office of State Treasurer</u>			
<u>Direct Assistance</u>			
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	N/A	\$ 13,743,168
<u>Passed Through State Department of Corrections and Rehabilitations</u>			
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	N/A	340
<u>Passed Through State Information Technology Department</u>			
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	N/A	16,500
Total U.S. Department of the Treasury			<u>13,760,008</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed through the State Department of Human Services</u>			
93.590	Community-Based Child Abuse Prevention		<u>9,730</u>
Medicaid Cluster			
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare		<u>70</u>
	Total Medicaid Cluster		<u>70</u>
Aging Cluster			
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	S091/S096	357,247
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services		<u>30</u>
	Total Aging Cluster		<u>357,277</u>
Total U.S. Department of Health and Human Services			<u>367,077</u>
U.S. DEPARTMENT OF JUSTICE			
<u>Direct Assistance</u>			
16.738	Edward Byrne Memorial Justice Assistance Grant	N/A	<u>35,831</u>
Total U.S. Department of Justice			<u>35,831</u>
U.S. DEPARTMENT OF LABOR			
<u>Passed Through State Department of Labor</u>			
17.225	Unemployment Insurance	N/A	<u>4,827</u>
Total U.S. Department of Labor			<u>4,827</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<u>Passed Through State Department of Transportation</u>			
Highway Safety Cluster			
20.600	State and Community Highway Safety	HSPSC2007	<u>127,955</u>
	Total Highway Safety Cluster		<u>127,955</u>
Total U.S. Department of Transportation			<u>127,955</u>
U.S. DEPARTMENT OF ENERGY			
<u>Direct Assistance</u>			
81.128	Energy Efficiency and Conservation Block Grant	N/A	<u>75,660</u>
Total U.S. Department of Energy			<u>75,660</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<u>Passed through the State Department of Emergency Services</u>			
97.137	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	FY22 CYBER	51,724
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DR4760	45,563
97.036	COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DR4444	39,817
97.042	Emergency Management Performance Grants	EMPG2020/2021	<u>52,818</u>
Total U.S. Department of Homeland Security			<u>189,922</u>
Total Expenditures of Federal Awards			<u>\$ 14,561,280</u>
See notes to the Schedule of Expenditures of Federal Awards			

CASS COUNTY

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

NOTE 1 BASIS OF PRESENTATION / ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2024. The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County. Expenditures represent only the federally funded portions of the program. County records should be consulted to determine amounts expended or matched from non-federal sources.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Governmental fund types account for the County's federal grant activity. The County's summary of significant accounting policies is presented in Note 1 in the County's basic financial statements.

NOTE 3 PASS-THROUGH GRANT NUMBER

For federal programs marked "N/A", the County was unable to obtain a pass-through grant number.

NOTE 4 INDIRECT COST RATE

The County does not draw for indirect administrative expenses and has not elected to use the 10% de minimis cost rate

STATE AUDITOR
Joshua C. Gallion



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Board of County Commissioners
Cass County
Fargo, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Cass County's basic financial statements, and have issued our report thereon dated June 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cass County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cass County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cass County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying *schedule of audit findings and questioned costs* as items 2024-001, 2024-002, and 2024-003 that we consider to be material weaknesses.

CASS COUNTY

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* - Continued

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cass County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Cass County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Cass County's response to the findings identified in our audit and described in the accompanying *schedule of audit findings and questioned costs*. The Cass County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
June 30, 2025

STATE AUDITOR
Joshua C. Gallion



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of County Commissioners
Cass County
Fargo, North Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cass County's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Cass County's major federal programs for the year ended December 31, 2024. Cass County's major federal programs are identified in the summary of auditor's results section of the accompanying *schedule of audit findings and questioned costs*.

In our opinion, Cass County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards (Government Auditing Standards) issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cass County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cass County's compliance with the compliance requirements referred to above.

Responsibilities of Management's for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cass County's federal programs.

CASS COUNTY

Report on Compliance for Each Major Federal Programs; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards - Continued

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cass County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cass County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, 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 Cass County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Cass County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cass County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

CASS COUNTY**Report on Compliance for Each Major Federal Programs; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards - Continued**

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 Cass County as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Cass County's basic financial statements. We issued our report thereon dated June 30, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
June 30, 2025

CASS COUNTY

Summary of Auditor's Results
For the Year Ended December 31, 2024

Financial Statements

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

Internal control over financial reporting

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

Federal AwardsInternal Control Over Major Programs

Material weaknesses identified?	<u> </u>	Yes	<u> X </u>	None noted
Significant deficiencies identified?	<u> </u>	Yes	<u> X </u>	None noted
Type of auditor's report issued on compliance for major programs:				Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR §200.516 (Uniform Guidance) requirements?	<u> </u>	Yes	<u> X </u>	None noted

Identification of Major Programs

ALN Number	Name of Federal Program or Cluster
ALN 21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and B programs:	<u> \$ 750,000 </u>
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

CASS COUNTY

Schedule of Audit Findings and Questioned Costs

For the Year Ended December 31, 2024

SECTION I – FINANCIAL STATEMENT FINDINGS

2024-001 – AUDIT ADJUSTMENTS – CASS COUNTY – MATERIAL WEAKNESS**Condition**

During the audit of Cass County, we proposed adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements.

Effect

There is an increased risk of material misstatement to Cass County's financial statements even through the errors were corrected by management during the audit.

Cause

Cass County may not have procedures in place to ensure the financial statements are complete and accurate.

Criteria

Cass County is responsible to ensure the financial statements are reliable, free of material misstatements, and in accordance with GAAP.

Repeat Finding

No.

Recommendation

We recommend Cass County review its procedures for the preparation of the financial statements to ensure the financial statements are complete and accurate in accordance with GAAP.

Cass County's Response

See Corrective Action Plan

2024-002 – LACK OF SEGREGATION OF DUTIES – SOUTHEAST CASS WRD – MATERIAL WEAKNESS

Condition

Southeast Cass Water Resource District has limited staff responsible for the primary accounting functions. A lack of segregation of duties exists as limited personnel are responsible to collect and deposit monies, issue checks, send checks to vendors, record receipts and disbursements in journals, maintain the general ledger, and perform bank reconciliations.

Effect

The lack of segregation of duties increases the risk of material misstatement to Southeast Cass Water Resource District's financial statements, whether due to error or fraud.

Cause

Management has chosen to allocate its economic resources to other functions of Southeast Cass Water Resource District.

Criteria

According to the COSO framework, proper internal control surrounding custody of assets, the recording of transactions, reconciling bank accounts and preparation of financial statements dictates that there should be sufficient accounting personnel, so duties of employees are properly segregated. The segregation of duties would provide better control over the assets of the Southeast Cass Water Resource District.

Repeat Finding

Yes.

Recommendation

To mitigate the risk associated with this lack of segregation of duties, we recommend the following:

- Financial statements and credit memos, payroll registers should be reviewed, analyzed, and spot-checked by a responsible official.
- Where possible, segregate the functions of approval, posting, custody of assets, and reconciliation as they relate to any amounts which impact the financial statements.

Southeast Cass Water Resource District's Response

See Corrective Action Plan

CASS COUNTY**Schedule of Audit Findings and Questioned Costs – Continued**

2024-003 – AUDIT ADJUSTMENTS – SOUTHEAST CASS WRD – MATERIAL WEAKNESS**Condition**

During the audit of Southeast Cass Water Resource District, we proposed adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements.

Effect

There is an increased risk of material misstatement to Southeast Cass Water Resource District's financial statements even through the errors were corrected by management during the audit.

Cause

Southeast Cass Water Resource District may not have procedures in place to ensure the financial statements are complete and accurate.

Criteria

Southeast Cass Water Resource District is responsible to ensure the financial statements are reliable, free of material misstatements, and in accordance with GAAP.

Repeat Finding

Yes.

Recommendation

We recommend Southeast Cass Water Resource District review its procedures for the preparation of the financial statements to ensure the financial statements are complete and accurate in accordance with GAAP.

Southeast Cass Water Resource District's Response

See Corrective Action Plan

SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

CASS COUNTY

Management's Corrective Action Plan – County
For the Year Ended December 31, 2024

**Finance Office**

Telephone: 701-241-5600

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SMB-FIN@casscountynd.gov

Date: June 13, 2025
To: Joshua C. Gallion, ND State Auditor
From: Sarah Heinle, Accounting Manager & Brandy Madriga, Finance Director
RE: Cass County – FY2024 Management's Response

Contact Person Responsible for Corrective Action Plan: Sarah Heinle, Accounting Manager & Brandy Madriga, Finance Director

Section I – Financial Statement Findings:

2024-001 AUDIT ADJUSTMENTS – CASS COUNTY – MATERIAL WEAKNESS**Condition:**

During the audit of Cass County, we proposed adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements.

Management's Response:

We agree. Additional staff have been added, and training is underway to allow the accountants to conduct more of the preparation of the ACFR and schedules, freeing the Accounting Manager to provide a thorough review before submitting it to the Finance Director for review.

Anticipated Completion Date:

Fiscal Year 2025

CASS COUNTY

Management's Corrective Action Plan – Southeast Cass WRD
For the Year Ended December 31, 2024



Southeast Cass Water Resource District

Keith Weston
Chairman
Fargo, North Dakota

Dave Branson
Manager
Fargo, North Dakota

Rick Steen
Manager
Fargo, North Dakota

Date: June 17, 2025
To: Joshua C. Gallion, ND State Auditor
From: Melissa Hinkemeyer, Director & Secretary-Treasurer
RE: Southeast Cass Water Resource District – FY2024 Management's Response

Contact Person Responsible for Corrective Action Plan: Melissa Hinkemeyer, Director & Secretary-Treasurer

Section I – Financial Statement Findings:

2024-002 – LACK OF SEGREGATION OF DUTIES – SOUTHEAST CASS WRD - MATERIAL WEAKNESS

Condition:

The Southeast Cass Water Resource District has limited personnel responsible for most accounting functions. A lack of segregation of duties exists as limited personnel are responsible to collect and deposit monies, issue checks, send checks to vendors, record receipts and disbursements in journals, maintain the general ledger, create credit memos, and perform bank reconciliations.

Management's Response:

We Agree. Southeast Cass Water Resource District will segregate duties when it becomes feasible.

Anticipated Completion Date:

Indefinite

2024-003 - AUDIT ADJUSTMENTS – SOUTHEAST CASS WRD – MATERIAL WEAKNESS

Condition:

During the audit of Southeast Cass Water Resource District, we proposed adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements.

Management's Response:

We Agree. Southeast Cass Water Resource District will review the adjustments needed for presentation in the financial statements.

Anticipated Completion Date:

FY2025

Melissa Hinkemeyer
Director, Secretary

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West Fargo, ND 58078-1301

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CASS COUNTY

Schedule of Prior Year Findings – Southeast Cass WRD
For the Year Ended December 31, 2024



Southeast Cass Water Resource District

Keith Weston
Chairman
Fargo, North Dakota

Dave Branson
Manager
Fargo, North Dakota

Rick Steen
Manager
Fargo, North Dakota

Melissa Hinkemeyer
Director, Secretary

1201 Main Avenue West
West Fargo, ND 58078-1301

701-298-2381
FAX 701-298-2397
wrld@casscountynynd.gov
casscountynynd.gov

Date: June 17, 2025

To: Joshua C. Gallion, ND State Auditor

FROM: Melissa Hinkemeyer, Director & Secretary-Treasurer

RE: Southeast Cass Water Resource District - FY2024 Schedule of Prior Year Findings

2023-001 – AUDIT ADJUSTMENTS – SOUTHEAST CASS WRD – MATERIAL WEAKNESS

Condition

During the audit of Southeast Cass Water Resource District, we proposed adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements.

Recommendation

We recommend Southeast Cass Water Resource District review all adjusting entries to the financial statements to properly reflect the financial statements are in accordance with GAAP.

Current Status – Southeast Cass Water Resource District

Not implemented.

Anticipated Completion Date

2025

2023-002 – LACK OF SEGREGATION OF DUTIES – SOUTHEAST CASS WRD – MATERIAL WEAKNESS

Condition

Southeast Cass Water Resource District has limited staff responsible for the primary accounting functions. A lack of segregation of duties exists as limited personnel are responsible to collect and deposit monies, issue checks, send checks to vendors, record receipts and disbursements in journals, maintain the general ledger, and perform bank reconciliations.

Recommendation

To mitigate the risk associated with this lack of segregation of duties, we recommend the following:

- Financial statements and credit memos, payroll registers should be reviewed, analyzed, and spot-checked by a responsible official.
- Where possible, segregate the functions of approval, posting, custody of assets, and reconciliation as they relate to any amounts which impact the financial statements.

Current Status – Southeast Cass Water Resource District

Not implemented.

Anticipated Completion Date

Indefinite



Office of the
State Auditor

NORTH DAKOTA STATE AUDITOR
JOSHUA C. GALLION

NORTH DAKOTA STATE AUDITOR'S OFFICE

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