



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

2020 Annual Financial Report of **City of Abercrombie**



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HAVE QUESTIONS? ASK US.

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Basic Review Summary

We have reviewed the cash basis Annual Financial Report for the City of Abercrombie for the year ended 2020. 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 Generally Accepted Auditing or Attestation standards issued by the American Institute of Certified Public Accountants. Therefore, we do not express an opinion over the financial information included in this report.

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 did agree to total balances reported on the Annual Financial Report.

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
April 29, 2025

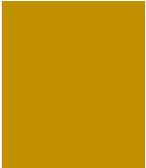


	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total Funds</u>
Receipts			
General Property Taxes	\$ 29,423.95	\$ -	\$ 29,423.95
Highway Taxes	13,667.31	-	13,667.31
All Other Taxes	<u>692.77</u>	-	<u>692.77</u>
Total Taxes	<u>43,784.03</u>	-	<u>43,784.03</u>
Licenses And Permits	2,725.00	-	2,725.00
Fees	<u>4,493.54</u>	-	<u>4,493.54</u>
Total Licenses And Permits, And Fees	<u>7,218.54</u>	-	<u>7,218.54</u>
State Aid Distribution	<u>19,718.69</u>	-	<u>19,718.69</u>
Total Intergovernmental	<u>19,718.69</u>	-	<u>19,718.69</u>
Municipal Utilities	-	<u>73,721.13</u>	<u>73,721.13</u>
Total Service Revenue	-	<u>73,721.13</u>	<u>73,721.13</u>
Interest And Dividends	169.35	1,173.79	1,343.14
Sale Of Assets	68,271.80	-	68,271.80
All Other Miscellaneous Receipts	<u>6,396.03</u>	-	<u>6,396.03</u>
Total Miscellaneous Receipts	<u>74,837.18</u>	<u>1,173.79</u>	<u>76,010.97</u>
Total Receipts	<u>\$ 145,558.44</u>	<u>\$ 74,894.92</u>	<u>\$ 220,453.36</u>
Disbursements			
Payroll And Benefits	\$ 11,685.65	\$ -	\$ 11,685.65
Insurance	2,748.05	-	2,748.05
Utilities	25,280.55	-	25,280.55
Other Operating	<u>26,982.83</u>	-	<u>26,982.83</u>
Total Personnel And Administrative	<u>66,697.08</u>	-	<u>66,697.08</u>
Infrastructure	70,435.93	-	70,435.93
Repairs And Maintenance	<u>43,260.90</u>	-	<u>43,260.90</u>
Total Capital And Infrastructure	<u>113,696.83</u>	-	<u>113,696.83</u>
Debt Payments	<u>16,215.00</u>	-	<u>16,215.00</u>
Total Debt	<u>16,215.00</u>	-	<u>16,215.00</u>
Municipal Utilities	<u>17,911.62</u>	-	<u>17,911.62</u>
Total Cost Of Service Revenue	<u>17,911.62</u>	-	<u>17,911.62</u>
Total Disbursements	<u>\$ 214,520.53</u>	<u>\$ -</u>	<u>\$ 214,520.53</u>
Transfers In	\$ 64,179.13	\$ -	\$ 64,179.13
Transfers Out	-	<u>64,179.13</u>	<u>64,179.13</u>
Total Transfers	<u>64,179.13</u>	<u>(64,179.13)</u>	<u>-</u>
Beginning Fund Balance	\$ 19,140.00	\$ 211,474.21	\$ 230,614.21
Current Year Activity	<u>(68,962.09)</u>	<u>74,894.92</u>	<u>5,932.83</u>
Ending Fund Balance	<u>\$ 14,357.04</u>	<u>\$ 222,190.00</u>	<u>\$ 236,547.04</u>



Long-Term Debt Table

Long-Term Debt					Total	61,000.00
Type	Bank/Institution	Purpose of Debt	Maturity Date	Original Amount	Balance Amount	
Bonds Payable	BND	Water	1/9/2024	222,002.00	61,000.00	



Comments Letter

Highway Tax Dollars - Not in its own Fund (2020)

During review of the annual financial report, a total of \$13,667.31 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.

Unallowable Transfer out of Municipal Utilities Fund (2020)

During the review of the annual financial report, there were unallowable transfers out of the Municipal Utilities Fund to the other funds. The transfers were in excess of 20% of the revenues received in those funds for the year.

Per NDCC 40-33-12, any transfer of surplus from the municipal utilities fund cannot exceed 20% of revenue received for the year.

Suggested Change:

The entity should ensure transfers from the Municipal Utilities Fund do not exceed 20% of the revenue received for the year.

Enterprise Funds Reported in the General Fund (2020)

Municipal utility fund expenditures were reported in the General Fund.

Under GASB Statement 34, enterprise funds are used to report activities where fees are charged to external users for goods or services, and the costs of providing those services.

Suggested Change:

An enterprise fund should be created to track revenues and expenditures of municipal utility services provided.



Office of the
State Auditor

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