



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

2020 Annual Financial Report of **City of Des Lacs**



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Basic Review Summary

We have reviewed the cash basis Annual Financial Report for Des Lacs 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 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 the Basic Review are included at the back of the report.

North Dakota State Auditor's Office
Bismarck, North Dakota
June 9, 2025



2020

	Special		Debt Service		
	General Fund	Revenue Fund	Enterprise Fund	Fund	Total Funds
Receipts					
General Property Taxes	\$ 19,451.66	\$ 1,193.19	\$ -	\$ -	\$ 20,644.85
Oil And Gas Taxes	177.48	-	-	-	177.48
Highway Taxes	-	14,438.85	-	-	14,438.85
All Other Taxes	<u>537.36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537.36</u>
Total Taxes	<u>20,166.50</u>	<u>15,632.04</u>	<u>-</u>	<u>-</u>	<u>35,798.54</u>
Licenses And Permits	<u>348.11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348.11</u>
Total Licenses And Permits, And Fees	<u>348.11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348.11</u>
State Aid Distribution	<u>14,843.30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,843.30</u>
Total Intergovernmental	<u>14,843.30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,843.30</u>
Municipal Utilities	<u>-</u>	<u>-</u>	<u>37,070.80</u>	<u>-</u>	<u>37,070.80</u>
Total Service Revenue	<u>-</u>	<u>-</u>	<u>37,070.80</u>	<u>-</u>	<u>37,070.80</u>
Interest And Dividends	95.17	-	-	-	95.17
All Other Miscellaneous Receipts	<u>1,900.00</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>2,000.00</u>
Total Miscellaneous Receipts	<u>1,995.17</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>2,095.17</u>
Total Receipts	<u>\$ 37,353.08</u>	<u>\$ 15,732.04</u>	<u>\$ 37,070.80</u>	<u>\$ -</u>	<u>\$ 90,155.92</u>
Disbursements					
Payroll And Benefits	\$ 10,399.45	\$ -	\$ -	\$ -	\$ 10,399.45
Insurance	1,311.16	-	-	-	1,311.16
Rent	1,758.00	-	-	-	1,758.00
Utilities	3,971.55	14,560.88	-	-	18,532.43
Other Operating	<u>7,847.96</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,847.96</u>
Total Personnel And Administrative	<u>25,288.12</u>	<u>14,560.88</u>	<u>-</u>	<u>-</u>	<u>39,849.00</u>
Repairs And Maintenance	<u>3,845.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,845.00</u>
Total Capital And Infrastructure	<u>3,845.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,845.00</u>
Debt Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,121.97</u>	<u>11,121.97</u>
Total Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,121.97</u>	<u>11,121.97</u>
Municipal Utilities	<u>-</u>	<u>-</u>	<u>27,845.84</u>	<u>-</u>	<u>27,845.84</u>
Total Cost Of Service Revenue	<u>-</u>	<u>-</u>	<u>27,845.84</u>	<u>-</u>	<u>27,845.84</u>
Culture And Recreation	<u>-</u>	<u>2,753.22</u>	<u>-</u>	<u>-</u>	<u>2,753.22</u>
Total Functional	<u>-</u>	<u>2,753.22</u>	<u>-</u>	<u>-</u>	<u>2,753.22</u>
Total Disbursements	<u>\$ 29,133.12</u>	<u>\$ 17,314.10</u>	<u>\$ 27,845.84</u>	<u>\$ 11,121.97</u>	<u>\$ 85,415.03</u>
Transfers In	\$ -	\$ 2,500.00	\$ -	\$ -	\$ 2,500.00
Transfers Out	<u>2,500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500.00</u>
Total Transfers	<u>(2,500.00)</u>	<u>2,500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Fund Balance	\$ 75,240.29	\$ 115,815.40	\$ 49,603.50	\$ -	\$240,659.19
Current Year Activity	<u>8,219.96</u>	<u>(1,582.06)</u>	<u>9,224.96</u>	<u>(11,121.97)</u>	<u>4,740.89</u>
Adjustment To Fund Balance (Sao Use)	189.66	-	-	-	189.66
Ending Fund Balance	<u>\$ 81,149.91</u>	<u>\$ 116,733.34</u>	<u>\$ 58,828.46</u>	<u>\$ (11,121.97)</u>	<u>\$245,589.74</u>



Long-Term Debt Table

2020	Long-Term Debt				Total	76,472.61
Type	Bank/Institution	Purpose of Debt	Maturity Date	Original Amount	Balance Amount	
Loans Payable	Bank of North Dakota	Rip Rap Lagoon Cells		97,403.00	64,000.00	
Loans Payable	Rural Development Finance Corporation	Sewer Project Loan		30,275.00	12,472.61	



Comments Letter

Inaccurate Reporting of Revenues and Expenditures (2020)

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.



Office of the
State Auditor

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