



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

2020-2022 Annual Financial Report of **City of Emerado**



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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 Emerado for the years ended 2020-2022. These reviews were 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.

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

North Dakota State Auditor's Office
Bismarck, North Dakota
June 25, 2025



The City of Emerado experienced known fraud during all 3 years presented in this report. We were unable to reconcile the accounting records to the balances at the bank. Due to the known fraud and the related criminal investigation that was completed, we did not review records further. We did not complete a basic review of this information. The information presented in this report is shown based on the information prepared by the city using their accounting records. The information presented in this report should not be relied on for decision making.

Actual Cash on Hand was significantly different than the ending fund balance for each fiscal year.



Fiscal Year 2020

	Special Revenue			Debt Service	
	General Fund	Fund	Enterprise Fund	Fund	Total Funds
Receipts					
General Property Taxes	\$ 36,931.54	\$ -	\$ -	\$ -	\$ 36,931.54
Highway Taxes	-	26,900.68	-	-	26,900.68
All Other Taxes	<u>1,090.52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,090.52</u>
Total Taxes	<u>38,022.06</u>	<u>26,900.68</u>	<u>-</u>	<u>-</u>	<u>64,922.74</u>
Licenses And Permits	<u>4,594.40</u>	<u>-</u>	<u>2,500.00</u>	<u>-</u>	<u>7,094.40</u>
Total Licenses And Permits, And Fees	<u>4,594.40</u>	<u>-</u>	<u>2,500.00</u>	<u>-</u>	<u>7,094.40</u>
Grants From Federal Government	32,662.90	-	-	-	32,662.90
State Aid Distribution	<u>32,571.23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,571.23</u>
Total Intergovernmental	<u>65,234.13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,234.13</u>
Municipal Utilities	-	-	189,171.33	-	189,171.33
Other	<u>58,825.30</u>	<u>42,747.79</u>	<u>-</u>	<u>16,132.40</u>	<u>117,705.49</u>
Total Service Revenue	<u>58,825.30</u>	<u>42,747.79</u>	<u>189,171.33</u>	<u>16,132.40</u>	<u>306,876.82</u>
Fines, Forfeits, And Penalties	1,727.93	-	-	-	1,727.93
All Other Miscellaneous Receipts	<u>33,031.41</u>	<u>-</u>	<u>891.00</u>	<u>-</u>	<u>33,922.41</u>
Total Miscellaneous Receipts	<u>34,759.34</u>	<u>-</u>	<u>891.00</u>	<u>-</u>	<u>35,650.34</u>
Total Receipts	<u>\$ 201,435.23</u>	<u>\$ 69,648.47</u>	<u>\$ 192,562.33</u>	<u>\$ 16,132.40</u>	<u>\$ 479,778.43</u>
Disbursements					
Payroll And Benefits	\$ 83,460.07	\$ -	\$ -	\$ -	\$ 83,460.07
Insurance	713.00	-	-	-	713.00
Utilities	6,157.88	6,825.50	-	-	12,983.38
Other Operating	<u>50,602.98</u>	<u>-</u>	<u>13,711.84</u>	<u>-</u>	<u>64,314.82</u>
Total Personnel And Administrative	<u>140,933.93</u>	<u>6,825.50</u>	<u>13,711.84</u>	<u>-</u>	<u>161,471.27</u>
Infrastructure	100.00	-	49,380.75	-	49,480.75
Repairs And Maintenance	<u>12,558.00</u>	<u>6,671.50</u>	<u>18,051.99</u>	<u>-</u>	<u>37,281.49</u>
Total Capital And Infrastructure	<u>12,658.00</u>	<u>6,671.50</u>	<u>67,432.74</u>	<u>-</u>	<u>86,762.24</u>
Debt Payments	-	-	55,729.13	15,160.00	70,889.13
Total Debt	-	-	55,729.13	15,160.00	70,889.13
Municipal Utilities	-	-	70,316.77	-	70,316.77
Other	-	8,190.00	-	-	8,190.00
Total Cost Of Service Revenue	-	<u>8,190.00</u>	<u>70,316.77</u>	<u>-</u>	<u>78,506.77</u>
Fire Protection	14,000.00	-	-	-	14,000.00
Police Protection	<u>85,349.92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,349.92</u>
Total Functional	<u>99,349.92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,349.92</u>
Total Disbursements	<u>\$ 252,941.85</u>	<u>\$ 21,687.00</u>	<u>\$ 207,190.48</u>	<u>\$ 15,160.00</u>	<u>\$ 496,979.33</u>
Beginning Fund Balance	\$ 63,287.07	\$ (11,754.66)	\$ 281,007.15	\$ 14,889.21	\$ 347,428.77
Current Year Activity	<u>(51,506.62)</u>	<u>47,961.47</u>	<u>(14,628.15)</u>	<u>972.40</u>	<u>(17,200.90)</u>
Ending Fund Balance	<u>\$ 11,780.45</u>	<u>\$ 36,206.81</u>	<u>\$ 266,379.00</u>	<u>\$ 15,861.61</u>	<u>\$ 330,227.87</u>



Fiscal Year 2021

	Special Revenue			Debt Service	
	General Fund	Fund	Enterprise Fund	Fund	Total Funds
Receipts					
General Property Taxes	\$ 29,971.12	\$ -	\$ -	\$ -	\$ 29,971.12
Highway Taxes	-	26,650.89	-	-	26,650.89
All Other Taxes	497.51	-	-	-	497.51
Total Taxes	<u>30,468.63</u>	<u>26,650.89</u>	<u>-</u>	<u>-</u>	<u>57,119.52</u>
Licenses And Permits	5,154.40	-	-	-	5,154.40
Fees	75,080.59	-	-	-	75,080.59
Total Licenses And Permits, And Fees	<u>80,234.99</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,234.99</u>
Grants From Federal Government	35,248.39	-	-	-	35,248.39
State Aid Distribution	28,864.46	-	-	-	28,864.46
Total Intergovernmental	<u>64,112.85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,112.85</u>
Municipal Utilities	-	-	206,738.47	-	206,738.47
Other	2,118.35	37,447.50	-	16,351.78	55,917.63
Total Service Revenue	<u>2,118.35</u>	<u>37,447.50</u>	<u>206,738.47</u>	<u>16,351.78</u>	<u>262,656.10</u>
Fines, Forfeits, And Penalties	4,634.53	-	-	-	4,634.53
All Other Miscellaneous Receipts	3,570.09	-	6,423.67	-	9,993.76
Total Miscellaneous Receipts	<u>8,204.62</u>	<u>-</u>	<u>6,423.67</u>	<u>-</u>	<u>14,628.29</u>
Total Receipts	<u>\$ 185,139.44</u>	<u>\$ 64,098.39</u>	<u>\$ 213,162.14</u>	<u>\$ 16,351.78</u>	<u>\$ 478,751.75</u>
Disbursements					
Payroll And Benefits	\$ 79,498.88	\$ -	\$ -	\$ -	\$ 79,498.88
Insurance	1,810.42	-	-	-	1,810.42
Utilities	9,396.15	-	334.45	-	9,730.60
Other Operating	35,315.50	293.85	3,423.14	-	39,032.49
Total Personnel And Administrative	<u>126,020.95</u>	<u>293.85</u>	<u>3,757.59</u>	<u>-</u>	<u>130,072.39</u>
Infrastructure	6,159.61	14,050.00	32,515.89	-	52,725.50
Repairs And Maintenance	603.93	5,445.00	12,000.00	-	18,048.93
Total Capital And Infrastructure	<u>6,763.54</u>	<u>19,495.00</u>	<u>44,515.89</u>	<u>-</u>	<u>70,774.43</u>
Debt Payments	-	-	-	12,475.00	12,475.00
Total Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,475.00</u>	<u>12,475.00</u>
Municipal Utilities	-	-	137,091.87	-	137,091.87
Other	-	1,170.00	-	-	1,170.00
Total Cost Of Service Revenue	<u>-</u>	<u>1,170.00</u>	<u>137,091.87</u>	<u>-</u>	<u>138,261.87</u>
Fire Protection	14,500.00	-	-	-	14,500.00
Police Protection	104,325.37	-	-	-	104,325.37
Total Functional	<u>118,825.37</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,825.37</u>
Total Disbursements	<u>\$ 251,609.86</u>	<u>\$ 20,958.85</u>	<u>\$ 185,365.35</u>	<u>\$ 12,475.00</u>	<u>\$ 470,409.06</u>
Beginning Fund Balance	\$ 11,780.45	\$ 36,206.81	\$ 266,379.00	\$ 15,861.61	\$ 330,227.87
Current Year Activity	<u>(66,470.42)</u>	<u>43,139.54</u>	<u>27,796.79</u>	<u>3,876.78</u>	<u>8,342.69</u>
Ending Fund Balance	<u>\$ (54,689.97)</u>	<u>\$ 79,346.35</u>	<u>\$ 294,175.79</u>	<u>\$ 19,738.39</u>	<u>\$ 338,570.56</u>



Fiscal Year 2022

	Special Revenue			Debt Service	
	General Fund	Fund	Enterprise Fund	Fund	Total Funds
Receipts					
General Property Taxes	\$ 31,005.84	\$ -	\$ 1,157.84	\$ -	\$ 32,163.68
Highway Taxes	-	26,329.99	-	-	26,329.99
All Other Taxes	<u>846.41</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>846.41</u>
Total Taxes	<u>31,852.25</u>	<u>26,329.99</u>	<u>1,157.84</u>	<u>-</u>	<u>59,340.08</u>
Licenses And Permits	10,074.60	-	-	-	10,074.60
Fees	<u>86,944.51</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,944.51</u>
Total Licenses And Permits, And Fees	<u>97,019.11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,019.11</u>
State Aid Distribution	<u>38,291.38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,291.38</u>
Total Intergovernmental	<u>38,291.38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,291.38</u>
Municipal Utilities	-	-	282,070.47	-	282,070.47
Other	<u>972.02</u>	<u>81,339.63</u>	<u>-</u>	<u>17,866.83</u>	<u>100,178.48</u>
Total Service Revenue	<u>972.02</u>	<u>81,339.63</u>	<u>282,070.47</u>	<u>17,866.83</u>	<u>382,248.95</u>
Fines, Forfeits, And Penalties	6,032.02	-	-	-	6,032.02
All Other Miscellaneous Receipts	<u>3,960.75</u>	<u>-</u>	<u>1,046.60</u>	<u>-</u>	<u>5,007.35</u>
Total Miscellaneous Receipts	<u>9,992.77</u>	<u>-</u>	<u>1,046.60</u>	<u>-</u>	<u>11,039.37</u>
Total Receipts	<u>\$ 178,127.53</u>	<u>\$ 107,669.62</u>	<u>\$ 284,274.91</u>	<u>\$ 17,866.83</u>	<u>\$ 587,938.89</u>
Disbursements					
Payroll And Benefits	\$ 134,950.89	\$ -	\$ -	\$ -	\$ 134,950.89
Insurance	898.00	-	-	-	898.00
Utilities	1,876.73	6,825.50	819.03	-	9,521.26
Other Operating	<u>47,677.92</u>	<u>-</u>	<u>775.71</u>	<u>-</u>	<u>48,453.63</u>
Total Personnel And Administrative	<u>185,403.54</u>	<u>6,825.50</u>	<u>1,594.74</u>	<u>-</u>	<u>193,823.78</u>
Equipment	22,383.44	-	-	-	22,383.44
Infrastructure	12,477.53	1,260.00	28,905.15	-	42,642.68
Repairs And Maintenance	<u>4,994.67</u>	<u>21,892.90</u>	<u>13,657.50</u>	<u>-</u>	<u>40,545.07</u>
Total Capital And Infrastructure	<u>39,855.64</u>	<u>23,152.90</u>	<u>42,562.65</u>	<u>-</u>	<u>105,571.19</u>
Debt Payments	-	-	-	14,300.00	14,300.00
Total Debt	-	-	-	<u>14,300.00</u>	<u>14,300.00</u>
Municipal Utilities	-	-	131,850.89	-	131,850.89
Other	<u>840.00</u>	<u>7,041.93</u>	<u>-</u>	<u>-</u>	<u>7,881.93</u>
Total Cost Of Service Revenue	<u>840.00</u>	<u>7,041.93</u>	<u>131,850.89</u>	<u>-</u>	<u>139,732.82</u>
Fire Protection	11,250.00	-	-	-	11,250.00
Police Protection	<u>115,813.10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,813.10</u>
Total Functional	<u>127,063.10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,063.10</u>
Custodial Pass-Through	<u>638.86</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>638.86</u>
Total Miscellaneous	<u>638.86</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>638.86</u>
Total Disbursements	<u>\$ 353,801.14</u>	<u>\$ 37,020.33</u>	<u>\$ 176,008.28</u>	<u>\$ 14,300.00</u>	<u>\$ 581,129.75</u>
Beginning Fund Balance	\$ (54,689.97)	\$ 79,346.35	\$ 294,175.79	\$ 19,738.39	\$ 338,570.56
Current Year Activity	<u>(175,673.61)</u>	<u>70,649.29</u>	<u>108,266.63</u>	<u>3,566.83</u>	<u>6,809.14</u>
Ending Fund Balance	<u>\$ (230,363.58)</u>	<u>\$ 149,995.64</u>	<u>\$ 402,442.42</u>	<u>\$ 23,305.22</u>	<u>\$ 345,379.70</u>



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