

GRIGGS COUNTY CENTRAL  
PUBLIC SCHOOL DISTRICT  
COOPERSTOWN, NORTH DAKOTA

FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

Griggs County Central Public School District  
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GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
LIST OF OFFICIALS  
JUNE 30, 2022

BOARD OF EDUCATION

OFFICE

Scott Saxberg  
Patrick Larson  
Todd Edland  
Melissa Myers  
Hope Stadler  
Lori Stokka  
Lynn Haugen

ADMINISTRATION

Derek Simonsen  
Tamara Cushman

Superintendent  
Business manager

**Harold J. Rotunda**  
**Certified Public Accountant**  
**INDEPENDENT AUDITOR'S REPORT**

To the Governing Board  
Griggs County Central Public School District  
Cooperstown, North Dakota

**Opinion**

I have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Griggs County Central Public School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Griggs County Central Public School District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the Griggs County Central Public School District as of June 30, 2022, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended, in accordance with the modified cash basis of accounting as described in Note 1.

**Basis for Opinions**

I conducted my audit 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, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the City and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Basis of Accounting**

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. 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 generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Griggs County Central Public School District's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation in the financial statements.



- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Griggs County Central Public School District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

#### **Other information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial analysis. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued reports dated April 1, 2024, on my considerations of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Fargo, North Dakota  
April 1, 2024

GRIGGS COUNTY CENTRAL SCHOOL  
STATEMENT OF NET POSITION- MODIFIED CASH BASIS  
JUNE 30, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	2,697,431.46
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	3,468,597.82
Total Assets	6,166,029.28
LIABILITIES	
Current liabilities:	
Accounts Payable	
Salaries and benefits payable	102,533.78
Noncurrent liabilities:	
Due within one year	226,332.23
Due after one year	133,613.65
Total liabilities	462,479.66
NET POSITION	
Net investment in capital assets	3,108,651.94
Restricted for:	
Capital projects	995,195.36
Debt service	-
Food Service	68,736.09
Special reserve	150,000.00
Student activity	52,568.40
Unrestricted	1,328,397.83
Total net position	5,703,549.62

The accompanying notes are an integral part of these financial statements.

GRIGGS COUNTY CENTRAL SCHOOL  
STATEMENT OF ACTIVITIES- MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (expense) Revenue & Change in Net Position
	Expenses	Charges for Services	Operating grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction				
Regular	2,127,659.52		800,603.77	(1,327,055.75)
Special Education	242,435.47			(242,435.47)
Vocational Education	251,887.88		46,739.00	(205,148.88)
Support Services				-
Administrative	716,851.05			(716,851.05)
Operation & maintenance	623,202.79			(623,202.79)
Pupil Transportation Services	233,750.18		116,823.84	(116,926.34)
Extracurricular	267,368.89	102,932.42		(164,436.47)
Food Service	209,933.78	6,874.75	208,630.60	5,571.57
				-
Debt Service				
Interest expense	7,934.55			(7,934.55)
				-
Total Governmental Activities	4,681,024.11	109,807.17	1,172,797.21	(3,398,419.73)
General Revenues				
Taxes:				
Property taxes, levied for general purposes				1,507,926.84
Property taxes levied for debt service				-
State aid not restricted to specific program:				
Per pupil aid				2,277,446.89
Interest income and other revenue				46,215.37
Total General Revenues				3,831,589.10
Change in Net Position				433,169.37
Net Position- July1				5,270,380.32
Net Position- June 30				5,703,549.69

The accompanying notes are an integral part of these financial statements.



GRIGGS COUNTY CENTRAL SCHOOL  
BALANCE SHEET- MODIFIED CASH BASIS- GOVERNMENTAL FUNDS  
JUNE 30, 2022

	GENERAL FUND	BUILDING FUND	SPECIAL REVENUE FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and investments	1,430,931.61	995,195.36	271,304.49	2,697,431.46
Total Assets	1,430,931.61	995,195.36	271,304.49	2,697,431.46
LIABILITIES				
Accounts Payable				-
Salaries and benefits payable	102,533.78	-		102,533.78
Total liabilities	102,533.78	-	-	102,533.78
FUND BALANCE				
Restricted for Capital Projects		995,195.36		995,195.36
Restricted for Debt Service		-		-
Restricted for Food service			68,736.09	68,736.09
Restricted for Special Reserve		-	150,000.00	150,000.00
Restricted for Student activity			52,568.40	52,568.40
Unassigned	1,328,397.83	-		1,328,397.83
Total fund balance	1,328,397.83	995,195.36	271,304.49	2,594,897.68
Total liabilities and fund balance	1,430,931.61	995,195.36	271,304.49	2,697,431.46

The accompanying notes are an integral part of these financial statements.

GRIGGS COUNTY CENTRAL SCHOOL  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

Total Fund Balances for Governmental Funds	2,594,897.76
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and are not reported in governmental funds

Cost of capital assets	10,234,675.61	
Less accumulated depreciation	6,766,077.79	
Net capital assets		3,468,597.82

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Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities- both current and long-term are reported in the statement of net position. Balances at year end are:

Bonds payable	(58,103.22)
QZAB Notes payable	(34,615.36)
Notes payable	(267,227.30)

Total Net Position of Governmental Activities	5,703,549.70
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The accompanying notes are an integral part of these financial statements.

GRIGGS COUNTY CENTRAL SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES- MODIFIED CASH BASIS- GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

	GENERAL FUND	BUILDING FUND	SPECIAL REVENUE FUNDS	TOTAL GOVERNMENTAL FUNDS
Property taxes	1,166,852.94	341,073.90	-	1,507,926.84
Other local sources	242,955.94	3,021.05	110,045.56	356,022.55
State sources	2,441,009.73		531.00	2,441,540.73
Federal sources	800,603.77	-	208,099.60	1,008,703.37
Total Revenues	4,651,422.38	344,094.95	318,676.16	5,314,193.49
Current:				
Instruction				
Regular	2,293,818.02			2,293,818.02
Special Education	242,435.47			242,435.47
Vocational Education	251,887.88			251,887.88
Support Services				
Administrative	716,851.05			716,851.05
Operation & maintenance	427,107.84			427,107.84
Pupil Transportation Services	233,750.18			233,750.18
Extracurricular	134,283.27		133,085.62	267,368.89
Food Service	10,563.88	-	199,369.90	209,933.78
Capital outlays	-	34,279.70	-	34,279.70
Debt Service				
Principal	133,613.65	198,620.38		332,234.03
Interest expense		1,011.30	-	1,011.30
Total Expenditures	4,444,311.24	233,911.38	332,455.52	5,010,678.14
Excess revenues (expenditures)	207,111.14	110,183.57	(13,779.36)	303,515.35
Other Financing Sources (Uses):				
Transfers in	-	200,000.00		200,000.00
Transfers out	(200,000.00)			(200,000.00)
Bond proceeds				-
Total other financing sources and uses	(200,000.00)	200,000.00	-	-
Net change in fund balances	7,111.14	310,183.57	(13,779.36)	303,515.35
Fund balance- beginning	1,321,286.76	685,011.79	285,083.86	2,291,382.41
Fund balance- ending	1,328,397.90	995,195.36	271,304.50	2,594,897.76

The accompanying notes are an integral part of these financial statements.

GRIGGS COUNTY CENTRAL SCHOOL  
RECONCILIATION OF GOVERNMENTAL STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances- Total Governmental Funds	303,515.35
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.

Current year capital outlay	166,158.50	
Current year depreciation expense	168,738.33	(2,579.83)
Net Book Value on the Disposal of Assets		(200,000.00)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds payable	191,697.30
Q-Zab Note	6,923.08
Notes payable	133,613.65

Change in Net Position of Governmental Activities	433,169.55
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The accompanying notes are an integral part of these financial statements.

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
COOPERSTOWN, NORTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the GRIGGS COUNTY CENTRAL Public School District (District) have been prepared on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements present the activities of the District. The district has considered all potential component units for which the district is financially accountable and other organizations for which the nature and significance of their relationships with the district such that exclusion would cause the district's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of the district to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District.

Based on these criteria, there are no component units to be included within the District as a reporting entity.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-wide statements: The statement of net assets and the statement of activities display information about the primary government, the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.



GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the district's funds including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General fund- This fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund.

Building fund. This fund is used to account for the financial resources related to the capital outlays made by the District.

Special Revenue funds- These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

The government-wide statements are prepared using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. All assets and liabilities associated with the operation of the District are included in the statement of net position.

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

In the fund financial statements, the governmental funds are accounted for by using a flow of current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting. Under this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources and uses of current financial resources.

The current financial resources measurement focus differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Due to the difference, the District's financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds.

**Basis of Accounting**

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

In the government-wide statement of net position and statement of activities, activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation and accrued payroll liabilities in the government-wide statements and accrued payroll liabilities in the fund financial statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting.

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then by general revenues.

D. Budgets

Based upon available financial information and requests by the school board, the superintendent and business manager prepares the school district budget. The budget is prepared for the general fund on the modified cash basis of accounting. The budget includes the proposed expenditures and the means of financing them. All annual appropriations lapse at year-end.

District taxes must be levied by the governing board on or before the fifteenth day of August. The taxes levied must be certified to the county auditor by August 25. The governing body of the school district may amend its tax levy and budget for the current fiscal year on or before the tenth day of October of each year, but the certification must be filed with the county auditor by October 10. The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared.

E. Cash and Investments

Cash includes amounts in demand deposits and money market accounts.

F. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the district is depreciated using the straight line method over the following estimated useful lives:

ASSETS	YEARS
Permanent Buildings	50
Vehicles and equipment	10

G. Long-Term Obligations

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums, discounts and issuance costs are recognized in the current period since the amounts are not material.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

H. Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.



GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

**Restricted** - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the school board-the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the school board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The school board and superintendent have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

**Unassigned** - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, the District's preference is to first use restricted resources, then unrestricted resources-committed, assigned, and unassigned-in order as needed. The school board has not set a General Fund minimum fund balance.

**I. Interfund Transactions**

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.



GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

In the government-wide financial statements, interfund transactions have been eliminated.

J. Use of estimates

The preparation of financial statements in conformity with the Other comprehensive basis of accounting (OCBOA) used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

NOTE 2: LEGAL COMPLIANCE - BUDGETS

BUDGET AMENDMENTS

The school board did not amend the District budget for the year.

EXPENDITURES OVER APPROPRIATIONS

The district overspent the general fund budget by \$140,871. No remedial action is required.

NOTE 3 DEPOSITS AND INVESTMENTS

In accordance with North Dakota Statutes, the District maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in other financial institution situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities equal to 110% of the deposit not covered by insurance or bonds.

Authorized collateral includes bills, notes, or bonds issued by the United State government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal Land Bank bonds, notes, warrants, and certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies, instrumentalities, or by any District, District, township, school district, park district, or other political subdivision of the State of North Dakota whether payable from special revenues or supported by the full faith and credit of the issuing body and bonds issued by another state of the United States, or such other securities approved by the banking board.

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

At June 30, 2022, the District's carrying amount of deposits was \$2,697,431. Of the bank balances, \$500,000 was covered by Federal Depository Insurance. The remaining balance of \$2,197,431 was collateralized with securities held by the pledging financial institution's agent in the government's name.

Credit Risk

State statutes authorize the District to invest in: (1) Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress. (2) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above. (3) Certificates of Deposit fully insured by the federal deposit insurance corporation or the state. (4) Obligations of the state.

Concentration of Credit Risk

The District does not have a limit on the amount it may invest in any one issuer.

NOTE 4: PROPERTY TAXES

The county treasurer acts as and agent to collect property taxes levied in the county for all taxing authorities. Any material tax collections are distributed after the end of each month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5% discount on property taxes is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed. Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the discount on the property taxes.

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance July 1	Increases	Decreases	Balance June 30
Capital assets				
Bldgs and Improvements	9,955,318	166,158		10,121,477
Vehicles	583,079		583,079	
Equipment	113,199			113,199
Total Cap Assets Being Depreciated	10,651,596	166,158	583,079	10,234,676
Less accumulated depreciation for:				
Buildings & Improve	6,545,315	156,039		6,701,354
Vehicles	377,674	5,405	383,079	
Equipment	57,429	7,295		64,724
Total Accumulated Dep	6,980,418	168,738	383,079	6,766,078
Capital Assets, Net	3,671,178			3,468,598

Depreciation Expense was charged to functions/programs of the school district as follows:

Governmental Activities:

Transportation	5,405
Operations and Maint	156,039
Instruction	7,295
Total Dep Exp-Gov Activities	168,738

NOTE 6: LONG-TERM DEBT

Changes in Long-Term Liabilities - During the year ended June 30, 2022, the following changes occurred in liabilities reported in long-term debt:

	Payable 2021	Increases	Decreases	Payable 2022	Due Within One Year
Bonds Payable	249,800		191,697	58,103	58,103
QZAB	41,539		6,923	34,616	6,923
Notes payable	400,841		133,614	267,227	133,614
TOTAL	692,180		332,235	359,946	

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

Debt payable at June 30, 2022, is comprised of the following individual issues:

Bonds Payable:

General Obligation School construction Bond of 2003 due in annual installments of \$59,544 including interest at 2.5% through June 2023	58,103
Total Long-Term Debt	<u>58,103</u>

The annual long-term debt service requirements for bonds payable, as of June 30, 2022, are as follows:

Year Ending	Long-Term Debt	
June 30	Principal	Interest
2023	58,103	1,441

The District has a Q-Zab loan from the local bank for building repairs. The original loan was for \$90,000. The loan is at 0% due in semi-annual payments of \$6,923 through June 2024.

NOTES PAYABLE

Notes payable to Bank, due in annual installments of \$133,614 plus interest at 4.75%, through October 2024. Note used for HVAC	
2023	133,614
2024	<u>133,614</u>
	267,228

NOTE 7: TRANSFERS

The transfers as of June 30, 2022 consist of the following:

Transfer In	Transfer Out	Amount
Building Fund	General Fund	\$200,000

The transfers from the general fund to the building fund was related to construction costs.

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
Notes to Financial Statements- Continued

NOTE 8: PENSION PLANS

North Dakota Teachers Fund for Retirement TFFR

The school district contributes to the North Dakota Teachers Fund for retirement (TFFR), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Dakota. TFFR provides for retirement, disability and survivor benefits to plan members and beneficiaries. Benefit and contribution provisions are administered in accordance with chapter 15-39.1 of the North Dakota Century Code. TFFR issues a publicly available financial report that includes financial statements and required supplementary information for TFFR. Detailed information about the report may be obtained on the NDPERS website

Plan members are required to contribute 11.75% of their annual covered salary and the District is required to contribute 12.75% of the teacher's salary. The contributions requirements of plan members and the District are established and may be amended by the State legislature. The District's contributions to TFFR for the fiscal years ended June 30, 2022, 2021 and 2020 were \$392,876, \$406,605, and \$415,642, respectively.

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986 state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The school district pays an annual premium to NDIRF for its general liability and automobile insurance coverage. The coverage by NDIRF is limited to losses of one million dollars per occurrence.

The State Bonding Fund currently provides the District with blanket fidelity bond coverage for its employees. The State Bonding fund does not currently charge any premium for this coverage.

The district has workers compensation with the Workforce, Safety and Insurance and purchases commercial insurance for personal property, building, inland marine, and boiler and machinery.



GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

	<u>CFDA</u>	Expenditures
U.S. Department of Agriculture-		
Passed through North Dakota		
Department of Public Instruction:		
National school lunch	10.555	\$155,273
National school breakfast	10.553	36,049
Food distribution	10.555	<u>14,281</u>
Total child nutrition cluster		205,603
State Administrative Expenses	10.560	1,042
SNAP State	10.649	614
Fresh fruit and vegetable	10.582	<u>7,972</u>
Total Department of Agriculture		215,231
 U.S. Department of Education-		
Passed through North Dakota		
Department of Public Instruction:		
Title I Grants	84.010	130,431
Covid 19 Education Stabilization Fund	84.425D	121,420
Covid 19 Education Stabilization Fund	84.425U	<u>622,665</u>
Total Department of Education		<u>874,516</u>
 Total federal expenditures		1,089,747
		=====

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2022. 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 portions of the operations of the District, it is not intended to be and does not present the financial position or changes in net position of the District. The District has not elected to use the 10% de minimis cost rate.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards wherein certain types of expenditures are allowable or are limited as to reimbursement.

# Harold J. Rotunda

Certified Public Accountant

INDEPENDENT AUDITOR'S 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

Governing Board  
Griggs County Central School  
Cooperstown, North Dakota

I have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Griggs County Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated April 1, 2024.

## **Report on Internal Control over Financial Reporting**

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

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items (2022-001 and 2022-002) that I consider to be significant deficiencies.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, I 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### **District's Response to Findings**

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

#### **Purpose of This Report**

The purpose of this report is solely to describe the scope of my 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.

Fargo, North Dakota  
April 1, 2024



# Harold J. Rotunda

## Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Governing Board  
Griggs County Central School  
Cooperstown, North Dakota

### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

I have audited the Griggs County Central School District'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 the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### **Basis for Opinion on Each Major Federal Program**

I conducted my 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, 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.



## **Responsibilities of Management 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 the District's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

My objective is 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 the District's compliance based on my 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 the District'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, I:

- \* 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- \* Obtain an understanding of the District'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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my 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.

Fargo, North Dakota  
April 1, 2024

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of Report Issued?

Governmental Activities  
Major Funds

Unmodified  
Unmodified

Internal Control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ Yes   X   No  
Significant deficiencies identified not  
Considered to be material weaknesses?   X   Yes \_\_\_\_\_ No  
Noncompliance material to financial statements  
Noted? \_\_\_\_\_ Yes   X   No

Federal Awards

Internal Control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes   X   No  
Reportable conditions identified not considered  
To be material weaknesses? \_\_\_\_\_ Yes   X   None

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  
Section 200.516? \_\_\_\_\_ Yes   X   No

Identification of major programs:

CFDA Numbers                      Name of Federal Program Or Cluster

84.425D                      Covid-19 Education Stabilization Fund  
84.425U                      Covid-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type

A and B programs:                      \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022

Section II- Financial Statement Findings

**2022-001 Segregation of Duties**

**Criteria**

Generally, a system of internal control has the proper segregation of duties between the authorization, custody, record keeping and reconciliation functions.

**Condition**

The District's internal control structure does not provide for the proper segregation of duties and reconciliation.

**Cause**

Size and budget constraints limit the number of personnel within the accounting department.

**Effect**

The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements

**Recommendation**

The above functions should be reviewed periodically and consideration given to improving the segregation of duties. Compensating controls over the underlying financial information may be obtained through oversight by management and the Board.

**Views of responsible officials and planned corrective actions**

The District will review its current monitoring functions and determine if any additional monitoring procedures are warranted.



GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022

**2022-002 Financial Statement Preparation**

**Criteria**

Management of the District is responsible for the preparation of the District's annual financial statements to ensure that the financial statements and accompanying note disclosures are reliable, accurate, free of material misstatement in accordance with the modified cash basis of accounting.

**Condition**

The District does not prepare the financial statements, including the accompanying note disclosures, in conformity with the modified cash basis of accounting. Management has elected to have the financial statements and note disclosures prepared by the auditors.

**Cause**

Management is not fully knowledgeable of the process of preparing financial statements in compliance with the modified cash basis of accounting.

**Effect**

There is an increased risk of material misstatement to the District's financial statements.

**Recommendation**

I recommend that management continue to obtain sufficient knowledge to prepare the financial statements and accompanying note disclosures in accordance with the modified cash basis of accounting.

**Views of responsible officials**

Agree. The District is aware that there is a risk having the auditor prepare the financial statements and accompanying note disclosures.

Section III - Federal Award Findings and Questioned Costs

There are no findings which are required to be reported under this section.



GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
SCHEDULE OF PRIOR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022

Finding No. 2021-001

**Condition**

The limited number of staff prevents a proper segregation of duties.

**Cause**

Size and budget constraints limit the number of personnel within the accounting department.

**Criteria**

A good system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

**Effect of Condition**

Inadequate segregation of duties could adversely affect the Agency's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

**Status**

This is a repeat finding, see current finding 2022-001

2021-002 Financial Statement Preparation

**Criteria**

An appropriate system of internal control requires the entity to determine that financial statements are properly stated in compliance with generally accepted accounting principles of accounting. This requires the entity's personnel to maintain knowledge of current accounting principles and required financial statement disclosures.

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
SCHEDULE OF PRIOR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022

**Condition**

The Agency's personnel prepare periodic financial information for internal use that meets the needs of management and the Agency's Board. However, the Agency has not designed internal controls to identify all journal entries required to maintain a general ledger and prepare full-disclosure financial statements required by generally accepted accounting principles of accounting for external reporting. The Agency is aware of this deficiency, and obtains auditor assistance in the preparation of the Agency's annual financial statements.

**Cause**

The Agency's internal controls have not been designed to address the specific training needs that are required of its personnel to obtain and maintain knowledge of current accounting principles and required financial statement disclosures.

**Effect**

An appropriate system of internal controls is not present to make a determination that financial statements and the related disclosures are fairly stated in compliance with generally accepted accounting principles of accounting. However, the Agency is aware of the deficiency and addresses it by reviewing and approving the completed statements prior to distribution to the end users.

**Status**

This is a repeat finding, see current finding 2022-002

GRIGGS COUNTY CENTRAL PUBLIC SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2022

2022-001

Contact Person- Tamara Cushman

Corrective Action Plan- Due to the small size of the District, it is not cost effective for the District to properly address this significant deficiency.

Completion Date- Ongoing

2022-002

Contact Person- Tamara Cushman

Corrective Action Plan- Due to the financial efficiency and time constraints, it has been determined by the District's management it is in the best interest of the District to have our auditors assist in the preparation of the financial statements.

Completion Date- Ongoing