



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

2023 Annual Financial Report of **City of Abercrombie**



TABLE OF CONTENTS

INTRODUCTION

Basic Review Summary 1

REPORT

Annual Financial Report 2

Long-Term Debt Table 3

Comments 4

HAVE QUESTIONS? ASK US.

NORTH DAKOTA STATE AUDITOR’S OFFICE

600 E. Boulevard Ave. Dept 117
Bismarck, North Dakota 58505

- 701-328-2241
- NDSAO@nd.gov
- ND.gov/Auditor
- Facebook.com/NDStateAuditor
- LinkedIn.com/company/NDStateAuditor
- Youtube.com/@NDStateAuditor

OFFICE OF GOOD GOVERNMENT

Free resources and support for local
governments across North Dakota.

- ND.gov/Auditor/Office-Good-Government



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Capitol
600 E. Boulevard Ave. Dept. 117
Bismarck, ND 58505

www.nd.gov/auditor

ndsao@nd.gov

Basic Review Summary

We have reviewed the cash basis Annual Financial Report for the City of Abercrombie for the year ended 2023. 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.

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
June 12, 2025



	General Fund	Enterprise Fund	Total Funds
Receipts			
General Property Taxes	\$ 33,840.26	\$ -	\$ 33,840.26
Highway Taxes	17,192.28	-	17,192.28
All Other Taxes	426.76	-	426.76
Total Taxes	<u>51,459.30</u>	<u>-</u>	<u>51,459.30</u>
Licenses And Permits	750.00	-	750.00
Total Licenses And Permits, And Fees	<u>750.00</u>	<u>-</u>	<u>750.00</u>
Grants From State Government	43,739.86	-	43,739.86
Grants From Local Governments	37,181.50	-	37,181.50
State Aid Distribution	25,883.73	-	25,883.73
Total Intergovernmental	<u>106,805.09</u>	<u>-</u>	<u>106,805.09</u>
Municipal Utilities	-	85,061.96	85,061.96
Other	5,144.00	-	5,144.00
Total Service Revenue	<u>5,144.00</u>	<u>85,061.96</u>	<u>90,205.96</u>
Interest And Dividends	111.33	2,988.51	3,099.84
All Other Miscellaneous Receipts	4,025.90	-	4,025.90
Total Miscellaneous Receipts	<u>4,137.23</u>	<u>2,988.51</u>	<u>7,125.74</u>
Total Receipts	<u>\$ 168,295.62</u>	<u>\$ 88,050.47</u>	<u>\$ 256,346.09</u>
Disbursements			
Payroll And Benefits	\$ 10,253.12	\$ -	\$ 10,253.12
Insurance	3,409.00	-	3,409.00
Utilities	14,329.42	-	14,329.42
Other Operating	12,126.17	-	12,126.17
Total Personnel And Administrative	<u>40,117.71</u>	<u>-</u>	<u>40,117.71</u>
Equipment	435.00	-	435.00
Repairs And Maintenance	27,799.38	-	27,799.38
Total Capital And Infrastructure	<u>28,234.38</u>	<u>-</u>	<u>28,234.38</u>
Debt Payments	15,892.50	-	15,892.50
Total Debt	<u>15,892.50</u>	<u>-</u>	<u>15,892.50</u>
Municipal Utilities	17,390.06	41,252.19	58,642.25
Total Cost Of Service Revenue	<u>17,390.06</u>	<u>41,252.19</u>	<u>58,642.25</u>
Culture And Recreation	87,368.06	-	87,368.06
Fire Protection	1,070.00	-	1,070.00
Total Functional	<u>88,438.06</u>	<u>-</u>	<u>88,438.06</u>
Total Disbursements	<u>\$ 190,072.71</u>	<u>\$ 41,252.19</u>	<u>\$ 231,324.90</u>
Transfers In	\$ 35,000.00	\$ -	\$ 35,000.00
Transfers Out	-	35,000.00	35,000.00
Total Transfers	<u>35,000.00</u>	<u>(35,000.00)</u>	<u>-</u>
Beginning Fund Balance	\$ 20,108.40	\$ 256,770.62	\$ 276,879.02
Current Year Activity	<u>(21,777.09)</u>	<u>46,798.28</u>	<u>25,021.19</u>
Ending Fund Balance	<u>\$ 33,331.31</u>	<u>\$ 268,568.90</u>	<u>\$ 301,900.21</u>



Long-Term Debt Table

Long-Term Debt					Total	16,000.00
Type	Bank/Institution	Purpose of Debt	Maturity Date	Original Amount	Balance Amount	
Bonds Payable	ND Public Finance Authority	Water Improvement	9/1/2024	222,002.00	16,000.00	



Comments Letter

Highway Tax Dollars - Not in its own Fund (2023)

During review of the annual financial report, a total of \$17,192.28 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.

Municipal Infrastructure Fund - Not in its own Fund (2023)

During review of the annual financial report, the entity received Municipal Infrastructure Funds, also known as Prairie Dog funds, and did no record them in a Capital Projects Fund.

HB 1066 from the 66th Legislative Assembly during the 2019 Legislative Session allocated Prairie Dog Funds for "essential infrastructure projects". "Essential infrastructure projects" are defined as capital construction projects to construct new infrastructure or to replace existing infrastructure, which provide the fixed installations necessary for the function of a city.

GASB 54 state capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

Suggested Change:

The entity should track revenues and expenditures related to the Municipal Infrastructure Funds in a Capital Project Fund.

Enterprise Funds Reported in the General Fund (2023)

Municipal utility fund revenues and 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.

Unallowable Transfer out of Municipal Utilities Fund (2023)

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 revenue received for the year.



Office of the
State Auditor

NORTH DAKOTA STATE AUDITOR
JOSHUA C. GALLION

NORTH DAKOTA STATE AUDITOR'S OFFICE

600 E. Boulevard Ave. Dept. 117 | Bismarck, North Dakota 58505

 [ND.gov/Auditor](https://nd.gov/Auditor)

 NDSAO@nd.gov

 701-328-2241

 Facebook.com/NDStateAuditor

 YouTube.com/@NDStateAuditor

 Linkedin.com/company/NDStateAuditor