



# NORTH DAKOTA OFFICE OF THE STATE AUDITOR

*State Auditor Joshua C. Gallion*

## 2023 Annual Financial Report of **City of Montpelier**



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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 Montpelier 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 the Basic Review are included at the back of the report.

North Dakota State Auditor's Office  
Bismarck, North Dakota  
April 30, 2025



	Special			
	General Fund	Revenue Fund	Enterprise Fund	Total Funds
<b>Receipts</b>				
General Property Taxes	\$ 7,488.72	\$ -	\$ -	\$ 7,488.72
Coal Taxes	76.77	-	-	76.77
Highway Taxes	-	6,911.94	-	6,911.94
All Other Taxes	<u>148.66</u>	<u>-</u>	<u>-</u>	<u>148.66</u>
Total Taxes	<u>7,714.15</u>	<u>6,911.94</u>	<u>-</u>	<u>14,626.09</u>
Licenses And Permits	<u>720.00</u>	<u>-</u>	<u>-</u>	<u>720.00</u>
Total Licenses And Permits, And Fees	<u>720.00</u>	<u>-</u>	<u>-</u>	<u>720.00</u>
Grants From State Government	15,103.58	-	-	15,103.58
Grants From Local Governments	650.00	-	-	650.00
State Aid Distribution	<u>8,840.50</u>	<u>-</u>	<u>-</u>	<u>8,840.50</u>
Total Intergovernmental	<u>24,594.08</u>	<u>-</u>	<u>-</u>	<u>24,594.08</u>
Municipal Utilities	<u>-</u>	<u>-</u>	<u>48,453.34</u>	<u>48,453.34</u>
Total Service Revenue	<u>-</u>	<u>-</u>	<u>48,453.34</u>	<u>48,453.34</u>
Interest And Dividends	-	-	43.00	43.00
All Other Miscellaneous Receipts	<u>90.00</u>	<u>-</u>	<u>535.69</u>	<u>625.69</u>
Total Miscellaneous Receipts	<u>90.00</u>	<u>-</u>	<u>578.69</u>	<u>668.69</u>
Total Receipts	<u>\$ 33,118.23</u>	<u>\$ 6,911.94</u>	<u>\$ 49,032.03</u>	<u>\$ 89,062.20</u>
<b>Disbursements</b>				
Payroll And Benefits	\$ 9,223.22	\$ 1,200.00	\$ 8,032.80	\$ 18,456.02
Insurance	1,157.00	-	1,575.00	2,732.00
Utilities	1,373.22	2,356.34	-	3,729.56
Other Operating	<u>3,076.61</u>	<u>-</u>	<u>1,487.80</u>	<u>4,564.41</u>
Total Personnel And Administrative	<u>14,830.05</u>	<u>3,556.34</u>	<u>11,095.60</u>	<u>29,481.99</u>
Repairs And Maintenance	<u>1,202.20</u>	<u>5,585.00</u>	<u>3,476.07</u>	<u>10,263.27</u>
Total Capital And Infrastructure	<u>1,202.20</u>	<u>5,585.00</u>	<u>3,476.07</u>	<u>10,263.27</u>
Municipal Utilities	<u>-</u>	<u>-</u>	<u>26,304.38</u>	<u>26,304.38</u>
Total Cost Of Service Revenue	<u>-</u>	<u>-</u>	<u>26,304.38</u>	<u>26,304.38</u>
Culture And Recreation	1,063.22	-	-	1,063.22
Fire Protection	<u>400.00</u>	<u>-</u>	<u>-</u>	<u>400.00</u>
Total Functional	<u>1,463.22</u>	<u>-</u>	<u>-</u>	<u>1,463.22</u>
Total Disbursements	<u>\$ 17,495.47</u>	<u>\$ 9,141.34</u>	<u>\$ 40,876.05</u>	<u>\$ 67,512.86</u>
Transfers In	\$ 6,600.00	\$ -	\$ -	\$ 6,600.00
Transfers Out	<u>-</u>	<u>-</u>	<u>6,600.00</u>	<u>6,600.00</u>
Total Transfers	<u>6,600.00</u>	<u>-</u>	<u>(6,600.00)</u>	<u>-</u>
Beginning Fund Balance	\$ 68,055.81	\$ 11,964.43	\$ 25,948.04	\$105,968.28
Current Year Activity	<u>15,622.76</u>	<u>(2,229.40)</u>	<u>8,155.98</u>	<u>21,549.34</u>
Ending Fund Balance	<u>\$ 90,278.57</u>	<u>\$ 9,735.03</u>	<u>\$ 27,504.02</u>	<u>\$127,517.62</u>



# Comments Letter

## 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 not 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.



Office of the  
State Auditor

NORTH DAKOTA STATE AUDITOR  
JOSHUA C. GALLION

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