



# NORTH DAKOTA OFFICE OF THE STATE AUDITOR

*State Auditor Joshua C. Gallion*

## 2020 Annual Financial Report of **City of Bathgate**



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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 Bathgate 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.

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  
May 30, 2025



|                                      | General Fund        | Enterprise Fund    | Total Funds         |
|--------------------------------------|---------------------|--------------------|---------------------|
| <b>Receipts</b>                      |                     |                    |                     |
| General Property Taxes               | \$ 5,678.60         | \$ -               | \$ 5,678.60         |
| Highway Taxes                        | 2,730.54            | -                  | 2,730.54            |
| All Other Taxes                      | <u>113.27</u>       | <u>-</u>           | <u>113.27</u>       |
| Total Taxes                          | <u>8,522.41</u>     | <u>-</u>           | <u>8,522.41</u>     |
| Licenses And Permits                 | <u>375.00</u>       | <u>-</u>           | <u>375.00</u>       |
| Total Licenses And Permits, And Fees | <u>375.00</u>       | <u>-</u>           | <u>375.00</u>       |
| State Aid Distribution               | <u>4,432.43</u>     | <u>-</u>           | <u>4,432.43</u>     |
| Total Intergovernmental              | <u>4,432.43</u>     | <u>-</u>           | <u>4,432.43</u>     |
| Municipal Utilities                  | <u>-</u>            | <u>2,959.40</u>    | <u>2,959.40</u>     |
| Total Service Revenue                | <u>-</u>            | <u>2,959.40</u>    | <u>2,959.40</u>     |
| Donations                            | 2,000.00            | -                  | 2,000.00            |
| All Other Miscellaneous Receipts     | <u>1,620.00</u>     | <u>-</u>           | <u>1,620.00</u>     |
| Total Miscellaneous Receipts         | <u>3,620.00</u>     | <u>-</u>           | <u>3,620.00</u>     |
| Total Receipts                       | <u>\$ 16,949.84</u> | <u>\$ 2,959.40</u> | <u>\$ 19,909.24</u> |
| <b>Disbursements</b>                 |                     |                    |                     |
| Payroll And Benefits                 | \$ 2,550.00         | \$ -               | \$ 2,550.00         |
| Insurance                            | 884.00              | -                  | 884.00              |
| Utilities                            | 2,889.13            | -                  | 2,889.13            |
| Other Operating                      | <u>2,870.08</u>     | <u>-</u>           | <u>2,870.08</u>     |
| Total Personnel And Administrative   | <u>9,193.21</u>     | <u>-</u>           | <u>9,193.21</u>     |
| Repairs And Maintenance              | <u>3,058.00</u>     | <u>-</u>           | <u>3,058.00</u>     |
| Total Capital And Infrastructure     | <u>3,058.00</u>     | <u>-</u>           | <u>3,058.00</u>     |
| Municipal Utilities                  | <u>-</u>            | <u>2,957.55</u>    | <u>2,957.55</u>     |
| Total Cost Of Service Revenue        | <u>-</u>            | <u>2,957.55</u>    | <u>2,957.55</u>     |
| Total Disbursements                  | <u>\$ 12,251.21</u> | <u>\$ 2,957.55</u> | <u>\$ 15,208.76</u> |
| Beginning Fund Balance               | \$ 11,508.13        | \$ -               | \$ 11,508.13        |
| Current Year Activity                | <u>4,698.63</u>     | <u>1.85</u>        | <u>4,700.48</u>     |
| Adjustment To Fund Balance (Sao Use) | (910.68)            | -                  | (910.68)            |
| Ending Fund Balance                  | <u>\$ 15,296.08</u> | <u>\$ 1.85</u>     | <u>\$ 15,297.93</u> |



# Comments Letter

## Highway Tax Dollars - Not in its own Fund (2020)

During review of the annual financial report, a total of \$2,730.54 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.

## Enterprise Funds Reported in the General Fund (2020)

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.

## 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

NORTH DAKOTA STATE AUDITOR  
JOSHUA C. GALLION

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