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## LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

Thursday, June 20, 2024  
Roughrider Room, State Capitol  
Bismarck, North Dakota

Representative Emily O'Brien, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Representatives Emily O'Brien, Bert Anderson, Dick Anderson\*, Josh Boschee, Scott Louser\*, Mike Nathe, Dan Ruby, Austen Schauer, Scott Wagner\*; Senators David A. Clemens\*, Jerry Klein, Judy Lee\*, Jeffery J. Magrum, Scott Meyer

**Member absent:** Senator Shawn Vedaa

**Others present:** Mindy Piatz, Brady, Martz, & Associates P.C.; DeAnn Ament\*, Public Finance Authority; Joshua C. Gallion, State Auditor; Kyle C. Wanner, Aeronautics Commission; Thomas Bodine, Department of Agriculture; JoDee Hanson, Governor's office; Donna Sorensen\*, North Dakota School for the Deaf

*\*Attended remotely*

**It was moved by Representative Schauer, seconded by Representative Nathe, and carried on a voice vote that the minutes of the December 19, 2023, and March 21, 2024, meetings be approved as distributed.**

At the request of Chairman O'Brien, Mr. Toby S. Mertz, Fiscal Analyst, Legislative Council, presented a memorandum entitled [Summary of Major Items in Audit Reports for the June 20, 2024, Meeting](#).

### AUDITS OF STATE AGENCIES, BOARDS, AND COMMISSIONS

Chairman O'Brien called on Ms. Mindy Piatz, Brady, Martz, & Associates P.C., Certified Public Accountants, who presented the audit report entitled [North Dakota Public Finance Authority Audited Financial Statements December 31, 2023 and 2022](#).

Ms. Piatz and Ms. DeAnn Ament, Executive Director, Public Finance Authority, responded to a question from a committee member regarding the Public Finance Authority's proprietary funds. They noted mostly loan and bond activity affects the cash amounts in the funds. Ms. Ament noted the agency will be issuing bonds in the next year, increasing the cash balance in the funds.

Chairman O'Brien called on Mr. Joshua C. Gallion, State Auditor, who presented the following audit reports:

- [North Dakota Aeronautics Commission Audit Report for the Biennium Ended June 30, 2023](#);
- [Department of Agriculture Audit Report for the Biennium Ended June 30, 2023](#);
- [Office of the Governor Audit Report for the Biennium Ended June 30, 2023](#);
- [North Dakota School for the Deaf/Resource Center Audit Report for the Biennium Ended June 30, 2023](#); and
- [North Dakota State College of Science Audit Report for the Biennium Ended June 30, 2023](#).

In response to questions from committee members, Mr. Kyle C. Wanner, Director, Aeronautics Commission, noted the aircraft excise tax is paid at a 5 percent rate on the purchase price for all non-agricultural aircraft or a 3 percent rate on the purchase price on agricultural aircraft used exclusively for aerial application. He noted revenues from the aircraft excise tax are deposited in the Aeronautics Commission fund and used for infrastructure grant programs for the 89 airports throughout the state.

In response to a question from a committee member, Mr. Thomas Bodine, Deputy Commissioner, Department of Agriculture, noted the more than normal percentage increase in federal revenue during the audit period was due to COVID-19 funding received by the department.

In response to a question from a committee member, Ms. JoDee Hanson, Chief Administrative Officer, Governor's office, noted the loan repayment amount within the financial statements represented the interest payment on the loan for the Theodore Roosevelt Presidential Library.

In response to a question from a committee member, Ms. Donna Sorensen, Superintendent, North Dakota School for the Deaf, noted revenue sources for the School for the Deaf include funds from providing meals to residents and renting space for a Head Start program. She noted the decrease in rental revenue resulted from less space being rented due to tenants working remotely or moving to new office property.

**It was moved by Representative Ruby, seconded by Representative Nathe, and carried on a roll call vote that, pursuant to North Dakota Century Code Section 54-35-02.2, the committee accept the following reports reviewed by the committee at its June 20, 2024, meeting:**

- 1. Public Finance Authority (December 31, 2022 and 2023)**
- 2. Aeronautics Commission (June 30, 2022 and 2023)**
- 3. Department of Agriculture (June 30, 2022 and 2023)**
- 4. Governor's office (June 30, 2022 and 2023)**
- 5. North Dakota School for the Deaf (June 30, 2022 and 2023)**
- 6. North Dakota State College of Science (June 30, 2022 and 2023)**

Representatives O'Brien, B. Anderson, D. Anderson, Boschee, Louser, Nathe, Ruby, Schauer, and Wagner and Senators Clemens, Klein, Lee, Magrum, and Meyer voted "aye." No negative votes were cast.

### **OTHER INFORMATION**

Mr. Mertz provided information regarding the status of the performance audit of the State Auditor's office. He noted:

- The Legislative Council signed a contract with FORVIS, LLP in June 2024 to perform the audit;
- The performance audit will commence in August 2024; and
- Completion of the audit is anticipated to be in October or November 2024.

### **COMMITTEE DISCUSSION AND STAFF DIRECTIVES**

Chairman O'Brien announced the committee will tentatively schedule a meeting in October 2024.

No further business appearing, Chairman O'Brien adjourned the meeting at 9:40 a.m.

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Toby S. Mertz  
Fiscal Analyst

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Allen H. Knudson  
Legislative Budget Analyst and Auditor