



North Dakota House of Representatives

STATE CAPITOL
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COMMITTEES:
Appropriations

February 2, 2023

House Bill 1508

House Political Subdivisions, Chairman Don Longmuir

Chairman Longmuir and members of the Political Subdivisions:

I am Representative Emily O'Brien, from District 42, in Grand Forks, North Dakota.

I served as the Vice Chair for Legislative Audit and Fiscal Review Committee. It was brought to my attention several times from many individuals their concerns about their audit fees being charged by the State Auditors Office.

Hence why I have introduced HB 1508. Before I go through the bill – I want to go through several situations that I have discovered. Many did not want to come forward with concerns of retaliation, so I did random samplings of the audit fees that the State Auditors Office provided to the Legislative Council. That will be discussed later in my testimony.

CONCERN 1

Press Releases –

On Tuesday, August 16, 2022 at 3:34 PM the Legislative Audit and Fiscal Review Committee and a handful of other individuals and agency heads received an email regarding the Department of Human Services' final audit report. On the State Auditor's Office Website – there is a News Release, with the time stamp 4:08 PM "State Auditor's Office Holding Press Conference On Department of Human Services Audit Results". In my opinion, I do not believe 34 minutes is a sufficient amount of time for any individual to respond to audit findings. There are several other instances – you can find those on the State Auditor's Office Website.

CONCERN 2

Some North Dakota Counties are delinquent in Audits due to backlog with independent audits. The State Auditor's Office has rejected audits from one company; in addition, the State Auditor's Office is no longer accepting audits by one company that conducted audits for 14 counties. These counties then have to pay for the rejected independent audits and then pay again for another audit to be in compliance.

In 2021, 27 school districts received notifications from the State Auditor's Office regarding audits being conducted by auditor Harold Rotunda, which were being rejected due to required work paper documentation not being submitted by Rotunda. The Auditor questioned the methodology of former school auditor Harold Rotunda and then advised these school districts not to pay the fees to Mr. Rotunda for both audits. Unfortunately, Mr. Rotunda was not able to tell his side of the story in this article. In previous years, the audit reports accepted by the State Auditor's Office were conducted by Mr. Rotunda. The State Auditor's Office has continuously stated in testimony the need for more auditors across the entire state. Last biennium, we appropriated 7 or 8 FTEs for the auditor's office. In this session, he is requesting 20 FTEs. I am concerned if we have a private industry willing to aid in conducting the audits – why are we rejecting them, advising agencies not to pay, and putting these entities in delinquent status for not having the audits completed?

Please see the attachment of all of the audits accepted by the Auditor's Office and completed by Mr. Rotunda. I could not reach Mr. Rotunda to be here to tell his side of the story – I saw that his office is now closed. I hope that it is not due to not being paid for the audits he performed that were rejected by the auditor's office.

CONCERN 3

The City of Parshall was audited by the State Auditor's Office for reviewing a Petition. I am going to read the information that I received from the City of Parshall Attorney.

We have paid a partial sum of the total billing from the State Auditor's Office. We believe that, based upon NDCC provisions, the Auditor's fees are not valid.

SEE:

54-10-14. Political subdivisions - Audits - Fees - Alternative audits and reports.

2. The state auditor shall charge the political subdivision an amount equal to the fair value of the audit and any other services rendered.

The City of Parshall requested an Attorney General's Opinion – on Section 2. Language, but they refused to give an opinion.

The total billing for services, in our opinion, is not in compliance with the statute, as our annual costs for auditor services were a lot less. Private accounting businesses set the fair value.

The City regularly has annual audits performed each year and the State Auditor approves each of these audits. Costs of the audits for the past five years is as follows:

2016 -	\$5,800.00
2017 -	\$9,300.00
2018 -	\$7,000.00
2019 -	\$8,300.00
2020 -	\$8,800.00
TOTAL:	\$39,200.00

We paid the sum of \$12,500.00 to date on the State Auditor's bill. Their bill was \$39,205.00, which is 5 times the sum we have paid for audits they approved each year in the past. This audit found virtually nothing wrong, just a couple of differing interpretations of where money (all totally accounted for) should be recorded and kept. They should have been able to wrap up their audit in no time at all.

We think the audit should have never happened, if Auditor's Office did its due diligence in reviewing the Petition. It was an improperly circulated petition they relied upon, and such did not meet state law, and should have been rejected.

We have told the Auditors office, that we have no intention to pay any additional funds, and they are free to bring suit against our City in District Court.

I have spoken to other cities and school districts, that have had dreadful loss of needed funds, paid toward State Auditor's fees from audits stemming from persons circulating petitions with no basis for the same.

Finally, Why is State Auditor billing anyway? Their department is fully budgeted, the employees are paid from their budget, and isn't this equivocal to double dipping, by charging the citizens of North Dakota basically two times. Once through state funds, once through municipal funds.

I would like to note that the City of Parshall has Rath & Mehrer CPA issue their audit report. As you will see in the State Auditor's Office spreadsheet, they have \$39,250.00 listed for the Audit Fees, but they have only

received \$12,500. Why is there a discrepancy there? Does the chart show what the State Auditor's Office charged? Not what was received?

CONCERN 4

Morton County:

	MORTON COUNTY AUDIT FEES	
	MORTON COUNTY	STATE AUDITOR
2015	\$19,250.00	
2016	\$19,950.00	
2017	\$20,950.00	
2018	\$22,150.00	\$12,500.00
2019	\$21,650.00	\$13,000.00
2020	\$21,650.00	\$50,000.00
2021	\$22,250.00	\$13,000.00
2022	\$25,450.00	\$19,750.00
	\$173,300.00	\$108,250.00

As you will see in the table – there are several inconsistencies each year. Even if we only compared the data that the Auditor's Office provided for 2018-2022 Morton County's total would be \$113,150 versus the \$108,250.00 the State Auditor's Office provided. I obtained this information from the following resources: on the State Auditor Office's website – they are listed as the issuing entity of Morton Counties Audit. The email provided to me by the Morton County Auditor lists their audit fees. You will find the audit fees provided to Legislative Council by the State Auditor's Office on the large table. I am wondering why the State Auditor's Office that billed this political subdivision is different from what the political subdivision provided.

CONCERN 5

Looking at the spreadsheet the State Auditor's Office provided to Legislative Council – you will observe audit fees gradually increasing. I have highlighted those for your information.

When reaching out to a random sampling of entities – several stated that they did not know why their audit fees increased and were shocked that they doubled or in some cases tripled, and several stated that they were told it was from COVID/ARPA dollars they received. One example – is I contacted the Wahpeton Airport Authority. Their audit fees were the following:

WAHPETON AIRPORT AUTHORITY	
2015	
2016	
2017	
2018	\$6,250.00
2019	
2020	\$8,450.00
2021	
2022	\$15,750.00

They did not know why their audit fees increased by \$2,200 from 2018 to 2020. They did not know why their audit fees increased by \$7,300 from 2020 to 2022 – they had received \$1.7 million in federal dollars – but did not feel it should result in a significant increase in audit fees.

CONCERN 6

City of Williston – I inquired about the fees they were charged in 2018. This is the information that I received: This was before my time, but the City of Williston entered into a three-year contract with the State 2018 to perform the audit services in. Upon review of the findings, the State auditors reached out to the media to share the findings without our knowledge. Typically, media covers serious fraud charges so we were a very surprised the State even did that.

Additionally, after further discussion and explanation with the auditors, the State retracted some of the findings they shared with the media. However, the media damaged was already done.

When I took the finance director position in 2020, I reached out to them and we both mutually agreed to pull out of the contract and depart ways. We sent a bid out and awarded Brady Martz.

CONCERN 7

I received an email from another Representative in our Chamber with concerns about the Cavalier County Job Development Authority and its audit fees.

Our 2021 audit done in 2022 was \$4,600. I had only budgeted \$2,200. I budgeted that because the previous year we were charged \$1950 and I wanted small cushion in the event of a small increase. Having the audit more than double with NO WARNING and after budgets for the year are already set and approved by the commission is a huge burden on a small budget.

We a small component unit of local government. We should not have that dramatic of a price increase.

Limiting what the state auditors can charge and having that amount based on budget so we can accurately predict the cost is a much needed change that I would support.

When I went to verify their audit fees – they were not listed on the spreadsheet I received from the Auditor's Office. I discussed this with the Representative. He mentioned that it was signed off by the Department of Commerce Audit Fees. I went back to the spreadsheet and again – those numbers do not align with what is listed under the Department of Commerce – why were their audit fees left out of the report?

CONCERN 8

A bill was introduced to address the concerns about the audit fees issued to the Gwinner Rural Fire District and Rural Killdeer Area Ambulance District. That is House Bill 1129. This bill would not have allowed the State Auditor to charge audit fees from a firefighter's relief association, rural fire protection district, or a rural ambulance service district related to the cost or value of an audit, review or examination of audit reports, work papers, or annual reports, or any other services rendered. Additionally, provide a retroactive application to audits conducted after December 31, 2017.

Instead of the bill being heard in this committee, it was announced at 10:30 AM that the hearing would be postponed. Constituents had traveled to come and testify in support of this bill. A few hours later, the rumors were that the Auditor wanted to make a deal and would pay the audit fees back if the sponsor withdrew the bill. We have heard other conversations that this is being taken care of in the Senate – items such as the \$250,000 threshold will be increased to \$2,000,000 to perform audits, changing "shall" audit to "may" audit, audit fees will be paid back to Rural Killdeer Ambulance District and Gwinner Rural Fire District OR only going to charge \$1,000 or so, start an "audit fund" to cover audit fees paid for by the State to Rural Fire Departments and Rural Ambulance Districts, and lastly provide some sort of educational information seminar to comply with audits.

Gwinner stated that they never met their auditor face to face- everything was provided to the assigned auditor via email and through conversations on the phone. Since there is no travel from the auditor based out of Fargo for this specific audit, and total bill of \$17,000 at \$68/hour – this would equal to 250 hours for the Gwinner Rural Fire District. Gwinner Rural Fire District only had 40 checks to review. I am not aware of how many hours individuals from the Gwinner Rural Fire District spent on providing information.

Gwinner Rural Fire District had to borrow money from the bank to do a fundraiser because the State Auditor advised that they needed a separate tax account. The Auditor advised that he would help with how to properly set this up with the Fire Associations – but never followed through.

Gwinner Rural Fire District asked why the Auditor's Office was so compelled to do a press release. They were told by the Auditor that the taxpayers deserve to know where their dollars are being spent.

As mentioned above, Gwinner Rural Fire District received a bill for \$17,000. The bill was reduced to \$11,000. The community, surrounding communities and constituents that Gwinner Rural Fire District serves made several comments that the State Auditors Office should not be profiting off the backs of a volunteer group of individuals. Lastly, Gwinner Rural Fire District heard they would get their money back but have not heard anything since.

CONCERN 9

Rural Killdeer Area Ambulance District

Had a similar situation to the Gwinner Rural Fire District. The Rural Killdeer Area Ambulance District was here in person, on January 12 to come and testify in support of House Bill 1129 to this committee. They were then told that the hearing would not be held – with no other details.

I had several conversations with a representative from the Rural Killdeer Area Ambulance District – they were unaware that the bill was withdrawn. They did not know there was any potential of their audit fees to be reimbursed without HB 1129.

She is here today to tell her side of the story.

I would like to bring up a few of my concerns–

I observed on social media – comments on a Facebook thread that a public citizen from the Killdeer area had received confidential information from an employee of the State Auditor’s Office before the audit was complete. When I inquired more about this, the Rural Killdeer Ambulance District was told that this individual did not have anything to do with their audit and should not have access to the information. The individual from the Rural Killdeer Ambulance District provided me with those documents. I have attached those documents from the Facebook thread and the email the individual from the Auditor’s Office sent to the citizen.

The public citizen, stated in a letter to the KAAS Directors and Dunn County Commission “.... And there is an email attached that he sent yesterday stating the status of the audit. He also told me in a phone call that the audit was being performed due to serious delinquency of reporting by KAAS and that he had been in contact with...”

The email from the employee at the State Auditor’s Office stated, “... it has taken way longer than it ever should have to receive the records from them in order to prepare their financial statements from 2017 thru 2020. Normally, when we request financial records it takes less than a month (from much larger clients) & they have taken almost 7 months.” The email went on to say. “If you or any board member wants to know whether they should get additional money thru an increased mill levy then 1st determine how good of a job they’re doing with

the money they're currently receiving. Since the audit isn't completed yet you can't rely on that but what you can do is to ask for the December 31st, 2021 bank statement & see if it ties to their 2021 year-end financial reports. If it doesn't, or they can't provide it then you know all that you need to know."

These types of comments can damage any community – large or small. The Rural Killdeer Ambulance District had an employee resign because of the rumors from these emails.

CONCERN 10

Napoleon School District

Napoleon School paid the State Auditor's Office:

NAPOLEON SCHOOL DISTRICT		
	NAPOLEON	STATE AUDITOR
2019	\$29,950.00	
2020		
2021	\$26,500.00	\$20,000.00
2022	\$27,950.00	\$36,450.00
	\$84,400.00	\$56,450.00

Why was the audit in 2022 (1 year audit) roughly the same amount as the audit in 2018 and 2019? Audit in 2020 and 2021 which were both 2 year audits.

You will also observe the discrepancies in the numbers that were provided for the fees.

CONCERN 11

The North Dakota University System reviewed the systemwide audit fees charged to each institution by the State Auditor's Office over the last several fiscal years and the funding sources utilized by each institution to pay for the audit fees. All institutions are using tuition revenues to pay for the audits conducted by the State Auditor's Office.

Currently, if the North Dakota University System Institutions need to use General Fund dollars to pay their audit fees, they must present to the Budget Section to request that the fees be covered by General Fund dollars. In addition, the State Auditor's Office is funded by General Fund dollars.

Higher Education Institutions – for the sake of time. I will allow the North Dakota University System to discuss this more in-depth.

In conclusion, this bill in the current format only allows the State Auditor's Office to charge one-one thousandth of one percent to agencies, boards and political subdivisions. It removes the ability for the office to charge higher education at all and retroactively the Auditor's Office will need to reimburse the Higher Education Institutions back to 2021. This bill will also require each audit performed by the State Auditor to be reviewed and approved by a certified public accountant.

I have had many requests of going away with audit fees for all agencies, boards and political subdivisions. This assembly funds the Auditors Office through General Funds to perform these audits. The fees that are charged to political subdivisions are deposited into the State Auditor Special Fund Operating Account. I would support amending this bill even further.

Thank you Chairman Longmuir and members of the committee.

Sum of Inv Amt			Fiscal Year							
Customer Name	Audit Type	Deposit Account	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Grand Total
BARNES RURAL WATER DISTRICT	Financial Audit	State Auditor Special Fund Operating Account	-	-	15,250.00	15,750.00	14,500.00	12,950.00	13,750.00	72,200.00
BELCOURT PUBLIC SCHOOL DISTRICT #7	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	20,000.00	46,450.00	-	-	66,450.00
BEULAH PUBLIC SCHOOL DISTRICT #27	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	19,650.00	18,950.00	16,000.00	22,950.00	77,550.00
Bismarck State College	ACFR - Financial Audit	General Fund	3,754.00	3,848.00	3,944.00	4,042.00	7,090.00	7,678.00	9,987.37	40,343.37
	Performance Audit	General Fund	5,623.00	-	5,904.00	-	6,199.00	22,400.00	-	40,126.00
	Single Audit - Financial Audit	General Fund	-	25,925.52	-	15,742.42	-	5,778.59	-	47,446.53
BOARD OF EDUCATION OF THE CITY OF FARGO	Financial Audit	State Auditor Special Fund Operating Account	-	-	22,500.00	24,450.00	26,750.00	26,750.00	58,250.00	158,700.00
BOTTINEAU COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	19,950.00	23,650.00	22,950.00	47,750.00	4,000.00	118,300.00
BURKE COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	24,950.00	35,500.00	60,450.00
BURLEIGH COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	25,950.00	-	49,450.00	33,200.00	33,000.00	141,600.00
BURLEIGH COUNTY WATER RESOURCE DISTRICT	Financial Audit	State Auditor Special Fund Operating Account	-	-	6,250.00	6,650.00	7,350.00	9,750.00	-	30,000.00
Career and Technical Education	Performance Audit	General Fund	-	76.00	-	80.00	-	-	603.84	759.84
CASS CO. SOIL CONSERVATION DISTRICT	Financial Audit	State Auditor Special Fund Operating Account	-	-	11,750.00	11,750.00	11,500.00	11,500.00	12,750.00	59,250.00
CASS CO. WATER RESOURCE DISTRICTS	Financial Audit	State Auditor Special Fund Operating Account	-	-	22,450.00	25,550.00	25,450.00	26,000.00	31,250.00	130,700.00
CASS COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	22,250.00	42,500.00	41,950.00	38,000.00	144,700.00
CASSELTON PARK DISTRICT	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	7,500.00	7,500.00
CAVALIER COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	18,250.00	21,350.00	22,000.00	21,750.00	39,000.00	122,350.00
Center for Tobacco Prevention & Control	Performance Audit	General Fund	9,338.00	9,805.00	-	-	-	-	-	19,143.00
CITY OF CANDO	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	13,500.00	-	18,250.00	31,750.00
CITY OF DEVILS LAKE	Financial Audit	State Auditor Special Fund Operating Account	-	-	23,450.00	23,650.00	22,650.00	20,950.00	20,500.00	111,200.00
CITY OF HILLSBORO	Financial Audit	State Auditor Special Fund Operating Account	-	-	22,250.00	-	-	15,000.00	14,000.00	51,250.00
CITY OF PARSHALL	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	39,250.00	39,250.00
CITY OF WAHPETON	Financial Audit	State Auditor Special Fund Operating Account	-	-	24,950.00	27,250.00	24,500.00	-	24,500.00	101,200.00
CITY OF WASHBURN	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	29,950.00	-	39,450.00	-	69,400.00
CITY OF WEST FARGO	Financial Audit	State Auditor Special Fund Operating Account	-	-	27,950.00	-	27,500.00	-	-	55,450.00
CITY OF WILLISTON	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	27,000.00	-	-	27,000.00
Comm. on Legal Counsel for Indigents	Performance Audit	General Fund	1,731.00	-	1,817.00	-	-	-	-	3,548.00
Core Technology Services	ACFR - Financial Audit	General Fund	-	-	-	-	4,377.00	4,999.00	5,499.35	14,875.35
Corn Utilization Council	Financial Audit	General Fund	-	3,738.00	-	3,925.00	-	6,700.00	-	14,363.00
Department of Commerce	Performance Audit	General Fund	-	2,193.00	2,303.00	-	2,418.00	-	2,057.85	8,971.85
	Single Audit - Financial Audit	General Fund	-	-	-	-	-	83,412.69	-	83,412.69
DEPARTMENT OF ENVIRONMENTAL QUALITY	Performance Audit	General Fund	-	-	-	-	-	-	7,386.97	7,386.97
Department of Financial Institutions	Performance Audit	General Fund	-	3,932.00	-	4,129.00	-	9,700.00	-	17,761.00
Department of Public Instruction	Performance Audit	General Fund	3,628.00	-	3,810.00	-	-	4,000.00	-	11,438.00
	Single Audit - Financial Audit	General Fund	-	132,710.00	-	155,782.50	-	142,668.64	-	431,161.14
Department of Transportation	Performance Audit	General Fund	-	24,705.00	25,940.00	-	-	27,237.00	-	77,882.00
	Single Audit - Financial Audit	General Fund	-	94,622.50	-	7,666.29	-	94,125.61	-	196,414.40
Dept. of Corrections & Rehabilitation	Performance Audit	General Fund	1,205.00	-	-	1,265.00	-	-	1,356.60	3,826.60
DEVILS LAKE PARK BOARD	Financial Audit	State Auditor Special Fund Operating Account	-	-	6,500.00	7,000.00	15,950.00	8,400.00	-	37,850.00
DEVILS LAKE PSD #1	Financial Audit	State Auditor Special Fund Operating Account	-	-	15,750.00	16,495.00	18,750.00	22,250.00	25,250.00	98,495.00
DICKEY COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	41,250.00	17,500.00	6,000.00	37,250.00	40,450.00	142,450.00
Dickinson State University	ACFR - Financial Audit	General Fund	3,351.00	3,434.00	3,520.00	3,631.00	4,301.00	4,316.00	5,126.64	27,679.64
	Performance Audit	General Fund	5,987.00	-	6,287.00	-	6,601.00	13,100.00	-	31,975.00
	Single Audit - Financial Audit	General Fund	-	10,769.00	-	8,067.03	-	5,217.62	-	24,053.65
DOC-Roughrider Industries	Performance Audit	General Fund	6,862.00	-	-	-	-	-	-	6,862.00
Dry Pea and Lentil Association	Financial Audit	General Fund	-	3,184.00	-	3,343.00	-	6,400.00	-	12,927.00
FOSTER COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	10,000.00	27,000.00	37,000.00
GRAND FORKS COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	24,250.00	23,900.00	21,000.00	-	33,450.00	102,600.00
GRANT COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	8,000.00	8,000.00
GREATER RAMSEY WATER DISTRICT	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	8,500.00	18,900.00	-	22,750.00	50,150.00
GRIGGS COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	36,000.00	36,000.00
GWINNER FIRE DISTRICT	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	11,000.00	11,000.00
Information Technology Department	Performance Audit	General Fund	-	20,316.00	-	-	21,332.00	-	27,900.00	69,548.00
KILLDEER AREA AMBULANCE DISTRICT	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	6,000.00	6,000.00
KINDRED PUBLIC SCHOOL DISTRICT NO. 2	Financial Audit	State Auditor Special Fund Operating Account	-	-	14,250.00	15,200.00	15,250.00	19,250.00	22,950.00	86,900.00
LAKE METIGOSHE REC. SERVICE DISTRICT	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	14,350.00	-	14,000.00	28,350.00
LAKE REGION DISTRICT HEALTH UNIT	Financial Audit	State Auditor Special Fund Operating Account	-	-	15,750.00	-	-	12,500.00	26,975.00	55,225.00

Sum of Inv Amt			Fiscal Year							
Customer Name	Audit Type	Deposit Account	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Grand Total
LAKE REGION LAW ENFORCEMENT CENTER Lake Region State College	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	9,750.00	9,650.00	11,500.00	21,950.00	52,850.00
	ACFR - Financial Audit	General Fund	1,277.00	1,309.00	1,342.00	1,376.00	2,718.00	2,856.00	3,353.70	14,231.70
	Performance Audit	General Fund	4,938.00	-	-	5,185.00	14,700.00	-	-	24,823.00
	Single Audit - Financial Audit	General Fund	-	22,772.56	-	7,453.46	-	4,579.29	-	34,805.31
LAMOURE COUNTY LEC BUILDING MAINTENANCE FUND	Financial Audit	State Auditor Special Fund Operating Account	-	-	15,000.00	15,950.00	18,950.00	18,950.00	25,450.00	94,300.00
	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	4,250.00	-	5,200.00	9,450.00
LISBON PUBLIC SCHOOL DISTRICT #19 Mayville State University	Financial Audit	State Auditor Special Fund Operating Account	-	-	15,950.00	-	-	18,200.00	24,650.00	58,800.00
	ACFR - Financial Audit	General Fund	1,875.00	1,922.00	1,970.00	2,019.00	3,788.00	4,130.00	5,111.95	20,815.95
	Performance Audit	General Fund	4,920.00	-	-	5,166.00	17,800.00	-	-	27,886.00
	Single Audit - Financial Audit	General Fund	-	11,811.10	-	8,564.50	-	4,026.05	-	24,401.65
MCHENRY COUNTY MEDINA PUBLIC SCHOOL DISTRICT #3	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	34,250.00	34,250.00
	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	5,000.00	5,000.00
MERCER COUNTY Minot State University	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	74,950.00	74,950.00
	ACFR - Financial Audit	General Fund	6,239.00	6,395.00	6,555.00	6,719.00	9,218.00	9,247.00	10,946.82	55,319.82
	Performance Audit	General Fund	5,243.00	-	5,505.00	-	5,780.00	-	14,251.56	30,779.56
	Single Audit - Financial Audit	General Fund	-	13,878.08	-	10,080.34	-	5,342.87	-	29,301.29
MISU Bottineau	ACFR - Financial Audit	General Fund	941.00	964.00	988.00	1,013.00	1,652.00	2,026.00	2,338.29	9,922.29
	Performance Audit	General Fund	4,446.00	-	-	4,668.00	4,901.00	-	20,581.05	34,596.05
	Single Audit - Financial Audit	General Fund	-	10,067.17	-	7,305.99	-	4,550.49	-	21,923.65
	Financial Audit	State Auditor Special Fund Operating Account	-	-	12,500.00	13,000.00	50,000.00	13,000.00	19,750.00	108,250.00
MORTON COUNTY WRD	Financial Audit	State Auditor Special Fund Operating Account	-	-	10,750.00	-	25,250.00	12,000.00	7,500.00	55,500.00
MOUNTRAIL COUNTY NAPOLEON PSD #2	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	29,000.00	27,250.00	56,250.00
	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	20,000.00	36,450.00	56,450.00
ND Adjutant General	Performance Audit	General Fund	-	472.00	-	495.00	-	-	6,000.00	6,967.00
	Single Audit - Financial Audit	General Fund	-	56,602.50	-	-	-	66,303.89	-	122,906.39
	Performance Audit	General Fund	-	7,294.00	3,830.00	-	4,021.00	-	8,813.31	23,958.31
	Performance Audit	General Fund	-	-	-	-	-	21,800.00	15,483.60	37,283.60
ND Aeronautics Commission	Performance Audit	General Fund	-	5,759.00	-	6,047.00	-	-	16,100.00	27,906.00
ND Ag Experiment Station, NDSU Extension	Performance Audit	General Fund	-	6,573.00	-	6,901.00	-	5,600.00	-	19,074.00
ND Attorney General	Performance Audit	General Fund	4,698.00	4,816.00	4,936.00	5,060.00	5,186.00	16,800.00	16,800.00	58,296.00
ND Barley Council	Performance Audit	General Fund	180.00	-	189.00	-	-	-	-	369.00
ND Beef Commission	Performance Audit	General Fund	-	3,381.00	-	3,550.00	-	6,000.00	-	12,931.00
ND Council on the Arts	Performance Audit	General Fund	6,464.00	-	6,787.00	11,500.00	-	-	-	24,751.00
ND Dairy Promotion Commission	Performance Audit	General Fund	-	972.00	1,021.00	-	25,700.00	-	-	27,693.00
ND Department of Agriculture	Performance Audit	General Fund	-	19,185.00	-	51,552.50	-	-	-	70,737.50
ND Department of Health	Performance Audit	General Fund	-	10,325.00	10,841.00	-	68,900.00	-	-	90,066.00
ND Department of Human Services	Single Audit - Financial Audit	General Fund	-	575,910.00	-	500,458.75	-	494,924.88	-	1,571,293.63
ND Department of Veteran's Affairs	Performance Audit	General Fund	-	3,822.00	-	4,014.00	-	-	-	7,836.00
ND Dry Bean Council	Performance Audit	General Fund	-	2,495.00	-	2,620.00	-	5,600.00	-	10,715.00
ND Forest Service	Performance Audit	General Fund	-	-	-	-	6,400.00	-	7,537.12	13,937.12
ND Game and Fish Department	Performance Audit	General Fund	-	15,187.00	-	15,947.00	-	-	25,800.00	56,934.00
ND Governor's Office	Single Audit - Financial Audit	General Fund	-	50,247.50	-	4,316.94	-	52,143.96	-	106,708.40
	Performance Audit	General Fund	751.00	-	-	-	-	-	-	751.00
ND Highway Patrol	Performance Audit	General Fund	-	11,207.00	-	11,767.00	-	-	2,939.30	25,913.30
ND Historical Society	Single Audit - Financial Audit	General Fund	-	-	-	29,892.50	-	1,915.95	-	31,808.45
	Performance Audit	General Fund	-	2,999.00	-	3,148.00	-	-	-	6,147.00
ND Industrial Commission	Performance Audit	General Fund	-	5,561.00	5,839.00	-	6,131.00	-	14,100.00	31,631.00
ND Insurance Department	Performance Audit	General Fund	-	7,832.00	-	8,224.00	8,635.00	-	21,250.00	45,941.00
ND Judicial Branch	Performance Audit	General Fund	-	137.00	144.00	-	-	-	403.96	684.96
ND Milk Marketing Board	Financial Audit	General Fund	-	2,990.00	-	3,140.00	-	6,000.00	-	12,130.00
ND Mill and Elevator	Financial Audit	General Fund	19,827.00	20,323.00	20,831.00	42,704.00	21,886.00	29,000.00	34,000.00	188,571.00
ND Parks and Recreation Department	Performance Audit	General Fund	-	5,984.00	6,283.00	-	-	6,597.00	-	18,864.00
ND Potato Council	Financial Audit	General Fund	-	5,893.00	-	6,188.00	-	5,600.00	-	17,681.00
ND Racing Commission	Performance Audit	General Fund	-	5,895.00	6,190.00	-	6,499.00	-	5,770.48	24,354.48
ND School for the Blind	Performance Audit	General Fund	-	-	-	-	2,810.00	-	1,484.78	4,294.78
ND School for the Deaf	Performance Audit	General Fund	-	-	-	-	-	-	2,237.12	2,237.12
ND Secretary of State	Performance Audit	General Fund	-	552.00	-	580.00	-	-	-	1,132.00

Customer Name	Audit Type	Deposit Account	Fiscal Year								Grand Total
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022		
ND Securities Department	Performance Audit	General Fund	-	83.00	-	87.00	-	-	-	170.00	
ND Soybean Council	Financial Audit	General Fund	4,727.00	4,846.00	4,967.00	5,091.00	5,218.00	16,800.00	16,800.00	58,449.00	
ND State College of Science	ACFR - Financial Audit	General Fund	5,221.00	5,352.00	5,486.00	5,623.00	7,322.00	7,243.00	9,901.53	46,148.53	
	Performance Audit	General Fund	5,621.00	-	5,902.00	-	16,300.00	-	-	27,823.00	
	Single Audit - Financial Audit	General Fund	-	24,230.69	-	15,340.47	-	5,973.48	-	45,544.64	
ND University System	ACFR - Financial Audit	General Fund	954.00	978.00	1,071.00	1,073.00	5,389.00	6,712.00	9,708.07	25,885.07	
	Performance Audit	General Fund	-	793.00	-	-	833.00	-	-	1,626.00	
	Single Audit - Financial Audit	General Fund	-	1,558.75	-	-	-	-	-	1,558.75	
ND Veteran's Home	Performance Audit	General Fund	7,786.00	-	-	8,176.00	14,000.00	-	-	29,962.00	
ND Wheat Commission	Financial Audit	General Fund	-	4,924.00	-	5,170.00	-	6,700.00	-	16,794.00	
NELSON COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	18,500.00	-	23,000.00	-	24,500.00	66,000.00	
NELSON/GRIGGS DISTRICT HEALTH UNIT	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	13,250.00	-	13,250.00	
North Dakota Ethanol Council	Financial Audit	General Fund	-	4,712.50	-	5,289.00	-	6,000.00	-	16,001.50	
North Dakota State University	ACFR - Financial Audit	General Fund	35,135.00	36,313.00	37,213.00	38,136.00	53,793.00	68,378.00	82,700.26	351,668.26	
	Performance Audit	General Fund	40,647.00	-	-	5,498.00	31,500.00	-	-	77,645.00	
	Single Audit - Financial Audit	General Fund	-	30,972.99	-	42,847.26	-	81,011.51	-	154,831.76	
OBERON PUBLIC SCHOOL DISTRICT NO. 16	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	44,950.00	30,950.00	75,900.00	
Office of Administrative Hearings	Performance Audit	General Fund	-	5,566.00	5,845.00	-	6,137.00	-	7,223.56	24,771.56	
Office of Management and Budget	Performance Audit	General Fund	19,834.00	-	20,826.00	-	29,000.00	-	-	69,660.00	
	Single Audit - Financial Audit	General Fund	-	-	-	-	-	18,314.74	-	18,314.74	
Oilseed Council	Financial Audit	General Fund	-	3,353.00	-	3,521.00	-	6,000.00	-	12,874.00	
PARSHALL PUBLIC SCHOOL DISTRICT #3	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	27,000.00	44,450.00	71,450.00	
PEMBINA COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	18,950.00	18,650.00	18,500.00	31,850.00	87,950.00	
PIERCE COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	19,250.00	6,500.00	31,750.00	17,750.00	23,700.00	98,950.00	
Public Service Commission	Performance Audit	General Fund	-	855.00	-	898.00	942.00	-	-	2,695.00	
RAMSEY COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	17,500.00	20,300.00	31,850.00	6,200.00	75,850.00	
RAMSEY COUNTY WRD	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	2,950.00	-	-	5,950.00	8,900.00	
RANSOM COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	16,250.00	18,500.00	7,000.00	19,250.00	29,950.00	90,950.00	
RICHLAND COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	20,000.00	11,000.00	10,950.00	48,700.00	29,950.00	120,600.00	
ROLETTE COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	18,950.00	19,250.00	18,750.00	18,750.00	34,250.00	109,950.00	
SIOUX COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	18,500.00	21,500.00	-	17,500.00	8,250.00	65,750.00	
SOLEN PUBLIC SCHOOL DISTRICT #3	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	4,250.00	36,500.00	7,500.00	48,250.00	
SOUTHWEST MULTI-COUNTY CORRECTION CTR.	Financial Audit	State Auditor Special Fund Operating Account	-	-	19,500.00	-	12,750.00	-	12,750.00	45,000.00	
STARK COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	21,000.00	39,450.00	24,000.00	26,500.00	30,950.00	141,900.00	
State Seed Department	Financial Audit	General Fund	-	6,861.00	-	7,204.00	-	8,600.00	-	22,665.00	
STEELE COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	16,500.00	17,600.00	18,500.00	38,450.00	6,500.00	97,550.00	
STUTSMAN COUNTY	Financial Audit	State Auditor Special Fund Operating Account	300.00	-	24,500.00	49,900.00	24,750.00	24,500.00	30,350.00	154,300.00	
TOWNER COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	25,450.00	-	23,500.00	-	38,250.00	87,200.00	
TRAILL COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	13,750.00	14,500.00	16,500.00	13,250.00	29,500.00	87,500.00	
University of North Dakota	ACFR - Financial Audit	General Fund	41,121.00	42,149.00	43,203.00	44,283.00	60,992.00	76,987.00	99,681.02	408,416.02	
	Performance Audit	General Fund	5,624.00	-	-	5,905.00	6,201.00	19,950.00	25,052.19	62,732.19	
	Single Audit - Financial Audit	General Fund	-	83,595.28	-	40,555.65	-	104,717.76	-	228,868.69	
Upper Great Plains Transportation Instit	Performance Audit	General Fund	-	-	-	-	10,400.00	-	10,048.91	20,448.91	
Valley City State University	ACFR - Financial Audit	General Fund	2,407.00	2,560.00	2,644.00	2,707.00	4,153.00	4,841.00	5,451.62	24,763.62	
	Performance Audit	General Fund	4,981.00	-	5,230.00	-	16,300.00	-	-	26,511.00	
	Single Audit - Financial Audit	General Fund	-	10,317.04	-	7,924.12	-	3,294.29	-	21,535.45	
WAHPETON AIRPORT AUTHORITY	Financial Audit	State Auditor Special Fund Operating Account	-	-	6,250.00	-	8,450.00	-	15,750.00	30,450.00	
WALSH COUNTY	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	31,450.00	25,250.00	33,500.00	23,250.00	113,450.00	
Water Commission	Performance Audit	General Fund	6,022.00	-	6,324.00	-	20,600.00	-	-	32,946.00	
	Single Audit - Financial Audit	General Fund	-	-	-	-	-	15,302.62	-	15,302.62	
WEST FARGO PARK DISTRICT	Financial Audit	State Auditor Special Fund Operating Account	-	-	13,500.00	14,950.00	14,750.00	15,250.00	15,500.00	73,950.00	
WEST FARGO PSD #6	Financial Audit	State Auditor Special Fund Operating Account	-	-	20,500.00	22,950.00	-	-	-	43,450.00	
WILLISTON PUBLIC SCHOOL DISTRICT #1	Financial Audit	State Auditor Special Fund Operating Account	-	-	-	-	-	-	14,450.00	14,450.00	
Williston State College	ACFR - Financial Audit	General Fund	1,189.00	1,219.00	1,249.00	1,281.00	2,789.00	3,058.00	3,583.38	14,368.38	
	Performance Audit	General Fund	5,048.00	-	-	5,300.00	14,500.00	-	-	24,848.00	
	Single Audit - Financial Audit	General Fund	-	9,877.82	-	7,232.62	-	2,550.55	-	19,660.99	
Grand Total			289,895.00	1,521,908.00	955,249.00	1,945,903.34	1,511,312.00	2,680,910.48	2,028,797.20	10,933,975.02	

O'Brien, Emily

From: Dawn Rhone <Dawn.Rhone@mortonnd.org>
Sent: Friday, January 27, 2023 3:22 PM
To: O'Brien, Emily
Subject: RE: Audit Fees Inquiry

Hi Emily

Here is the information you requested. We have just had fiscal audits.

2022	25,450
2021	22,250
2020	21,650
2019	21,650
2018	22,150
2017	20,950
2016	19,950
2015	19,250



DAWN R. RHONE, CPA

MORTON COUNTY AUDITOR

📍 210 2nd Ave NW, Mandan, ND 58554

✉️ dawn.rhone@mortonnd.org

📞 701.667.3300

🌐 www.mortonnd.org

From: O'Brien, Emily <eobrien@ndlegis.gov>
Sent: Thursday, January 26, 2023 9:07 AM
To: Dawn Rhone <Dawn.Rhone@mortonnd.org>
Subject: Audit Fees Inquiry

Hi Dawn,

This is Representative Emily O'Brien from Grand Forks; I am wondering if you could help provide me with some information on the audit fees charged to Morton County by the State Auditor's Office for audits that have been performed. I am looking for any audit fees charged between 2015-2023 and what type of audit was performed – fiscal or performance audit. Is this something that you could help me with? Or point me in the direction of the appropriate individual with this information.

Thanks so much!

Emily O'Brien

Representative Emily O'Brien

COPY

City of Parshall

Box 159, Parshall, ND 58770-0159
Telephone 862-3459

MAYOR Kyle Christianson	ALDERMEN Robert Morenski Tom Huus Katherine Moreno Bernie Jorgenson
AUDITOR Kelly Woessner	

June 10, 2022

Drew Wrigley
Attorney General
600 E. Boulevard Ave.
Bismarck, ND 58505

RECEIVED
JUN 15 2022

OFFICE OF
ATTORNEY GENERAL

RE: Attorney General's Opinion – Auditor Fees

The City Council in and for the City of Parshall was informed that the total costs for an audit from the Office of the State Auditor would total \$39,205.00. The audit was conducted pursuant to provisions in NDCC 54-10. The audit stemmed from a Petition submitted as follows:

54-10-15. Audits of political subdivisions by order of governor or the legislative audit and fiscal review committee, **upon petition**, or upon request of the state court administrator.

A review of the century code sets a threshold of at least thirty-five percent of the qualified electors of any political subdivision enumerated in section 54-10-14 voting for the office of governor at the preceding general election.

Issue One – The City has good cause to believe that the Petition was not properly circulated, and the Petition should not have been acted upon. It is requested that your office give an opinion as to how a Petition under 54-10-15 is reviewed upon submission, which agency is responsible for verifying the contents of such Petition, and whether the circulator actually witnessed the signing of the same.

Issue Two. Upon reading the statute it is clear that the costs of the audit are to comply with the following provision:

54-10-14. Political subdivisions - Audits - Fees - Alternative audits and reports.

2. The state auditor shall charge the political subdivision an amount equal to the fair value of the audit and any other services rendered.

The total billing for services is not in compliance with the statute.

The City regularly has annual audits performed each year and the State Auditor approves each audit. Costs of the audits for the past five years is as follows:

2016 - \$5,800.00

2017 - \$9,300.00

2018 - \$7,000.00

2019 - \$8,300.00

2020 - \$8,800.00

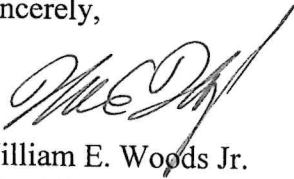
TOTAL: \$39,200.00

As you can see this audit cost by the State Auditor is as much as the total five previous years combined.

It should be noted that the City fully complied with all books and records requested, and city officials were complimented by the State Auditor's representatives for being so swift in turning over records. That no significant irregularity in handling funds nor embezzlement found, justifying increased costs.

The City would like an opinion on the consequences of the State Auditor having duly failed to follow 54-10-14, as it failed to charge an amount equal to fair value of said services.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Woods Jr.', written in a cursive style.

William E. Woods Jr.
City Attorney



Comment

**Farra Meeker**

Timothy Drake the information is relatively easy to find on a web search. They pay a bookkeeper and a CPA, shouldn't they know what the financial requirements are? Accountability 101.



3d

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Reply

Message

1 **Farra Meeker**

Timothy Drake additionally, I'm not too concerned about the other ambulance services in this position. My tax dollars don't go there.

3d

Like

Reply

Message

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**Timothy Drake**

Farra Meeker Do you know when the taxing district was established? I don't, but that certainly should have been discussed as a requirement of the taxing district.

They absolutely are accountable, you're right. It appears they are taking the steps to rectify their mistakes and provide the taxpayers with appropriate information and ensure they're

Write a reply...



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Notifications



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Timothy Drake

Farra Meeker Right or wrong, KAAS is certainly not the only rural ambulance district in this position. If you look at the state auditor's data, they are missing ambulance districts and a few are delinquent. I wouldn't attribute this to malice just yet.

There has historically been no guidance issued. There is no law specifically within the rural ambulance district statutes, only in state auditor statutes, which can certainly confuse a new board member (of which there is no required training!).

The state EMS association certainly hasn't helped in disseminating this information either, even though the last changes to the law were tracked.

I would certainly hope that now that the board is aware of their responsibilities, they will retain their third party firm to perform audits and submit those audits as required to the State Auditor's office.

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Notifications



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August 7
18:29

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LIKE REPLY



Hollie Megan Kuntz

Farra Meeker I am just saying their are 2 sides to this and the truth I am sure is somewhere in between them. I will call the state auditor on Monday, but most businesses have to do an audit every year.

1h Like Reply



Farra Meeker

Hollie Megan Kuntz I think you need to reread the post. They have NEVER SUBMITTED THEIR FINANCIALS.

1h Like Reply



Beth Gaugler

Erika Leigh a third party should count the votes also!

15m Like Reply



Farra Meeker

Beth Gaugler ABSOLUTELY!

14m Like Reply



Erika Leigh

Farra Meeker who did they not submit their financials to? The county?



8m Like Reply



Write a reply...



August 7
18:29

Edit

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**Beth Gaugler**

5h · 🌐

**Farra Meeker**

6h · 🌐

When voting on Tuesday for the mill levy for the Killdeer Area Ambulance, keep in mind they are in the middle of an audit. They did not submit their financials from 2017-current as they should have been as their revenue exceeded \$750k. Why have this special vote now when the audit has not been completed? Wouldn't it make sense to see the results of this audit before more taxpayer monies are allotted? Additionally, this is NOT an audit that every ambulance and fire department is required to do as was stated in another post. That simply is not true.

Edited to add: It is my understanding that the ambulance board counts the votes for this special mill levy vote. Does that make any sense?

RS Tim and 8 others

12 comments

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August 7
17:35

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financial report (if approved) or an independent audit. They have never submitted anything. They were prompted to do this audit because of that. You are welcome to call the ND State Auditor office and speak to Dan Cox. The public has been misled.

2h Like Reply

3



Erika Leigh

[Amy Woodbury Cook](#) we (Killdeer Mountain Mfg) have to do a third party financial audit and a third party 401k audit every year

1h Like Reply

2



Hollie Megan Kuntz

[Farra Meeker](#) I am just saying their are 2 sides to this and the truth I am sure is somewhere in between them. I will call the state auditor on Monday, but most businesses have to do an audit every year.

30m Like Reply



Farra Meeker

[Hollie Megan Kuntz](#) I think you need to reread the post. They have NEVER SUBMITTED THEIR FINANCIALS.

26m Like Reply



Write a reply...





August 7
17:35

Edit



Farra Meeker

Hollie Megan Kuntz no, that isn't completely true. If the revenue exceeds \$750k they are to submit their financials. They have NEVER SUBMITTED. They are to furnish EITHER an annual financial report (if approved) or an independent audit. They have never submitted anything. They were prompted to do this audit because of that. You are welcome to call the ND State Auditor office and speak to Dan Cox. The public has been misled.

2h Like Reply

3



Erika Leigh

Amy Woodbury Cook we (Killdeer Mountain Mfg) have to do a third party financial audit and a third party 401k audit every year

1h Like Reply

2



Hollie Megan Kuntz

Farra Meeker I am just saying their are 2 sides to this and the truth I am sure is somewhere in between them. I will call the state auditor on Monday, but most businesses have to do an audit every year.

30m Like Reply





RS Tim and 5 others

Most relevant ▾



Travis Bateman

Yeah, major issues with the management there on money. They came to the McKenzie County Commission and got a big chunk too and claimed alot of calls in the Grassy Butte area. Something isn't adding up....

2h Like Reply

1



Ann Williams Hafner

[Travis Bateman](#) Ambulance service areas are assigned by the ND Dept of Health based on what service can respond to a given area first. Killdeer Ambulance was assigned parts of McKenzie and Billings Counties by the state of ND. To keep the taxpayers from bearing the burden of their service covering other counties, the century code allows services to request support from the other townships that they provide service to.

The only calls that Killdeer Ambulance claims are only the ones in their assigned service area, a portion of which is near Grassy Butte.

Just now Like Reply





August 7
17:10

Edit

every single year, then why have they not submitted their financials From 2017- current? That makes no sense. No organization gets audited every year.

2h Like Reply

2



Farra Meeker

Hollie Megan Kuntz no, that isn't completely true. If the revenue exceeds \$750k they are to submit their financials. They have NEVER SUBMITTED. They are to furnish EITHER an annual financial report (if approved) or an independent audit. They have never submitted anything. They were prompted to do this audit because of that. You are welcome to call the ND State Auditor office and speak to Dan Cox. The public has been misled.

1h Like Reply

3



Erika Leigh

Amy Woodbury Cook we (Killdeer Mountain Mfg) have to do a third party financial audit and a third party 401k audit every year

1h Like Reply

2



Write a reply...





August 6

18:52

Edit

Posted by Ann Williams Hatner
4h ·

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Farra Meeker

Can the taxpayers get an explanation as to why the KAAS financial statements/reports haven't been reported to the state since 2017 and prior as they should be as their financials exceed \$750k? I think the taxpayers have been terribly misled regarding this audit. The taxpayers might consider this mill levy if they felt confident that monies have been being used appropriately during that time. Transparency and truth would go a long ways here.

1h Like Reply Message Hide

1



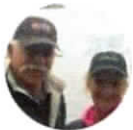
Write a reply...

Most relevant is selected, so some comments may have been filtered out.



August 6
14:59

Edit

Posts **Photos****Candyce Kleemann**1d · 

There will be a special election held Tuesday, August 9th at the Killdeer Ambulance building. The Killdeer Area Ambulance Service (KAAS) is requesting this special election to vote on a 5 mill increase to their tax income. In 2021, they received \$282,252 from their present 5.11 mill levy (based upon your taxable evaluation). If this passes, they will approximately double their tax income (receive an additional \$280,000). They completed their first step of an audit with the ND State Auditor. The audit has one final stage to determine if there are discrepancies in their financials which should be completed this fall. Please go out and vote. Eligible voters are those in the Killdeer Ambulance District. There are other ways to fund this request without raising our taxes. Please share this message.

 4

9 shares

 Like Share



July 30
16:10

Edit

Comments

Done



NM J Spethman
I agree 100% ~Nikki

16h Like Reply

2



Anita Recksiek Mjolhus
Thank you, Eric! I also agree with your assessment.

14h Like Reply

2



Julie Karey
Also the ambulance is under an audit with the state. The state came to them in the first quarter but they haven't produced the necessary paperwork for them so it's been pushed back to the fourth quarter. Why not wait until that has been completed or at the very least why a special election? Put it on the November ballot.

6h Like Reply

2



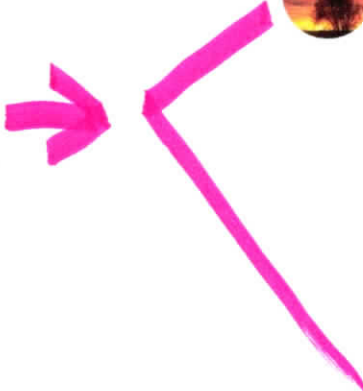
DeAnn Zander
As a small business owner in this community, yes, we are one of the highest taxed in the state. We "do not" need another tax increase.

6h Like Reply

2



Julie Karey
And either way it ultimately comes from our pockets! Why doesn't the ambulance live



FW: KAAS Audit

From: Tracey Dolezal (tracey.dolezal@dunncountynd.org)

To: mahafner@gmail.com

Date: Friday, October 14, 2022 at 03:17 PM MDT

From: Tracey Dolezal
Sent: Thursday, August 4, 2022 11:16 AM
To: candycekleemann <candycekleemann@gmail.com>
Cc: 'Julie Karey (mjez@ndsupernet.com)' <mjez@ndsupernet.com>
Subject: KAAS Audit

Good Morning,

I want to clarify something in the letter you are sending out regarding a quote from me. This is the reference for the statement I made in the email to a resident:

NDCC 54-10-14. Political subdivisions - Audits - Fees - Alternative audits and reports.

A political subdivision, at the option of its governing body, may be audited by a certified public accountant or licensed public accountant rather than by the state auditor. The public accountant shall comply with generally accepted government auditing standards for audits of political subdivisions. The report must be in the form and content required by the state auditor.

We agreed with the state auditor's office to engage them, to conduct the required audit, because they would start right away and the fact that we hadn't done one prior,

I think your statement that I said, "the audit was for their use, not a state audit", was taken entirely out of context. If you look at the email, **I did not say it was for our use, I said they are doing it for us.** There is an obvious difference in context to what was implied.

Tracey



0225_001.pdf
105.9kB

Subject **RE: Killdeer Area Ambulance Audit**
From Cox, Daniel D. <dcox@nd.gov>
To cakleman@ndsupernet.com <cakleman@ndsupernet.com>
Date 2022-08-02 3:39 pm
Candyce ~

The actual audit takes place in two parts: 1) prepare the financial statements & get them to balance; & 2) review the records (support documentation like invoices & bank stmts) to make sure the numbers are accurate.

To date we have just finished part 1 of getting the financial statements prepared & balanced. I can't say anything about that outcome until the completion of the audit but I can tell you that it has taken way longer than it ever should have to receive the records from them in order to prepare their financial statements from 2017 thru 2020. Normally, when we request financial records it takes less than a month (from much larger clients) & they have taken almost 7 months.

We will be starting the part 2...the audit portion soon & hopefully those type of records are more readily available.

If you or any board member wants to know whether they should get additional money thru an increased mill levy then 1st determine how good of a job they're doing with the money they're currently receiving. Since the audit isn't completed yet you can't rely on that but what you can do is to ask for the December 31st, 2021 bank statement & see if it ties to their 2021 year end financial reports. If it doesn't or they can't provide it then you know all that you need to know.

* Any questions call ~

Dan Cox, CPA
Quality Assurance Audit Manager
ND State Auditor's Office
(701) 328-2745

August 3, 2022

KAAS Directors and Dunn County Commission:

→ I am writing this because of some false information that has surfaced since the discussions about the KAAS special election have developed.

First, the audit that the KAAS is going through has been brought up. The following email was sent to a resident by Tracey Dolezal stating the audit was for their use, not a "state audit". This is not true. I talked to another director about the audit and he also did not seem to feel there was any cause for concern. Josh Edwards posted that all ambulances and fire districts were being audited by the state as per Century Code. That is partially true. Once a department hits a specific threshold of operating dollars they are REQUIRED to furnish the ND State Auditor with either an annual financial report (if approved to do so), or furnish an independent audit every two years. This has not been done by KAAS.

A couple years ago, Bob was presented with several complaints from several people about concerns with KAAS. Because several were personnel complaints, they were difficult to verify. However, several dealt with financial concerns so he called the ND State Auditor's office to see if the financial reports turned in showed any discrepancies. At that time we were told the Service had NEVER turned in any reports. Because of this we were informed there would be a state audit as soon as the schedule allowed it. That audit started about 7 months ago and is indeed an audit of KAAS finances by the state. The contact is Dan Cox and there is an email attached that he sent yesterday stating the status of the audit. He also told me in a phone call that the audit was being performed due to serious delinquency of reporting by KAAS and that he had been in contact with Tracey and Josh.

Armedic

It troubles me that directors and the financial contact at KAAS seem to think this is not an audit by the State because of their failure to report. I am not sure where they got that idea and if necessary I was told we could request the letter from the State that initiated the audit to show it was state led, however, KAAS has that letter.

Attached is the partial printout of the list of Planned Audits for the State which includes the KAAS listing showing it is a "state audit". Also attached is the email I received from Dan Cox on the status of the audit.

I followed up on this because I feel there is miscommunication within the Service and because any entity getting tax money should be following the laws for State reporting. A copy of this is being delivered to all ambulance directors so everyone has firsthand knowledge of it, not rumors.

Thank you for your time.

Candyce Kleemann

Candyce Kleemann