



January 20, 2024

House Appropriations - Government Operations Division

HB 1004

Senator David Monson, Chair

For the record, my name is Kory Peterson. I am appearing before you today on behalf of the North Dakota League of Cities, in support of HB 1004. Prior to working with the North Dakota League of Cities, I was the Mayor of Horace for 8 years, from June 2016 to July 2024. We appreciate working with the State Auditors office on efforts to help educate cities on audits and accounting methods.

Horace was considered a small town in 2016. The city Auditor at the time used small business accounting practices to keep track of city finances because he did not have training in municipal accounting practices. Being the new Mayor, I did not realize there was a different method the city needed until I was made aware of it later after an audit finding. It took some time, money, calls the State Auditor's office, and outside resources to convert our accounting practices to make them compliant with current city accounting procedures. Since Horace's accounting switchover, the audits have come back with a clean bill of health.

The League supports the moving of 3 FTE positions from special funding to the general fund. This would have a positive effect on smaller cities, relieving them of another expense. We will continue to work internally and with the State Auditor's office to build capacity with small cities. We have appreciated the partnership with the Auditor's Office in bringing our cities into compliance and we will continue to work with their office.

We want to see all our cities thrive and with sound accounting methods that promote transparency, they will be in a better position to make city government run efficiently.

Thank you.

Kory Peterson