



Budgeting for Counties 101

April 28, 2021

10:00 a.m. CT



Budget Structure

- ▶ Dictated by statute NDCC 11-23-01 and 11-23-02
 - ▶ 11-23-01 mandates that department heads submit an itemized budget as prescribed by the state auditor
 - ▶ 11-23-02 mandates that the Auditor prepare an itemized budget of expenditures as prescribed by the state auditor for the general and all other funds
- ▶ Each county will have different variations to their structure but at a minimum they must meet the requirements of these statutes

Auditor Responsibilities

- ▶ Provide a detailed breakdown of estimated revenues and expenditures (appropriations) requested for budget year, current year, and prior year
- ▶ Detailed breakdown of transfers for budget year, current year, and prior year
- ▶ The beginning and ending balance of each fund or estimates of balances
- ▶ Tax levy requested by each fund



Auditor Responsibilities (cont.)

- ▶ Certificate of levy showing amount levied for each fund and total amount levied
- ▶ Same basis of accounting as your annual financial reports
- ▶ Cash reserve for the general fund and each special revenue fund cannot exceed 75% of the fund appropriation (see note). *Can be handled through fund balance policy or designation*



Per ND State Auditor's Office – 75% Reserve Fund is calculated using current year appropriation, not the year you are preparing budget for.

Budget Process

MAY-JUNE

JULY

AUGUST

SEPTEMBER

OCTOBER

► Five main steps to the budget process:

1. Guidance/Dissemination
2. Compile/Review
3. Preliminary Approval/Estimated Notice
4. Public Hearing/Finalize Budget & Levies
5. October 10 – Final date for **ALL** political subdivisions to file a certified copy of budget with County Auditor

Budget Cycle Timeline

MAY-JUNE

Initial Budget guidance from the Commission

Worksheet dissemination to Departments from the Auditor

JULY

Early July:
Budget Worksheets returned by Departments to Auditor

2nd Half July:
Auditor compiles budget worksheets
Commission reviews the budgets with Department Heads

AUGUST

Early August:
Commission approves Preliminary Budget
Sets time & place for budget hearing (between Sept 7 and Oct 7)

August 10: On or before – Local governments **must** file Preliminary Budgets with Auditor

August 31: On or before – County MUST mail Estimated Tax Statement

SEPTEMBER

County holds public Budget Hearing

Sept 7 earliest date to hold budget hearing

Oct 7 latest date to hold budget hearing

OCTOBER

October 10

Final date for local governments to amend their budget and tax levy

Cities levying less than \$100,000 must publish a notice not less than six days prior to final budget hearing

NDCC 11-23-01
NDCC 11-23-02
NDCC 40-40-06
NDCC 57-15-02.2

Sample Budget Calendar

May 24, 2019	The Auditor/Treasurer Office will send out budget letters and documents to county departments. Budget letters and documents will also be sent to outside agencies. If needed, the Auditor/Treasurer Office will hold training sessions with departments on how to prepare a budget if requested.
June 28, 2019	Budget requests and work plans from each department are due in the Auditor/Treasurer Office.
June 28, 2019	A one-page summary detailing revenues and expenditures and an explanation of major changes from last year's budget is due from Department Heads.
July 16, 2019	The County Commission will review the budgets with department heads and outside agencies. (Begin at 8:00am)
August 6, 2019	The Commission approves the preliminary budget. The Commission must also set the time and place for the budget hearing which must be held between September 7th and October 7th.
August 10, 2019	Preliminary budgets <u>must</u> be filed with County Auditor/Treasurer by <u>all</u> local governments.
August 31, 2019	County must mail Estimated Tax Statement.
September 7, 2019	Earliest date local governments may hold their budget hearing.
September 17, 2019	McKenzie County's Formal Hearing on the budget.
October 1, 2019	Commission approves the final budget and tax levy to support the budget.
October 7, 2019	Final date for local governments to hold their 2020 budget hearing.
October 10, 2019	Final date for local governments to amend their budget and tax levy and resubmit to County Auditor/Treasurer.

Commission Guidance

- **Establish preliminary Cost of Living Allowance (COLA)** –even if only for estimating purposes
- **Merit/Step Increases**-recommend policy
- **Health Insurance Cost Changes**-recommend policy
- **Determine Board Priorities**
- **Public Priorities**
- **Review known changes**-laws, personnel, projects
- **Establish maximum levy increase threshold**- for both departments as well as external boards/organizations



Budget Worksheet Dissemination

- Auditor to provide Commission Guidance to department heads
- Reference NDACo annual Budget Memo for budget guidelines
- Distribute statutorily compliant worksheets
- Capital Improvement Plan (CIP) worksheets
- Provide instructions and assistance to each department as needed
- Establish a deadline for departments to return budgets



NDACo BUDGET MEMO For CY2020 Budgets

To help counties in their budgeting efforts, we at NDACo have compiled county-specific analyses of projected State Aid, State Highway Funding and a variety of other revenues along with some anticipated expenditures. We have sent this one-page, county-specific analysis to each county; however, it is most effective if it is used in conjunction with the narrative below.

This Budget Memo includes brief notes about the assumptions and qualifications of various budget items. We have also identified other budget issues that we think may warrant consideration.

As always, please remember that these are estimates and relative changes in valuation, taxable sales, population, staffing levels, motor vehicles, etc., may affect some of the actual revenues and costs in the next year. While we use the latest and best data available, everything must be tempered with your own judgement.

NDACo has provided this service since 1991. We hope you find it useful. As always, we welcome your input if we can make this annual communication more useful.

Sample Budget Worksheet

MCKENZIE COUNTY		**-INTEGRATED FINANCIAL SYSTEM-**				Page 2		
Date 7/07/16		User-Selected Budget Report				FNL295 08/06/13		
Time 16:50:17						LINDA		
Account Number	Description	2015 BUDGET	2015 ACTUAL	2016 BUDGET	2016 JAN-JUNE	2016 PROJECTED	2017 REQUESTED	2017 APPROVED
Fund 10 GENERAL								
Department 106 AUDITOR/TREASURER								
10-106-6110	REGULAR SALARIES	320,228	346,975	469,000	234,013			
10-106-6160	TEMPORARY EMPLOYEES	5,000	8,633	10,000				
10-106-6170	LONGEVITY	13,125	9,100					
10-106-6171	BONUS PAY		5,000					
10-106-6210	COUNTY PAID HEALTH INSURA	56,120	43,784	65,000	44,411			
10-106-6211	COUNTY PAID LIFE INSURANC	17	16	20	13			
10-106-6220	COUNTY MATCH FICA/MEDICAR	25,884	27,392	36,650	16,608			
10-106-6221	COUNTY PAID DENTAL INSURA	4,475	3,777	4,475	3,560			
10-106-6222	COUNTY PAID VISION INSURA	1,040	1,039	1,225	935			
10-106-6230	COUNTY MATCH PERS	26,038	27,556	39,000	19,316			
10-106-6316	CONTRACT LABOR		228					
10-106-6340	TRAVEL	5,000	7,791	7,500	90			
10-106-6356	TELEPHONE	840	1,000	1,800	987			
10-106-6370	DUES, REGISTRATIONS & WOR	1,500	1,395	1,500	480			
10-106-6410	OFFICE EXPENSE	6,000	5,344	10,000	1,773			
Totals for Department 106								
	Revenue							
	Expend	465,267	489,030	646,170	322,186			
	Net	465,267	489,030	646,170	322,186			

Account	Department	Object	2015BudgetRequest	2014Budget	2014Jan-JunActual	2013Budget	2012Budget	Comments
010.120.6001	Department of Emergency Services - 120	Salaries - 6001	\$ 148,800	\$ 136,100	\$ 68,501	\$ 131,000	\$ 120,000	Wage increases
010.120.6004	Department of Emergency Services - 120	Temporary Employees - 6004	\$ 600	\$ 500	\$ 280	\$ 500	\$ 500	Increasing pay to \$50/mo for checking radio towers
010.120.6117	Department of Emergency Services - 120	Travel Expense - 6117	\$ 2,200	\$ 2,200	\$ 440	\$ 2,200	\$ 2,000	
010.120.6200	Department of Emergency Services - 120	Telephone - 6200	\$ 800	\$ 1,300	\$ 315	\$ 1,300	\$ 1,300	Some expenses now taken out of 010.114 Non-departmental fund
010.120.6201	Department of Emergency Services - 120	Postage - 6201	\$ 300	\$ 300	\$ -	\$ 300	\$ 300	
010.120.6240	Department of Emergency Services - 120	Dues - 6240	\$ 50	\$ 50	\$ 50	\$ 50	\$ 100	
010.120.6241	Department of Emergency Services - 120	Publishing and Printing - 6241	\$ 300	\$ 300	\$ -	\$ 300	\$ 300	
010.120.6250	Department of Emergency Services - 120	Utilities - 6250	\$ 2,900	\$ 2,400	\$ 1,414	\$ 2,000	\$ 2,000	Increased utilities costs at radio tower
010.120.6300	Department of Emergency Services - 120	Maintenance and Repairs - 6300	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ 2,000	
010.120.6400	Department of Emergency Services - 120	Office Supplies - 6400	\$ 600	\$ 600	\$ 99	\$ 600	\$ 600	
010.120.6401	Department of Emergency Services - 120	Copier/Printer Expenses - 6401	\$ 700	\$ 700	\$ 228	\$ 700	\$ 600	
010.120.6600	Department of Emergency Services - 120	Purchase of Assets - 6600	\$ 3,000	\$ 4,500	\$ -	\$ 3,300	\$ 2,300	Replace laser printer and PC
Department of Emergency Services - 120 Total			\$ 162,250	\$ 150,950	\$ 71,327	\$ 144,250	\$ 132,000	

Worksheet Projections Revenue

1. **Enter in the actual revenues collected in the prior year in first column**
 - a. Amend line items as needed to match regular accounting reports
2. **Enter the estimated revenues for the current year**
 - b. Estimates are based on revenues already collected PLUS revenues left to be collected in current year
3. **Enter projected revenue for the next year**
 - a. Projections should be realistic and conservative
 - b. Review NDACo Annual Budget Memo for revenue estimates
 - c. Review recent and current trends for each revenue type
 - d. Leave Property Tax income blank for next year
 - e. Property Taxes are the difference between the projected Revenue & projected Expenses – used to balance the budget

GENERAL FUND				
ACCOUNT NUMBER	REVENUES	Actual Revenues	Estimated Revenues	Estimated Revenues
		20__	20__	20__
3100	Taxes			
3110	General Property Taxes			XXXXXXXX
3170	Estate Taxes			
3190	Penalty and Interest			
	Total Taxes			
3200	Licenses, Permits, and Fees			
3211	Beer and Liquor Licenses			

Worksheet Projections Expenditures

1. **Enter the actual expenditures collected in the prior year in first column**
 - a. Amend line items as needed to match regular accounting reports
2. **Enter the estimated expenses for the current year**
 - b. Estimates are total of expenses already incurred PLUS expenses known expenses for current year
3. **Enter requested expenses for the next year**
 - a. Expenses should be realistic and based on adequate revenues to cover the expenses
 - b. Review NDACo Annual Budget Memo for expenditure estimates
 - c. Account for changes in service, account, personnel in your County
 - d. Use recent trends and economic projections in your County

Annual Budget for the Year Ended December 31, 20__						
GENERAL FUND - (CONTINUED)						
ACCOUNT NUMBER	EXPENDITURES	Actual Expenditures 20__	Estimated Expenditures 20__	Requested 20__	Final Appropriation 20__	
4100	General Government					
4110	Governing Board					1
4121	District Court					2
4122	County Court					3
4123	Clerk of Court					4
						5
						6
4141	Auditor					7
4142	Treasurer					8
4143	State's Attorney					9
4144	Assessor					10
4145	Register of Deeds					11
4146	Veteran's Service Officer					12
4147	County Supt. Of Schools					13

Auditor Budget Compilation & Mill Levy Estimates

- **Compile departmental requests** –verify they comply with commission directives
- **Compute mill levies**
 - Determine value of mill based on taxable value
 - Reference Mill **Levy Limitations** publication for maximum levies allowed by law

57-15-05. County tax levy. The board of county commissioners, in levying county taxes, is limited to the amount necessary to meet the appropriations included in the county budget for the ensuing fiscal year, and to provide a reserve fund as limited in this chapter, together with a tax sufficient in amount to pay the interest on the bonded debt of the county and to provide a sinking fund to pay the principal at maturity. The county budget shall show the complete expenditure program of the county for the ensuing fiscal year and the sources of revenue from which it is to be financed.

- **Estimate year end fund balances/cash reserves**
- **Schedule department budget meetings with commission**



Property Tax & Mill Levy Implications

Home Value	Taxable Value	2014 Taxes	2015 Taxes	2014 Discount	2015 Discount	2014 Tax Bill	2015 Tax Bill	Net Change
\$75,000	\$3,375	\$364.23	\$331.12	\$43.71	\$39.73	\$320.52	\$291.39	(\$29.14)
\$100,000	\$4,500	\$485.64	\$441.50	\$58.28	\$52.98	\$427.36	\$388.52	(\$38.85)
\$150,000	\$6,750	\$728.46	\$662.24	\$87.42	\$79.47	\$641.04	\$582.77	(\$58.27)
\$175,000	\$7,875	\$849.87	\$772.62	\$101.98	\$92.71	\$747.89	\$679.90	(\$67.98)
\$200,000	\$9,000	\$971.28	\$882.99	\$116.55	\$105.96	\$854.73	\$777.03	(\$77.70)

Commercial/ AG Value	Taxable Value	2014 Taxes	2015 Taxes	2014 Discount	2015 Discount	2014 Tax Bill	2015 Tax Bill	Net Change
\$75,000	\$3,750	\$404.70	\$367.91	\$48.56	\$44.15	\$356.14	\$323.76	(\$32.37)
\$100,000	\$5,000	\$539.60	\$490.55	\$64.75	\$58.87	\$474.85	\$431.68	(\$43.16)
\$150,000	\$7,500	\$809.40	\$735.83	\$97.13	\$88.30	\$712.27	\$647.53	(\$64.75)
\$175,000	\$8,750	\$944.30	\$858.46	\$113.32	\$103.02	\$830.98	\$755.45	(\$75.54)
\$200,000	\$10,000	\$1,079.20	\$981.10	\$129.50	\$117.73	\$949.70	\$863.37	(\$86.33)

Fund	TAXES		MILL LEVY		CHANGE	Dollar Difference
	2014	2015	2014	2015		
10 General	\$1,323,895	\$4,267,719	15.49	43.61	28.12	\$2,943,824
23 County Correction Center	\$816,217	\$0	9.55	0.00	(9.55)	-\$816,217
21 County Park	\$98,229	\$0	1.16	0.00	(1.16)	-\$98,229
28 County Advertising	\$3,419	\$0	0.04	0.00	(0.04)	-\$3,419
11 Social Security	\$1,395,688	\$0	16.33	0.00	(16.33)	-\$1,395,688
Automation	\$138,458	\$0	1.62	0.00	(1.62)	-\$138,458
71 County Fair	\$41,025	\$0	0.48	0.00	(0.48)	-\$41,025
30 Health Insurance	\$326,487	\$0	3.82	0.00	(3.82)	-\$326,487
15 Road & Bridge	\$552,976	\$978,861	6.47	10.00	3.53	\$425,885
33 Matching Federal Aid	\$427,339	\$0	5.00	0.00	(5.00)	-\$427,339

Estimate Year End Fund Balances and Mill Levies needed to fund Budget

	Jan 1 Beginning Balance	2016 Projected Revenue	2016 Projected Transfers In	2016 Projected Expendit	2016 Projected Transfers Out	Mill Levy	\$\$ Levied	2016 Projected End Yr Balance
GENERAL FUND	34,614,650	62,592,491	192,403	51,265,279	33,625,000	3.43	500,000	13,009,265
County Road & Bridge	71,148,495	8,521,234	38,500,000	100,983,119		10.00	1,457,120	18,643,730
Highway Tax	1,157,637	1,300,000		0	2,000,000			457,637
County Human Services	671,450	656,762		1,841,351		6.86	1,000,000	486,861
Veterans' Service	9,763	11,715		74,997		0.34	50,000	(3,519)
County Agent	36,943	40,586		186,693		0.82	120,000	10,836
County Park	40,661	5,000	125,000	160,016				10,645
Public Library	144,395	83,144		301,354	10,000	0.86	125,000	41,185
Book Mobile	82,590	115	10,000					92,705
Social Security	191,795				191,795			0
Water Resource District	1,974,366	4,262,978		6,236,331				1,013
Weed Control	197,112	231,761		482,436		0.21	30,000	(23,563)
Job Development	17,765	36,045		172,288		0.86	125,000	6,522
Self-Insurance	947,584	3,208,000		3,201,750				953,834
Doc. Preservation Fund	230,726	50,000		47,195				233,531
Haz Chem Preparedness	123,249	65,000		20,500				167,749
911 Services	224,295	160,000		287,100				97,195
Federal Entitlement	333,190	195,000						528,190
2015 Certificate Fund	0	500,000		500,000				0
Atmospheric Resources	291				291			0
County Fair	317				317			0
Health Unit	642	971		115,000		0.78	113,655	268
Historical Society	32	4,844		29,844		0.17	25,000	32

NDCC 11-23-05 Computing amount of levy

Information for Commissioners Review and Approval Process

- Compiled Budget
- Supplemental Information
- Road & Bridge CIP (Capital Improvement Plan)
- Capital Purchases
- Mill Levy & Property Tax Implications
- Meet with Department Heads to review budget requests
- Set time & place for public budget hearing (between Sept 7 and Oct 7)



Compiled Budget

Annual Budget for the Year Ending December 31, 2015				
SPECIAL REVENUE FUNDS				
27 - Weed Control Fund				
	Actual	Estimated	Estimated	
	Revenue	Revenue	Revenue	
	2013	2014	2015	
REVENUES				
General Property Taxes	154,883	258,000	xxxxxxx	
Mosquito Program	0	400	1,000	
State of North Dakota	59,274	62,000	60,000	
Homestead Credit	84	91	90	
Financial Institutions Tax	2,070	3,016	0	
Telecommunications Tax	1,393	1,393	1,393	
State Aid Distribution	54,612	54,000	59,000	
Veterans Credit	86	122	100	
General Charges and Fees	31,653	25,000	25,000	
Miscellaneous	61,288	5,000	10,000	
Corps of Engineers		52,233	35,000	
Private Contracts		13,000	13,000	
TOTALS/REVENUES	365,343	474,255	204,583	
	Actual	Estimated	Requested	Final
	Expend.	Expend.		Approp.
	2013	2014	2015	2015
EXPENDITURES				
Salaries & Benefits	220,188	256,279	328,824	
Travel & Vehicle Expense	17,270	32,800	25,100	
Utilities & Insurance	9,987	12,640	12,950	
Dues, Registrations & Workshops	1,704	2,000	2,500	
Mosquito Program Expense	0	7,000	4,000	
Service Contracts	255	500	0	
Office Expense	11,506	5,806	5,900	
Building Repairs & Maintenance	7,091	7,341	3,500	
Chemicals	34,577	30,000	30,000	
Supplies & Repairs	12,860	12,000	13,025	
Miscellaneous	3,056	2,000	2,500	
Capital Expense	26,773	59,980	35,000	
TOTALS/EXPEND.-APPROP.	345,267	428,346	463,299	
REVENUES OVER (UNDER) EXPENDITURES	20,076	45,909	-258,716	
Balance January 1	-10,394	91,182	137,091	
Transfers In	81,500		0	
Transfers (Out)				
Balance December 31	91,182	137,091	-121,625	0
Final Appropriation does not include the requested tax levy.				

2016 Summary of Significant Changes By Department/Fund

County Commission:	Net Change \$3,760, COLA/Health Insurance
Auditor:	Net Change \$1,785, COLA, One FTE (Staff Appraiser, Admin Officer), Moved Deputy Auditor/Recorder to Recorder Budget
Treasurer:	Net Change (\$2,145)
State's Attorney:	Net Change \$20,682 COLA, Health Insurance. <u>Non-budgeted request to add an additional Attorney at a cost of \$86,306. Would like to meet with board to discuss this request.</u>
Recorder:	Net Change \$99,015 COLA, Health Insurance, Deputy Auditor/Recorder moved from Auditor Budget
District Court:	Net Change \$17,000 Mental Health costs
Juvenile Court:	Net Change \$9,400, increase in Juvenile Detention costs
Building Maintenance:	Net Change \$5,690, COLA, decrease in projects
Non-Departmental:	Net Change \$109,941 Primary increases due to mill levy consolidation that is now transfers rather than direct levies.

The 2016 Preliminary Budget:

Total appropriations	\$ 208,403,996	
Less Transfers between funds	<u>38,635,000</u>	
Final Appropriations 2016	\$ 169,768,996	(\$140,831,428 in 2015)

- Includes requests for 45 new employees: 2 P&Z; 1 Landfill; 2 Social Services; 4 R&B; 36 Sheriff Dept.
- 2015 Employees: 179 FT, 25 PT/Temp
- 2016 Employees: 225 FT, 24 PT/Temp
- Projects \$4,253,000 in tax levy for 2016 (\$3,002,245 in 2015)

GENERAL FUND

Page 1 – General Revenues:

- 5110 – General Property Tax
 - Includes proposed \$500,000 tax levy (sheriff dept operations)
- 5353 - Oil & Gas Production Tax
 - 2015 based on YTD plus estimate for October – December using new 70/30 formula
 - 2016 based on estimate from ND State Tax Dept of \$39.1M less \$500,000 for LE Loan payment

Commissioner Budget & Mill Levy Review

- ▶ Initial meeting to review the entire budget and proposed mill levies
 - ▶ Ensure mill levies are within statutory limitations
- ▶ Review nonconforming budget requests
- ▶ Review capital budgets
- ▶ Schedule individual department reviews as the commission deems necessary
- ▶ When budgets have reached an acceptable range establish date, time, and place for the final budget hearing
- ▶ Additional hearings are only scheduled as necessary
- ▶ Approve Preliminary Budget



Estimated Tax Statement



PROFESSIONAL DEVELOPMENT

MCKENZIE COUNTY
201 5TH ST NW
STE 543
WATFORD CITY ND 58854

██████████
2328 124TH Q AVE NW
WATFORD CITY ND 58854

THIS IS NOT A BILL

**2020 NOTICE OF ESTIMATED PROPERTY TAX
AND BUDGET HEARING DATES**

You are hereby notified of the potential change in your taxes based on each district's preliminary budgets. Your actual taxes may vary based upon the final budgets of the districts and valuation adjustments by the State Board of Equalization. This notice does not include any special assessments.

07922 Parcel Number: 63-16-01000
Physical Location:
02328 124TH Q AVE NW
Legal Description:
LOT- 10
DAROTA MEADOWS SUBDIVISION

	2019	2020	Change	
Legislative tax relief	585.57	598.53	12	
Property Valuation:	2019	2020	Change	Change %
True And Full Value	171,380	178,530	7,150	4.17%
Taxable Value	7,712	8,034	322	
Less: Homestead credit				
Disabled Veterans' credit				
Net Taxable Value	7,712	8,034	322	4.17%
Taxes By District(in dollars):				
State	7.71	8.03	.32	Increase
County	146.14	153.12	6.98	Increase
City/Twp UNORG #4 149-98				
Sch# 001 MCKENZIE COUNTY #1	520.41	542.13	21.72	Increase
FIRE DISTRICT 03	38.56	40.17	1.61	Increase
SOIL DISTRICT 03	15.42	16.07	.65	Increase
MISC. DISTRI 03	16.12	15.34	-.78	Decrease
DIST. RD. 04	77.12	80.34	3.22	Increase
Net consolidated tax	821.48	855.20	33.72	4.10%
Net effective tax rate	.48%	.48%		

Hearing Schedule: (Hearing on Preliminary Budget)

MCKENZIE COUNTY
6:00PM CT SEPTEMBER 15, 2020
MCKENZIE COUNTY COURTHOUSE
201 5TH ST NW, WATFORD CITY

MCKENZIE COUNTY #1
5:30PM CT SEPTEMBER 14, 2020
SCHOOL DISTRICT BOARD ROOM
100 3RD ST NE, WATFORD CITY

MCKENZIE RFD
7:00PM CT SEPTEMBER 8, 2020
WATFORD CITY FIRE HALL
204 3RD AVE NE, WATFORD CITY

MCKENZIE
10:00AM CT SEPTEMBER 15, 2020
MCSGD TREE SHED OFFICE
624 HWY 1806, WATFORD CITY

MCKENZIE AMBULANCE DIST
1:00PM CT SEPTEMBER 16, 2020
MISC 03 - TRAINING ROOM
220 2ND ST NE, WATFORD CITY

Citizens will have opportunity to present oral or written comments regarding the district's budget at or before the hearing. A copy of the district's budget will be available at the district's normal place of business at least 7 days prior to the hearing.

NDCC 57-15-02.2 Estimated property tax and budget hearing notice

Notice sent to each
owner on or before
August 31

Notice must contain:

- Date
- Time
- Location
- True & Full Value
- Prior year tax
- Estimated tax
- Difference
- INCREASE

Final Budget Hearing Presentation

- Give a high-level overview of the budget
 - Highlight budget goals or objectives
 - Identify hurdles and how they were solved
- Review fund balance projections
- Review Mill Levy
 - Present all levies
 - Illustrate how they are distributed by the County
 - Go over calculating individual tax value
 - Give examples of the proposed mill levy's impact



Budget Approval Process

- Budget Presentation
- Public Hearing
 - Take public comment on proposed budget
 - Discuss issues raised
 - Modify budget as board sees fit, cannot increase levy amount
- Adopt final budget
- Adopt final mill levy
- Adopt CIP
- Approve list of transfers – NDCC 11-23-07

NDCC 11-23-04. Hearing on budget - Taxpayer may appear. The board of county commissioners shall meet at the time and place designated in the notice prescribed by section 57-15-02.2. Any taxpayer who may appear shall be heard in favor of or against any proposed expenditures or tax levies. When the hearing shall have been concluded, the board shall adopt such estimate as finally is determined upon. All taxes shall be levied in specific amounts and shall not exceed the amount specified in the published estimates.

Final Budget Approval Process

18 - County Agent Fund				
	Actual Revenue 2013	Estimated Revenue 2014	Estimated Revenue 2015	
REVENUES				
General Property Taxes	0	0	xxxxxxx	
Financial Institutions Tax	950	1,385	0	
Telecommunications Tax	516	516	516	
State Aid Distribution	31,751	30,000	33,000	
Miscellaneous Receipts	99	75	0	
TOTALS/REVENUES	33,316	31,976	33,516	
	Actual Expend. 2013	Estimated Expend. 2014	Requested 2015	Final Approp. 2015
EXPENDITURES				
Salaries & Benefits	111,262	124,512	143,244	143,553
Travel	933	4,600	4,500	4,500
Dues, Registrations & Workshops	286	500	4,000	4,000
Office Expense & Telephone	7,503	7,900	10,200	10,200
Property & Liability Insurance	544	500	550	550
Vehicle Expense	3,312	1,500	4,000	4,000
Capital Outlay	912	0	1,750	1,750
				1,940
TOTALS/EXPEND.-APPROP.	124,752	139,512	168,244	170,493
REVENUES OVER (UNDER) EXPENDITURES	-91,436	-107,536	-134,728	-136,977
Balance January 1	31,789	43,597	35,633	35,633
Transfers In	103,244	99,572	5,554	5,554
Transfers (Out)				
Balance December 31	43,597	35,633	-93,541	-95,790
Final Appropriation does not include the requested tax levy.				

Final Budget Approval Process



Certificate of Levy

Certificate of Levy

State of North Dakota

County Auditor: Les Korgel, County of McLean

You are hereby notified on the ____ of _____, the governing body of the McLean County, North Dakota, levied a tax of _____ upon all the taxable property in the County for the calendar year ended December 31, 2019, which levy is itemized as follows:

Code	Fund	Amount Levied
100	General Fund	987,654
Special Revenue Funds: Schedule C		
704	Road & Bridge	1,354,123
705	Weed Control	42,357
707	County Agent	63,287
	Total Amount Levied	2,384,134.00

You will duly enter tax upon the county tax list for collection upon the taxable property of the City of Washburn, NORTH DAKOTA, for the ensuing year. Dated at Washburn, North Dakota this 10th day of August 2018.

Les Korgel, County Auditor

Schedule A Levy Calculation & Cash Reserve

General Fund

Appropriation and Cash Reserve

1	a. Final Appropriation	694,102.92	
	b. Budgeted Transfers Out	212,766.97	
	c. Total Appropriation		906,869.89
2	Cash Reserve (Note 1)		400,000.00
3	Total Appropriation and Cash Reserve		1,306,869.89

Resources and Amount Levied

4	Cash and Investment (Estimated) Dec. 31, 2018		560,000.00
5	a. Estimated Revenue	354,543.00	
	b. Estimated Transfers In	190,000.00	
	c. Total Estimated Revenue and Transfers In		544,543.00
6	Total Resources		1,104,543.00
7	Levy Required		202,326.89
8	Allowance for Delinquent Tax Collections (not to exceed 5% of line 7)		10,116.34
9	Total Amount Levied		212,443.23

Note 1 - Not to exceed 75 % of the appropriation other than for debt retirement and appropriation financed from Bond Sources

Notes from State Auditor's Office

Budgets:

- County Auditors refer to NDCC 11-23-02 for list of nine items that are included in the budget. (See slides 3 & 4)
- Should be able to provide documentation for how revenue and expenditure estimates were determined.

Capital Project Funds:

- Capital projects funds are used to track major capital expenditures i.e. construction projects.
- Bonded projects should be tracked in separate fund.
- Capital project funds are usually established when the project extends beyond a single fiscal year and the financing sources are provided by more than one resource.
- You do not have to budget for capital project funds if approved in a previous budget (can budget for multiple years)
- Capital assets such as machinery, furniture, and vehicles are accounted for in the fund responsible for the asset.

Errors and over-levying (two remedies):

- Refund excess to each taxpayer
- Can apply to next year's taxes

*Heath Erickson, Audit Manager | Division of Local Government Audit
Office of the State Auditor (701) 239-7286 | hmerickson@nd.gov*

Notes from State Auditor's Office

57-15-27. Interim fund.

The governing body of any county, city, park district, or municipality, other than a school district, which is authorized to levy taxes may include in its budget an item to be known as the "interim fund" which must be carried over to the next ensuing fiscal year to meet the cash requirements of all funds or purposes to which the credit of the municipality may be legally extended, for that portion of such fiscal year prior to the receipt of taxes therein. In no case may the interim fund be in excess of the amount reasonably required to finance the municipality for the first nine months of the next ensuing fiscal year. The interim fund may not be in excess of three-fourths of the current annual appropriation for all purposes other than debt retirement purposes and appropriations financed from bond sources.

The interim fund (cash reserve) is calculated using the CURRENT year appropriation, not including transfers.

Road & Bridge Levies

Changes are coming!

► **History:** The 2015 Legislature passed SB2144, the Levy Consolidation bill, which consolidated and repealed certain county mill levies. The legislation also required that in most cases, “if a voter-approved levy was authorized before January 1, 2015, it would remain in effect for up to 10 taxable years under the provisions of law in effect at the time it was approved” and would require a majority approval by the voters to continue using the levy.

► **Issue:** There are currently three levies available to counties to fund road and bridge operations.

► SB2144 repealed two of the current voter-approved county road and bridge levies (1212 Farm-to-Market and 1233 County Road Fund) 10 taxable years after January 1, 2015, effective December 31, 2024. This limits counties levy authority for roads and bridges to 10 mills without voter approval.

Levy	Fund	Max Rate	NDCC	Issue
1204	County Road & Bridge	10 mills Commissioner authority; additional 20 mills with voter approval	24-05-01 57-15-06.7(5)	Limited to 10 mills without voter approval.
1212	Farm-to-Market and Federal Aid	Levy established by ballot	24-05-01	Repealed by 2015 SB2144. If voter approved prior to 1/1/2015, allowed to continue for up to 10 taxable years.
1233	County Road Fund	5 mills voter approved	24-05-01	Repealed by 2015 SB2144. If voter approved prior to 1/1/2015, allowed to continue for up to 10 taxable years.

