Role of the Budget Commission

2019 Local Government Officials Conference – Auditor of State

March 7, 2019

The County Budget Commission

County Auditor
County Treasurer
County Prosecutor

Additional Members: Ohio Revised Code §5705.27

“In such counties, where the electors have voted the affirmative, the county budget commission shall consist of such two elected members in addition to the county auditor, county treasurer and the prosecuting attorney.”
MEETINGS OF THE BUDGET COMMISSION

The commission shall meet at the office of the county auditor:
• First Monday in February
• First Monday in August

Ohio Revised Code §5705.27

SECRETARY OF THE BUDGET COMMISSION

“The auditor shall be the secretary of the commission and shall keep a full and accurate record of all proceedings.”

Meeting Minutes

Ohio Revised Code §5705.27

PRIMARY RESPONSIBILITIES

1. Local Government Distribution based on locally approved formula
2. Verify all tax levies are properly authorized and allocated (Inside and Outside Millage)
3. Set the tax rates and millage
4. Approve Official and Amended Certificates

Ohio Revised Code §5747.53, §5705.34-36
TAX BUDGET DEADLINES

Adopted on or before January 15th: Tax budget must be filed with the county auditor on or before January 20th by School Districts and the City of Cincinnati.

Adopted or before July 15th: Tax budgets must be filed with the county auditor on or before July 20th by all other subdivisions and taxing units.

Ohio Revised Code §5705.28, §5705.30

WAIVING THE REQUIREMENT OF TAX BUDGET

- The Budget Commission may waive the requirement that the taxing authority of a subdivision or other taxing unit adopt a tax budget.
- If the tax budget is waived, the county budget commission shall require any information be provided in lieu of the tax budget in order for the county budget commission to perform their duties.

Ohio Revised Code §5705.281

BUDGET HEARINGS – TAX BUDGET WAIVERS

The waiver was enacted to allow for more accurate and timely reporting.

The Budget Commission may set requirements for filing in lieu of tax budgets. Budget Hearings are not mandatory and may be waived by the Budget Commission.

Ohio Revised Code §5705.281
RELATIONSHIPS AND ROLES

- County Auditor
- County Treasurer
- County Prosecutor

Ohio Revised Code §5705.27

WHAT IS THE AUDITOR’S ROLE?

- Secretary of the Budget Commission
- Calculates, Prepares and Distributes Local Government Funds
- Receives Financial Reports and/or Tax Budgets from political subdivisions
- Prepares Official and Amended Certificates
- Prepares/Receives Resolution Accepting Amounts and Rates

Ohio Revised Code §5705.27, §5705.281, §5705.34-36
REPORTING TIMELINES

- Certificate of the Total Amount from All Sources Available for Expenditures, and Balances: Filed after books close for the year, used to prepare Official Certificate (on or before 3/31)
- Temporary or Permanent Appropriation: Filed anytime prior to or following receipt of the Official Certificate
- *The Official Certificate must be signed and approved and the Appropriation filed with the Auditor prior to expending funds. (Exception: Temporary Appropriation and No later than 3/31)

(Schools are on a different fiscal year)

Ohio Revised Code §5705.34-36

BUDGET TIMELINE

Certificate of the Total Amount From All Sources Available
Prepared after EOY
Filed with the Auditor (on or before 3/31)
Permanent (Temporary) Appropriation
Temporary can be filed before EOY and will serve until 3/31
Permanent filed after Certificate is completed
Official Certificate
The Official Certificate (auditor prepares) must be signed and approved by the Budget Commission
Does not Exceed
The Auditor will compare the Certificate with the Annual Appropriation and provide a "does not exceed" letter

Ohio Revised Code §5705.34-36

ATHENS COUNTY BUDGET HEARING PROCESS

Review: the actual Annual Financial Reports from the prior year in lieu of the tax budget
Compare: Beginning Balance with the previous year Ending Balance
Carry Over: Calculates percentage of Year-end Balance with actual expenses from prior year
Requests: Written explanation for any discrepancies or excessive balances
Reviews prior year audits or AUP and Management Letters

Ohio Revised Code §5705.281
AT THE BUDGET REVIEW

- The County Auditor prepares and distributes an Annual Review Worksheet
- The Budget Commission considers:
  - Audit Recommendations/Findings
  - Actual Revenue/Expense/Carryover
  - Trends and any communications from the previous year
  - Expiring tax levies
- The Budget Commission may ask for additional information prior to a motion

### Survey Village

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Street</th>
<th>Rural</th>
<th>Fire</th>
<th>Total</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>112,914.00</td>
<td>31,285.00</td>
<td>16,030.00</td>
<td>16,030.00</td>
<td>169,259.00</td>
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<tr>
<td>Expenditure</td>
<td>112,914.00</td>
<td>31,285.00</td>
<td>16,030.00</td>
<td>16,030.00</td>
<td>169,259.00</td>
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<tr>
<td>Ending Balance</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Prior Year</td>
<td>112,914.00</td>
<td>31,285.00</td>
<td>16,030.00</td>
<td>16,030.00</td>
<td>169,259.00</td>
</tr>
</tbody>
</table>

Financial Statements Review: 23-Jun-10

COMMISSION MAY WAIVE THE HEARING

The Budget Commission may:
1. Continue at the current rate
2. Reduce millage
3. Increase millage (no higher than what was approved at the ballot)

Ohio Revised Code: §5705.281
### REQUEST A FULL HEARING

- Members of the political subdivision are scheduled to appear before the Board
- They are asked to provide any answers that were not received to the satisfaction of the board following the desk review
- All documents provided to the Board will be entered into the record
- Testimony will be gathered
- Board may make a decision at the hearing or at a future meeting (Prior to deadline for RAAR: October 1st)

*Ohio Revised Code §5705.081*

### FOLLOWING HEARING – AUDITOR DUTIES

The Auditor will prepare the Resolution Accepting Amounts and Rates reflecting the decision of the Budget Commission.

4. Levies that are on the ballot and have not yet been approved will not be included on the Resolution.

Resolution must be signed, approved and filed in the office of the County Auditor no later than October 1st

(An updated Resolution may be requested following the finalization of the election results.)

*Ohio Revised Code §5705.34-35*

### ADDITIONAL RESPONSIBILITIES – END OF YEAR

1. Evaluate Fixed Sum Levies (Emergency, Bond, etc.)
2. Request information for Bond Review – Make necessary rate adjustment recommendations
3. Verify election results for tax levies
4. Review tax rates by taxing district
5. Budget Commission Approval and Notification for any adjustments
6. File Tax Rate Report (DTE 27) with the Ohio Department of Taxation

*Ohio Revised Code §5705.31-32*
### Worksheet for Estimated Average Annual Property Tax Levy for Bonds of Substitutions of this State

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
<th>Principal</th>
<th>Interest</th>
<th>Balance</th>
<th>Millage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2020</td>
<td></td>
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<tr>
<td>2021</td>
<td></td>
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</table>

**Total Millage:** $362,790,000

### Evaluating Millage for a Bond Issue

Original Amount: $2,340,000.00

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
<th>Principal</th>
<th>Interest</th>
<th>Balance</th>
<th>Millage</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2019</td>
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<tr>
<td>2021</td>
<td></td>
<td></td>
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</table>

**Total Millage:** $267,353,200

Voluntary Tax Year: 2017

Estimated Annual Property Tax Levy:

- **Aid to School District:**
  - **Principal:** $670,200.00
  - **Interest:** $17,200.00
  - **Balance:** $687,400.00

- **Total Millage:** $174,200.00

- **Estimated Millage:** $1,062,000.00

**Evaluating Millage for a Bond Issue**
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<th>Date</th>
<th>Debt Service Paid</th>
<th>Payment</th>
<th>Balance</th>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Proposed Decrease of</th>
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<tbody>
<tr>
<td>2020</td>
<td>$650,000.00</td>
<td>$650,000.00</td>
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<tr>
<td>2021</td>
<td>$650,000.00</td>
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<td>$650,000.00</td>
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<tr>
<td>2023</td>
<td>$650,000.00</td>
<td>$650,000.00</td>
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QUESTIONS?

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THANK YOU!