

TO: Special Districts

FROM: Darren Coldwell, Lincoln County Administrator

DATE: May 24, 2016

RE: Budgets for 2017 - 2018

Lincoln County is required by statute to notify the District prior to June 1<sup>st</sup> that the District must begin the process of working on a preliminary budget for the fiscal year noted above. Please find (attached or enclosed) the budget form to assist with the preliminary process. Please read this letter carefully as the form and the budget process has changed.

Historically, districts have worked with the Clerk & Recorder during the budget process. During the budget process, districts have submitted budget proposals to the Clerk and then she balances those budget proposals with the revenues; cash balance, taxes, fees, entitlement and any other revenue sources provided by the district.

**What has changed?**

The enclosed form allows the District to budget revenues and other financing sources by the major source on page 1-section 6. The major sources of revenue on the budget correspond to the major sources of revenue reported on the Annual Financial Report all Districts must remit to the Department of Administration within 6 months after the close of their fiscal year. Budgeted expenditures on page 2 Section 9 should correspond to a specific category on the form, reducing the need to use 'other-specify'.

Districts will receive a separate budget form for each County fund related to the District. As an example, the County may have fund 7X01 that represents the District's general or operating fund and a second fund 7X02 that represents the District's capital projects fund. The District name, fiscal year budgeting for, fund name, and fund number will appear at the top of each page of the budget form. The District **must** complete and remit to the County a completed separate final balanced budget for each fund.

We realize certain information required to complete all sections of the enclosed budget form(s) is not available in June. The District **will not** be required, as in years past, to remit a copy of their preliminary budget to the County in June. A copy of the District's

final budget for each fund is required to be remitted to the Lincoln County Administrator no later than Friday, August 18, 2017.

Since the required budget remittance date to the County was extended, the County will no longer complete any part of the District budget. Special District Board training will be offered again this year, and training will be provided for any questions you may have. The training focus will be for **all boards that receive public funds** and is scheduled for **May 12, 2017 at the Ponderosa Room in Libby beginning at 9:30 AM.** This letter acts as your official notice and invitation to attend. We strongly encourage members of your board to participate.

The County should receive the certified taxable values from the Department of Revenue by the first Monday in August. The County will provide the Districts with accurate amounts for tax revenue and **state entitlement revenue by August 7, 2017.** If you are a fee based district, those amounts will be provided at this time as well. The District will be responsible for making sure the correct amount appears on the final budget form submitted to the County by August 18, 2017.

The District will be responsible for assuring the final budget document remitted to the County is balanced (i.e. page 1-section 8, ***Total Resources equals*** page 2-section 11, ***Total Requirements***). The District will also be responsible to assure the Cash Reserve amount on page 2-section 10 is sufficient to meet expenditures made from the fund during the months of July (2017) to November (2017) and does not exceed 1/3 of total appropriations on page 2-section 9, ***if applicable to the fund.*** (See criteria on page 2-section 10).

### **Begin Planning**

The District can still begin the preliminary budget process using the prior year authorized tax revenue amount and the **prior year state entitlement share. State entitlement is on page 1 section 6 under Intergovernmental Revenues, State shared revenue.** In August, when you have the accurate tax revenue, **entitlement**, and cash balance, you can finalize your budget.

Please completely fill in page 3-*General Information* including the address, email and phone number so I know whom to contact in case I have questions.

If you have any questions please give me a call at 283-2345. Thank you all for your good work, commitment and service to your communities.

Sincerely,

Darren Coldwell, County Administrator  
dcoldwell@libby.org