

Testimony to the
Interim Transportation Committee

Prepared September 28, 2016

by Donnell Preskey - NDACo

Regarding: Uniform Financial Reporting

Thank you for the opportunity to comment on discussions that have taken place at the county level regarding uniform financial reporting by counties.

As the committee is now aware, the 53 counties use at least eight different software platforms for maintaining their financial records. At least ten of these have transitioned to new software in the last five years. Additionally, these various platforms have been tweaked and customized to meet the individual counties' needs and produce county-specific reports.

While at a very high-level these software systems yield information that can be compared across counties, the "tweaks" have resulted in the data being somewhat more difficult to compare when attempting to "drill-down" to any degree.

The attached tables on pages 3 and 4 contain the CY2012 example of information that NDACo compiles each biennium, and has compiled since 1988, regarding county revenues and expenditures. This data comes from the audit reports filed with the State Auditor's office and is prepared from the information in these various software systems.

As you can see, the data in these tables is several years old. NDACo hires a consultant each interim to compile the audits filed in the previous two years, in anticipation of the Legislative Session. We are in the process of having the CY2013 and CY2014 compiled at this time – but, that data will capture two of the "boom" years, and likely won't be as reflective of the current situation when we are discussing it in 2017.

Again, this is very high-level, and while we can say that counties collectively spent \$290 million on highways and public improvements, it is impossible (from this data) to link those expenditures to the specific property taxes, intergovernmental revenues, and charges for services used to support them. This data, however, allows us to look at certain high-level trends, as depicted on the two charts that follow.

Some counties with greater resources have also linked their financial systems and their web sites to upload fairly detailed information for citizen review. Two examples are on the page 6. Again, while informative for the citizens of each county; whether it is the high-level trends of Cass County or the "deeper" look at the Stutsman County Transportation Fund, it is virtually impossible to compare between counties without

knowing what goes into each revenue line item and what comes out of every expenditure line item.

What counties have been forced to do for the “highway reporting” that the Committee has reviewed previously, involves one of two approaches. The counties with more resources have contracted for the programming of a specific report after a fairly detailed analysis of their various account codes. The less “resource-rich” counties (most of them) must annually review their records and manually extract and compile the revenue and expenditures they feel are appropriate. As each county is interpreting the guidance from the Tax Department for this report, there are quite possibly some variations in that interpretation.

This situation is complicated by the degree of “lumping” and “splitting” that each county does. As an example, Cass County has about 6,000 separate expenditure account codes, while Billings County maintains 350 different expenditure codes. Since each county delivers similar services – just to a different degree – the same costs are accounted for, but obviously to a vastly different level of detail.

County auditors have discussed the benefits and challenges to moving to a uniform chart of accounts as well as a uniform software platform – with the goal of easier, more consistent state-level reporting. While either (or both) are possible, the transition costs of the former would be significant, and the implementation costs of the latter would be prohibitive for many of the smaller counties. As some counties have software linkages with cities and other taxing districts, a transition for one may also cause complications for others.

When local school districts were directed down this path, significant state resources were dedicated to both the transition and the long-term maintenance. This is evidenced by the impressive 94-page finance manual maintained by DPI for local schools.
<https://www.nd.gov/dpi/uploads/171/NDSFARM2015.pdf>

While county officials are supportive of efforts to provide more and better data for statewide analysis, their first responsibility is to their own taxpayers; and the systems they maintain were developed with that responsibility as the priority.

I hope this information is helpful in the committee’s deliberations – I will attempt to answer any questions you may have.

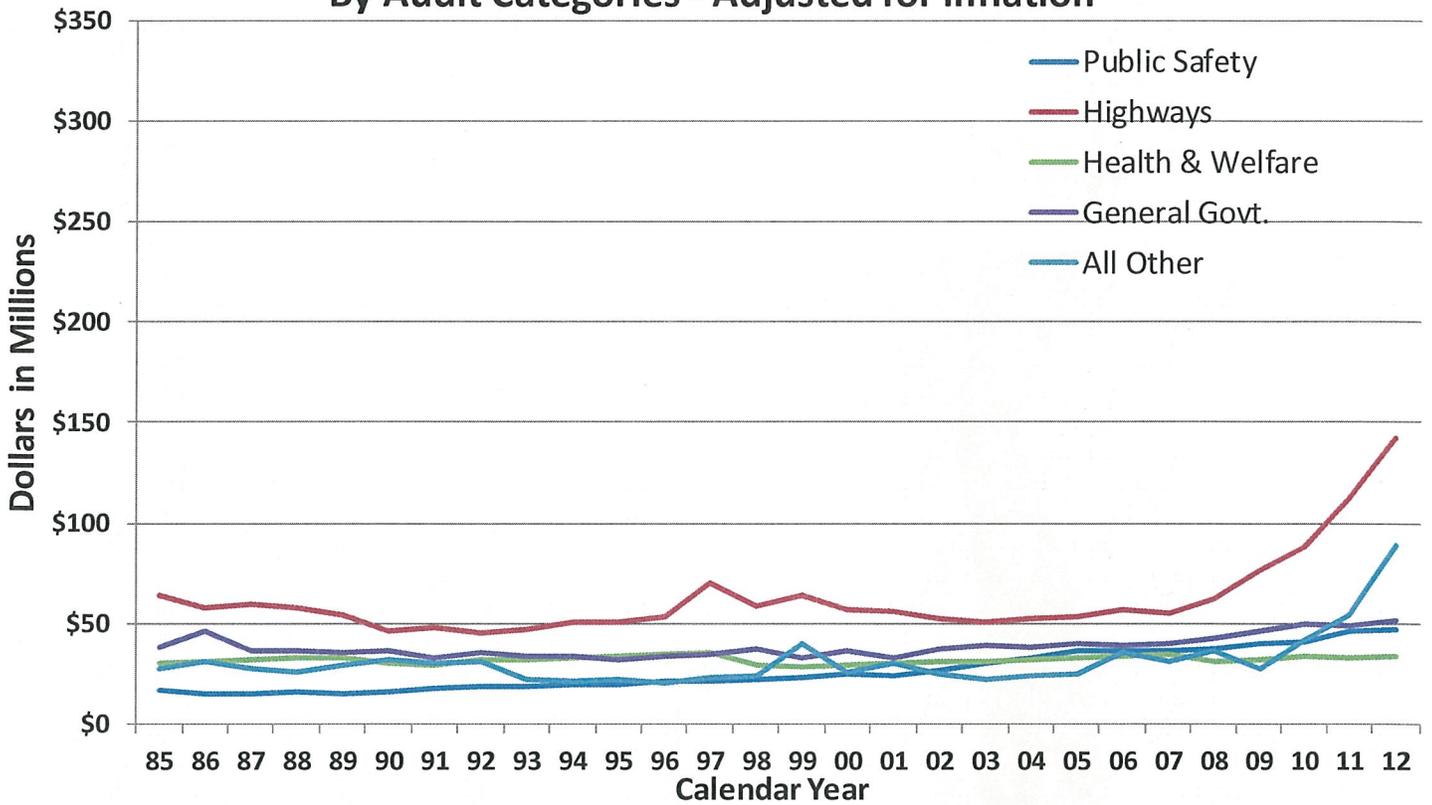
NORTH DAKOTA COUNTIES
EXPENDITURES - ALL FUNDS
FOR THE YEAR 2012

County	General Government	Public Safety	Highways & Public Improvement	Health & Welfare	Culture & Recreation	Conservation & Economic Development	Other Expenses	Capital Outlay	Debt Service	Total
Adams	798,848	401,998	1,447,892	415,123	53,772	168,523	34,822	273,650	34,954	3,629,582
Barnes	2,838,840	1,519,811	6,601,406	919,126	124,400	1,158,420	-	-	106,725	13,268,728
Benson	933,848	365,403	2,948,213	831,675	11,827	188,058	120,279	72,544	156,074	5,627,921
Billings	1,744,934	1,406,222	8,815,604	445,898	42,126	447,417	-	-	-	12,902,201
Bottineau	1,583,196	1,113,376	10,172,277	749,012	240,734	212,071	278,559	-	263,574	14,612,799
Bowman	1,404,830	513,166	5,878,308	379,506	87,112	182,602	1,652,429	469,786	18,061	10,585,800
Burke	1,653,103	497,615	2,806,102	257,932	-	122,895	34,364	5,428,758	-	10,800,769
Burleigh	6,179,935	7,754,449	10,922,562	6,743,138	2,292,829	671,392	598,328	146,324	717,921	36,026,878
Cass	7,631,349	16,719,600	23,578,843	12,207,748	859,916	2,462,144	-	14,546,103	1,193,719	79,199,422
Cavalier	1,495,609	715,816	5,024,229	752,077	255,400	-	-	-	321,292	8,564,423
Dickey	1,569,463	551,403	4,846,061	735,494	19,691	203,868	-	-	1,635,789	9,561,769
Divide	937,917	2,735,972	4,200,330	434,311	90,786	155,127	44,253	2,361,063	-	10,959,759
Dunn	2,563,611	1,755,523	20,965,911	482,290	4,666	646,615	489,006	939,160	441,932	28,288,714
Eddy	788,076	468,498	510,047	352,051	10,607	153,952	34,836	210,711	24,143	2,552,921
Emmons	1,110,447	351,747	1,901,564	266,424	26,399	63,931	148,588	673,562	203,717	4,746,379
Foster	811,501	373,300	1,568,001	642,001	13,282	176,350	64,250	95,100	58,493	3,802,278
Golden Valley	748,423	358,206	5,243,242	332,366	56,674	254,243	-	282,768	118,964	7,394,886
Grand Forks	9,022,725	8,192,530	8,349,697	5,568,065	-	831,027	-	125,213	4,364,674	36,453,931
Grant	922,640	213,254	2,144,070	410,109	-	190,036	-	-	65,702	3,945,811
Griggs	1,233,469	330,134	1,303,301	417,524	-	-	-	-	40,000	3,324,428
Hettinger	912,858	456,989	1,120,714	463,280	19,447	211,140	116,867	336,800	94,552	3,732,647
Kidder	717,128	276,332	2,208,113	228,337	59,430	131,623	31,348	192,435	91,243	3,935,989
Lambert	1,383,966	470,023	3,151,606	530,546	47,916	183,067	-	246,318	91,262	6,104,704
Lincoln	747,256	214,390	1,903,266	164,333	2,590	133,091	31,644	45,500	127,052	3,369,122
McHenry	1,708,808	795,223	4,140,151	572,937	-	295,573	-	-	-	7,512,692
McIntosh	1,027,630	301,309	2,423,481	267,605	4,076	101,536	85,570	184,589	68,493	4,464,289
McKenzie	4,500,951	2,742,211	21,545,083	904,192	147,972	412,460	113,000	23,765,796	-	54,131,665
McLean	2,605,893	1,717,076	3,767,611	599,983	68,354	291,760	201,033	3,791,406	498,026	13,541,142
Mercer	3,131,027	1,799,479	3,289,825	644,936	7,917	246,925	124,407	541,365	8,160	9,794,041
Morton	3,331,710	4,429,767	6,333,034	2,638,946	556,118	558,579	-	1,482,432	65,726	19,396,312
Mountrail	2,425,584	2,801,441	15,291,262	1,149,962	402,950	418,026	-	39,289,705	-	61,778,930
Nelson	1,364,252	552,676	2,431,213	342,847	372,247	215,419	63,826	-	87,000	5,429,480
Oliver	717,089	278,880	1,480,211	185,693	25,646	133,737	36,632	73,500	28,999	2,960,387
Pembina	1,976,029	1,098,490	2,543,107	1,069,365	3	227,742	-	-	117,195	7,031,931
Pierce	1,030,509	1,551,978	2,566,497	456,842	5,909	130,482	117,769	-	4,877	5,864,863
Ramsey	1,373,156	1,201,464	7,011,987	2,343,718	-	200,811	-	-	2,300,049	14,431,185
Ransom	1,350,698	469,563	1,626,892	717,922	18,115	205,534	9,244	-	30,153	4,428,121
Renville	826,248	405,481	5,392,181	303,780	237,654	183,608	148,189	212,400	-	7,709,541
Richland	2,445,474	3,193,498	6,666,600	2,694,440	97,914	472,825	-	-	624,202	16,194,953
Rolette	1,185,423	1,113,580	2,008,763	1,479,312	13,505	125,341	-	-	270,963	6,196,887
Sargent	1,035,892	578,502	1,327,734	556,850	104,285	1,597,308	99,317	37,942	103,442	5,441,272
Sheridan	592,761	158,692	900,244	58,366	25,585	51,411	43,507	29,018	14,852	1,874,436
Sioux	488,632	110,224	591,026	607,830	17,137	148,414	-	-	60,195	2,023,458
Slope	581,323	142,179	1,310,379	93,457	27,972	81,113	54,756	155,688	-	2,446,867
Slope	2,783,481	3,340,387	11,907,480	2,894,072	117,847	506,764	125,532	372,762	213,809	22,262,134
Steele	765,853	271,873	931,611	488,328	66,999	86,491	-	-	8,793	2,619,948
Stutsman	3,384,406	4,636,457	6,502,375	2,162,460	295,897	701,759	-	-	110,764	17,794,118
Towner	1,003,512	289,750	2,666,456	202,392	11,741	67,606	-	-	197,775	4,439,232
Traill	1,675,931	901,729	2,400,522	1,034,015	9,112	128,362	107,252	88,539	152,195	6,497,657
Walsh	1,565,568	1,794,010	4,821,589	1,164,759	382,130	290,193	-	-	193,460	10,211,709
Ward	4,044,966	5,156,783	14,914,984	5,180,032	405,440	546,417	1,057,181	21,638,777	187,870	53,132,450
Wells	1,484,397	469,454	2,850,122	845,733	67,609	198,889	49,512	79,809	219,542	6,265,067
Wisconsin	6,819,061	4,640,194	12,878,725	3,168,618	148,732	260,028	31,329	13,038,122	1,100,164	42,084,973
TOTAL	106,960,236	94,698,107	290,132,504	69,557,758	7,958,470	17,832,705	6,147,629	131,227,645	16,836,547	741,351,601

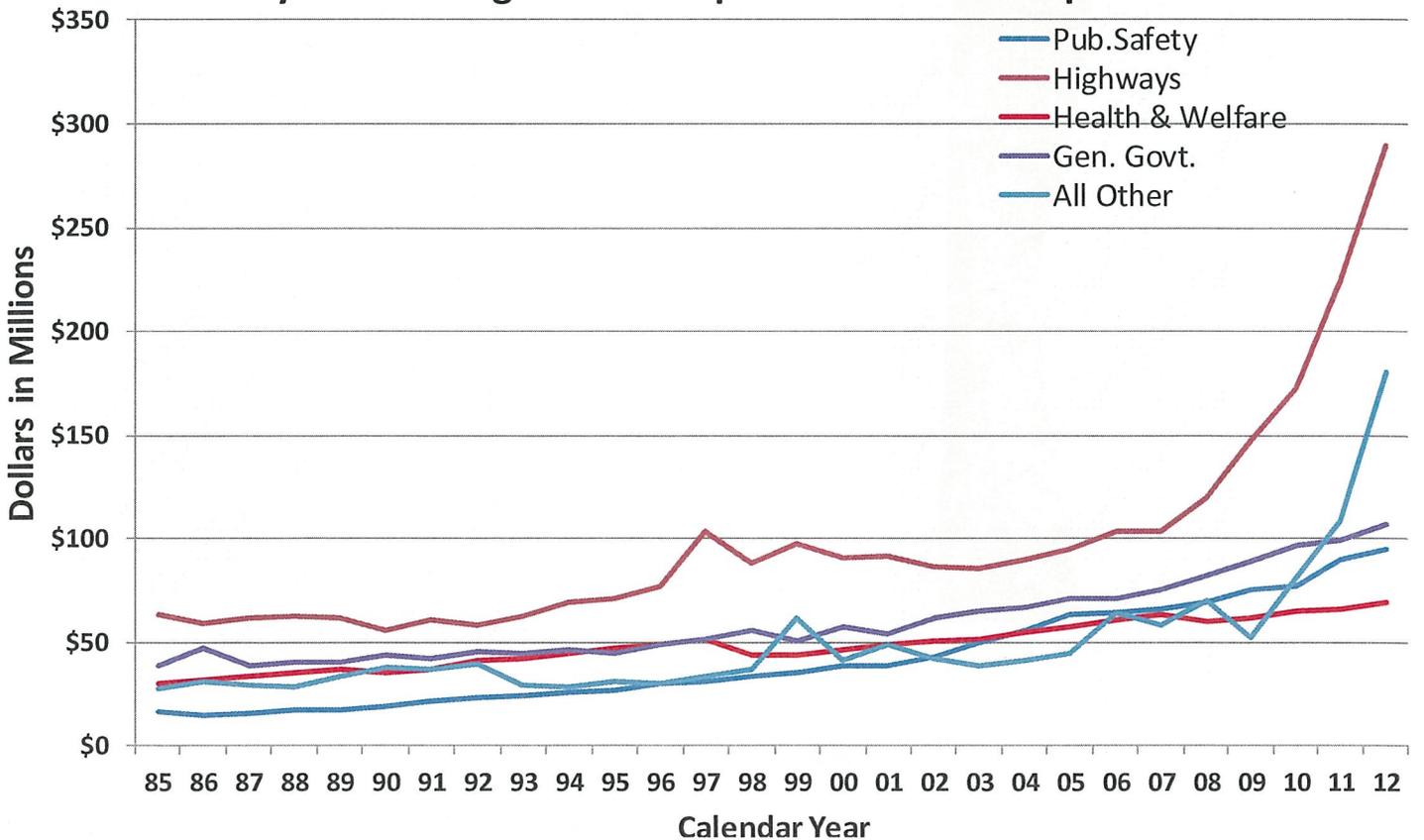
NORTH DAKOTA COUNTIES
REVENUES - ALL FUNDS
FOR THE YEAR 2012

County	Taxes	Licenses & Permits	Inter- governmental	Charges For Services	Fines & Forfeits	Miscellaneous Revenue	Total
Adams	1,302,070	48,313	1,336,686	688,728	-	136,400	3,512,197
Barnes	5,478,263	-	8,165,157	641,719	-	777,457	15,062,596
Benson	2,001,801	-	4,342,550	670,038	-	80,794	7,095,183
Billings	664,545	455,029	12,974,129	1,141,804	-	580,214	15,815,721
Bottineau	3,107,892	6,505	8,902,717	1,703,385	-	482,501	14,203,000
Bowman	989,194	3,010	10,801,371	1,060,241	-	357,054	13,210,870
Burke	1,262,208	424,198	9,353,290	1,044,264	4,310	315,681	12,403,951
Burleigh	17,100,870	13,827	16,425,629	7,077,491	-	1,153,006	41,770,823
Cass	46,029,425	127,947	25,762,129	5,056,253	-	516,079	77,491,833
Cavalier	3,451,896	2,350	3,108,258	680,494	-	84,760	7,327,758
Dickey	2,734,629	53,629	5,399,317	656,273	-	161,425	9,005,273
Divide	1,067,209	492,844	8,210,704	1,401,817	-	4,175,758	15,348,332
Dunn	1,676,129	111,155	25,549,360	2,264,211	-	447,990	30,048,845
Eddy	1,174,878	1,596	1,129,533	295,215	-	226,704	2,827,926
Emmons	1,922,895	3,000	2,327,728	169,103	-	93,560	4,516,286
Foster	1,555,257	74,218	1,590,553	314,393	1,852	226,155	3,762,428
Golden Va	520,425	9,125	7,158,010	300,663	-	123,068	8,111,291
Grand For	19,019,332	88,995	12,062,157	4,104,243	-	1,056,956	36,331,683
Grant	1,354,996	-	2,138,023	108,328	-	282,845	3,884,192
Griggs	1,676,868	-	1,232,611	322,649	-	125,268	3,357,396
Hettinger	1,441,733	-	1,254,455	594,208	-	195,935	3,486,331
Kidder	1,311,633	45,899	1,950,457	95,191	-	345,215	3,748,395
LaMoure	2,137,317	3,450	3,730,855	780,929	-	73,751	6,726,302
Logan	1,295,932	1,657	2,148,119	193,352	-	41,867	3,680,927
McHenry	2,241,367	-	5,146,996	842,249	-	646,978	8,877,590
McIntosh	1,682,122	47,065	2,238,332	82,495	-	127,930	4,177,944
McKenzie	1,054,689	1,693,233	50,930,034	6,610,639	-	11,457,354	71,745,949
McLean	2,700,366	121,875	6,926,965	1,130,595	-	879,436	11,759,237
Mercer	2,025,623	81,757	6,664,228	1,683,401	-	277,668	10,732,677
Morton	9,834,075	221,584	8,171,795	2,333,773	-	657,693	21,218,920
Mountrail	2,520,729	153,310	67,385,792	5,054,779	-	501,713	75,616,323
Nelson	2,370,909	-	3,670,839	745,765	-	63,762	6,851,275
Oliver	1,054,671	37,892	2,172,616	82,605	-	139,468	3,487,252
Pembina	3,054,269	4,080	3,799,576	621,082	-	335,941	7,814,948
Pierce	1,632,030	31,730	2,831,325	904,888	-	546,293	5,946,266
Ramsey	4,066,541	12,638	9,763,833	672,869	-	305,111	14,820,992
Ransom	1,959,445	5,965	3,048,183	509,820	-	146,627	5,670,040
Renville	1,043,615	54,262	5,889,659	327,816	-	504,314	7,819,666
Richland	7,519,172	2,595	6,813,738	1,286,425	-	818,290	16,440,220
Rolette	1,358,436	4,760	4,652,647	434,751	-	255,456	6,706,050
Sargent	2,430,907	8,368	2,682,468	1,060,545	-	198,471	6,380,759
Sheridan	1,054,039	888	1,102,730	86,357	-	112,739	2,356,753
Sioux	395,856	-	2,862,374	184,954	-	45,413	3,488,597
Slope	297,172	36,039	2,309,105	133,446	-	489,783	3,265,545
Stark	7,034,877	1,667,978	17,494,950	1,129,672	-	679,350	28,006,827
Steele	2,087,572	-	1,384,830	367,964	-	237,549	4,077,915
Stutsman	6,778,243	8,704	11,355,281	5,060,230	-	448,167	23,650,625
Towner	1,851,077	700	1,797,916	490,311	2,095	221,085	4,363,184
Traill	3,403,921	20	2,837,954	663,440	-	79,189	6,984,524
Walsh	4,759,097	2,455	5,365,043	969,871	-	422,757	11,519,223
Ward	11,102,438	144,776	40,222,416	1,688,380	-	1,333,272	54,491,282
Wells	1,853,441	106,733	4,158,174	157,773	-	358,796	6,634,917
Williams	38,325,236	3,309,881	12,813,041	4,724,752	-	2,775,037	61,947,947
TOTAL	247,769,332	9,726,035	473,546,638	71,406,639	8,257	37,126,085	839,582,986

County Expenditures - All Counties/All Funds By Audit Categories - Adjusted for Inflation

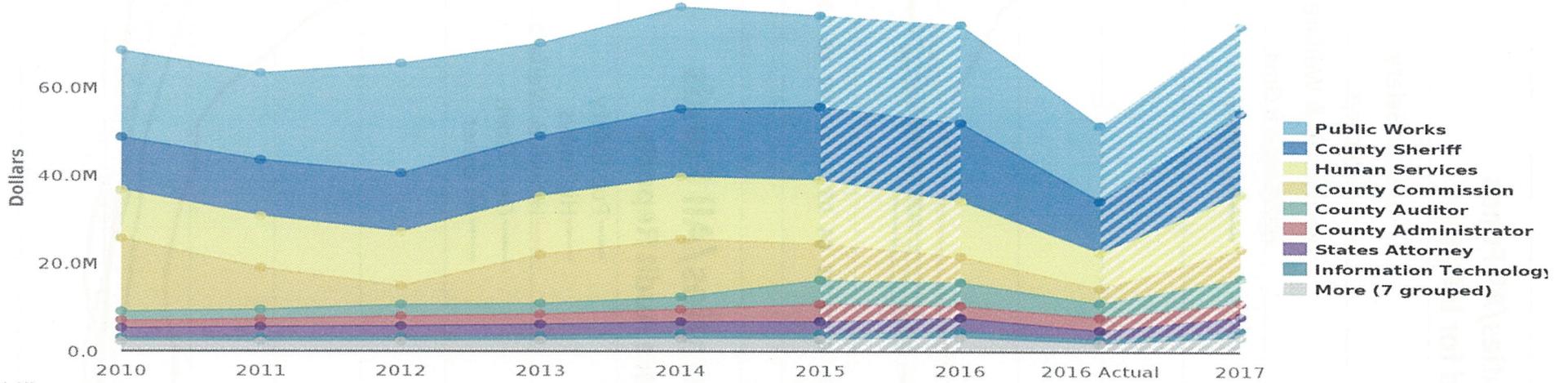


County Expenditures - All Counties/All Funds By Audit Categories - Compiled State Audit Reports



Cass County - Departments

Download generated on 09/20/2016



million
2016

9

Stutsman County, ND

Transportation Department

\$3.4 Million To-Date 2016 | \$15.4 Million 2015

