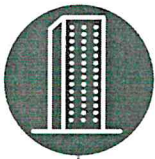


How Funding for the Auditor's Office is Allocated

The mission of the Auditor's Office is to **serve the citizens** of North Dakota by providing **informative audit** reports that improve government.



State Agency and Higher Education Audits

State agencies, colleges, and universities

AGENCY

The work is completed by the **State Agency** division of the Auditor's Office.

STATE
GENERAL
FUND

The Auditor's Office follows state law and only charges a percentage to audit clients for federal and special revenue funds. These funds **do not stay with the Auditor's Office**. They are deposited into the General Fund for the legislature to appropriate later.



The legislature gives us General Fund dollars **for this division to function**.



Local Government Audits

Cities, counties, schools, etc.

LOCAL
GOVERNMENT

The work is completed by the **Local Government** division of the Auditor's Office.

OPERATING
FUND

Audit fees collected are deposited into the Auditor's Office **operating fund**. This fund pays **only** for salaries and operating expenses for the Local Government division.



No money is given to the Auditor's Office for this division to function.

The legislature gives us the **authority** to spend the money this division **earns** through a special fund appropriation.



Detailed Breakdown of Types of Audits and Funding Sources

Types of State Agency and Higher Education Audits

State agencies, colleges, and universities

AUDIT CLIENT	GENERAL FUNDED	SPECIAL	FEDERAL	SPECIAL	UNIVERSITY/ FEDERAL
Agency	Agency	Agency	Agency	University System	University System
HOW BILL IS PAID	No bill	Special Fund	Federal	Special Fund	Federal
WHERE THE MONEY IS DEPOSITED	-	General Fund	General Fund	General Fund	General Fund

Types of Local Government Audits

Cities, counties, and schools

AUDIT CLIENT	GENERAL LOCAL GOVERNMENTS	FEDERAL LOCAL GOVERNMENTS
Political Subdivision	Political Subdivision	Political Subdivision
HOW BILL IS PAID	Local Revenue (taxes, oil, gas, coal)	Federal
WHERE THE MONEY IS DEPOSITED	Operating Fund	Operating Fund

Overview of Terms

General Fund Appropriations
Actual cash that can be spent

Special Fund Appropriations
Spending authority (not allocated cash)

Note on Special Fund

The special fund at the Auditor's Office only pays for salaries and operating expenses for the local government division. The Auditor's Office does not make a profit. It only covers costs for audits and reviews.

Overview of Funds

Special fund average monthly expenditures: \$142,000

Special fund cash balance as of 3/17/2023 : \$225,000

Pays salaries and operating expenses for the local government division. General funds do not fund the local government division.

Projected ending fund balance as of 6/30/23: \$350,000

This is a reserve (cash plus accounts receivables owed to us) used to cover salaries and operating expenses for the local government division.

