



Memorandum

TO: Mayor Richard McNabb and City Council

FROM: Crystal Postell, Finance Director

CC: Stevie Cox, City Manager
Robert Wilhoit, City Attorney

DATE: December 5, 2024

REF: Fiscal Year 2025 – 2026 Detailed Budget Preparation Calendar

Summary:

It is important for the City of Trinity to have a detailed budget preparation schedule for the planning and events leading up to the completion of the Fiscal Year 2025 – 2026 Annual Budget. The detailed budget preparation schedule will assist the City Staff to complete department budget requests on or before April 30, 2025 (N.C.G.S. 159-10).

Background:

According to the North Carolina General Statutes for Local Government Budget and Fiscal Control Act, the City of Trinity must adopt an annual balanced budget ordinance. The budget must cover the fiscal year starting on July 1, 2025, through June 30, 2026.

§ 159-8. Annual balanced budget ordinance.

(a) Each local government and public authority shall operate under an annual balanced budget ordinance adopted and administered in accordance with this Article. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year. It is the intent of this Article that, except for moneys expended pursuant to a project ordinance or accounted for in an intragovernmental service fund or a trust and custodial fund excluded from the budget ordinance under G.S. 159-13(a), all moneys received and expended by a local government or public authority should be included in the budget ordinance. Therefore,

notwithstanding any other provision of law, no local government or public authority may expend any moneys, regardless of their source (including moneys derived from bond proceeds, federal, state, or private grants or loans, or special assessments), except in accordance with a budget ordinance or project ordinance adopted under this Article or through an intragovernmental service fund or trust and custodial fund properly excluded from the budget ordinance.

(b) The budget ordinance of a unit of local government shall cover a fiscal year beginning July 1 and ending June 30. The budget ordinance of a public authority shall cover a fiscal year beginning July 1 and ending June 30, except that the Local Government Commission, if it determines that a different fiscal year would facilitate the authority's financial operations, may enter an order permitting an authority to operate under a fiscal year other than from July 1 to June 30. If the Commission does permit an authority to operate under an altered fiscal year, the Commission's order shall also modify the budget calendar set forth in G.S. 159-10 through 159-13 so as to provide a new budget calendar for the altered fiscal year that will clearly enable the authority to comply with the intent of this Part. (1971, c. 780, s. 1; 1973, c. 474, s. 5; 1975, c. 514, s. 3; 1979, c. 402, s. 1; 1981, c. 685, s. 2; 2021-60, s. 3.1.)

The City of Trinity's annual balanced budget is adopted as required by the North Carolina General Statutes. All budgets are prepared using the modified accrual basis of accounting. The budget ordinance must be adopted by July 1st of the new fiscal year; otherwise, the governing board must adopt an interim budget that covers the period until the annual ordinance can be adopted.

Recommendation:

Staff recommends that the City Council approve and adopt the Fiscal Year 2025 – 2026 Detailed Budget Preparation Schedule.

Attachments:

Detailed Budget Preparation Schedule