

The 16-Line Statement -Budget Form 4-b

Form 4B -- Budget Estimate



Financial Statement

- Sometimes referred to as the “16 line statement”
- Requires greatest scrutiny
- Shows financial condition for an 18 month period
- Provides estimated levy & tax rate

Form 4B -- Budget Estimate

- Column 1 represents unit budget estimate as advertised
- Column 2 represents fiscal body action on adoption date
- Column 3 represents T.A.B. or Co. Auditor action
- Column 4 represents DLGF final action

Form 4B -- Line 1

- Represents the total budget estimate for the incoming year
- Should equal the total budget amount as shown on the Form 1
- Should also equal the amount shown on Form 4 or 4A.

Form 4B -- Line 2



- Represents the balance of appropriations left to be spent July through December of the current year
- Do not try to estimate your necessary expenses for July through December --- Use the actual balance of appropriations.

Form 4B -- Line 2

Use the following formula to arrive at Line 2:

- 2007 Tax Board Approved Budget
- + Encumbrances from 2006
- + 2007 Additional Approps. 1/1 to 6/30
- = Total 2007 Appropriations
- Fund Disbursements 1/1 to 6/30
- + Unappropriated Expenditures
- = Balance of Appropriations as of 6/30

Form 4B -- Line 3



- Line 3, Additional Appropriations, is estimated by the taxing unit.
- Is Line 2, balance of Appropriations, sufficient to cover my expenses the rest of the current year?

If the answer is “yes” then enter a zero on Line 3.

If the answer is “no” then enter the additional amount necessary.

Form 4B -- Lines 4A & 4B

Outstanding Temporary Loans



- Line 4A represents temporary loans to be paid back by 12/31/07
- Line 4B represents temporary loans to be paid back by 6/30/08

Form 4B -- Lines 4A & 4B

Remember: Temporary loans not paid back by the end of the current year are subject to:

- Emergency declaration
- Signed resolution / ordinance
- Reporting to the DLGF & State Board of Accounts



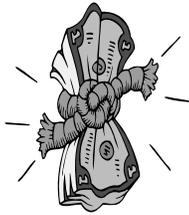
Form 4B -- Line 5



Line 5 is the total of Lines 1 through 4B.

It shows the estimated expenditures for the 18 month period.

Form 4B -- Line 6



- Actual cash balance of the fund as of June 30th
- Includes cash & investments
- Taken from cash ledger & investment record

Form 4B -- Line 7



- Property taxes to be received July 1 through December 31
- Information taken from the Auditor's Certificate
- Compare to certified levy times 100% less June distribution
- Do not exceed 100% on this line

Form 4B -- Line 8A



- Revenues to be collected July 1 through Dec. 31 of the present year
- Taken from Form 2, Column A
- Be conservative with estimates

Form 4B -- Line 8B



- Revenues to be collected in the ensuing year
- Taken from Form 2, Column B
- Be conservative with estimates

Form 4B -- Line 9



- Total of Lines 6, 7, 8A, & 8B
- Shows revenues & cash on hand for the 18 month period
- Does not include ensuing year's property taxes

Form 4B -- Line 10



- Line 5 minus Line 9
- Shows property taxes needed to fund the ensuing year's budget

Form 4B -- Line 11



Operating Balance

- Amount needed to maintain cash flow
- Property tax dollars needed to operate six months less miscellaneous revenues

Form 4B -- Line 12



Lines 12 through 17 apply to funds with property tax levies only.

Add Line 10 & Line 11 to get Line 12.

Form 4B -- Line 13



Line 13 applies only in counties that have adopted the County Adjusted Gross Income Tax.

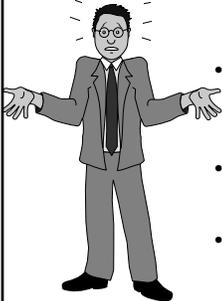
- Replacement credit required for levy reduction in CAGIT adopting counties
- Amounts for 2008 will be provided to the County Auditor by the DLGF

Form 4B -- Line 14



- Line 14 is the result of taking Line 12 minus Line 13
- Compare to maximum levy
- In COIT or non-adopting counties, Line 14 will be the same as Line 12

Form 4B -- Line 15



Levy Excess

- FYI Taxes collected in prior year that are in excess of 100% of the certified levy
- Credit applied to ensuing year's levy
- No entry on this line is necessary

Form 4B -- Line 16



- Amount of property tax levy needed
- Same as Line 14
- Proposed tax levy to be advertised on Form 3

Form 4B -- Line 17



Tax rate on each \$100 of assessed value

Equals the result of Line 16 / (Net AV ÷ 100)

Shows property tax rate to be levied

Form 4B -- Line 17

Rate Calculation Example

If your assessed value is \$123,456,789 and the tax levy you wish to generate (line 16) is \$654,321 then do the following:

Step 1: Divide your assessed value by 100:
 $123,456,789 / 100 = 1,234,567.89$

Step 2: Divide your desired tax levy (\$654,321) by the result of the last step (\$1,234,567.89) :
 $654,321 / 1,234,567.89 = .5300$

This results in a tax rate of \$.53 per \$100 of assessed value.

Form 4B -- Line 17



Review carefully --
Double check all calculations!

Getting the decimal off one
place will have a major
impact!

Compare to the current rate
and see if it makes sense!

REMINDER

Some funds *may* have different assessed values. Make sure you use the correct a.v. for the fund when you are calculating the tax rate. For example, the a.v. for the Township General Fund and the Poor Relief Fund *may* be different than the a.v. for the Fire Fund and the Cumulative Fire Fund.

Also remember that some funds, for example cumulative funds, are rate driven. When working the Form 4-B you should work down through line 10 and then skip down to line 17. Plug in the desired rate on line 17 and then work backward to get to line 11.

Miscellaneous Reminders

If you establish a new cumulative fund or incur a new debt during the year, don't forget to advertise and adopt it as part of the annual budget process.

You must advertise and adopt it even if you have not yet received approval from the DLGF.



Miscellaneous Reminders

If you have a debt fund, discuss with your field representative advertising and adopting high enough to allow for an operating balance in case of a revenue shortfall.



Resources for Assistance

- DLGF field representatives / budget workshops
- Budget Manual prepared by DLGF
- DLGF website: www.in.gov/dlzf/
- Association bulletins or seminars



Budget Workshops

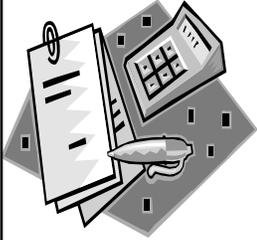
DLGF staff conducts budget workshops during summer

Gives taxing units the opportunity to meet one-on-one for budget assistance



Budget Workshops

You must bring the following items to the budget workshops:



- Ledger and investment record (must be balanced through 6/30)
- Budget forms for 2008 (Form 1 must be completed)
- County Auditor's Certificate
- Amortization Schedules (if you have a debt fund)
- Calculator

Who do I call for help?

DLGF Budget Division

(317) 232 3773



Field Representative Location

Additional Appropriation status: Dan or Judy

Local Government Tax Control Board: Dan Jones

Dan Jones - 1-317-232-0651

Best way to contact my field representative?

- Email: djones@dlgf.in.gov
- Telephone Indianapolis office
(317) 232 3773

Final Thoughts

Remember the best way to get assistance with your annual budget is to attend the Budget Workshops. You will be able to meet one-on-one with a DLGF field representative who will assist you in preparing your budget.

Also, DLGF field representatives are available to answer questions by telephone, email, or occasional visits to your county courthouse.

There is help available!
