



Department of Local Government Finance

An Introduction to Local Budgeting

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Purpose of Today's Training

- This presentation will answer the following:
 - What is the Department of Local Government Finance (“Department”)?
 - What are key budgeting terms?
 - What is the budgeting process?
 - What is the purpose of each budget form?
 - What is a funded budget?
 - How does the Department review a budget?
 - Resources for the Public.



What is the Department of Local Government Finance?



What is the Department of Local Government Finance?

- Department of Local Government Finance
 - Commissioner
 - Deputy Commissioner/Chief of Staff
 - Legal
 - Division Directors
 - Assessment
 - Budget
 - Communications
 - Data
 - IS



What is the Department of Local Government Finance?

- The Department works with local units of government throughout the year for various processes including the examples below:
 - Annual Ratio Study
 - Cost Table Updates
 - Certificate of Net Assessed Values
 - County Abstract
 - Assessor and Property Tax Software Compliance
 - Budget Processes



Budget Terminology



Definitions – Budget

- Budget – A financial plan that includes both revenues and expenditures and covers a specified period of time.
 - A budget is prepared by each unit and is reviewed/certified by the Department.
 - The budget forms in Gateway cover 18 months beginning with June 30 of the current year.



Definitions – Appropriation

- Appropriation – Permission to spend funds that a unit has or will receive throughout the year.
 - Also referred to as the “budget”.
 - This amount is advertised and adopted by a unit and then certified by the Department.
 - Money in a fund may not be spent unless there is an appropriation.



Definitions – Net Assessed Value

- Net Assessed Value (NAV) – The total taxable value of property that is within a unit's boundaries.
 - The county assessor prepares the gross assessed values and then the county auditor applies exemptions and deductions to determine the NAV.
 - The NAV is to be certified by a county auditor by August 1 each year.
 - The NAV is used with the property tax levy to calculate a tax rate.
 - The NAV is often referred to as the property tax base for local units.



Definitions – Funds

- Fund – A separate set of accounts established to carry out a specific purpose or activity.
 - The number and type of funds varies based on the unit.
 - Fund cash balances ideally sum to the total of cash on hand a unit will have.
 - Some funds require Department approval, while others are considered “reporting-only.”
 - The Department and State Board of Accounts (“SBOA”) have different fund code lists.



Definitions – Levy

- Levy – The certified amount of property taxes to be received.
 - The county auditor distributes the property tax collection to the units.
 - This is often a unit's largest source of revenue.
 - Certain factors can cause the unit to receive less than the certified levy such as collection issues and "Circuit Breaker" losses due to statutory tax caps.



Definitions – Levy

- **Maximum Levy** – The maximum amount of property taxes that a unit can raise.
 - Most units only have a “civil” maximum levy, but many townships also have a “fire” maximum levy.
- **This is a key step in the unit’s preparation and the Department’s review of budgets.**
 - Maximum levies grow annually by the Max Levy Growth Quotient as outlined by Ind. Code § 6-1.1-18.5-3.



Definitions – Levy

- **Maximum Levy Growth Quotient (“MLGQ”)**
 - A statewide figure generally calculated as a 6-year rolling average of growth in personal non-farm income. However, in recent years legislature has capped the MLGQ at 4%
 - Official determination available on or around June 30 each year.
 - Used in calculating the increase to the maximum levy recently:
 - 2024 MLGQ = 4.0%
 - 2025 MLGQ = 4.0%
 - 2026 MLGQ = 4.0%



Definitions – Levy

- Not all funds are within a maximum levy.
 - **Inside:** Civil Tax Fund – a fund used to operate a unit of government that is subject to the max levy.
 - **Outside:** Statute identifies specific funds that a unit can levy “outside” of its maximum levy. Examples:
 - Cumulative Funds – a fund used to save for capital expenditures.
 - Debt Funds – a fund used to repay a debt from property taxes.



Definitions – Levy

- Below is an excerpt from the 1782 Notice's Fund Report highlighting the different maximum levies in the Control Code column.
 - UT – Civil Maximum Levy
 - TF – Township Fire Maximum Levy
 - 00 – Outside of the Maximum levy

Fund Code	Fund	Assessed Value	Rate	Levy	Control
0061	RAINY DAY	73,166,693	-	-	00
0101	GENERAL	73,166,693	0.0085	6,219	UT
0840	TOWNSHIP ASSISTANCE	73,166,693	0.0027	1,976	UT
1111	TOWNSHIP FIRE AND E.M.S.	73,166,693	0.0178	13,024	TF
1190	CUMULATIVE FIRE (Township)	73,166,693	0.0100	7,317	00
UNIT TOTAL			0.0390	28,536	



Definitions – Taxing Unit

- Taxing Unit – A political subdivision with the power to imposes taxes, such as a county, township, city/town, school, library, special district, or conservancy

Unit Type	Number of Units Certified in 2024
Counties	92
Townships	1,002
Cities & Towns	565
Schools	290
Libraries	237
Special Districts	199
Conservancy Districts	79
Total	2,464



Definitions – Tax Rate

- **Tax Rate** – The rate to be charged to taxpayers.
 - It is calculated as the property tax levy divided by the Net Assessed Value, multiplied by 100.
 - The tax rate is expressed in terms of “dollars per \$100 of assessed value.”



Definitions – Tax Rate

Tax Rate Calculation Example	
Unit's property tax levy:	\$100,000
Unit's total net assessed value:	\$500,000,000
Calculated property tax rate: (100,000 divided by 500,000,000) times 100:	0.0200
Amount a property owner would pay for every \$100 of assessed value:	2 cents



Definitions – 1782 Notice

- **1782 Notice** – Summary of the budget forms that have been reviewed and updated by the Department that is sent to the unit prior to certifying the final amounts.
 - Units have ten (10) days to respond with any requested changes.
 - Typically sent by the Department from November 1 through the end of the year.
 - Precursor to the Budget Order.
 - Make sure emails sent from 1782notices@dlgf.in.gov are not filtered or blocked.



Definitions – Budget Order

- Budget Order – A critical document in calculating tax bills. The order contains the state's certification of the following for each taxing unit in a county:
 - Appropriation
 - Property tax levy
 - Property tax rate
- Each county's budget order is to be certified by the Department no later than December 31 or January 15, if a qualifying event is occurring in the county.



Definitions – Budget Order

STATE OF INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE 2025 Budget Order					
County: 02 Allen Unit: 0005 JACKSON TOWNSHIP					
<u>Fund</u>	<u>Fund Name</u>	<u>Certified Budget</u>	<u>Certified AV</u>	<u>Certified Levy</u>	<u>Certified Rate</u>
0061	RAINY DAY	\$10,000	\$73,166,693	\$0	\$0.0000
Budget approved for displayed amount.					
0101	GENERAL	\$11,011	\$73,166,693	\$6,219	\$0.0085
Budget approved for displayed amount.					
Rate reduced due to increased assessed valuation.					
0840	TOWNSHIP ASSISTANCE	\$4,050	\$73,166,693	\$1,976	\$0.0027
Budget approved for displayed amount.					
Rate reduced due to increased assessed valuation.					
1111	TOWNSHIP FIRE AND E.M.S.	\$14,000	\$73,166,693	\$13,024	\$0.0178
Budget approved for displayed amount.					
Rate reduced due to increased assessed valuation.					
1190	CUMULATIVE FIRE (Township)	\$10,000	\$73,166,693	\$7,317	\$0.0100
Budget approved for displayed amount.					
Rate Approved.					
Unit Total:		\$49,061		\$28,536	\$0.0390



Definitions – Additional Appropriation

- Additional Appropriation – Process defined by Ind. Code § 6-1.1-18-5 that allows a unit to spend more than the originally certified budget.
 - This process does not bring any additional funding to the unit.
 - Additional appropriations for funds certified by the Department are also subject to approval by the Department.
 - Essentially, it is a process to amend a certified budget and authority to spend.



Definitions – County Abstract

- The County Abstract Process is found in [Ind. Code 6-1.1-22-5](#).
- The auditor is tasked under this code to certify a copy of the abstract of the property, assessments, taxes, deductions, exemptions, and TIF information for taxes payable in that year in each taxing district of the county to the State.
- This process is the step prior to the printing of property tax bills and is the step in the annual budgeting process that calculates a clearer picture of the tax cap loss a unit might experience.



Definitions – Property Tax Caps

- **Circuit Breaker/Property Tax Cap** – Constitutional limit on property taxes to be paid, capped as a percent of the gross assessed value.
 - If an individual's tax bill exceeds the cap, they will only pay the capped amount.

Type of Use	Cap	Maximum Tax Bill for a \$100,000 Property
Homestead	1%	\$1,000
Rental or Farmland	2%	\$2,000
Commercial, Industrial	3%	\$3,000



Definitions – Property Tax Caps

- Property Tax Caps result in tax savings for property owners but are a loss of revenue for units of government.
- When the tax caps are met, the county collects less property taxes, and the unit receives less than their certified property tax levy.
- Units must consider this loss of property tax revenue when preparing their budget.
- Full circuit breaker presentation available on our website and YouTube channel for anyone who is interested.



The Budgeting Process

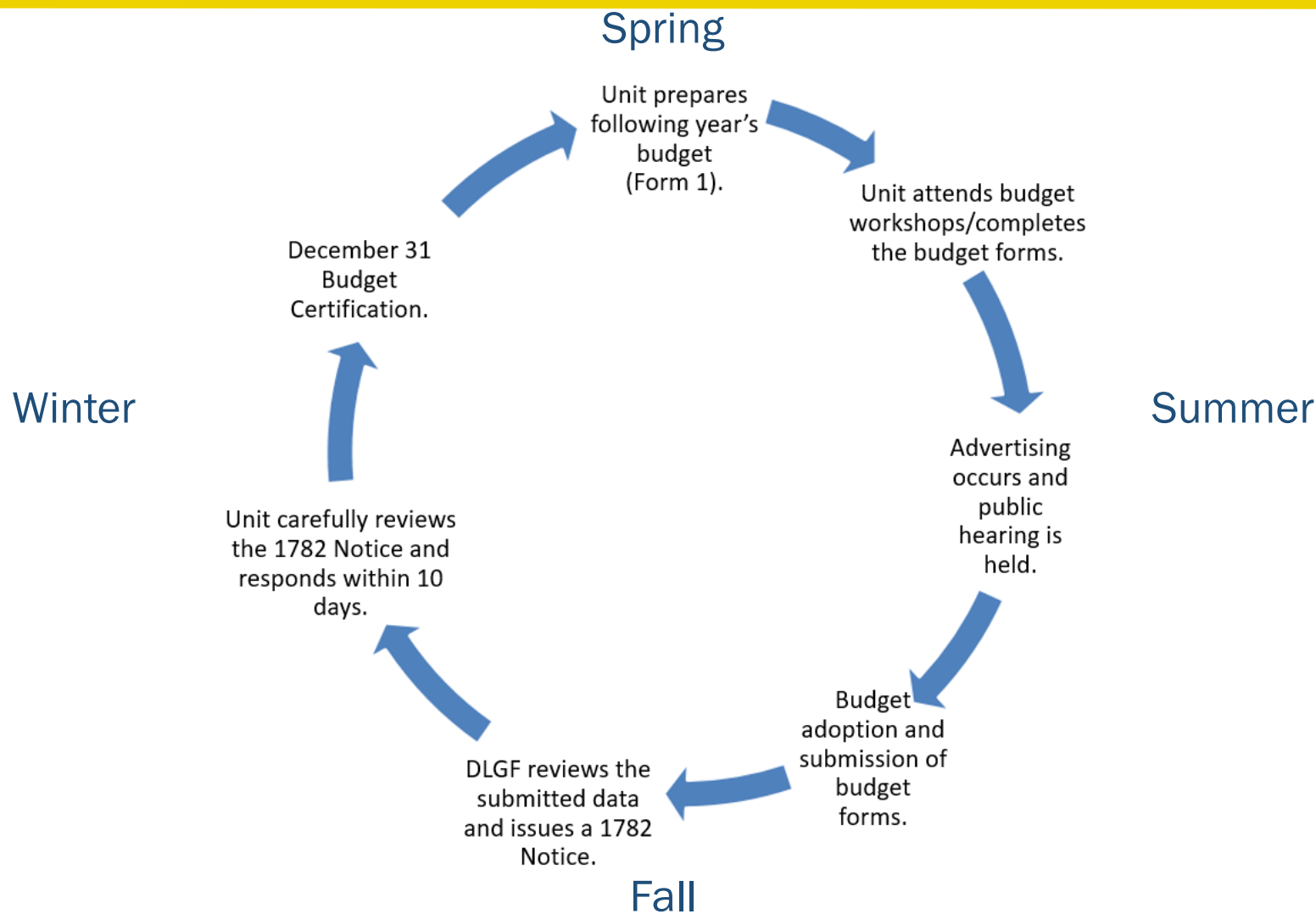


Intro: The Budgeting Process

- The budgeting process is an annual cycle in which a unit prepares revenue estimates and a spending plan.
- This process spans eighteen (18) months as it also considers the expenses and revenues for the last six (6) months of the current year.



The Budget Process: Simplified





Budget Calendar

- The Department annually issues a [Budget Calendar](#) that details some of the key budget related due dates for a year.
- Hopefully, units use this calendar as a guide to the required processes in a year, especially the last days for certain essential process for the budget.



Budget Calendar

Due Date	Task
July 15	Department releases estimates of maximum levy, cumulative funds' rates, miscellaneous revenues.
July 15	Budget Workshops begin.
July 31	Department to release property tax cap estimates.
August 1	County to submit Net Assessed Values to the Department.
September 1	Last day for "binding-review" units to submit budget forms to the adopting fiscal body.



Budget Calendar

Due Date	Task
October 12	Last possible day to submit the Form 3: Notice to Taxpayers if holding hearing on last possible day. Form 3 must be submitted at least ten (10) days before the public hearing.
October 22	Last possible day to hold public hearing if adopting on last possible day. The public hearing must be held at least ten (10) days before the adoption meeting.
November 1	Last possible day to adopt.
November 5	Last possible day to submit forms in Gateway. All forms should be submitted within five (5) days of adoption.
Specific to each county	1782 Notices will be emailed after the Department review is completed. This begins the 10-day window to request changes.
December 31	Deadline for Department to certify budget orders. January 15 if new debt is being issued.



The Budgeting Process - Gateway

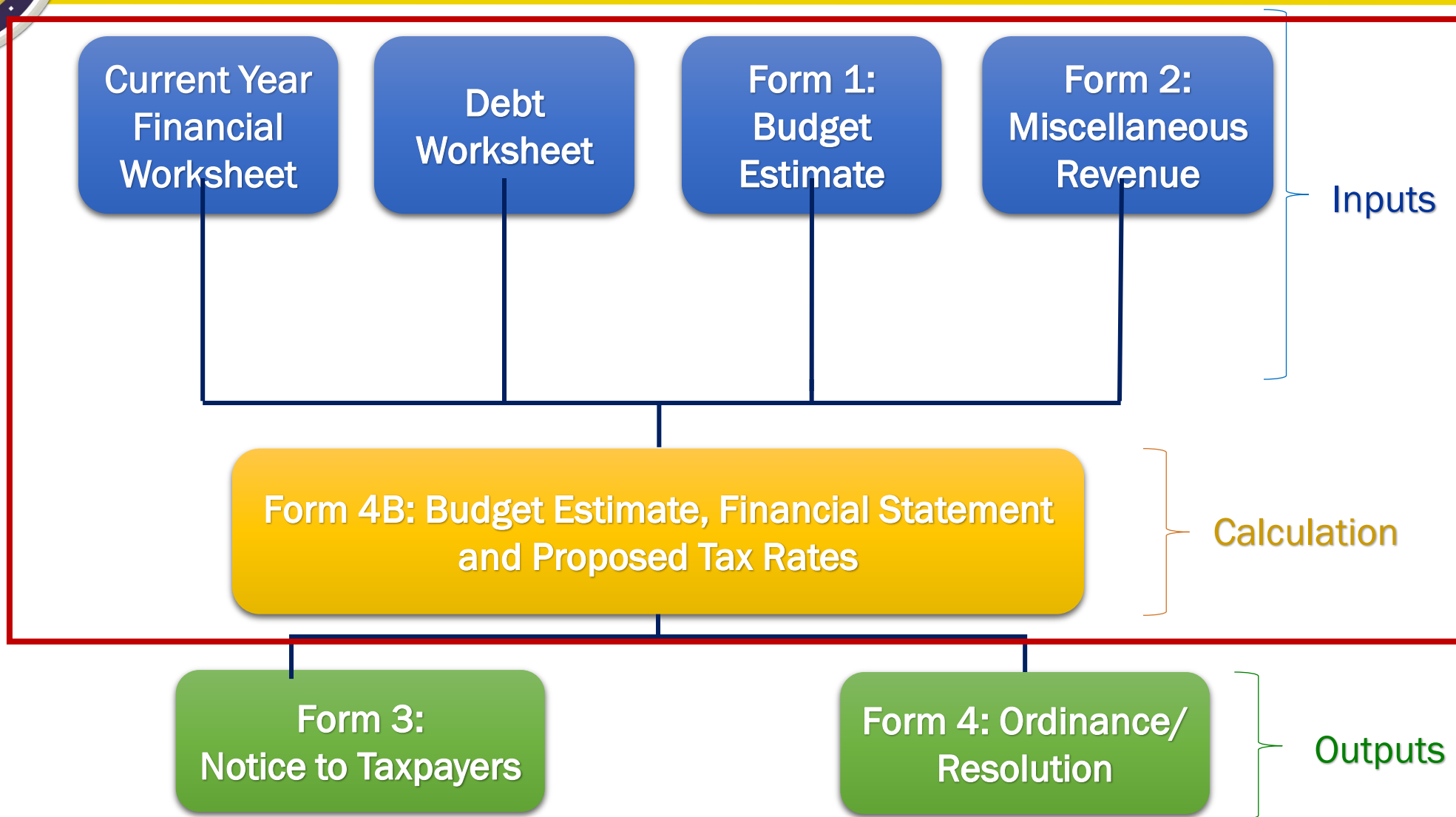


Intro: The Gateway Budget Forms

- The budget forms work together to organize the following year's budget, revenue estimates, and property taxes.
- Data is entered once and carried forward to populate other forms.
- The forms are also used to create the required forms for advertising and adoption.



Budget Forms – Flow Chart





Budget Form Menu



[Error Prevention Report](#)



[Budget Forms Flow Chart](#)

Current Year Financial Worksheet: Additional Calculations for Form 4B



[Click to edit form](#)



Not 'Ready to Submit'.

Debt Worksheet



Form 1: Budget Estimate



Form 2: Estimate of Miscellaneous Revenues



Form 3: Notice to Taxpayers



Form 4: Ordinance / Resolution of Appropriations and Tax Rates



Form 4B: Budget Estimate, Financial Statement and Proposed Tax Rate



1782 Recipients: Registration of 1782 Notice E-mail Recipients





Current Year Financial Worksheet

- Snapshot of budget and financial standings as of June 30.
- Completed for each fund.
- The following lines apply to most funds:
 - Line 1 - June 30 cash balance.
 - Line 2 - Property taxes to be received in the last six (6) months.
 - Line 5 - Budget left to spend in the last six (6) months.
- A total of 6 lines of the Form 4B are calculated on this form.



Current Year Financial Worksheet

Select Fund:

0101 - GENERAL

Calculates lines of the Form 4B

Line 5	
APPROPRIATIONS	
1. Current Year Approved Budget	\$ 3,239,398
2. Encumbrances Brought Forward	\$ 62,299
3. Changes to Appropriations:	
a) Additional Appropriations (January to June)	\$ 0
b) Reductions January through June	\$ 0
4. Other Non-Appropriated Obligations	\$ 0
5. Total Approved Appropriations	\$ 3,301,697
DISBURSEMENTS	
6. January through June Current Year Disbursements	\$ 1,451,410
7. Appropriation Balance	\$ 1,850,287
8. Reductions July through December	\$ 0
9. Estimated Current Year Expenditures July through December	\$ 1,850,287
Line 6	
10. Proposed/Approved Additional Appropriations for July through Dec. of Current Year	\$ 0
Line 7A	
11. Levy excess not transferred prior to June 30	\$ 0
12. Temporary Loans outstanding as of June 30	\$ 0
What fund loaned the cash on Line 12?	
13. Temporary loans not included in Lines 2 or 3	\$ 0
Line 16A	
14. Temp loans to be repaid in the first six months of ensuing year	\$ 0
What fund loaned the cash on Line 14?	
Line 1	
15. June 30 Cash Balance, including investments	\$ 1376872
Line 2	
16. Taxes to be collected, present year (December settlement)	\$ 677417

Line 5

Line 6

Line 7A

Line 16A

Line 1

Line 2



Debt Worksheet

- For units without debt, this worksheet would not apply.
- For units with debt repaid from a dedicated debt service fund, funded by property taxes.
- Debt Worksheet is used to indicate when debt payments are being made for a 2.5-year period beginning July 1 of the current year.



Debt Worksheet

DEBT WORKSHEET

Selected Year: 2021

Selected County: Jay County

Selected Unit: 3 - 0417 - PORTLAND CIVIL CITY [1953]

Select Fund:

1380 - PARK BOND

(This form is to be prepared for each debt service fund that requires either a tax rate or an appropriation. Debt service funds designated by an "8" in the third digit of the fund code.)

Name of Issue	Line 5 Due	Line 5 Amount	Line 15 Due	Line 15 Amount	Line 18A Due	Line 18A Amount	Line 18B Due	Line 18B Amount
Park Bond	07/15/2020	\$ 26,278	07/15/2021	\$ 126,281	01/15/2022	\$ 105,003	07/15/2022	\$ 23,563
TOTALS BY FUND		\$ 26,278		\$ 126,281		\$ 105,003		\$ 23,563
TOTALS BY UNIT		\$ 26,278		\$ 126,281		\$ 105,003		\$ 23,563

This form allows you to tell us when you make the debt payments for four different time periods.



Budget Form 1

- Budget Form 1 – Line-Item Budget Estimate
 - Form 1 breaks down budgeted “line-item” expenditures by fund and expense category for the following year.
 - Each fund has its own Form 1.
 - Amounts are separated into Advertised and Adopted columns.
 - Last year’s Form 1 can be a great starting place when preparing the next year’s budget.



Budget Form 1 – Next Year's Budget

BUDGET ESTIMATE FOR

Select Fund:
0101 - GENERAL

Select Department:
0370 POLICE DEPARTMENT (TOWN MARSHALL)

Broken down by fund and department (If applicable)

Further broken down by expenditure category

Sub-Category	Line Item Code	Description	Advertised Amount	Adopted Amount	Add/Delete
Printing and Advertising	321	Publication Fees	\$ 1,000	\$	X
Insurance	322	Liability Insurance	\$ 6,000	\$	X
Professional Services	324	Attorney	\$ 4,500	\$	X
Communication and Transportation	326	Fuel	\$ 12,000	\$	X
Professional Services			\$	\$	+ ADD
TOTALS BY CATEGORY			Total: \$ 23,500	Total: \$ 0	
TOTALS BY DEPT BY FUND			Total: \$ 28,700	Total: \$ 0	
TOTALS BY FUND			Total: \$ 28,700	Total: \$ 0	
TOTALS BY UNIT			Total: \$ 181,000	Total: \$ 0	

Line items



Budget Form 2 – Revenue Estimates

- Form 2 is used to report estimates of all revenues besides property taxes in two (2) separate columns.
 - The first column is for revenue to be received during the last six (6) months of the current year.
 - The second column is for revenue to be received during full twelve (12) months of the following year.
- There are over eighty (80) unique revenues that civil units can use. This list of revenues can be found at:

https://www.in.gov/dlgf/files/2020_Gateway_Budget_Code_lists.xlsx.



Budget Form 2 – Revenue Estimates

Broken down by fund

Two separate time

ESTIMATE OF MISCELLANEOUS REVENUES
FROM SOURCES OTHER THAN GENERAL PROPERTY TAXES
FOR USE IN PREPARATION OF ESTIMATE OF FUNDS TO BE RAISED, YEAR 2021

Select Fund:

0101 - GENERAL

Organized by Select Category Tab

		Taxes And Intergovernmental	Licenses And Permits	Charges For Services	Fines, Forfeitures, And Fees	Other Receipts
Revenue Code	Description	July 1 to Dec 31, 2020		Jan 1 to Dec 31, 2021		
R203	Planning, Zoning, and Building Permits and Fees	\$	10,000	\$	20,000	
R210	Cable TV Licenses	\$	22,000	\$	40,000	
TOTALS BY CATEGORY		Total: \$ 32,000		Total: \$ 60,000		
TOTALS BY FUND		Total: \$ 32,000		Total: \$ 60,000		
TOTALS BY UNIT		Total: \$ 32,000		Total: \$ 60,000		

SAVE



Form 4B – Financial Statement

The Form 4B is the heart of the budgeting process.



Form 4B allows you to better comprehend the financial status of any fund.



Form 4B: Financial Statement

- This form is broken down into two (2) separate time periods:
 - Last six (6) months of current year:
 - June 30 beginning cash balance
 - Revenues
 - Expenses
 - Estimated ending cash balance
 - Budget year:
 - Revenues
 - Expenses
 - Estimated ending cash balance



Budget Form 4B

- Last six (6) months of current year section:

July to December - 2020		
Cash Balance and Revenues		
Beg. Cash Balance Revenues	1. June 30th Cash Balance ⓘ	(Line 6) 100,000
	2. Property Taxes to be Collected ⓘ	(Line 7) 50,000
	3. Miscellaneous Revenue ⓘ	(Line 8A) 30,000
	4. Total Cash and Revenues	180,000
Expenses		
Expenses	5. Necessary Expenditures ⓘ	(Line 2) 90,000
	6. Additional Appropriation ⓘ	(Line 3) -
	7. Outstanding Temporary Loans and Transfers ⓘ ▼	-
	7a. Transfers Out and Outstanding Temporary Loans	(Line 4A) -
	7b. Reserved	-
Ending Cash Balance	7c. School Transfers	(Line 1A) -
	8. Total Expenses ⓘ	90,000
	9. Estimated December 31st, 2020 Cash Balance (Line 4 - 8) ⓘ	90,000



Budget Form 4B

- Budget year section:

Budget Year - 2026			
Revenues		Advertised	Adopted
10. Reserved for DLGF application of Levy Excess			
Revenues	11. Property Tax Levy (Line 16)	100,000	100,000
	12. Property Tax Cap Impact (Tax Cap)	(10,000)	(10,000)
	13. Miscellaneous Revenue (Line 8B)	60,000	60,000
	14. Total 2021 Revenues	150,000	150,000
Expenses		Advertised	Adopted
Expenses	15. 2026 Budget Estimate (Line 1)	200,000	200,000
	16. Outstanding Temporary Loans and Transfers ▼	-	-
	16a. Transfers Out and Outstanding Temporary Loans (Line 4B)		-
	16b. Reserved		-
	16c. School Transfers (Line 1A)		
	17. Total 2021 Expenses	200,000	200,000
18. Operating Balance - Estimated December 31st 2026 Cash Balance (Line 9 + 14 - 17) (Line 11)		40,000	40,000
Ending Cash Balance			

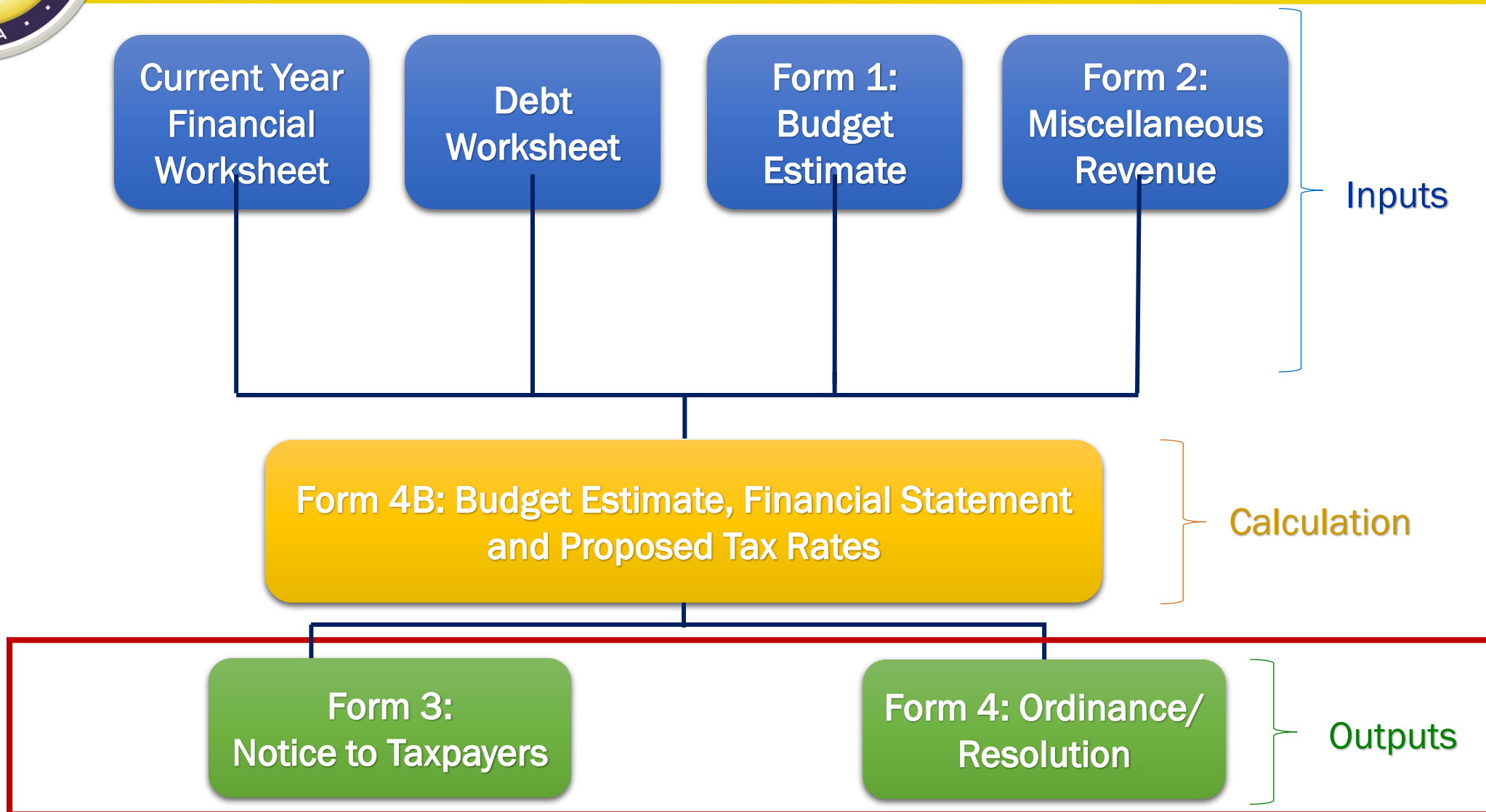


Form 4B: Financial Statement

- The operating balance is located on Line 18 of Form 4B.
- The operating balance is the estimated cash balance for a fund once the budget year has ended.
- Maintaining an operating balance helps avoid cash flow issues that require short term borrowing.
- Used to pay expenses until the June property tax settlement is received in the following year.



Budget Forms – Flow Chart





Form 3: Notice to Taxpayers

- Formally advertised online by submitting Form 3 in Gateway at least ten (10) days before the public hearing.
- The official online advertisement that notifies taxpayers of the:
 - Public hearing,
 - Adoption meeting, and
 - Proposed budgets and property tax levies by fund.
 - Displays any excess levy appeals.
 - The current year property tax levy.
 - The levy % change between the two (2) years.
 - Property Tax Cap Estimates.



Form 3 – Notice to Taxpayers

Dates and Times



Date of Public Hearing	Wednesday, September 10 2025
Time of Public Hearing	1:00 PM
Public Hearing Place	20720 Edgerton Rd, Woodburn, IN

Date of Adoption Meeting	Thursday, September 25 2025
Time of Adoption Meeting	1:00 PM
Adoption Meeting Place	20720 Edgerton Rd, Woodburn, IN

Estimated Civil Max Levy	\$ 8,606
Estimated Fire Max Levy	\$ 13,586



Max Levy

Tax Cap Estimate



Property Tax Cap Credit Estimate	\$ 630
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1 Fund Name	2 Budget Estimate Budget Est	3 Maximum Estimated Funds to be Raised (Including appeals and levies exempt from maximum levy limitations) Levy Est	4 Excessive Levy Appeals (Included in Column 3) Appeal Est	5 Current Tax Levy CY Levy	6 Levy Percentage Difference (Column 3 / Column 5)
0061-RAINY DAY	\$10,000	\$0	\$0	0	
0101-GENERAL	\$11,286	\$6,219	\$0	6,219	0.00 %
0840-TOWNSHIP ASSISTANCE	\$4,050	\$1,976	\$0	1,976	0.00 %
1111-TOWNSHIP FIRE AND E.M.S.	\$14,865	\$13,024	\$0	13,024	0.00 %
1190-CUMULATIVE FIRE (Township)	\$10,000	\$7,317	\$0	7,317	0.00 %



Budget Form 4 – Adoption

- The adoption ordinance/resolution is used to formally adopt each fund's ensuing year's:
 - Budgets
 - Property tax levies
 - Property tax rates
- All voting members are to be listed on this form.
- This is printed from Gateway so that it can be signed and the votes can be marked at the advertised adoption meeting.



Budget Form 4 – Adoption

Name of Adopting Entity / Fiscal Body	Type of Adopting Entity / Fiscal Body	Date of Adoption
Jackson Township	Township Board	09/25/2025

Funds				
Fund Code	Fund Name	Adopted Budget	Adopted Tax Levy	Adopted Tax Rate
0061	RAINY DAY	\$10,000	\$0	0.0000
0101	GENERAL	\$11,286	\$6,219	0.0100
0840	TOWNSHIP ASSISTANCE	\$4,050	\$1,976	0.0032
1111	TOWNSHIP FIRE AND E.M.S.	\$14,865	\$13,024	0.0209
1190	CUMULATIVE FIRE (Township)	\$10,000	\$7,317	0.0100
		\$50,201	\$28,536	0.0441

Name		Signature
Ben Moore	Aye <input type="checkbox"/> Nay <input type="checkbox"/> Abstain <input type="checkbox"/>	
Gloria Gerig	Aye <input type="checkbox"/> Nay <input type="checkbox"/> Abstain <input type="checkbox"/>	
Travis Ulmer	Aye <input type="checkbox"/> Nay <input type="checkbox"/> Abstain <input type="checkbox"/>	



1782 Notice Recipients

- The “1782 Notice Recipients” form in Gateway collects the email addresses of everyone that will receive a copy of the 1782 Notice.
- These contacts rollover from the previous year but can be updated each year.
- The Department recommends adding multiple recipients.

1782 Notice Recipients

Use this form to register any recipients of this unit's 1782 notice e-mail.

Contact Name	Contact Email	Phone Number (Optional)	Action
Steve McQueen	SMcQueen@email.com	(555) 123-4567	Edit --- Delete
<input type="text" value="Leia Burke"/>	<input type="text" value="LBurke@email.com"/>	<input type="text" value="(555) 765-5321"/>	Add



Budget Forms – Submitted



[Error Prevention Report](#)



[Budget Forms Flow Chart](#)

Current Year Financial Worksheet: Additional Calculations for Form 4B ☒



[Click to view form](#)



This form has been submitted.

Submitted on 10/11/2017 11:30:57 AM

Debt Worksheet ☒

Form 1: Budget Estimate ☒

Form 2: Estimate of Miscellaneous Revenues ☒

Form 3: Notice to Taxpayers ☒

Form 4: Ordinance / Resolution of Appropriations and Tax Rates ☒

Form 4B: Budget Estimate, Financial Statement and Proposed Tax Rate ☒

1782 Recipients: Registration of 1782 Notice E-mail Recipients ☒



Budget Review



Budget Review (1)

- The Department is responsible for three (3) main tasks when certifying the budget.
 - Were the proper budget procedures followed?
 - Are the property taxes within their statutory maximum amounts?
 - Are the submitted budgets fundable by the available revenue and cash?



Budget Review

- Were the proper procedures followed?
 - The Department will confirm the advertisement, adoption, and submission dates.
 - Notice to Taxpayers submitted at least ten (10) days before public hearing.
 - Public and adoption meetings at least ten (10) days apart.
 - Adopting no later than November 1 (may shift).
 - Submission of all budget forms within five (5) days of adoption.



Budget Review

- Are the property taxes within their statutory maximum amounts?
 - If the adopted levies exceed the maximum levy, they will be reduced to this amount.
 - Reducing a levy will result in less revenue being available to fund the budget and may result in a reduction in the budget certified by the Department.



Budget Review

- Are the submitted budgets fundable by the available revenue and cash?
- This analysis is comprised of checking for a positive operating balance on Line 18 of Form 4B after making any necessary changes.

18. Operating Balance - Estimated December 31st 2021 Cash Balance ⓘ (Line 9 + 14 - 17) (Line 11)	200,000	200,000
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Understanding: Funded, Unfunded, and Sustainable Budgets



The Funded Budget

- One of the beginning goals when preparing a budget would be to achieve a funded budget.
- This is indicated by having a positive operating balance on Line 18 of Form 4B.
- If a funded budget is not prepared, the Department will reduce the adopted budget down to an amount fundable by available cash and revenues.



The Funded Budget

- The fund below has a positive operating balance.
- Note that the spending exceeds the revenues and its effect on the Dec 31 cash balances.

Cash
balance
decreased
by \$50,000

9. Estimated December 31st, 2020 Cash Balance		100,000
Budget Year - 2021		
Revenues		
10. Reserved for DLGF application of Levy Excess		
11. Property Tax Levy		150,000
12. Property Tax Cap Impact		(25,000)
13. Miscellaneous Revenue		75,000
14. Budget Year Total Revenues		200,000
Expenses		Advertised
15. 2021 Budget Estimate		250,000
16. Outstanding Temporary Loans and Transfers		-
17. Total 2021 Expenses		250,000
18. Operating Balance -		
Estimated December 31st 2021 Cash Balance		50,000

Positive Operating
Balance



Barely Funded Budget

- It's possible to have a fund with an operating balance of zero.
 - In this case:
 - The budget would be approved.
 - Cash reserves would be depleted to zero.
 - Cash flow issues would likely occur.



Barely Funded Budget

- In this case, the budget is funded, but spends down all cash reserves.
- \$0 is available to be spent January 1, 2026.

Cash balance decreased to \$0 means cash flow issues are likely

9. Estimated December 31st, 2020 Cash Balance	100,000
Budget Year - 2021	
Revenues	
10. Reserved for DLGF application of Levy Excess	
11. Property Tax Levy ⓘ	150,000
12. Property Tax Cap Impact ⓘ	(25,000)
13. Miscellaneous Revenue ⓘ	75,000
14. Budget Year Total Revenues	200,000
Expenses	
Advertised	
15. 2021 Budget Estimate ⓘ	300,000
16. Outstanding Temporary Loans and Transfers ⓘ	-
17. Total 2021 Expenses ⓘ	300,000
18. Operating Balance - ⓘ	0
Estimated December 31st 2021 Cash Balance	0

Zero Operating Balance



Unfunded Funded Budget

- It's also possible to prepare a budget that has a negative operating balance.
- This case would:
 - Result in the budget being reduced by the amount of the negative operating balance to arrive at a budget that is funded by available revenues and cash reserves.
 - Deplete cash reserves to zero.
 - Likely create cash flow issues.



Unfunded Funded Budget

- In this case the Department would reduce the adopted budget by \$50,000.
- \$0 is available to be spent January 1, 2026.

9. Estimated December 31st, 2020 Cash Balance		100,000
Budget Year - 2021		
Revenues		
10. Reserved for DLGF application of Levy Excess		
11. Property Tax Levy		150,000
12. Property Tax Cap Impact		(25,000)
13. Miscellaneous Revenue		75,000
14. Budget Year Total Revenues		200,000
Expenses		Advertised
15. 2021 Budget Estimate		350,000
16. Outstanding Temporary Loans and Transfers		-
17. Total 2021 Expenses		350,000
18. Operating Balance -		(50,000)
Estimated December 31st 2021 Cash Balance		

Cash balance decreased to \$0 means cash flow issues are likely

Negative Operating Balance



The Sustainable Budget

- In this scenario, the expenses in the budget year are equal to or less than the revenue estimated to be received for the same time period (not including cash on hand).
- This method won't spend down cash reserves and might help build an "operating balance" that can help lessen any issues with cash flow.



The Sustainable Budget

- Any local official can easily assess the budget's sustainability by comparing revenues to expenses.

Cash
balance is
maintained
or
increased

9. Estimated December 31st, 2025 Cash Balance		100,000
Budget Year - 2026		
Revenues		
10. Reserved for DLGF application of Levy Excess		
11. Property Tax Levy ⓘ		150,000
12. Property Tax Cap Impact ⓘ		(25,000)
13. Miscellaneous Revenue ⓘ		75,000
14. Budget Year Total Revenues		200,000
Expenses		Advertised
15. 2026 Budget Estimate ⓘ		175,000
16. Outstanding Temporary Loans and Transfers ⓘ		-
17. Total 2026 Expenses ⓘ		175,000
18. Operating Balance - ⓘ		
Estimated December 31st 2026 Cash Balance		125,000

Expenses
do not
exceed
revenues



Resources for the Public



Homepage Overview – Department Website

- The Department annually prepares numerous useful reports, memos, and presentations that are available at www.in.gov/dlgf.
- The most applicable sections of the website include:
 - Memos & Presentations
 - County Specific Information



Memos & Presentations – Department Website

- The “Memos and Presentations” section of the website is where the following memos and more are posted:
 - Budget Calendar
 - Additional Appropriation
 - Cumulative Fund Establishment
 - Various Department presentations
- This page can be accessed by going to www.in.gov/dlgf and selecting “[Memos and Presentations](#)”.



County Specific Information – Department Website

- The “County Specific Information” section on the Department’s website is where you can find the following information:
 - Budget Orders
 - Maximum Levy Estimates
 - Property Tax Cap Estimates
 - Local Income Tax Estimates
 - Miscellaneous Revenue Estimates
- This page can be accessed by going to www.in.gov/dlgf, selecting “[County Specific Information](#)” and choosing the county.



Understanding Your Tax Bill– Department Website

- This page can be accessed by going to www.in.gov/dlgf, and selecting “Understanding Your Tax Bill.”
- Once on this page, several options are there to choose from that are designed to educate local government and the public in general.
- These include links to:
 - Tax Bill 101
 - Taxpayer Calculators
 - Assessed Value Search
 - Property Tax Terms



Understanding Your Tax Bill– Department Website

Understanding Your Tax Bill

- [Property Tax Due Dates](#)
- [Citizen's Guide to Property Tax](#)
- [Assessed Value Search](#)
- [Notice of Assessment of Land and Improvements \(Form 11\)](#)
- [DLGF Public Hearings](#)
- [Property Tax Terms](#)
- [Taxpayer Rights](#)
- [Tax Bill Search](#)
- [Tax Bill 101](#)
- [TS-1 Tax Comparison Statement](#)
- [Taxpayer Calculators](#)



Gateway – Public Site

- Access to much of the data submitted in Gateway by local officials across the state is available to the public directly at https://gateway.ifionline.org/report_builder/.
- This website is a landing spot for trying to locate information from Department processes, but also a few other state agencies.
- You can access:
 - Budget Information
 - Net Assessed Values
 - Annual Financial Reports
 - Several More



Gateway – Public Site

INDIANA Gateway

DashboardReport SearchDownloadToolsLearn More

Select by Report Type [View data release calendar »](#)

[Annual Financial Report](#)
Multiple reports detail the receipts and expenditures of each local government unit, reflecting income and expenditures for a full calendar year. The primary purpose is to assist in the auditing of government units.

[Assessed Value](#)
The Certified Net Assessed Value (CNAV) data provides information on the tax base.

[Budgets](#)
Every local government unit with authority to levy a property tax must submit a budget for the coming calendar year to DLGF, which has the responsibility to review and certify budgets and set tax levies and tax rates.

[Collective Bargaining](#)
Each public school corporation is required to report on their collective bargaining with the Indiana Education Employment Relations Board. Gateway is now being used to collect and publish those data.

[Conflict of Interest Disclosure](#)
Public servants are required to disclose conflicts of interest to the State Board of Accounts.

[County Abstract Public Reports](#)
County auditors must submit an annual summary of property assessments, taxes, deductions and tax exemptions, as well as unpaid taxes, to the State Auditor.

[Employee Compensation by Unit](#)
The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) provides taxpayers with compensation information for public employees of state and local government.

[Entity Annual Report](#)
Financial reports from organizations that receive financial assistance from governmental sources (federal, state or local).

[Food and Beverage Tax Form Uploads](#)
State and local government units and other entities listed in IC 6-1.1-30-18, IC 6-9-41-14 and IC 6-9-41-15 are required to file these forms with the State Board of Accounts.

[Interlocal Agreement Uploads](#)
State and local government units and other entities listed in IC 36-1-7-1 are required to file these agreements with the State Board of Accounts.

[Local Development Agreements](#)
Gaming establishments may have local development agreements with various groups in their area. These are reported to the Indiana Gaming Commission each year along with the amount disbursed.

[Property Tax](#)
Property taxes are a primary source of funding for local governments. These summary reports provide an overview of the property taxes paid and distributed.



YouTube Channel

- Several presentations given by the Department are posted to the Department YouTube Channel.
- Topics that are covered by the posted videos:
 - Certificate of Net Assessed Values (CNAV)
 - Budget 101
 - Gateway Application Walkthrough
 - Budget Mistakes and How to Avoid Them
- These topics and more can be found at:
<https://www.youtube.com/channel/UCSla4dPYOo6imMpFxBRyeGw>