

INSTRUCTIONS FOR CITY BUDGET PREPARATION

The city budget forms are designed to be aligned with the city annual financial report and with Generally Accepted Accounting Principles (GAAP).

ADOPTION OF BUDGET AND CERTIFICATION OF CITY TAXES (Form 635.1)

THERE ARE 4 MAJOR COMPONENTS TO THIS FORM:

- 1. VALUATIONS:** The Department of Management is suggesting county auditors use the following form when sending city valuations (Exhibit D). The Valuation form lists taxable value (column A & D) and debt service value (column C & F) *with* and *without* Gas & Electric utilities.

ADAIR COUNTY JANUARY 1, 2011 NET TAXABLE VALUATIONS
FOR FY 2012/ 2013 TAX
BY LEVY AUTHORITY, BY COUNTY

(Exhibit D)

		USE FOR COMPUTING TAX RATES INCLUDES GAS & ELECTRIC UTILITY VALUATIONS			USE FOR COMPUTING TAX DOLLARS EXCLUDES GAS & ELECTRIC UTILITY VALUATIONS		
		A	B	C	D	E	F
CODE	NAME	TAXABLE VALUE FOR RATES	APPLICABLE TAX INCREMENT	FOR DEBT SERVICE RATES ONLY	TAXABLE VALUE FOR TAXES LEVIED	APPLICABLE TAX INCREMENT	FOR DEBT SERVICE TAX DOLLARS ONLY
RURAL	ADAIR	259,543,519	0	259,543,519	246,566,343	0	246,566,343
URBAN	ADAIR	82,227,352	3,879,608	86,106,960	78,115,984	3,879,608	81,995,592
	****TOTAL FOR COUNTY	341,770,871	3,879,608	345,650,479	324,682,327	3,879,608	328,561,935
0101D001	ADAIR COUNTY ASSESSOR	341,770,871			324,682,327		
	****TOTAL FOR ALL ASSESSORS	341,770,871			324,682,327		
0101G001	ADAIR REGULAR	14,804,004	1,323,822	16,127,826	14,063,804	1,323,822	15,387,626
0101J001	ADAIR AGRICULTURAL	238,742			226,805		
0101G002	BRIDGEWATER REGULAR	1,459,007	0	1,459,007	1,386,057	0	1,386,057
0101G003	FONTANELLE REGULAR	7,618,821	0	7,618,821	7,237,880	0	7,237,880
0101J003	FONTANELLE AGRICULTURAL	92,574			87,945		

For example, the City of Adair would enter the highlighted values in the January 1, 2011 Property Valuations area on the new Certification form 635.1. (14,804,004 in **2a** and 14,063,804 in **2b** of **Regular**; 16,127,826 in **3a** and 15,387,626 in **3b** of **Regular plus TIF**; and 238,742 in *both* 4a and 4b of **Ag Land**. (Gas & Elec. value does not exist in Ag land). Columns B and E of the form are the total increment value within the city, regardless of the type of TIF area. It is added to taxable value and used **ONLY** for computing the debt service levy.

- 2. TAX REQUEST:** In the **TAXES LEVIED** area, the Certification form contains 3 columns (**A**) (**B**) & (**C**):

- Column (A)** is the city's requested dollar amount (**Request with Utility Replacement**) for the general or specific purpose. The amount you enter is the money necessary for that purpose/fund. The Request is made up from 2 sources ---- **1**) Property Taxes & **2**) Utility Tax Replacement Excise Tax. The Requested dollars are used in calculating the tax rate. *All rates are determined using the Requested Dollars applied to the valuation With Gas & Elec. If you want to request the maximum, divide the valuation with Gas & Electric by 1000 and multiply the rate limit times that result (the rates are in the Limit column on the Certification form).* (Example, **calculations for line 5, Regular General levy column (A):** \$2,000,000 valuation/1,000 equals = \$2,000. The resulting \$2,000 times levy **Limit** rate \$8.10 equals = \$16,200 Request). **USING THE**

SOFTWARE: To levy the maximum, entire an extremely large number in the Requested Dollars column. The software will reply the levy rate is exceeded. Click OK and the maximum amount will be calculated. Of course, this function only works if a statutory limit exists for that levy. The amount of Property Taxes levied and Rate will be automatically calculated once you've entered the Request with Utility Replacement Dollars.

- **Column (B)** is the **Amount of Property Taxes Levied** (*the major portion of Requested Dollars*). This is the amount of money requested in column (A) that will come from *property taxes*. The remainder of the request will come from the Utility Tax Replacement Excise Tax. The amount in **column (B)** is determined by applying the **rate** in **column (C)** to the valuation **without** Gas & Electric. (Example... **calculations for item 5, Regular General levy column (B):** enter requested amount in column A (*Request with Utility Replacement*), divide the property valuation **with** Gas & Electric (line 2a) by 1000 then divide the request by that result (*Request with Utility Replacement*). The result will give you the **(Rate)** for column (C) item 43. Next, divide the property valuation **without** Gas & Electric (line 2b) by 1000 then multiply that figure by the **(Rate)** (item 43). **The electronic software makes these calculations for you.**

3. **SSMID: Self-Supported Municipal Improvement District.** In Fiscal Year 2016, there were only 17 cities in Iowa that have a SSMID. **YOU DO NOT FILL OUT THIS SECTION UNLESS YOU HAVE A SSMID.** The process for calculating SSMID dollars is **no different** than other requests explained above. The Valuation form supplied to you by your county auditor will have the SSMID Valuations in Column (A). Again, we suggest auditors use our Valuation form, however, your county may report those figures in another format. Both valuation figures must be entered in the appropriate area to produce tax dollars. Each SSMID number 1 thru 4 on the city budget form should directly correspond to the last digit of the CODE given on the Taxable Valuations form sent by the county auditor. Please be sure to enter them correctly.
4. **COUNTY AUDITOR VERIFICATION.** There are now five (5) items at the bottom of the form to be checked by the county auditor. If a city budget does not meet all 5 of these requirements, the auditor can not certify the budget and will return it to the city for compliance.

TIF SPECIAL REVENUES FUND

The Special Revenue Fund has a TIF portion segregated from all other Special Revenue Funds.

It is suggested the city create 2 sub-funds within the TIF Special Revenue Fund. The 2 sub-funds should be titled **1) TIF Proceeds of Debt** and **2) TIF Debt Service**. The TIF Proceeds of Debt sub-fund is from which all **NON-Capital Projects** are to be paid and into which ALL INTERNAL BORROWING IS TRANSFERRED (*Sub-Funds are rolled up to the major fund on the State Budget Form. In this case, TIF Special Revenues*).

The TIF Debt Service sub-fund is for debt service payments on loans, internal borrowing, etc. Transfers Out from the TIF Special Revenues Fund (internally TIF Debt Service sub-fund) and into any other major fund would signify repayment of an "Internal loan". SEE OTHER FINANCING SOURCES: TRANSFERS BELOW

EXPENDITURES

The Special Revenue Fund has the TIF portion segregated from all other Special Revenue Funds. ALL expenditures of TIF monies (TIF Revenues, proceeds of debt including internal loan proceeds) MUST be expended from the TIF Special Revenue Fund, the Capital Projects Fund or the Proprietary Fund (provided the proprietary fund expenditure is an Enterprise Capital Project).

- 1) TIF Revenues **CANNOT BE** transferred from the TIF Special Revenue Fund (internal TIF Debt Service sub-fund) and into the Capital Projects Fund. However, to service a G.O. bond it is necessary to use the TIF Transfers Out of TIF Special Revenue Fund and a TIF Transfer In to the Debt Service fund.
- 2) Proceeds of Debt (TIF Proceeds of Debt sub-fund) **SHOULD NOT BE** transferred into the Capital Projects Fund. Monies recorded under the Capital Projects Fund should be receipted in from the source (proceed of debt, internal borrowing, etc.).

COMMUNITY & ECONOMIC DEVELOPMENT REBATES & PAYMENTS TO ENTITIES

Other Com & Econ Development
REBATES

Line 43 EXP P2 & Re-Est Exp P2 pages

Rebates and payments to any entity to be funded with TIF revenues are posted under the Community & Economic Development Program. The initial payment may be from internal borrowing. However, if those funds will be repaid with TIF revenues, the payment should be listed under this activity. For coding purposes, the "payments" are coded as "Other Community & Economic Development" Code 5900 for the 4 digit and 599 for the 3 digit code.

CAPITAL PROJECTS

Gov Capital Projects
TIF Capital Projects

Line 55 of the EXP P2 and Re-Est Exp P2
Line 56 of the EXP P2 and Re-Est Exp P2

TOTAL CAPITAL PROJECTS *Line 57 of the EXP P2 and Re-Est Exp P2 (The sum of Gov capital and TIF capital projects)*

Capital Projects related to an Urban Renewal Area are handled in the same manner as in the past with the exception that the expenditure is recorded as a TIF Capital Project and shown separately from all other Governmental Capital Projects. The loan/debt proceeds are receipted into the Capital Projects fund and the expenditure recorded as a TIF Capital Project.

BUSINESS TYPE ACTIVITIES Proprietary: Enterprise & Budgeted ISF

Enterprise CAPITAL PROJECTS
Enterprise TIF CAPITAL PROJECTS

Line 71 of the EXP P2 and Re-Est Exp P2
Line 72 of the EXP P2 and Re-Est Exp P2

The Enterprise Capital Projects expenditure activity under the Business Type Program is shown separately for TIF and NOT recorded under the Enterprise Utility. TIF Capital Expenditures within the Business Type Enterprises is handled in the same manner as Governmental TIF Capital Projects. It is recorded as an Enterprise TIF Capital Project. All TIF expenditures *with the exception of Capital Projects* are expended from the TIF Special Revenues Fund. Debt Service payments on a TIF project from the Proprietary Fund MUST be transferred to the TIF Special Revenues Fund for expenditure. The city would show a *TIF Transfer Out* of the Proprietary Fund, a *TIF Transfer In* to the TIF Special Revenues Fund and record the expenditure within the Debt Service Program out of the TIF Special Revenues Fund.

OTHER FINANCING SOURCES: TRANSFERS IN AND OUT

Other Financing Sources:

Regular Transfers In *Line 37 of the REVENUES and Re-Est Revenues*

Internal TIF Loan Transfers In *Line 38 of the REVENUES and Re-Est Revenues*

Subtotal Operating Transfers In *Line 39 of the REVENUES and Re-Est Revenues*

Regular Transfers Out *Line 75 of the EXP P2 and Re-Est Exp P2*

Internal TIF Loan Transfers Out *Line 76 of the EXP P2 and Re-Est Exp P2*

Total ALL Transfers Out *Line 77 of the EXP P2 and Re-Est Exp P2*

Transfers In and Out both have a new TIF component. The purpose is to show "*Internal Borrowing*" and "*Repayment of TIF Internal Debt*". In the future, all "Internal TIF Loans" that qualify for repayment from TIF Revenues will be shown as a TIF Transferred Out of the Fund from which the loan was made and Transferred In to ONLY the TIF Special Revenue Fund (Proceeds of Debt sub-fund) or Capital Projects Fund. The only exception is for a Business Type Function where the Internal Borrowing occurs between Enterprise funds within the Proprietary Fund for a TIF project.

A TIF Transfer Out and TIF Transfer In can be made from and to any fund with one exception. A "TIF Transfer Out" from the TIF Special Revenue Fund CANNOT BE "Transferred In" to the Capital Projects Fund.

Intra-fund transfers between the *TIF Debt Service sub-fund* and the *TIF Proceeds of Debt sub-fund* are not appropriate.

DEBT SERVICE PROGRAM: Principal and Interest payments on debt

Principal and interest payments on TIF debt paid from TIF Revenues should be expended from the new TIF Special Revenue fund with the exception of G.O. Bonds which by Iowa Code 384.4 must be paid out of the Debt Service Fund. Until statute is changed, a TIF Transfer Out of the TIF Special Revenue Fund (internal TIF Debt Service sub-fund) and into the city's Debt Service Fund for G.O. Bond payments.

ANY OTHER FUNDING SOURCE USED TO SUPPLEMENT PRINCIPAL AND INTEREST PAYMENTS ON TIF DEBT SHOULD BE PAID FROM THAT FUND AND NOT TRANSFERRED INTO THE TIF SPECIAL REVENUE FUND FOR EXPENDITURE.

For example, the city has a \$10,000 principal and interest payment on a bank note (not a GO Bond). The city pays 50% from TIF Revenue and 50% from Debt Service levy which is receipted into the Debt Service Fund. The expenditure is recorded as a Debt Service Program expenditure with \$5,000 paid from the TIF Special Revenue Fund (internally from the sub-fund TIF debt service) and \$5,000 paid from the Debt Service Fund.

YOU DO NOT TRANSFER MONEY INTO THE TIF SPECIAL REVENUE FUND WHEN FUNDING SOURCES FOR TIF DEBT PAYMENTS ARE SPLIT BETWEEN TIF REVENUES AND OTHER REVENUES.

Local Option Sales Tax dollars is another example, 50% of the payment would be paid from the TIF Special Revenue Fund and 50% from the Special Revenue Fund for the portion paid from LOST.

ACTIVITY LEVEL EXPENDITURES:

All TIF Project Expenditures that are not Capital Projects are recorded within the major Program activity (Public Works, Street lighting, for example). All such expenditures are recorded as paid from the TIF Special Revenue fund and internally recorded as expenditure from the TIF Proceeds of Debt sub-fund into which all internal loans or proceeds of debt are placed.

REVENUES

There are only **FOUR** basic REVENUE sources for TIF Urban Renewal Areas, **1)** funds from debt secured to undertake a project, **2)** funds received to repay debt incurred by a project, **3)** interest, and **4)** local reimbursements (usually the county). **Debt, whether internal borrowing, G.O. Bonds, bank loans, etc. is used for a project. TIF Revenue and Local Grants & Reimbursements received from the county are allocated for the purpose of repaying debt incurred for a project. Interest may be allocated to the appropriate sub-fund which earned the interest.**

The use of annual TIF Revenues (referred to in statute as from the "special fund") has been the subject of debate. Can it be accumulated and used as a "pay as you go" funding source for projects? Iowa Code 403.19 reads **"2. That portion of the taxes each year in excess of such amount shall be allocated to and when collected be paid into a special fund of the municipality to pay the principal of and interest on loans, moneys advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, etc.** The language seems pretty clear. TIF Revenues are used to service debt and should be receipted into a TIF debt service sub-fund under the TIF Special Revenue Fund.

TIF Debt Service: Sub-Fund under TIF Special Revenues

Annual TIF Revenue whether paid directly to the city or resulting from a 28E agreement with the county (local grants and reimbursements) should be receipted into a sub-fund TIF Debt Service or similarly named sub-fund and used for the purpose of making principal and interest payments. Any funds allocated from this sub-fund should be recorded as Debt Service Program expenditure OR a TIF Transfer Out.

A TIF Transfer Out of the TIF Special Revenue Fund is THE ONLY MECHANISM cities use to make a Debt Service payment to themselves. In other words, to pay principal and interest on Internal borrowing. Until Iowa Code 384.4 requiring G.O. Bonds to be paid from the Debt Service Fund is changed, a transfer from the TIF Debt Service sub-fund into the Debt Service Fund will be necessary to make a G.O. Bond payment. ALL OTHER PRINCIPAL AND INTEREST PAYMENTS ARE MADE DIRECTLY FROM THE SUB-FUND OR SHOWN ON THE STATE FORMS AND PAID OUT OF THE TIF SPECIAL REVENUE FUND DIRECTLY.

TIF Proceed of Debt: Sub-Fund under TIF Special Revenues

All borrowing regardless of the instrument, loans, internal borrowing from other funds, G.O. Bonds, TIF Revenue Bonds, etc. AND initial funding for a 28E project with the county (receipted in as Local Grants and Reimbursements) are receipted into the either the TIF Special Revenue sub-fund Proceeds of Debt, Capital Projects Fund or the Proprietary Fund if the Capital Project is for an Enterprise (water, sewer, etc.) project.

INTERNAL SERVICE FUNDS

In accordance with Chapter 384.16 of the Code of Iowa, all expenditures must be budgeted in one of the nine budgetary functions. A transfer from an operating fund to an Internal Service Fund does not satisfy this statutory requirement.

Cities that budget internal service fund transactions in the internal service fund should include the receipts/revenues, disbursements/expenses and balances under proprietary, Column (F) “**PROPRIETARY**” of the city budget forms (line 66) “**Other Business Type (city hosp., ISF, parking, etc.)**”.

Cities that budget the contributions from operating funds (as expenditures/disbursements at the time of the contribution to the internal service fund), DO NOT NEED TO BUDGET THE ISF TRANSACTION. In this situation, the ISF transaction should be excluded from the budget.

Prepare the budget forms using whole dollars only. Do not report cents or zeros in lieu of cents.

Report all monies including investments and INTEREST BEARING ACCOUNTS in each fund category for each of the beginning and ending balances. An exception to this is the Police/Fire Retirement funds and certain endowments as explained on page 6. If there will be a deficit, show the estimated amounts in parenthesis ().

Revenues and expenditures are classified by fund type. A review of each of the fund types is as follows:

GENERAL Includes revenues and expenditures which are not accounted for in other funds. The Regular General, Ag Land, and twenty-one other

permissible levies (see Tax Levies on Form 635.1, for list) are levied in this fund. Your city may have multiple funds under this major category

SPECIAL REVENUES

Includes revenues and expenditures from the Emergency, FICA & IPERS, employee benefit levies, road use taxes, and Self-Supporting Municipal Improvement Districts (SSMID). Account for proceeds from specific sources (other than those accounted for within capital projects funds) which are usually required by law or regulation to be accounted for in separate funds and to be expended for specific purposes. The funds previously classified as expendable trusts should be reported here.

TIF SPECIAL REVENUES

Tax Increment Financing (TIF). Account for all activities (expenditures and revenues) related to TIF. TIF Revenues, Proceeds of Debt, interest, and Local Grants & Reimbursements from a county 28E agreement related to TIF project and debt funding.

DEBT SERVICE

Includes revenues and expenditures for judgments, G.O. bond interest and principal, Iowa Community bond interest and principal, Iowa Community Development Loan, lease/lease-purchase agreements, loan agreements, and registrar fees. Payments of special assessments by property owners are also reflected in the Debt Service fund and the proceeds are paid from this fund to retire the respective outstanding indebtedness.

CAPITAL PROJECTS

Includes revenues such as bond proceeds, block grants, transfers in and Capital Improvement Reserve levy, and expenditures used for the acquisition and/or construction of major capital facilities. Facilities that might be classified as a capital project should last at least ten years and cost \$25,000 or more.

PERMANENT

Account for revenues that are legally restricted to the extent that only the earnings, and not principal, may be used for purposes that support the reporting of government's programs (i.e., for the benefit of the government or its citizenry). The funds previously classified as non-expendable trusts, such as a Perpetual Care Cemetery fund, should be reported here. Earnings from nonexpendable trust funds that are permitted to be budgeted and spent should be credited to a governmental fund type such as general or special revenue fund.

PROPRIETARY

A classification used to account for city's acquisition, operation and maintenance of city facilities and services which are entirely or predominantly self-supporting by charges for service, e.g., water, electric, sewer, internal service funds, etc. You must report and appropriate all internal service revenues not generated from other city funds. An example would be reimbursement from the county for their share of a joint services contract. The major use of internal service funds by Iowa city governments is for self-insurance. Cities are encouraged to account for all proprietary funds in the same manner as you budget for governmental funds (e.g., General Fund). For example, include expenditures for the acquisition of fixed assets but do not include amounts for fixed assets in the fund balance, do not budget for depreciation.

BUDGET FORMS FOR BEGINNERS

Definitions

EXPENDITURE ACTIVITIES: On the expenditure side, activities consist of Police, Fire, Library, etc.

REVENUES BY SOURCE: Revenues are classified by sources such as Property Taxes (including TIF funds), Licenses & Permits, Intergovernmental (State Shared Revenues or Road Use Taxes), Charges for Fees & Service (utility fees, garbage pickup, etc.) Special Assessments, etc.

ACTUAL YEAR: A year that has ended and the expenditures and revenues are actually known. The Actual year data is taken from the Annual Financial Report (AFR) due to the State Auditor on Dec 1 of each year.

RE-ESTIMATED YEAR: The fiscal year budget under which the city is currently operating with "estimates" developed and adopted before the previous March 15th deadline.

CURRENT YEAR: The budget estimates due prior to the upcoming March 15th deadline. This will become effective on the upcoming 1st of July.

BEGINNING BALANCE: The beginning balance either by fund or total is simply the ending balance of the fiscal year ended on the previous June 30th. The following day, July 1, starts the next fiscal year and that fiscal year's balances take over where the previous year left off. The ending of balance of the previous year must equal the beginning of the succeeding year because they're the same number, just a different name.

Introduction

Statute requires that an annual city budget contain three fiscal years of budget data. Entering the activity level expenditures and revenues sources for a three year period is relatively easy. Two years of data, the Actual and Re-Estimated **could** be entered in the 2 columns on the far right of the EXP P1 & P2 and REVENUES forms. You could easily compute the TOTAL Ending and Beginning fund balances for each year.

HOWEVER, the difficult task for the annual budget is arriving at the Beginning and Ending Fund balances for EACH FUND TYPE (General, Special Revenue, Debt Service, etc.) for each of those THREE years and tying those balances to the activity level expenditures and revenues sources had you entered those on the EXP P1 & P2 and REVENUES forms as suggested. You cannot compute the ending balances for each fund unless you have the beginning balances for each fund type AND you enter the activity level expenditures and revenues sources BY EACH FUND TYPE. This is true whether it's done on paper or computer.

Entering expenditures and revenues by fund type for each year would require 2 expenditure pages and 1 revenue page for the Actual year and the same number of forms for the Re-Estimated year totaling 6 forms.

We've taken a short cut with the Excel software by using 4 forms or "worksheets" to accomplish the same task it would take 6 forms. Excel uses 3 forms containing 2 fiscal years of data and 1 form with just Actual year fund balances to produce each fund type. The forms or worksheets are: Fund Balance (Fund Bal), Re-Estimate Exp P1 & P2 (Re-Est Exp P1 & P2) and Re-Estimated Revenues (Re-Est Revenues). ALL THE DATA AND TOTALS FROM THESE FORMS WILL AUTOMATICALLY FILL IN THE REMAINING BUDGET FORMS. THESE FORMS SHOULD BE FILLED IN FIRST TO AVOID CONFUSION AND RUNNING INTO LOCKED CELLS DURING THE PROCESS.

LASTLY, ALL BLUE NUMBERS INDICATE THE CELL IS LOCKED AND THE DATA WILL EITHER BE COMPUTED FOR YOU OR FLOWS FROM ANOTHER WORKSHEET.

Actual Year

An important form for the Actual Year is the "Fund Bal" worksheet. You enter ONLY actual year data on this form even though it produces, after all worksheets are completed, 3 fiscal years of fund balance data. Some cities use this form to show council and others the flow of expenditures and revenues for each fund and their effects on balances.

The importance of the Fund Bal form is that it generates the Beginning Fund Balances for EACH FUND for the next year or "Re-Estimated" year. This is the form's only purpose. And, since the beginning fund balances, total expenditures, and total revenues for each fund are data entered from the Annual Financial Report, the activity level expenditures and revenues are tied together with the fund balances even if they're entered on different forms of the budget. This is, of course, supposing that you didn't make an addition error on the Annual Financial Report when you computed total expenditure, ending balances, etc. However, if you used the Excel version of the AFR, addition errors can't occur.

Once the Fund Bal form is completed, all that remains is to enter the activity level expenditures and revenues. Those are entered on the far right column of the 3 "Re-Estimated forms. BE CAREFUL NOT TO MAKE A SIMPLE DATA ENTRY ERROR. The only difficulty with the process is assuring the "Ending Fund Balance, Grand Total" on the Fund Balance form equals the "Ending Fund Balance June 30" on the Re-Estimated Exp P2 form. The software computes one ending balance using the totals entered in the Fund Bal form and another using the activity level data entered on the Re-Estimated forms. THEY MUST MATCH. If they don't, you've made a data entry error or a math error on the AFR.

Re-Estimated Year

The re-estimating process does not constitute amending the budget. However, you may change budget expenditure estimates on the Annual Budget BEFORE you actually amend the current budget.

With the Actual year data entered, the new Beginning Fund Balances for each fund are computed and moved into the Re-Estimated Revenues form for the next year. It's time to enter the Re-Estimated year data.

The Re-Estimated year's data may be exactly the same as budgeted during that year. However, Iowa Code requires the city review and update estimates for the year in which they're operating. In other words, you completed these estimates a year ago; the Beginning balance was "estimated". Now, with the completion of the Annual Financial Report, you know exactly what the beginning balance for the current year is. Also, are your expenditures and revenues on track as previously estimated? If not, update the estimates.

The Re-Estimated year expenditure activities and revenue sources are entered BY FUND TYPE. The process is relatively straight forward. Once you've completed the three pages, you'll see all the data automatically flows into the EXP P1 & P2, REVENUES, ADOPTED BUDGET SUMMARY (BUD SUM), AND THE HEARING NOTICE.

YOU'RE READY TO BEGIN NEW ESTIMATES FOR THE UPCOMING YEAR.

CURRENT YEAR

Expenditures Schedules: (*Forms 631 A, Pages 1 & 2*)

The expenditures for each activity are classified by fund type in columns A-F of the forms. For example, the salaries and supplies of the police department are budgeted under the General Fund type and but the city's contribution to Chapter 411 retirement fund or share of FICA/IPERS are budgeted under the Special Revenue fund type. The total estimated expenditures for each activity are computed across the page for each fund under the **Budget column (G)** of the form. Again, you'll notice the totals for the **Re-estimated** expenditures appear in *column (H)* and the **Actual** expenditures in *column (I)* of the forms. These figures come from the Re-Estimated pages.

Complete the expenditures activities for EACH PROGRAM. You'll notice that two programs consist of single entries titled DEBT SERVICE and CAPITAL PROJECTS.

DEBT SERVICE Program: The program is to record all principal and interest payments for repayment of loans, etc. for ALL GOVERNMENTAL ACTIVITIES. It is not for payment of BUSINESS TYPE activities (Water, Sewer loans, etc) WITH ONE MAJOR EXCEPTION.

THE ONLY EXCEPTION to the rule above is for GENERAL OBLIGATION BONDS (G.O. BONDS). Payments on ALL G.O. bonds MUST be recorded in the Debt Service program REGARDLESS of whether the G.O. bond was issued for the Water or Sewer Utility. Iowa Code requires all principal and interest payments on G.O. debt payments be made from the DEBT SERVICE FUND and, therefore, the only program to enter the expenditure in is the Debt Service program. It complicates the process slightly.

If you are funding payments on G.O. debt out of the Proprietary Fund for a G.O. Water bond, you will need to TRANSFER THAT AMOUNT OUT OF THE PROPRIETARY FUND AND INTO the DEBT SERVICE FUND. The transfer process allows you to comply with statute by making G.O. payments out of the DEBT SERVICE FUND. And, the transfer will cover expenditure you show as Debt Service Program expenditure out of the DEBT SERVICE FUND.

CAPITAL PROJECTS PROGRAM: The program should only include amounts budgeted for actual projects above the \$25,000 statutory threshold for bids. Other capital outlay will continue to charge to the other functions. For example, police cars will be charged to the Public Safety function Police Department activity.

Expenditures for capital projects are the acquisition of designated fixed assets which are of a long term character intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment and for which a hearing is required on plans, specifications, and form of contract for over \$25,000. For example, if the city is going to build a new bridge, **the total amount estimated to be spent on the project for the budget year** is recorded in the Capital Projects program under the Capital Projects fund type. In another example, assume the city is going to build a new water treatment plant. The total amount estimated to be spent on plant construction **during the budget year** is budgeted in the activity under the Enterprise Capital Projects of the Business Type Activities. **ONLY GOVERNMENTAL EXPENDITURES ARE RECORDED UNDER THE CAPITAL PROJECTS PROGRAM REGARDLESS OF FUNDING SOURCE.**

A separate project fund should be established under the Capital Projects Fund for each capital project. All capital projects are budgeted under the Capital Projects fund type on the budget forms, again, *except* those that are under the Business Type. Accounting for the *Capital Improvement Reserve Levy* and *Special Assessment Construction* is included in the Capital Projects Fund type.

Revenues Detail: (Form 631.B)

This form identifies the various sources of revenue a city may receive and the fund types in which they will be classified. You may want to prepare detailed work papers for your own use.

The total **Budget** estimated revenues for each revenue source are calculated for you in *column (G)*. Again, the total **Re-Estimated** and **Actual** years revenues for each revenue source entered on the Re-Estimated forms are automatically placed in *column (H) & (I)*.

A brief explanation or comment of each line on the Revenues Detail is as follows:

Line 1 entries	COMES FROM
REVENUES DETAIL	<i>Adoption of Budget and Certification of City Taxes (CERT) Form 635.1 form 631.B</i>
Line 1, column (C)	Line 27, <i>column (B)</i> Total General Fund Tax Levies
Line 1, column (D)	Line 39, <i>column (B)</i> Total Special Revenue Levies
Line 1, column (F)	Line 40, <i>column (B)</i> Debt Service Levy (Be careful, the amount levied comes from the last column of the LT Debt page. Make sure that you want to levy those principal and interest payments from property taxes and not some other source.)
Line 1, column (G)	Line 41, <i>column (B)</i> Capital Projects
Line 1, column (J)	Line 42, <i>column (B)</i> Total Property Taxes

REVENUES DETAIL	FROM
Line 1, column (K)	Re-Estimated Revenues Detail Form 631.D Column (J) Re-Estimated Revenues Detail worksheet (total of all fund types for previous fiscal year) The data is automatically moved into the EXP P1 & P2 forms. You must fill in the Re-Estimated Revenues forms "Re-Est Revenue" worksheet by fund.
Line 1, column (L)	Annual Financial Report (Form F-66 (IA-2)) <i>ALL DATA IN COLUMN (L) OF THIS FORM IS FROM THE MOST RECENT ANNUAL FINANCIAL REPORT. HOWEVER, THE DESCRIPTIONS ARE THE SAME FOR ALL THREE COLUMNS.</i> Column (K) Re-Estimated Revenues Detail worksheet (total of all fund types for most recent Actual fiscal year ended) The data is automatically moved into the EXP P1 & P2 forms. You must fill in the Re-Estimated Revenues forms "Re-Est Revenue" worksheet using data from the most recent Annual Financial Report for Fiscal Year Ended.
Line 2	Report the amount of estimated uncollected taxes the budget year that statistically is carried as delinquent taxes the next year. If you do not report delinquent taxes as revenue on line 4, it may not be appropriate to indicate uncollected taxes.
Line 3	Net Current Property Taxes. Subtract line 2 from line 1 (Calculated)
Line 4	Delinquent Property Taxes include the amount of taxes levied in prior years that were not collected but are estimated to be collected in the budget year. They would be considered revenue in the fund type according to the levy made for the applicable budget year. This information should be on the detail sent to you on the apportionment report from the County Treasurer.
Line 5	TIF taxes are the proceeds from a tax authorized by ordinance in an urban renewal area. Proceeds from Tax Increment Financing (TIF) shall be classified as a special revenue fund. <i>To pay debt service on a TIF debt, transfer from the appropriate special revenue fund to the Debt Service Fund.</i>
Line 6	Utility Tax Replacement is the excise tax levied upon gas and electric utilities to replace taxes on property. Estimates for these taxes are computed by subtracting the appropriate line of column B from column A on the Adoption of Budget and Certification of City Taxes (Form 635.1). Example, Revenues Detail, Line 6 of the appropriate fund is calculated: GENERAL = subtract Line 27, column B from Line 27, column A of (Form 635.1) "CERT" SPECIAL REVENUES = subtract Line 39, column B from Line 39, column A of (Form 635.1) DEBT SERVICE = subtract Line 40, column B from Line 40, column A of (Form 635.1) CAPITAL PROJECTS = subtract Line 41, column B from Line 41, column A of (Form 635.1)
Line 7	Utility Franchise
Line 8	Pari-mutuel wager tax
Line 9	Gaming wager tax

- Line 10 Mobile Home Taxes are the taxes computed on the number of square feet of floor space of a mobile home in the city. The tax is collected and distributed by the county treasurer and apportioned to each of the regular tax supported funds in relation to the tax levy on real property.
- Line 11 Hotel/Motel taxes, after being authorized by local referendum, are collected by the state from the hotels/motels subject to the tax. The tax is distributed quarterly by the Treasurer of State. This revenue shall be credited to the general fund and used as authorized in section 422A.2(4), Iowa Code.
- Line 12 Other Local Option Taxes include the local option sales and service tax (franchise, etc) or the local option vehicle tax. The taxes are imposed after an election is held and a majority approval is received. The sales and service tax will be used according to the specifications of the proposition. The local vehicle tax will be used solely for public transit or street construction.
- Line 13 Subtotal the Other City Taxes lines 6 through 11(Calculated)
- Line 14 Licenses and Permits include general fund receipts from city collected revenue on such items as *cigarette licenses* and *building permits*.
- Line 15 Use of Money and Property includes *interest, rents, and gain on investments*. The receipts are classified by fund type according to the nature of the receipt. One use is that even though cities show CDs or other interest bearing accounts within their fund balances, the line item adjusts the fund balance for interest on those accounts.
- Line 16 Federal Grants and Reimbursements include federal money the city expects to receive for a particular purpose during the budget year. The receipts would be considered Special Revenue, Capital Projects or Enterprise fund types. These include, federal grants, Community Development Block Grants "CDBG", Housing & Urban Development, Public Assistance, etc.
- Line 17 *Road Use Tax*, FORMERLY State Shared Revenues. The Road Use Tax payments are classified under the Special Revenue fund type. Money received from the county through a 28E agreement remain Road Use Taxes but are receipted in as Local Grants & Reimbursements
- Line 18 Other State Grants and Reimbursements include reimbursement for providing any of the following services to state run facilities: *ambulance service, solid waste disposal, jail, snow removal, civil defense, etc.*
- Line 19 Local Grants and Reimbursements include grants and reimbursements from the county, schools and other local governments that *receive services from the city* such as *fire protection, snow removal* or *law enforcement*. These may also include 28E agreements for Road Use Taxes or TIF funding.

- Line 20 Sub total the Intergovernmental revenues lines 16 through 19 (Calculated)
- Line 21-33 Charges for Services include revenues from the collection of various fees and internal service charges. Most of these fees are charges originating from the proprietary operations. Cities will now account for all Business Type Activities, formerly proprietary operations, within the Enterprise Fund.
- Line 34 Subtotal the Charges for Services lines 21 through 33 (Calculated)
- Line 35 Special Assessments are compulsory levies made against certain properties to defray part or all the cost of a specific improvement or service deemed to primarily benefit those properties. *The payments from the property owners are credited to the debt service fund if indebtedness was incurred by the city.*
- Line 36 Miscellaneous includes revenues which cannot be identified with any other specific revenue source on Form 631.B.
- Line 37-41 Other financing sources include **Regular Transfers In, TIF Transfers In Proceeds of Debt, and Proceeds of Capital Asset Sales.** 1.) Transfers In are cash transfers into a fund account (shown on the Revenues page) with a corresponding amount budgeted out (declared on the Expenditures page) of another fund account where permissible (i.e., from Enterprise into General or from Special Revenue into Debt Service, etc). When cash transfers are included in the adopted budget, separate council approval is not required. 2.) Proceeds of Long Term Debt are proceeds from a bond sale or other long term obligation. 3.) Proceeds of Fixed Asset Sales include receipts from items sold, such as *land, buildings, machinery, furniture,* and other equipment held or used for an extended period of time.
- Line 42 Sub-total the Other Financing Sources lines 36 through 38 (Calculated)
- Line 43 Total Revenues from lines 3, 4, 5, 13, 14, 15, 20, 34, 35, 36, and 42 (Calculated)
- Line 44 The Beginning Fund Balance is the same as the *Ending Balance* for the prior fiscal year. It includes all investments and savings accounts. The principal of certain endowments (which are accounted for in Permanent, non-expendable trust funds) that cannot be spent, according to the trust agreement, are NOT included. The city's contribution (tax levy) to the Police/Fire Retirement funds that are administered by the board of trustees of the statewide pension system must be budgeted.
- Line 45 Total Revenues including the Beginning Fund Balance (Calculated)

Long-Term Debt Schedule: (Form 703) Required if debt exists

The Long-Term Debt Schedule includes *G.O. Bonds* (see Chapter 76, Iowa Code), *Iowa Community Development Loans* (see Section 28.120, Iowa Code), *Lease-Purchase Payments* (see Sec. 364.4(d), Iowa Code) and *Loan Agreements* (see Section 384.24A, Iowa Code.) TIF bonds, etc. Complete one line for each issue on the schedule.

IMPORTANT: The budget software calculates and moves certain figures from one page to another in an effort to assist the user. The LT DEBT schedule moves the figure in Column (I) TOTAL to the Adoption of Budget and Certification of City Taxes “CERT” form. MAKE SURE THAT IS THE CORRECT AMOUNT YOU WANT LEVIED AGAINST PROPERTY TAXES.

If monies for payment of an issue are partially or wholly derived from other sources, record that amount in Column (H) of the form. EXAMPLE: Your city has a Water Revenue bond. You will show the same amount in Column (G) of the form “Total Obligation Due FY xxxx” as you ENTER in Column (H) of the form making the amount in the last Column (I) ZERO. You do not levy taxes against property to make payments for revenue bonds, etc.

AGAIN, the total of Column (I) is automatically reported on the Adoption of Budget and Certification of City Taxes as the amount needed to be paid from a Debt Service property tax levy. Make sure you aren’t making these payments from some other source other than property taxes. If the payment is not to cover NEW DEBT recently incurred, check last year’s “Debt Service” levy to determine if it will increase dramatically from the prior year. If it has, you may be levying to make payments that should be paid from another source or fund.

Local Emergency Management Commission Support: (Form EMC)

As provided in Iowa Code Section 384.12, subsection 22, a city may levy the amount necessary in support of a local Emergency Management Commission. In addition to this individual levy, Emergency Management Commission support may also be included as part of the General Fund Levy. Iowa Code Section 29C.17, subsection 5 states that any support from cities or counties must be separately reported on tax statements issued by the county treasurer.

Input the amount of General Fund Levy request to be used for support of an Emergency Management Commission on Line 1 in Column (A). The total on line 3 in Column (B) will reflect the total amount of Emergency Management Commission support provided by the City.

State Grants & Reimb. Est. Form and Reimb. Claim Est. – SSMIDs Form:

During the 2013 Legislative Session, Senate File (SF) 295 was passed. SF 295 contained many provisions that would reduce tax obligations for commercial and industrial property owners. Among the methods of lowering commercial and industrial property tax obligations is the institution of a staged commercial/industrial rollback. This rollback decreases the amount of taxable valuation the same way that it reduces the residential and agricultural taxable valuation.

Beginning with FY 2014-15, a staged rollback of the taxable valuation will apply to the commercial and industrial classes of property. The rollback percentage will be 95% in FY 2014-15 and 90% for every year thereafter, beginning with FY 2015-16. This reduction in taxable valuation will limit the amount of property tax revenue that can be collected by each

levy authority. In order to reduce the impact of this change, the State will be making replacement claim payments to each levy authority.

The Replacement Claim Estimation Tab was created in an attempt to help cities budget for the amount of payment that will be received in the fiscal year being budgeted. To use the tab, simply enter the Taxable valuation for the commercial - regular (non-TIF) class on line 1 of column (A) and for commercial and the industrial regular (non-TIF) class Taxable valuation should be entered on line 1 of column (B). A report titled "Taxable Valuation by Class by Levy Authority" can be accessed on the DOM website by clicking on the link at the top of the estimation sheet and selecting the report from the list provided on the website. The report will present the necessary taxable valuation totals that should be entered into the estimation sheet. The taxable valuation will be calculated using the rollback percentage as proscribed by SF 295.

All other revenues from State grants and reimbursements (items that are not the replacement claim) should be entered in to the line at the bottom of the page. These numbers will automatically flow into line 18 of the REVENUES tab.

If the city budget includes dollars for SSMIDs, the commercial and industrial valuation totals for each SSMIDs need to be enter on line one of columns (A) and (B) of the individual SSMID inputs.

Once the valuation totals have been entered and the Certification of levy page has been completed, the estimate of replacement claim for each affected fund will calculate on lines 3 thru 5. These totals will automatically fill in on the REVENUES Tab. The cells that these numbers will fill to are shown to the right of each replacement claim estimate.

Adopted Budget Summary: *(Form 635.2A)*

Information for the Adopted Budget Summary comes from the Revenues Detail *(Form 631.B)* and the Expenditures Schedule *(Form 631.A, Pages 1 & 2)*. The form is filled in by the software as data is entered on the Re-Estimated, Expenditures, Revenues, and Adoption of Budget and Certification of City Taxes forms.

Adoption of Budget and Certification of Taxes: *(Form 635.1)*

The first entry on this page should be the city name. No other entries are possible until the city receives the "Taxable Valuations" from the county auditor or auditors if the city spans multiple counties. The valuations are used for all calculations on the form.

Enter the valuations when available. To calculate "Regular General Levy" 8.10, enter an amount on Column (A) of the form "**Request with Utility Replacement**". The remaining figures will be calculated for you. ***If you wish to levy the entire \$8.10 amount, enter a LARGE number in Column (A).*** The software will inform you the amount exceeds the statutory limit and calculate the limit.

FOR YOUR INFORMATION, the software determines the property tax "**Rate**" Column (C) by using the amount entered in Column (A) and the valuation **With Gas & Electric**. However, those Gas & Electric companies don't pay property taxes. So, the "**Rate**" calculated in Column (C) is applied to the valuation "**Without Gas & Electric**" (all property value that does pay property taxes) and determines the amount of "**Property Taxes Levied**" Column (B) for that

levy. Each succeeding levy is calculated the in the same manner, EXCEPT Ag and Debt Service.

The Agriculture levy is restricted to \$3.00375 per \$1,000 of Ag land valuation. To calculate this amount you need to separate the Ag Land value from all other type of property value within the city. This is why you enter Ag value separately from other values. The Rate and Property Tax dollars are determined using that one value.

Debt Service Value is the valuation available to the Debt Service levy, line 40 on the form. The amount on line 40, Column (A) is filled in from the LT Debt Schedule. That is the total amount necessary to make the principal and interest payments on debt. Those payments will be made with property tax dollars.

The only reason there is a special Debt Service value is for those cities with TIF or an Urban Renewal Area. Those areas CANNOT take value away from the Debt Service levy. The area can take value away from ALL OTHER levies. So, if you have a TIF, you are entitled to use the value With Gas & Electric you entered PLUS any "Increment" value generated inside the TIF or Urban Renewal Area. Your county auditor should provide you with a separate value for "Debt Service" if you have a TIF. If you don't have a TIF, you enter the same amount as entered in the With Gas & Electric line.

Notice of Public Hearing - Budget Estimate: *(Form 631.1)*

Note that **one copy** of a Proof of Publication/Affidavit of Posting **MUST** be sent to and verified by the county auditor. By statute, an auditor **CANNOT** levy property taxes until this proof has been provided (Iowa Code 24.10).

The budget information necessary to complete this form is taken automatically from the Adopted Budget Summary columns **(G)**, **(H)** and **(I)**. If you have a question or concern about any of the permissible levies, refer to Iowa Code Section 384.12.

The estimated total tax levy rate per \$1,000 valuation on regular property: is equal to the amount on Line 72, Adoption of Budget and Certification of Taxes (form 635.1) column C. To compute this figure, SUM Rate Column (C) lines 43 thru 62, line 64, 65, 70 & 71. (DO NOT include line 63 -Ag Land Rate).

The estimated tax levy rate per \$1000 valuation on Agricultural property: is equal to the amount on Line 63, Adoption of Budget and Certification of Taxes (form 635.1) column C. To compute this figure, Divide the amount in Column (A) Line 26 (form 635.1) by the result of the Ag Land valuations "With Gas & Electric" (line 4a) (form 635.1) divided by 1000. (Line 26 divided by (Line 4a divided by 1000)).

Analyze this form carefully after it is completed: **Material errors on this published form may render your adopted budget illegal.**

- Do the total revenues and other sources reflect all the revenue you expect in each of the fund types?
- Do the total expenditures and other uses reflect all the needs and mandated expenses you anticipate in each of the fund types?
- Are the fund balance changes reasonable?

- Does the Ending Fund Balance on June 30 of the Actual year equal the Beginning Fund Balance of the Re-Estimated FY year and the Ending Fund Balance of Re-Estimated FY year equal to Beginning FY year of Budget FY?

Publication requirements: "not less than **10 days** nor more than **20 days** **BEFORE** the hearing". The day on which the hearing is held **CAN NOT** be used in the 10 and 20 calculation. Please allow appropriate time to comply with the code. **If the publication does not meet this statutory requirement, the notice and hearing MUST be re-done, NO EXCEPTIONS. The budget is not legal unless this process is completed.**

Filing of Budget Documents: BY March 15th.

**SUBMIT
TO THE COUNTY AUDITOR**

- **2 SIGNED originals of the Adoption of Budget & Certification of City Taxes (Form 635.1)**
- **1 paper copy of the detailed budget printed from the Excel budget file.**
- **1 copy of the Excel budget file is REQUIRED to be sent to the County Auditor by e-mail or upload the file to the DOM website.**
http://www.dom.state.ia.us/local/budget_submittals/index.html
- **1 ORIGINAL Proof of Publication or Affidavit of Posting**

The required forms are:

DO NOT send a paper copy to the Department.

Form 635.1	Adoption of Budget & Certification of Taxes
Form 635.2A	Adopted Budget Summary
Form EMC	Local Emergency Management Commission Support
Form 631.A Page 1	Expenditures Schedule, Page 1
Form 631.A Page 2	Expenditures Schedule, Page 2
Form 631.B	Revenues Detail
Form 703	Long Term Debt Schedule (If the city has any indebtedness)
Form 631.1	Notice of Public Hearing - Budget Estimate including Proof of Publication/Posting - (1 Original)

SUPPLEMENTAL CITY BUDGET INFORMATION AND PROCESSES

Notice of Public Hearing, Amendment of Current City Budget: (Form 653.C1)

The Budget Amendment Form follows the same format as the Notice of Public Hearing on the original budget. **HOWEVER**, the amendment form **IS NOT** required to be submitted electronically. Budget amendment forms are included in your budget. The Excel file to create them is named AMENDMENT.XLS and is included in the ZIP file.

Amendments are made to total program budgeted amounts adopted in the original budget certification or each subsequent amended budget. The first column of the notice entitled "Total Budget as Certified or Last Amended" will be filled in with the information taken from the current budget (or last adopted amendment). The only information required in the middle column entitled "Current Amendment" is the changes being made to the budget. If the amended expenditures place the budget out of balance, available revenue sources must be reported before additional monies can be spent. All the boxes in the third column entitled "Total Budget after Current Amendment" establish the total budget after amendment and must be filled.

Again, a budget will have to be amended only if the budgeted expenditures for a ---**PROGRAM** --- or **FUNCTION: (PUBLIC SAFETY, PUBLIC WORKS, HEALTH AND SOCIAL SERVICES, CULTURE AND RECREATION, COMMUNITY & ECONOMIC DEVELOPMENT, GENERAL GOVERNMENT, DEBT SERVICE, BUSINESS TYPE ACTIVITIES)** will be exceeded. An amendment may not be necessary if only the budgeted expenditures for an individual capital project will be exceeded. The budget for the PROGRAM or FUNCTION is the controlling factor in determining if a budget amendment is needed.

Publication requirements for Amendments: Publication requirements are the same as for regular budget: not less than **10 days** nor more than **20 days BEFORE** the date set for public hearing.

After the hearing has been held, complete the Certification Resolution. Minor changes may occur, but the **total expenditures shall not be greater than the amount published**. Be sure the city clerk and mayor have signed all places where their signatures are required.

Forward two copies of the certification resolution and one proof of publication (posted notice for cities under 200 population) to your county auditor as soon as possible after the hearing. The county auditor will forward one copy of the certification resolution to the Director of the Department of Management.

Cities submit the following to their county auditor:

1 Excel budget file containing the detailed budget (Transmitted via Internet)

Excel Version 97 will not upload to our system. It is outdated.

1 paper copy of the detailed budget (includes all budget forms) **printed from the Excel budget file**

2 signed copies of the "Adoption of Budget and Certification of City Taxes" created with Excel (form 635.1).

1 proof of publication or posting

IT IS HIGHLY RECOMMENDED THE CITY UPLOAD THE BUDGET FILE OR HAVE SOMEONE ELSE UPLOAD THE FILE TO THE DOM WEBSITE.

www.dom.state.ia.us

“DATA ENTRY FORMS” Please contact this office if you need those forms. Call 515-281-3705 for those data entry forms.

The Hearing Notice must be produced using the FY 2017 City Budget Excel File.

THE DEPARTMENT WILL NOT CERTIFY PROPERTY TAX RATES FOR ANY CITY SUBMITTING A BUDGET AFTER JUNE 15TH RESULTING IN A LEVY OF ZERO.

FY17 CITY BUDGET FILES:

Support documentation, including instructions for completing the budget, is available in the HELP section of the FY17City Budget.xls file. Additional Excel files with information such as city tax rates for all cities in Iowa, consolidated tax rates by city, etc. are for your information. The ZIP file should contain:

ELECTRONIC BUDGET, AMENDMENT, AND UTILITIES FORMS

- | | |
|---------------------------------|---|
| FY17CityBudget.xls | City budget forms and HELP section with viewable instructions, chart of accounts, administrative rules, utility tax replacement disbursements, etc. |
| Amendment Forms.xls | City Amendment forms for FY2016 amendments. UPDATE July 2015. |
| Utility Budget Forms.xls | Forms for city utilities that budget <u>independently</u> from the city and are not included in the city’s budget – UPDATED DECEMBER 2014 |

Supplemental Files

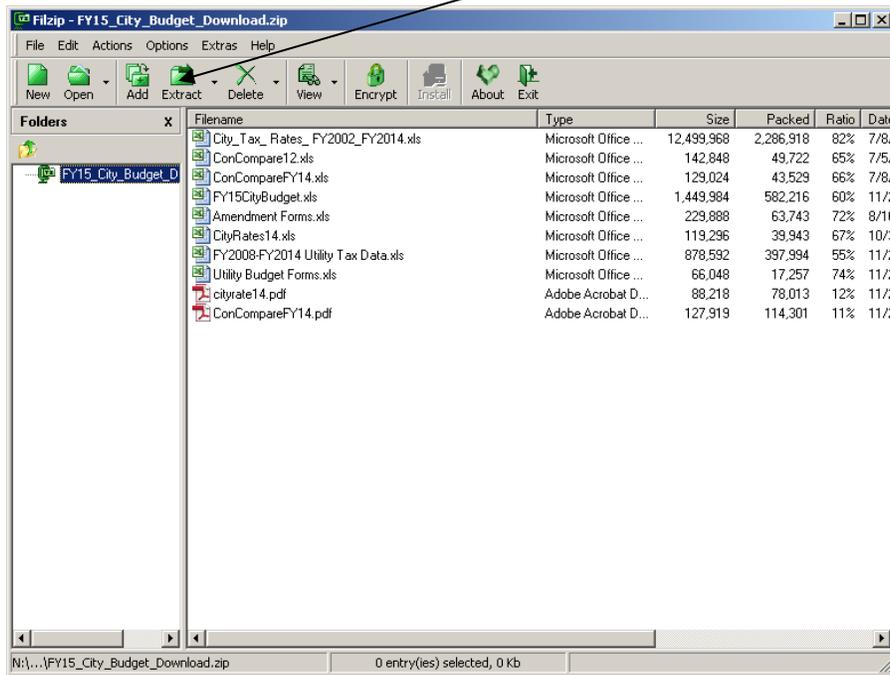
PDF and Word files produce printable forms where Excel allows you to sort and manipulate the data.

- | | |
|---|---|
| 17 LETTER CITIES.doc | Budget letter in a MS Word format |
| 17INST.doc | Budget Instructions printable budget instructions in a MS Word format |
| Citytax16.xls & .pdf | City tax rates two file types: 1 Excel and 1 Adobe PDF |
| Concity16.xls & .pdf | Consolidated taxes by city two file types: 1 Excel and 1 Adobe PDF |
| FY2008-FY2016 Utility Tax Data.xls | Viewable file (NOT PRINTABLE) showing estimated, actual receipts FY 08 to FY 16 |

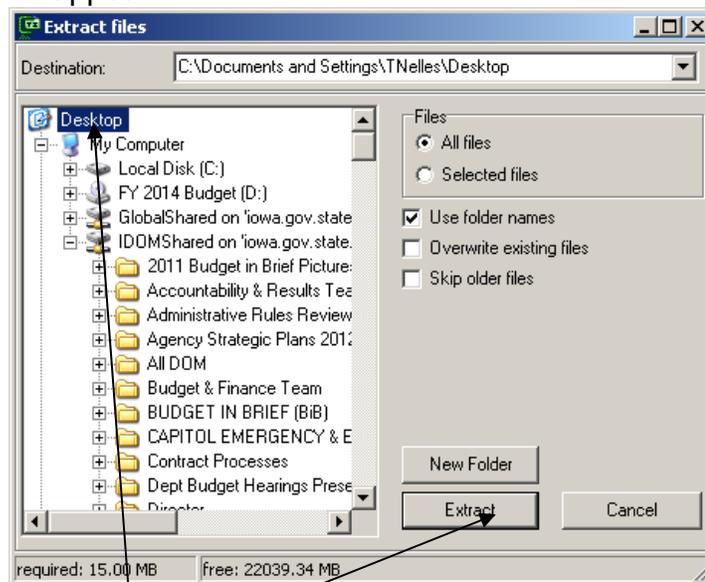
To complete the budget and save your work, you **MUST** copy the City Budget file “**FY17City Budget.xls**” to your computer or it will not allow you to save your work.

EXTRACTING THE BUDGET FILE

- 1) Double click on the downloaded “FY17_City_Budget_Download.zip”
- 2) CLICK THE **LEFT** MOUSE BUTTON ON the **EXTRACT** button



- 3) The following window will appear



THE “EXTRACT FILES” WINDOW ALLOWS YOU TO SELECT WHERE TO SAVE/COPY THE FILE. I suggest you click **Desktop** on the left of the screen and move it to another folder later if you wish. The files will all extract and save to your computer desktop.

- 4) YOU WILL SEE THE EXCEL ICON AND FILE NAMED “FY17 CITY BUDGET.XLS” ON YOUR DESKTOP. YOU ARE READY TO DOUBLE LEFT CLICK ON THE ICON AND BEGIN COMPLETING THE BUDGET FORMS.

HOW TO SEND THE COMPLETED BUDGET FILE TO THE COUNTY AUDITOR

UPLOAD THE FILE TO THE DOM WEBSITE: if you have an internet connection on your computer or copy, the file to a diskette as explained in **B)** on the next page:

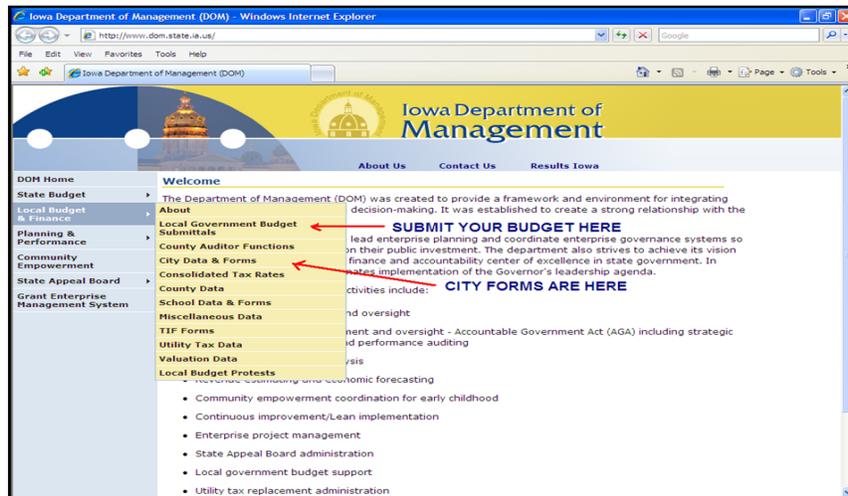
It is easiest to have the file **ON YOUR DESKTOP**. **1) SAVE THE EXCEL FILE**. The file does not need to be closed. **2) CONNECT TO THE INTERNET** and go the DOM web site.

WWW.DOM.STATE.IA.US



PLACE THE MOUSE CURSOR OVER “Local Budget & Finance”

The following screen appears. You will see the “Local Government Budget Submittal” option.

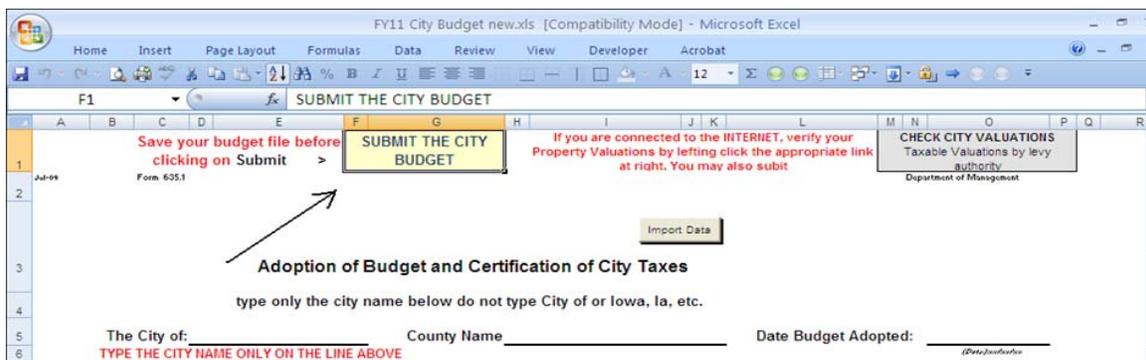




“Submit your budget”

Left click on “Submit your budget” and follow the instructions on the Green Submit screens.

OR



You can click the Submit button at the top of the CERT page if you are connected to the Internet and have saved the file after any recent entries. The file will upload even if you have it opened. Again, make sure you have saved the file after any changes before you click the Submit button.

SUBMITTAL REQUIREMENTS:

CITIES ARE REQUIRED TO SUBMIT THE FOLLOWING TO THEIR COUNTY AUDITOR

- ✓ SEND THE COMPLETED EXCEL BUDGET FILE TO THE COUNTY AUDITOR BY UPLOADING IT TO THE DOM SITE OR MAILING A DISK *ALONG WITH*
- ✓ 2 SIGNED COPIES OF THE “Adoption of Budget and Certification of City Taxes” FORM
- ✓ 1 PAPER COPY OF THE DETAILED BUDGET, AND
- ✓ PROOF OF PUBLICATION OR POSTING

USING THE EXCEL BUDGET FILE:

REMEMBER: ALWAYS ENABLE THE MARCOS EACH TIME YOU OPEN THE FILE.

IF YOU DO NOT RECEIVE THIS MESSAGE AND ONE APPEARS SAYING THE MACROS HAVE BEEN AUTOMATICALLY DISABLED USE THE “**City Budget Help**” AREA IN THE BUDGET FILE AND FOLLOW THE INSTRUCTION GIVEN FOR “**EXCEL Macro Security Level**” OR CALL FOR ASSISTANCE. YOU NEED THE MACROS IN THIS FILE TO COMPLETE THE “**CERT**” WORKSHEET.

- ***DO NOT data enter cents. Use only whole dollars.***
- ***DO NOT CUT AND PASTE. You will compromise formulas that cannot be repaired.***

TIF BUDGETING

1. TIF Special Revenue Fund created. All expenditure on TIF projects with funds to be repaid with TIF revenue are paid from this fund, including debt service on GO bonds once legislation is passed amending 384.4 requiring all GO to be paid from the debt service fund.
 - It is suggested that the TIF Special Revenue Fund be split into two sub-funds:
 - TIF debt service sub-fund** where ALL annual TIF revenues are receipted. **TIF proceeds of debt** to include both *internal and external* borrowing. This sub-fund is where any non-capital projects expenditures can be made.
 - a) Intra-fund transfers would not be appropriate. In other words, you cannot transfer from TIF debt service to TIF proceeds of debt.**
2. **FUND BALANCE FOR TIF SPECIAL REVENUE FUND.** The Annual Financial Report Year Ending FY 2009 now contains the fund balance for the TIF Special Revenue Fund.
3. **Utility Franchise Taxes** (*Iowa Code Chapter 364.2*) activity line added under **Other City Taxes**. Includes those franchise fees allowed under Iowa Code Chapter 364.2 which includes “franchises granted to erect, maintain, and operate plants and systems for electric light and power, heating, telegraph, cable television, district telegraph and alarm, motor bus, trolley bus, street railway or other public transit, waterworks or gasworks”.
4. **State Shared Revenues** changed to **Road Use Taxes** with access to enter in Special Revenues Fund ONLY.
5. **Transfers In and Out, TIF transfers In and Out.** You will notice Transfers In and Out are now split between “regular” and “TIF”. This was the least burdensome method to capture Internal TIF loans.

- All transfers in to the TIF Special Revenue Fund are considered Internal Loans intended for eventual repayment and dept certification in accordance with 403.19.
 - The ONLY legitimate Transfer Out from the TIF Special Revenue fund would be to repay an Internal Loan or transfer funds to the Debt Service Fund to make a G.O. payment. Transferring into the Capital Project fund would not be appropriate.
6. **Rebates:** There is new page or worksheet (**TIF DEBT**) to accommodate the new legislative requirement for cities to report indebtedness and rebates.
7. **VALUATIONS:** In December, DOM will be introducing a new Web based Valuation software for use by county auditors to develop their valuations by levy authority. There are numerous advantages. One is speed for auditors another is immediate availability to users.
- A LINK HAS BEEN ADDED TO THE TOP OF THE CERT PAGE OR “Adoption of Budget and Certification of City Taxes” form.
 - The link WILL NOT PRINT and is only there as a reminder to you.
 - What is on web will be THE MOST CURRENT. I would strongly recommend cities incorporate viewing these values **BEFORE YOU SEND THE HEARING NOTICE TO THE NEWSPAPER**. If nothing else, it will be a great final check but you may also pick up an amendment to the valuation you have.
 - For those cities awaiting valuations, you can access the web and determine if your county auditor (even those split between several counties) has completed them. You can even tell if they are currently working on them.
8. As in past years, the “Min Newspaper Notice” is used to send to the local newspaper. You will notice a button in upper right hand corner titled “**Publish Hearing Notice**”. By clicking on that button, an Excel file containing just the hearing notice will be created in the same folder where your FY14City Budget.xls file is located.

ORDER OF COMPLETION

Because numbers carry forward from one form to another, you may want to complete the worksheets in the following order.

HOWEVER, it is not necessary to complete the pages in any specific order as long as you are aware that those fields with blue numbers will be completed later by the software as data is entered.

1. ***(HELP) The software opens to this page. You will find instructions on completing the budget, submission requirements, City Chart of Accts, etc.***
2. ***(CERT) The Adoption of Budget and Certification of City Taxes. (form 635.1)***

MACROS SHOULD BE ENABLED WHEN COMPLETING THIS PAGE.

Type your city name. The software will automatically fill in the county name and county/city code. YOU DO NOT HAVE TO COMPLETE THIS PAGE FIRST. KEEP IN MIND THAT PROPERTY TAX REVENUES WILL APPEAR AS BLUE ZEROS ON THE REVENUES PAGE UNTIL YOU DO COMPLETE THIS PAGE.

Enter the valuation data provided by the county auditor. Enter the requested amount in column A and the software will compute the rate and property tax dollars.

(Information from this page carries to revenues form 631.B and Notice of Public Hearing)

The Debt Service amount is the ONLY field on this form that is filled in from another page. The Debt Service amount is entered on the Long Term Debt (form 703).

- 3. (LT DEBT) Long Term Debt (form 703). There are two pages available should you need them. Once completed, the dollar amount to be levied is carried to the Cert page. The second to the last column is where you would enter payments made from other sources than property taxes (Revenue, TIF, etc)/(Amount of debt service levied against taxes, last column, is carried to (form 635.1))*
- 4. (State Grants & Reimb. Est. and Reimb. Claim Est. - SSMIDs) These two pages are used to create an estimate of the amount of commercial and industrial rollback reimbursement revenue that the city can expect to receive from the State. Reimb. Claim Est. – SSMIDs should only be used if the city being budgeted for has active SSMID taxing districts. Any other expected reimbursements or grants to be received from the State in the budget year should be entered on line 18 at the bottom of State Grants & Reimb. Est. All estimates and budgeted totals from these two pages will automatically flow through to Line 18 – Other State Grants & Reimbursements on the REVENUES form.*
- 5. (Fund Bal) Fund Balance Worksheet (form FBW) Complete ONLY the Actual Year figures taken from the Annual Financial Report completed and due to the State Auditor December 1. (Information from this page carries to (form 631.B)) Re-Est. Revenues. **THE BUDGET CANNOT BE ADOPTED AND WILL NOT BE ACCEPTED IF THE CITY HAS NOT SUBMITTED AN ANNUAL FINANCIAL REPORT.***
- 6. (Re-Est. Exp P1) (Re-Est Exp P2) & (Re-Est Revenues) Re-Estimated Expenditures P1 & P2, Re-Estimated Revenues. (631.e P1 & P2 & Form 631.d) These worksheets are necessary to produce activity level totals (fire, police expenditures & taxes, fees, revenues) and compute fund balances by fund types for succeeding years.
(All figures from these pages/forms carry to the current year forms)*

5. *(EXP P1) (EXP P2) (REVENUES) Expenditures Page 1 & 2 or Revenues (form 631.a P1 & P2) & (form 631.b)*
You may complete EITHER of these but remember Property Tax dollars and Utility Tax Replacement Excise Taxes come automatically from the "CERT" page", so those figures will display as blue zeros until you have completed the CERT.
6. *(Local EMC Support) Local Emergency Management Commission Support page (form EMC) The form is calculates the amount of Emergency Management Commission support paid by the city.*
(To learn more, see instructions in HELP area.)
7. *(BUD SUM) The Adopted Budget Summary (form 635.2A)*
(The software produces ALL information on this form.)
8. *(HEARING) Notice of Public Hearing (ALL figures on this form are produced by the software except the location, date & time of hearing, clerk's phone number and name) THE HEARING NOTICE GENERATED BY THE EXCEL SOFTWARE MUST BE USED TO PUBLISH OR POST.*
9. *(Min Newspaper Notice) This form is completely filled from information entered into the HEARING page. It is the minimum size font for a hearing notice. A button on the page allows you to create an Excel file containing ONLY the minimum hearing notice so it can be emailed to the local newspaper. MACROS SHOULD BE ENABLED USING THE OPTION ON THIS PAGE.*
10. *(ERRORS) The Errors page should be reviewed BEFORE the Hearing Notice is published or file submitted.*

ANY FIGURE CHANGED AT THE ORIGINAL POINT OF ENTRY OR STARTING POINT WILL CHANGE ALL SUCCEEDING PAGES MAKING LAST MINUTE CHANGES OR CORRECTONS TO THE BUDGET MUCH EASIER.

If you have any questions or need assistance with the software, please do not hesitate to contact me.

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