

**LOCAL GOVERNMENT SERVICES BUREAU
STATE FINANCIAL SERVICES DIVISION**



BUDGETING SERIES:

Session 4: Finalizing the Budget

406-444-9101
LGSPortalRegistration@mt.gov
<http://sfsd.mt.gov/LGSB>

May 2020

LEARNING OUTCOMES

GOAL 1

Getting familiar with the budget document pages.

GOAL 3

Submitting your finished budget document by the due date.

GOAL 2

Putting all the required information into your budget document (especially if you are using your own form).



THE BUDGET PROCESS – The Form

- The LGSB budget document template pages with examples.
- Required documents:
 - Budget Certification
 - Budget Resolution
 - 10-year History & Analysis
 - Mill Levy Determination
 - The Tax Schedules
- Requirements to be received by LGSB.
- Submission of the final budget.



THE BUDGET PROCESS – Cover Page


MONTANA DEPARTMENT OF ADMINISTRATION
STATEWIDE ACCOUNTING BUREAU- LOCAL GOVERNMENT SERVICES

Mitchell Building Room 270, PO Box 200547, Helena, Montana 59620-0547
Phone (406) 444-9101

MONTANA

FINAL

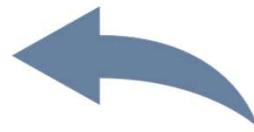
BUDGET DOCUMENT



Fiscal Year ended June 30, 2021

City/Town/County of _____

Form Prescribed by Department of Administration
Local Government Services
Montana Budgetary, Accounting and Reporting System



Ensure the fiscal year
is correct
and your entity name
is entered

Revised June 2019--V-3



THE BUDGET PROCESS – Budget Certification

BUDGET CERTIFICATION

THIS IS TO CERTIFY that the Annual Budget for Fiscal 20___, was prepared according to law and adopted by the City/Town Council, City/Town Commission, Board of County Commissioners, on _____, 20___; and that all financial data and other information set forth herein are complete and correct to the best of my knowledge and belief.

Signed _____ Date _____
Mayor

Signed _____ Date _____
Manager

City/Town/County of _____



THE BUDGET PROCESS – Budget Resolution

RESOLUTION NO. 996

RESOLUTION ADOPTING A FINAL BUDGET FOR THE CITY OF _____ FOR FISCAL YEAR 2019-2020

WHEREAS, pursuant to Montana Code Annotated (MCA) Chapter 7, Title 6, Part 4021, the City Council of the City of _____, Montana has held public hearings on the proposed preliminary budget of the City of _____ for fiscal year 2019 as required by law; and

WHEREAS, pursuant to Montana Code Annotated (MCA) Chapter 7, Title 6, Part 4030 3(b), the City Council shall establish legal spending limits at the level of detail desired;

WHEREAS, The Department of Revenue has provided the County with a certified value of a mill in each taxing jurisdiction in the County; and

WHEREAS, the value of a mill for the City is \$1,225.96; and

NOW THEREFORE, BE IT RESOLVED that the final City budget is subject to the conditions as set forth below.

General	218.16
Firemen's Relief	0.00
LEVIED FUNDS	218.16
Permissive Medical Levy	8.25 (not subject to mill levy calculation limitation)

Unanimously approved and adopted by the City Council of the City of _____, Montana, this 17th day of September, 2019.

X

Mayor

X

Clerk/Treas.



THE BUDGET PROCESS – DOR Certified Taxable Valuation



MONTANA
Form AB-72T
Rev. 3-12

2020 Certified Taxable Valuation Information

(15-10-202, MCA)

CITY OF -----

Certified values are now available online at property.mt.gov/cov

1. 2019 Total Market Value ¹	\$	71,145,782
2. 2019 Total Taxable Value ²	\$	1,225,964
3. 2019 Taxable Value of Newly Taxable Property.....	\$	17,467
4. 2019 Taxable Value less Incremental Taxable Value ³	\$	1,225,964
5. 2019 Taxable Value of Net and Gross Proceeds ⁴ (Class 1 and Class 2).....	\$	-

6. TIF Districts

Tax Increment District Name	Current Taxable Value ²	Base Taxable Value	Incremental Value

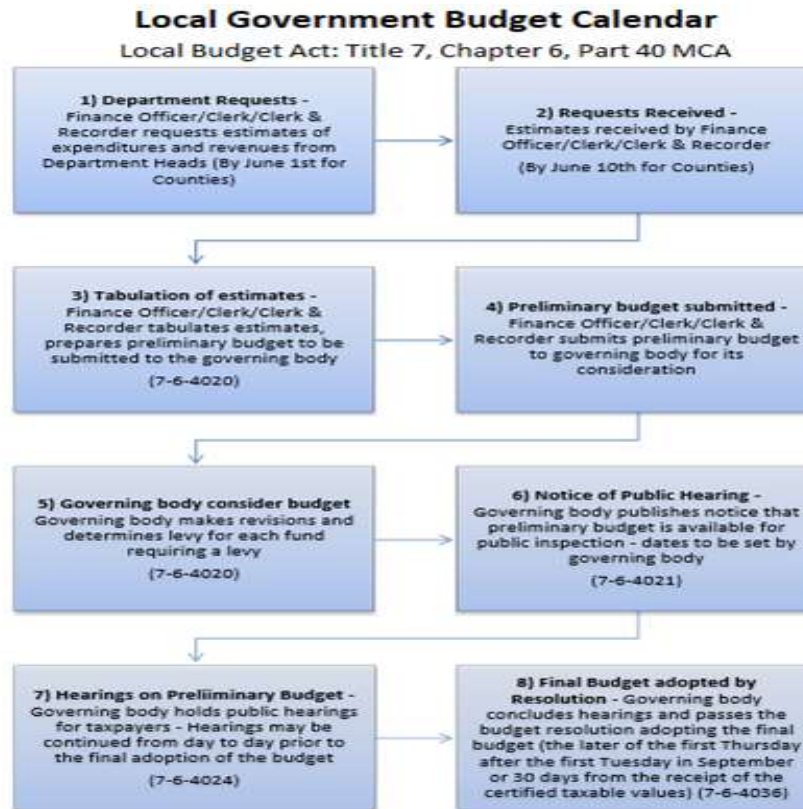


THE BUDGET PROCESS – Schedule of Personnel Levels

City/Town of _____				
SCHEDULE OF PERSONNEL LEVELS				
OPERATING FUNDS				
ELECTIVE AND NON-ELECTIVE EMPLOYEES				
	____ FY	____ FY	____ FY	CURRENT FY
	PERMANENT	PERMANENT	PERMANENT	PERMANENT
	FULL-TIME	FULL-TIME	FULL-TIME	FULL-TIME
FUND	EMPLOYEES	EMPLOYEES	EMPLOYEES	EMPLOYEES
General				
Airport				
Library				
Ambulance				
Cemetery				
Planning				
Water				
Sewer				
Solid Waste				
Gas/Electric				
Total City/Town Employees	0	0	0	0
Note: Do not include any employee who is not employed directly by the entity.				

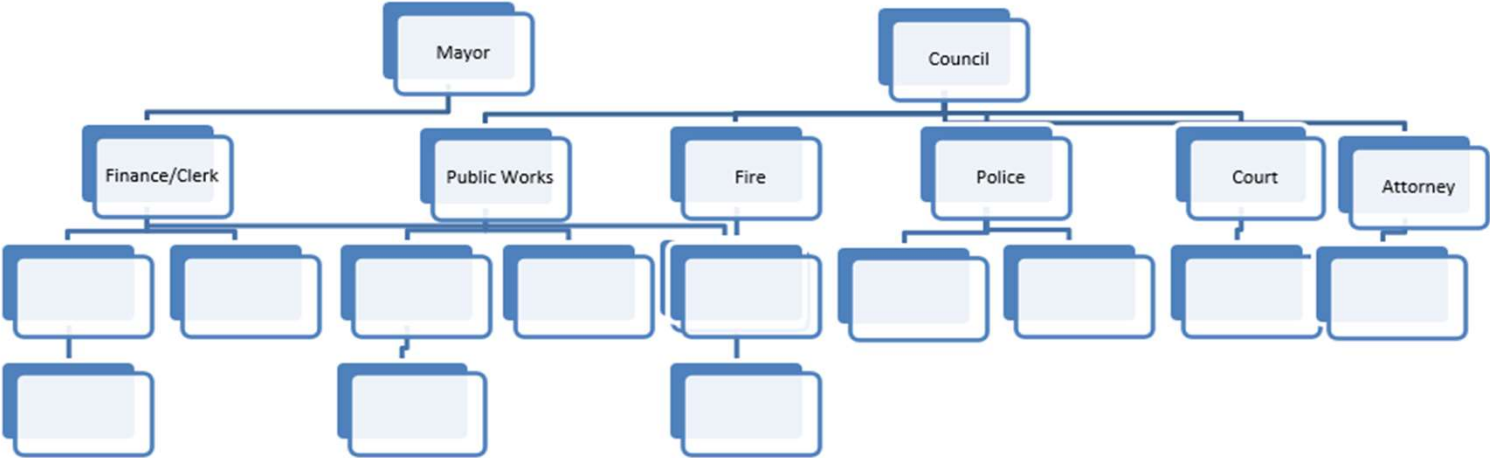


THE BUDGET PROCESS – Budget Calendar



THE BUDGET PROCESS - FORMS

City/Town of _____
Organizational Chart



THE BUDGET PROCESS – Taxable Valuation/Mill Levy Ten-Year History & Analysis

Ten-Year History and Analysis

NOTE: The analysis below includes only entity-wide levies subject to the limitations of Section 15-10-420, MCA. If applicable, a separate analysis is provided for levies subject to the limitations of Section 15-10-420, MCA that are authorized and actually imposed using a different taxable valuation.
Analyses contained in this report do not include voted or permissive levies. Voted and/or permissive mills levied in the current year are listed below.

FISCAL YEAR	ENTITY-WIDE TAXABLE VAULTION	%INCREASE (DECREASE) FROM PREVIOUS YEAR	TOTAL CURRENT YEAR AUTHORIZED MILL LEVY (Includes Prior Year Carry Forward Mills)	CURRENT YEAR ACTUAL MILL LEVY	CARRY FORWARD MILLS AVAILABLE (May be levied in a subsequent year)
			FY's 2009-2010 through 2016-2017 enter number of mills from prior year budget - page 9. FY's 2017-2018 and forward enter number of mills from line (14) of the applicable Mill Levy Determination Form.	FY's 2009-2010 through 2016-2017 enter number of mills from prior year budget - page 9. FY's 2017-2018 & forward enter number of mills from line (16) of the applicable Mill Levy Determination Form.	The Carry Forward in this column is <u>not cumulative</u> - the current fiscal year carry forward mills available are the full amount that may be levied in a subsequent year. These mills will be included in the next year's total authorized mill levy.
2011 - 2012					
2012 - 2013		#DIV/0!			
2013 - 2014		#DIV/0!			
2014 - 2015		#DIV/0!			
2015 - 2016		#DIV/0!			
2016 - 2017		#DIV/0!			
2017 - 2018		#DIV/0!			
2018 - 2019		#DIV/0!			0.00
2019 - 2020		#DIV/0!			0.00
2020 - 2021		#DIV/0!			0.00



THE BUDGET PROCESS – Levy Calculation Forms

Determination of Tax Revenue and Mill Levy Limitations

Section 15-10-420, MCA

Aggregate of all Funds/or _____ Fund

FYE June 30, 2021

Entity Name: _____

Reference Line	Enter amounts in yellow cells	Auto-Calculation (If completing manually enter amounts as instructed)
(1)	Enter Ad valorem tax revenue ACTUALLY assessed in the prior year (from Prior Year's form Line 17)	\$ -
(2)	Add: Current year inflation adjustment @ 1.05%	\$ -
(3)	Subtract: Ad valorem tax revenue ACTUALLY assessed in the prior year for Class 1 and 2 property, (net and gross proceeds) (from Prior Year's form Line 20)- (enter as negative)	\$ -
(4)	Adjusted ad valorem tax revenue = (1) + (2) + (3)	\$ -
ENTERING TAXABLE VALUES		
(5)	Enter 'Total Taxable Value' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 2	\$ -
(6)	Subtract: 'Total Incremental Value' of all tax increment financing districts (TIF Districts) - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 6 (enter as negative)	\$ -
(7)	Taxable value per mill (after adjustment for removal of TIF per mill incremental district value) = (5) + (6)	\$ -
(8)	Subtract: 'Total Value of Newly Taxable Property' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 3 (enter as negative)	\$ -

Determination of Permissive Levy for Group Benefits

Section 15-10-420(9), MCA

FYE June 30, 2020

Entity Name: _____

Step A:		Fiscal Year	Line 1: BASE Year = Total <i>Actual</i> Annual Employer Contribution for Group Benefits in BASE Year	Average Monthly Employer Contribution per Employee	Actual # of Employees the Local Government Made Employer Contributions to Group Benefits on July 1st
Input in Yellow Cells					
(1)	BASE Year			#DIV/0!	
(2)	Budgeting For			#DIV/0!	
(3)	Increase from BASE Year (Decreases will be reported as zero)			#DIV/0!	0
Step B:		Fiscal Year	0		
		-1	Certified Taxable Valuation		
(4)	Taxable Value less Incremental Taxable Value of General Fund				
Step C:		Calculation of:		(6) Increase in Employer Contribution from BASE Year	
(5) BASE Contribution		(5) BASE Contribution			
(6) Increase in Employer Contribution from BASE Year					



THE BUDGET PROCESS – Voted Levy's

[https://www.mtcounties.org/resources-data/Fiscal Information for Counties/Calculation Forms/Special Mill Levy Calculation Spreadsheet](https://www.mtcounties.org/resources-data/Fiscal%20Information%20for%20Counties/Calculation%20Forms/Special%20Mill%20Levy%20Calculation%20Spreadsheet)

CALCULATING THE TAX INCREASE OF A VOTED LEVY OF \$50,000 DOLLARS FOR THE _____				
STEP 1				
\$50,000	\$50,000	\$50,000	Specific Dollar Amount to be Levied	
			Certified Taxable Value of the taxing jurisdiction - Use the most-recent available	
\$4,567,890	\$4,567,890	\$4,567,890		
\$4,568	\$4,568	\$4,568	Revenue Generated per Mill	
10.95	10.95	10.95	Approximate Mills required to Generate Specific Dollar Amount	
STEP 2				
\$50,000	\$100,000	\$200,000	Assessed Market Value of Home	
0.0135	0.0135	0.0135	Tax Rate - 15-6-134(3)(a)	
\$675	\$1,350	\$2,700	Taxable Value subject to mill levy	
10.95	10.95	10.95	Mills to be Levied (From Step 1)	
\$7.39	\$14.78	\$29.55	Tax Assessed	
<p>15-6-134(3) (a) Except as provided in 15-24-1402, 15-24-1501, 15-24-1502, and, subsection (3)(b), class four residential property described in subsections (1)(a) through (1)(c) of this section is taxed at 1.35% of market value.</p> <p>(b) The tax rate for the portion of the market value of a single-family residential dwelling in excess of \$1.5 million is the residential property tax rate in subsection (3)(a) multiplied by 1.4.</p> <p>(c) The tax rate for commercial property is the residential property tax rate in subsection (3)(a) multiplied by 1.4.</p>				

CALCULATING THE TAX INCREASE OF A VOTED LEVY OF 2.0 MILLS				
For _____				
Assessed Market Value	Tax Rate	Taxable Value	Specific Mills	Tax Increase
\$100,000	1.35%	\$1,350	2.0	\$2.70
\$200,000	1.35%	\$2,700	2.0	\$5.40
\$50,000	1.35%	\$675	2.0	\$1.35
Enter the specific number of mills being proposed in the red highlighted cells.				
<p>Class 4 - Residential property is taxed at 1.35% beginning in Tax Year 2015 and applies to Fiscal Year 2016 and thereafter levies. [15-34-134(3)(a)]</p>				
<p>15-10-321. Limitation on levy and computation of tax -- new taxing jurisdictions. The department of revenue may not be required to levy or compute a tax for any new taxing jurisdiction created or for any change in an existing jurisdiction unless formally notified of its creation or change by January 1 of the year in which the taxes are to be levied.</p>				

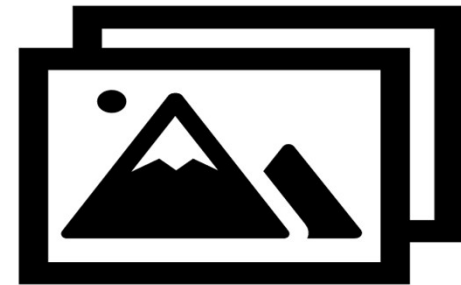


THE BUDGET PROCESS – Budget Message



BUDGET PREPARATION INSTRUCTIONS:

A budget message should be inserted after the levy determinations. The budget message should be prepared by the chief executive of the governmental unit and explain in general terms the fiscal experience of the city/town/county during the past year, its present financial status, and recommendations regarding fiscal impacts and policies for the forthcoming budget year.



THE BUDGET PROCESS – Budgets by Fund

You can utilize the cover pages for the funds from the LGSB budget document template.

A. General Fund	B. Special Revenue Funds	C. Debt Service Funds	D. Capital Projects Funds	E. Enterprise Funds
Fund #1000	2000	3000	4000	5000
Revenue by Source	Revenue by Source			
Expenditure Summary by Function, Activity and Object	Expenditures Summary by Function, Activity and Object			
F. Internal Service Funds	G. Private Purpose Trust Funds	H. Permanent Funds		
6000	7000	8000		



THE BUDGET PROCESS – Voted/Permissive Levy Requirement Schedule

City/Town/County of _____
TAX LEVY REQUIREMENTS SCHEDULE
VOTED/PERMISSIVE LEVY

Assessed/Market Valuation:
 Taxable Valuation Less
 TIF Incremental Value:
 1 Mill Yields(10):

Fiscal Year: . . .
 Page No. _____

*Column (3) Total Requirements must equal Column (8) Total Resources

Fund #	Fund Name	(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(9)X(10)	(7)=(5)+(6)	(8)=(4)+(7)	(9)=(6)÷(10)	V=Voted P=Perm /# Years Allow	Estimated Ending Cash Balance	Balance check:
		Appropriation	Budgeted Cash Reserve	*should equal column (8) Total Requirements	Cash Available (Less current liabilities)	Non-Tax Revenues	Property Tax Revenues	Total Revenues	*should equal column (3) Total Resources	Mill Levy			
				0				0	0			0	0
				0				0	0			0	0
				0				0	0			0	0
				0				0	0			0	0
				0				0	0			0	0
				0				0	0			0	0
	TOTAL	0	0	0	0	0	0	0	0	0		0	0
*Total Revenues compared to Total Appropriations:						0	*if negative appropriations exceed revenues						
Total Requirements compared to Total Resources						0	*if other than zero budget is not balanced						

THE BUDGET PROCESS – Taxable Valuation Schedule

City/Town/County of _____

TAXABLE VALUATION SCHEDULE

Fiscal Year:

PROPERTY CLASSIFICATION	County-Wide Taxable Valuation	Road Taxable Valuation						
			Taxable Valuation	Taxable Valuation	Taxable Valuation	Taxable Valuation	Taxable Valuation	Taxable Valuation
Special Mobile.....								
Manufactured Homes.....								
Personal.....								
Real.....								
Centrally Assessed.....								
Net & Gross Proceeds - Metal Mines.....								
TOTAL.....	0	0	0	0	0	0	0	0



BUDGET SUBMISSION TO LGS

Budget Submission

7-6-4003 MCA: a local government shall submit a complete copy of the final budget together with a statement of tax levies to the department of administration by the later of October 1 or 60 days after receipt of taxable values from the department of revenue

7-6-4004 MCA: local government budgets must conform to the fund structure prescribed by the department of administration

A template is available on the LGS website

Submission should be through the LGS portal



BUDGET SUBMISSION TO LGS

Budget Submission – Required Documents

Budget Certification

Approved Budget Resolution

DOR Certified Taxable Value form

Determination of Tax Revenue and Mill Levy Limitation form

Applicable worksheets from LGS template as outlined in the instructions

You may submit a report generated from your accounting software, but the following will also need to be included:

- Statistical pages
- Schedule of personnel levels
- Taxable valuation/mill levy history
- Tax Levy requirement schedules
- Non-levied summary schedules



ANY COMMENTS, CONCERNS, QUESTIONS?



Phone: 406-444-9101

Email: LGSPortalRegistration@mt.gov

Website: <http://sfsd.mt.gov/LGSB>

LGSB staff is here to help!

Please call or email if we can be of assistance

