

Division of Local Government Finance

Annual Budget Memorandum

TENNESSEE COMPTROLLER OF THE TREASURY



Contact Information by Region

REGION 5

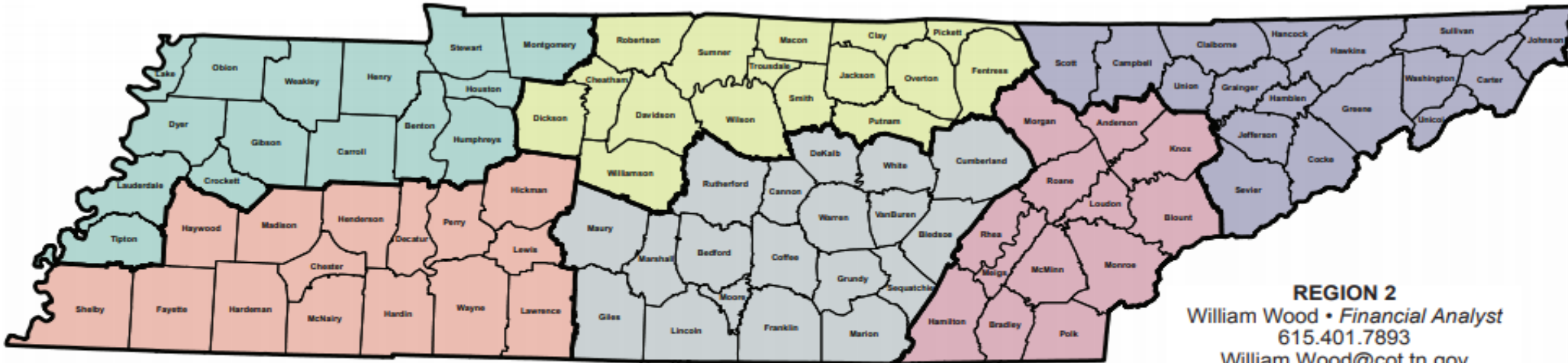
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Please send submissions and requests to:
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Effective March 1, 2020

Annual Budget Memorandum

- Early each calendar year, the Division of Local Government Finance (LGF) sends the Annual Budget Memorandum (Memo) to all county and municipal mayors to remind them of the requirements for submitting their budget to LGF.
- This short presentation reviews what you'll find in the Memo.
- **IMPORTANT NOTE:**
 - Do **NOT** include new debt approval requests with your budget submission. Doing so could cause a delay in the approval of your debt request. Send all debt approval requests separately to LGF@cot.tn.gov.
 - Do **NOT** include budget amendments with your budget submission. That may delay the acknowledgement of your amendments.

Memo Overview

- Cover Letter
- Budget Submission Checklist
- Appropriations Ordinance or Resolution
- Property Tax Levy
- Detailed, Line-item Budgets
- Schedules Required by LGF
- Revenue Calculations/Forecasts

Cover Letter

- Address to Betsy Knotts, Director, LGF or your regional analyst
- Include complete contact information for budget official
 - Name of person who serves as LGF contact who can answer questions
 - Telephone number of budget contact
 - Email address of budget contact
 - Include contact information for other personnel, if necessary, for schools and enterprise operations

Budget Submission Checklist

MUNICIPAL BUDGET CHECKLIST

Completed	Required Items for Budget Submission
_____	1. Cover letter on the municipality's letterhead (Complete contact information should be included.)
_____	2. Signed and certified original copy of the appropriation ordinance (and tax levy ordinance, if separate)
_____	3. Detailed budgets for all funds including enterprise funds and school funds (if applicable). Please include estimated beginning fund balances and cash balances for each fund at July 1, 2021, and ending balances at June 30, 2022.
_____	4. Budget Summary Schedule
_____	5. Cash Flow Forecast Schedules for: <ul style="list-style-type: none">○ Operating funds with a budgeted ending cash balance of less than 10% of annual expenditures○ Operating funds with an ending cash balance in the prior year audit less than 10% of annual expenditures○ Any fund that received proceeds from TRANs for the past two consecutive years○ Any fund as requested by our office during our review of the annual budget○ All operating funds if the prior year audit has not been issued and is late

An Excel spreadsheet including all schedules is available upon request from LGF staff or may be found at: tncot.cc/budget.

Appropriations Act

- Signed and dated, certified original copy of:
 - Resolution, if county government
 - Ordinance, if municipal government
 - “Certified original copy” means a duplicated copy of the original document that is certified by an officer of the government as a true and correct copy of the original adopted act, either by the government’s legal stamp or certification language signed and dated by the officer.
- Please make sure to scan all pages and that all scanned copies are legible
- Remember to scan both sides of the document, if the originals are two-sided
- Include property tax levy, if separate from the appropriations act

Detailed, Line-item Budget

- Include budgets for all funds, including:
 - All major governmental funds
 - All non-major governmental funds
 - All Special Revenue Funds
 - All School Funds – including the School Federal Projects Fund
 - All Enterprise Funds
 - Any Component Units for which the local government is ultimately responsible
- Include estimates of beginning cash and fund balances as of July 1
- Please make sure to scan all pages and that all scanned copies are legible
- Remember to scan both sides of the document, if the originals are two-sided

Budget Schedules

- Budget Summary Schedule
- Schedule of Outstanding Debt and Budgeted Debt Service
- Cash Flow Forecasts, if applicable

NEWS FLASH!

We will be posting “how to” videos for each of the schedules soon. Watch our website for more news on those.

Budget Summary Schedule

County or Metro

Budget Summary FY 2022	County or Metropolitan Government of:			Name of County/Metro							
Note: Insert amounts from your budget resolution:											
Fund	Estimated Beginning Fund Balance/Net Position on July 1, 2021				Expenditures	Transfers-Out	Total Appropriations				
							\$ -				
							-				
							-				
							-				
							-				
							-				
							-				
Totals	\$ -				\$ -	\$ -	\$ -				
Note: Insert amounts from your detailed budget documents:											
Fund	Estimated Beginning Cash on July 1, 2021	Revenues	Debt Proceeds	Transfers-In	Total Estimated Receipts	Expenditures	Transfers-Out	Total Appropriations	Increase or (use) of Cash Balance	Estimated Ending Cash on June 30, 2022	Ending Cash as a Percent of Expenditures
					\$ -			\$ -	\$ -	\$ -	#DIV/0!
					-			-	-	-	#DIV/0!
					-			-	-	-	#DIV/0!
					-			-	-	-	#DIV/0!
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					-			-	-	-	#DIV/0!
					-			-	-	-	#DIV/0!
					-			-	-	-	#DIV/0!
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!



Schedule of Outstanding Debt and Budgeted Debt Service

Name of County or Local Government									
Schedule of Outstanding Debt and Budgeted Debt Service									
Fiscal Year 2022									
Note: Enter information in the unshaded cells.									
Fund	Type of Debt	Loan Name / Description	Original Issuance Amount	Authorized & Unissued	Total Principal Outstanding at 06/30/21	FY 2022 Budgeted Annual Debt Service			Detailed Budget Page Number
						Principal	Interest	Total	
General Debt Service	Bonds							\$ -	-
	Loan Agreements							-	-
	Notes							-	-
	Leases							-	-
	Total Debt Service Fund Debt			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Education Debt Service	Bonds							\$ -	-
	Loan Agreements							-	-
	Notes							-	-
	Leases							-	-
	Total Education Debt Service Fund Debt			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water and Sewer	Bonds							\$ -	-
	Loan Agreements							-	-
	Notes							-	-
	Leases							-	-
	Total Water and Sewer Fund Debt			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Outstanding Debt for the County/Metropolitan Government			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-



Cash Flow Forecast

Cash Flow Forecast Schedule	Name of County or Municipal Government												
FY 2022													
Name of Fund	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Cash Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beg Cash Bal		-	-	-	-	-	-	-	-	-	-	-	-
Available Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Outflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Inflows - Outflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

In order to determine that a budget is balanced throughout the year as prescribed by T.C.A. § 9-21-403, if the Government has a fund that is estimated to end with 10% or less in cash as a percentage of expenditures, then a cash flow forecast is required for that fund. This excludes capital project funds.



Revenue Forecasts

_____, Tennessee

Statement of Estimated Revenue from Current Property Taxes
Based upon Estimated Assess Valuation of: \$1,000,000,000

<i>Fund:</i>	Proposed Tax Rate	Amount of Levy	Delinquency Reserve (5%)	Net Estimated Tax Collections
General	\$ 0.8000	\$ 8,000,000	\$ 400,000	\$ 7,600,000
Solid Waste/Sanitation	0.1500	1,500,000	75,000	1,425,000
Ambulance Service	0.1000	1,000,000	50,000	950,000
Industrial Development	0.0500	500,000	25,000	475,000
Highway/Public Works	0.0500	500,000	25,000	475,000
General Purpose School	0.6500	6,500,000	325,000	6,175,000
General Debt Service	0.2000	2,000,000	100,000	1,900,000
General Capital Projects	0.1000	1,000,000	50,000	950,000
	\$ 2.1000	\$ 21,000,000	\$ 1,050,000	\$ 19,950,000



Additional Information

(Also available on our website)

Pursuant to T.C.A. § 4-3-305, the Comptroller's office prescribes forms and procedures for the preparation of annual budgets.

- **Budget Summary Schedule**
 - Required for all local governments
 - Identifies projected revenues and appropriations with estimated beginning cash and fund balances by fund
 - Reconciles amounts from the detailed, line-item budget to the appropriations act to ensure that planned spending is legally authorized in the appropriations resolution or ordinance.
 - Calculates amount of projected ending cash as a percentage of annual expenditures for each fund. If ending cash percentage is less than 10%, cash flow forecast is required.
- **Schedule of Outstanding Debt**
 - Required for all local governments that have debt outstanding
 - Identifies all outstanding debt and reconciles annual principal and interest pages to detailed budget

Additional Information

(Also available on our website)

Pursuant to T.C.A. § 4-3-305, the Comptroller's office prescribes forms and procedures for the preparation of annual budgets.

- **Cash Flow Forecast Schedule**

- Required for all local governments and applies if:
 - Operating funds meet one or more of the following criteria:
 - Projected ending cash balance is less than 10% of annual expenditures, excluding capital purchases
 - Ending cash balance reported in prior year's audit is less than 10% of annual expenditures, excluding capital purchases
 - Any fund for which tax and revenue anticipation notes were issued for the past two consecutive fiscal years
 - Any fund as requested by LGF
 - All operating funds if most recent audit has not been published and is late
 - Note: Operating funds are funds that account for expenditures that are recurring such as salaries, benefits, utilities, etc. The General Fund and General Purpose School Fund will always meet this definition.
- Cash flow estimates by month for the fiscal year
- Identifies potential cash flow problems to facilitate solution
- Recommended for all funds to increase understanding of cash flow and working capital needs
- Aids in determination of idle funds that can be invested

Additional Information

(Also available on our website)

- Budget submission checklist
- Sample budget ordinance (municipalities)
- Excel schedules:
 - Sample schedules
 - Blank templates
- Submit your complete budget package by email to:
LGF@cot.tn.gov
- No hard copies are required to be sent to LGF!

Call if you need assistance!

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