

Helpful FAQ's for 2011 Budget Preparation

By Paige Gregory, CPA

Budget preparation time is always stressful time, but it may be even more stressful preparing for 2011 because of changes to funding and revenue streams – creating a host of 'unknowns' as you prepare your financial roadmap for the coming year. The following discussion will help make those 'unknowns' more manageable.

Question #1: What's my 2011 Estimated Assessed Value?

Answer: If the 2010 certified assessed value (AV) is available, consider multiplying it by 75% for the estimated 2011 assessed value.

If 2009 is the most recent certified assessed value available, consider multiplying the 2009 certified AV by 75%, and then multiply that number by 75% again. This should provide a reasonably conservative assumption.

Question #2: What numbers do I use for Local Option Income Tax (CAGIT, COIT, and EDIT)?

Answer: For the last half of 2010, divide the 2010 certified amount by two.

For 2011, consider using 80% of the 2010 certified amounts.

Question #3: What are my Circuit Breaker Credits (property tax losses)?

Answer: Circuit breaker losses for 2010 may be obtained from the County Auditor's Office provided that the 2010 tax bills have been calculated. Consider using the 2010 circuit breaker losses as an estimate for 2011 circuit breaker losses. If 2010 circuit breaker losses are not available from your County consider using the estimates from the Legislative Service Agency (LSA) report dated December 1, 2009. If you think the LSA number may not be current for your taxing unit, we at Umbaugh can prepare a custom report based on your specific situation.

Question #4: What number do I use for the maximum levy growth quotient?

Answer: The maximum levy growth quotient has been certified at 2.9% for 2011.

Given the complexities and changes, it is always a good idea to have someone take a second look at your budget before its adoption. If you have additional questions or need assistance in preparing your budget, please contact us at footnotes@umbaugh.com.