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Posting a Budget for Borrowed Funds and Annual Appropriations

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

The University of Tennessee
County Technical Assistance Service
226 Capitol Blvd. Suite 400
Nashville, TN. 37219
615-532-3555 phone
615-532-3699 fax
ctas@tennessee.edu
www.ctas.tennessee.edu

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Posting a Budget for Borrowed Funds and Annual Appropriations

Reference Number: CTAS-1763

The comptroller's office accepts the bond or note approval by the county commission as authorization to establish an appropriations budget. It is highly recommended that an official budget be established reflecting the receiving of the borrowed funds along with the expenditure budget. This receipt and expenditure budget would be in either a Capital Project Fund or an Operating Budget. Figure 10 reflects a sample budget being established for the receipts and expenditures of a Highway Capital Project Fund. The annual expenditures of interest and principal are required to be annually appropriated. This appropriation should be reflected in the appropriations resolution and broken down by the respective classification in which the funds were borrowed. Figure 11 reflects an excerpt from an appropriation resolution.

Recommended Practice: An official capital budget should be established and filed with the county legislative body before or after the issuance of debt.

Recommended Practice: A budget amendment may be needed if new indebtedness causes the payment of interest and/or principal in the year of issuance.

			Current Budget	Amendment	Amended Budget
Highway Capital Projects (176)					
<i>Fund Balance and Designations</i>					
176	39000	Undesignated Fnd Balance	0	0	0
<i>Revenues and Transfers In</i>					
176	44570	Contributions	0	2,500,000	2,500,000
Total Revenue			<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>
<i>Expenditures</i>					
Highway & Street Capital Projects					
176	91200	399 Other Contracted Service	0	1,250,000	1,250,000
	91200	404 Asphalt- Hot Mix	0	250,000	250,000
	91200	405 Asphalt- Liquid	0	215,000	215,000
	91200	409 Crushed Stone	0	500,000	500,000
	91200	703 Asphalt Plant Equipment	0	0	0
	91200	714 Highway Equipment	0	250,000	250,000
	91200	606 Other Debt Issuance Charge	0	35,000	35,000
Total Expenditures			<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>
<i>Fund Balance and Designations</i>					
177	39000	Undesignated Fnd Balance	0	0	0

Figure 10

Excerpted from a part of Section 1 of an appropriation resolution,
SECTION 1, ...

151 GENERAL DEBT SERVICE FUND	
82110 Principal-General Government Debt Service	672,295
82120 Principal-Highway and Street Debt Service	507,061
82130 Principal-School Debt Service	750,000
82210 Interest- General Government-Debt	473,968
82220 Interest- Highway and Street Debt Service	66,039
82230 Interest- School Debt Service	250,000
82310 Other Debt Service	15,000
Total General Debt Service Fund	<u>2,734,363</u>

Figure 11

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