



# Instructions for Form 5448

## FYE 2012 Percentage of General Operating Millage Used to Fund Essential Services

### PURPOSE OF THIS FORM

The Local Community Stabilization Authority Act (LCSA Act), 2014 PA 86, provides that personal property reimbursement for millage(s) used entirely or in part to fund essential services (i.e. police, fire, ambulance, or jails) is calculated separately from millage used for other purposes. The essential services millage reimbursement calculation is the portion of general operating millage that is used to fund essential services plus millage earmarked for essential services, multiplied by the sum of the personal property exemption loss and the increased value from expired tax exemptions. This form calculates the portion of fiscal year ending (FYE) 2012 general operating millage used for essential services (the percentage) by dividing FYE 2012 adjusted general fund essential services expenditures by FYE 2012 adjusted total general fund expenditures.

Municipalities may have calculated the percentage and included the calculation in their 2014 or 2015 comprehensive annual financial report. Otherwise, municipalities may use this form to calculate and report to the Department of Treasury the percentage. If the municipality does not use either of these methods, the LCSA Act requires the Department of Treasury to calculate the percentage for the municipality.

If the form is not completed and returned, the Department of Treasury will calculate the municipality's percentage of FYE 2012 general operating millage used to fund the cost of essential services.

If a municipality has extra-voted millage used in part (not 100%) to fund essential services and the millage is not deposited in the general fund, contact the Department of Treasury for instructions on how to calculate and report the percentage for that millage.

### DEFINITIONS

*"Essential services"* means all of the following: ambulance services, fire services, police services, jail operations, the funding of pensions for personnel providing ambulance, fire, police, and jail operations services (MCL 123.1345(j)).

*"Ambulance services"* means patient transport services, nontransport prehospital life support services, and advanced life support, paramedic, and medical first-responder services (MCL 123.1345(b)).

*"Fire services"* means services in the prevention and suppression of fire, homeland security response, hazardous materials response, rescue, fire marshal, and medical first-responder services (MCL 123.1345(k)).

*"Police services"* means law enforcement services for the prevention and detection of crime, the enforcement of laws and ordinances, homeland security response, and medical first-responder services (MCL 123.1345(t)).

*"Jail operations"* means all of the following: the operation of a jail, holding cell, holding center, or lockup as those terms are defined in section 62 of the corrections code of 1953, 1953 PA 232, MCL 791.262 and the operation of a juvenile detention facility by a county juvenile agency as authorized under section 7 of the county juvenile agency act, 1998 PA 518, MCL 45.627 (MCL 123.1345(p)).

*"Restricted"* means, for purposes of the completion of this form, constraints placed on the use of resources either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Examples could include unspent proceeds from grants, voted millages for specific purpose (e.g. trash pickup, police, etc.) or contributions from other governments.

### GENERAL INSTRUCTIONS

Include attachments to support the values entered on the form. Examples of appropriate attachments include a FYE 2012 trial balance sheet or applicable pages of the FYE 2012 audited financial report.

If a municipality has extra-voted millage used in part (not 100%) to fund essential services and the millage is not deposited in the general fund, contact the Department of Treasury for instructions on how to calculate and report the percentage for that millage.

## **Instructions for Form 5448 FYE 2012 Percentage of General Operating Millage Used to Fund Essential Services**

### **LINE-BY-LINE INSTRUCTIONS**

Lines not listed are explained on the form.

#### **PART 1: LOCAL UNIT INFORMATION**

If the calculation of the percentage of FYE 2012 general operating millage used to fund the cost of essential services has already been completed and included in the 2014 or 2015 comprehensive annual financial report, the municipality may either:

1. Indicate "Yes, Skip Parts 2, 3, and 4; complete Part 5" and enter the fiscal year end of the comprehensive annual financial report which includes the percentage. Attach the applicable page(s) from the annual report and continue to Part 5; or
2. Indicate "Yes, but opting to use the percentage calculation below" and enter the fiscal year end of the comprehensive annual financial report which includes the percentage. Attach the applicable page(s) from the annual report and continue to Part 2.

#### **PART 2: ADJUSTED FYE 2012 GENERAL FUND ESSENTIAL SERVICES EXPENDITURES**

**Line 1:** Enter total FYE 2012 general fund expenditures for essential services, including direct and indirect costs.

**Line 2:** Enter property tax revenue from a millage specifically levied (100%) for essential services that has not been deposited into a separate fund.

**Line 3:** Enter general fund revenues restricted for essential services that are not a separate levy, such as a grant.

#### **PART 3: ADJUSTED FYE 2012 TOTAL GENERAL FUND EXPENDITURES**

**Line 12:** Enter total FYE 2012 general fund expenditures for all purposes. Do not include other financing uses.

**Line 13:** Enter property tax revenue from a millage specifically levied (100%) for essential services that has not been deposited into a separate fund. The value entered on line 13 will be the same as the value entered on line 2.

**Line 14:** The value entered on line 14 will be the same as the value entered on line 3.

#### **PART 4: FYE 2012 PERCENTAGE OF GENERAL OPERATING MILLAGE USED TO FUND ESSENTIAL SERVICES**

**Line 24:** FYE 2012 Percentage of General Operating Millage Used to Fund Essential Services. Divide line 11 by line 23. Enter the result as a percentage to 4 decimal places (e.g. 5.9339%).

**EXAMPLE**

The data below provides an **example** of items included in a fund balance for "ABC City." This following page shows how this data transfers to Form 5448 to calculate a fiscal year ending 2012 percentage of general operating millage used to fund essential services.

**ABC CITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FISCAL YEAR ENDED JUNE 30, 2012**

	<b>General Fund</b>
<b>Revenues</b>	
Property Taxes:	
General Millage .....	200,000
Recreation Millage.....	20,000
Fire Millage.....	10,000
Federal Grants:	
Police Operating Grant.....	6,000
For nonessential services .....	2,000
State Shared Revenues .....	155,000
Charges for Services (for nonessential services) .....	3,000
Miscellaneous.....	1,000
<b>Total Revenues</b> .....	<b>397,000</b>
<b>Expenditures</b>	
General Government.....	125,000
Police.....	5,000
Fire .....	165,000
Jail .....	11,000
Ambulance .....	7,000
Recreation .....	153,752
Public Works.....	80,000
<b>Total Expenditures</b> .....	<b>546,752</b>
<b>Other Financing Sources (Uses)</b>	
Transfer Out - Police Fund .....	-8,000
Transfer In - Fire Fund .....	9,000
Transfer Out - Street fund.....	-15,000
<b>Total Transfers</b> .....	<b>-14,000</b>
<b>Net Change In Fund Balance</b> .....	<b>-163,752</b>
<b>Beginning General Fund Balance:</b>	
Restricted General Fund Balance (Fire Truck).....	150,000
Restricted General Fund Balance (Other).....	40,000
Unrestricted General Fund Balance.....	810,000
<b>Total Beginning General Fund Balance</b> .....	<b>1,000,000</b>
<b>Ending General Fund Balance:</b>	
Restricted General Fund Balance (Fire Truck).....	0
Restricted General Fund Balance (Other).....	40,000
Unrestricted General Fund Balance.....	796,248
<b>Total Ending General Fund Balance</b> .....	<b>836,248</b>

# FYE 2012 Percentage of General Operating Millage Used to Fund Essential Services

Issued under the authority of Public Act 86 of 2014 (MCL 123.1354(2)(d)).

<b>PART 1: LOCAL UNIT INFORMATION</b>	
Local Unit Name <b>ABC CITY</b>	
Local Unit Type <b>CITY</b>	County
Revenue Sharing Code/Authority Code	Fiscal Year-End Date (MM-DD-YYYY) <b>— — 2012</b>
Was the calculation already included in the 2014 or 2015 Comprehensive Annual Financial Report? (If yes, attach the appropriate page(s) from the annual financial report) <input type="checkbox"/> Yes. Skip Parts 2, 3, and 4; complete Part 5 <input type="checkbox"/> Yes, but opting to use the percentage calculation below <input type="checkbox"/> No If either yes was checked above, indicate the Fiscal Year End of the annual financial report on which the calculation was included _____	
<b>PART 2: ADJUSTED FYE 2012 GENERAL FUND ESSENTIAL SERVICES EXPENDITURES</b>	
1. Total FYE 2012 general fund expenditures for essential services.....	1. 188,000
2. Revenue from millage specifically levied (100%) for essential services and deposited in the general fund ...	2. 10,000
3. Other general fund revenue specifically restricted for essential services.....	3. 6,000
4. Total general fund revenue specifically restricted for essential services. Add line 2 and line 3 and enter as a negative number.....	4. -16,000
5. Transfers in from other funds into the general fund for essential services.....	5. 9,000
6. Transfers out from the general fund to other funds for essential services.....	6. 8,000
7. Net transfers between general fund and other funds for essential services. Subtract line 5 from line 6.....	7. -1,000
8. Beginning restricted general fund balance for essential services.....	8. 150,000
9. Ending restricted general fund balance for essential services.....	9.
10. Net change in restricted general fund balance for essential services. Subtract line 8 from line 9.....	10. -150,000
11. Adjusted FYE 2012 General Fund Essential Services Expenditures. Add lines 1, 4, 7 and 10.....	11. 21,000
<b>PART 3: ADJUSTED FYE 2012 TOTAL GENERAL FUND EXPENDITURES</b>	
12. Total FYE 2012 general fund expenditures.....	12. 546,752
13. Revenue from millage specifically levied (100%) for essential services and deposited in the general fund ...	13. 10,000
14. Other general fund revenue specifically restricted for essential services.....	14. 6,000
15. Other general fund revenue specifically restricted for specific nonessential services.....	15. 25,000
16. Total general fund revenue specifically restricted for essential and nonessential services. Add lines 13, 14, and 15, and enter as a negative number.....	16. -41,000
17. Total transfers in to the general fund.....	17. 9,000
18. Total transfers out of the general fund.....	18. 23,000
19. Net transfers between general fund and other funds. Subtract line 17 from line 18.....	19. 14,000
20. Beginning restricted general fund balance.....	20. 190,000
21. Ending restricted general fund balance.....	21. 40,000
22. Net change in restricted general fund balance. Subtract line 20 from line 21.....	22. -150,000
23. Adjusted FYE 2012 Total General Fund Expenditures. Add lines 12, 16, 19 and 22.....	23. 369,752
<b>PART 4: FYE 2012 PERCENTAGE OF GENERAL OPERATING MILLAGE USED TO FUND ESSENTIAL SERVICES</b>	
24. FYE 2012 Percentage of General Operating Millage Used to Fund Essential Services. Divide line 11 by line 23.....	24. 5.6795%
<b>PART 5: CERTIFICATION</b>	
Printed Name	Title
Signature	Date
E-mail Address	Telephone Number

If you have any questions, call 517-373-2697. Return a completed and signed form to the Michigan Department of Treasury by July 15, 2016. The form can be e-mailed to [TreasORTAPPT@michigan.gov](mailto:TreasORTAPPT@michigan.gov), faxed to 517-335-3298, or mailed to:

**Michigan Department of Treasury  
Office of Revenue and Tax Analysis  
PO Box 30722  
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