

PN ABX-117

**Municipal Financial Management Project  
Contract CCN-0007-C-00-3110-00**

**Karakol Municipal Budget Process Redesign  
Task 5656-520  
Final Report**

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For  
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## TABLE OF CONTENTS

### Executive Summary

A.	Background and Project Information	1
B.	Scope of Work	1
C.	Research and Findings	2
D.	Recommendations	5

### Appendices

I - Network Configuration
II - Recommended Spreadsheet and Data Base Applications
III - Sample Reports
IV - Persons Interviewed
V - References

Attachments: Sample Budget Documents (English and Russian)

Three-year revenue summary  
Three-year spending summary  
Department mission; past, present and proposed budget

## Executive Summary

This report is the final report resulting from the consultancy of Evan T.M. Katz in Karakol, Kyrgyzstan from 3 through 19 August, 1995. Mr Katz was asked to provide a baseline assessment of current budget and financial practices in the Karakol city administration and make recommendations for the maximum quantitative and qualitative changes to the process. Mr. Katz researched and conducted staff interviews in the following departments in the city government: Tax Inspection; Statistics Department; Economics Department; and the Finance Department. In addition, Mr. Katz interviewed trainers in the Computer Training Center now operating under MFM project auspices, and also spoke with representatives of the Kyrgyzstan Bank, which handles transactions for the city.

### Recommendations

Mr. Katz made recommendations for change and improvement in 9 areas of budget and financial management. These are summarized below.

#### 1. Increase Financial Effectiveness with Improved Communication

Mr. Katz strongly advises *establishing the position of Network Administrator*, reporting to the Mayor and Finance Department, to ensure that someone has responsibility for overseeing training and computer system installation and maintenance that meet departmental operating requirements. *Continued on-site technical assistance* should be coordinated with this person, to ensure clear communication on the transition from manual to automated systems. The administrator would oversee *creation of a network linking the four principal financial departments*: Finance, Economics, Statistics, and Tax Inspection. Each of these departments will have *database and spreadsheet files* which will support specific applications recommended by Mr. Katz (see section D1d). Finally, Mr. Katz advises the Network Administrator to consider a *document imaging application* to store and retrieve reports that are in frequent use.

#### 2. Improve Budget Preparation and Procedures

Mr. Katz concluded that the city budget is based on unrealistic revenue projections, and suggests a remedy to *improve revenue forecasting*. *Spending requests should be submitted by departments along with operating goals*, evaluated by the Mayor's office, and included in the budget message. *Budget hearings should be held in public* to solicit citizen input into service delivery. The *budget document should be transformed* from a financial worksheet to a statement, to the City Council and the public, of how the chief executive intends to meet economic and administrative challenges of government. This budget presentation should state major economic and political assumptions, provide an historical perspective and vision of the future, and should be open to question from the public.

#### 3. Improve Financial Controls

Mr. Katz concluded that the city's *spending classifications, and the formats for presentation, require some simplification* for optimal budget clarity; five broad categories are suggested. *Compliance with tax collection should be improved* with a system of registration, licensing,

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and enforcement. A *pay-down plan* should be established to eliminate unpaid prior year obligations, which amount to a significant portion of the current budget.

#### **4. Establish stronger fiscal accountability**

At the end of each month the Finance Department should prepare for the mayor an *analysis of actual revenue and expenditures*, which should then go to the City Council. While acknowledging the difficulty of implementing the policy, Mr. Katz strongly advises creation of a *budget reserve of 5 - 10 percent of projected local revenues*. Similarly, establishment of a *capital fund* could demonstrate to investors that Karakol has the budget discipline to warrant bond issues.

#### **5. Establish Electronic Connections to Banks, Oblast and Republic Levels**

Mr. Katz advises the city to pay special attention to *using widely accepted computer hardware and software* so that prepared reports can be transferred to the Oblast and Republic when they are ready for it.

#### **6. Improve Expenditure Control**

The *current manual payment recording system*, which involves the efforts of 18 bookkeeping departments throughout the city, *should be replaced with a computerized list* of salary and payable recipients. Whether employee and vendor payments records should be centralized or decentralized is a decision that has to be evaluated.

#### **7. Improve Cash Management**

*Monthly and weekly cash flow reports* should be generated. In the interval before Karakol has a balanced budget, the capital fund recommended above can provide an opportunity to learn such *cash management techniques* bank time deposit for interest income. The city should also work with the bank to *institute on-line access to tax collection and operating balance* information. The city should also review and categorize taxes owed, and consider a *tax amnesty program* with reduced or eliminated penalties.

#### **8. Introduce Standard Fund Accounting Principles**

*Fund accounting software* should be introduced as the financial skills of Karakol's finance professionals increase; this will be especially useful when the city begins to issue debt and classify expenses outside the General Fund.

#### **9. Ensure that new Systems can be Adapted to legislative Changes**

*Software and system flexibility* should remain a priority for the city as the scope and pace of legislative reform accelerates, so that new tax and reporting requirements can be incorporated into Karakol's financial applications.

## A. Background and Project Information

This phase of the Municipal Finance and Management Project, Karakol Municipal Budget Process Redesign, Task 5656-520, was conducted from August 3 through August 19, 1995. On-site activity, including interviews, research, Long-term Advisor (LTA) consultation, and report writing, took place from August 6-18.

This task follows up the *Initial ADP Needs Assessment* and *ADP Implementation Plan* submitted in April, 1995 to RTI. In the *ADP Implementation Plan*, Section 7.2.2 "Software Development" outlines a six-part plan to develop and implement financial management software applications. The plan, taken from page 16 of the report, is:

### 7.2.2 Software Development

- (i) review of currently existing accounting and financial procedures.**
- (ii) review and analysis of immediate budgetary financial management needs.**
- (iii) select implementation team of user and technical staff to develop the software for selected comprehensive applications.***
- (iv) implement and test software, document final product including user procedures.
- (v) train end-users in use of software.
- (vi) roll-out live system and monitor correct operation.

This report will fully complete parts (i) and (ii) [in bold face] and partially complete part (iii) [bold face italic]. Completion of 7.2.2 (iii) through 7.2.2 (vi) will require follow up work. The current task involves meeting with Karakol's finance, budget, computer and related personnel to assess current finance and computer operations and applications. This report will include recommendations and priorities to fulfill MFM project goals by its conclusion on July 1, 1996, but there will be notable emphasis on incorporating changes that will have long-term results for the City.

## B. Scope of Work

The general goals of this MFM project task are to improve financial management in Karakol, increase the visibility and accountability of financial operations, and incorporate modern public finance procedures into Karakol's budget process. Report findings will review information gained on-site through interviews, review of documents, and personal observations. Recommendations will detail both short- and long-term plans for implementation. Specific goals of this project that will be addressed in this report are:

- Increase basic (financial) management effectiveness with improved communication
- Establish stronger fiscal accountability
- Improve financial controls (management)

- Improve budget preparation tools and procedures
- Establish electronic connections to such as banks and Oblast and Republic agencies
- Improve expenditure control
- Ensure that new systems can be adapted to changes in local and national legislation
- Introduce standard fund accounting procedures
- Improve cash management

## **C. Research and Findings**

### **C1. Introduction**

Municipal financial operations in the City of Karakol are almost exclusively manual. There are also multiple lines of authority that can confuse traditional analysis. The biggest problem that overwhelms all other issues, however, is the economy. The transition from a centrally-controlled to a market economy, along with the evolution of Kyrgyzstan as an independent country, has resulted in an unstable and unpredictable economy.

As with government organizations which rely heavily on manual operations, most of the staff are used to compile and report information. The impact of the MFM project, and the recommendations in this report, will allow the City of Karakol to shift staff from record maintenance to analysis and responding to identified problems.

### **C2. Financial and Related Departments, Agencies & Organizations**

#### **C2a. Tax Inspection Department**

Location: Two buildings, 8 to 10 blocks from City Hall

Staff: 45 total, with 34 directly involved in collection and administration

Responsibilities: Calculating and collecting taxes from about 600 enterprises (businesses), 1,600 personal business, and 12,500 land tax accounts. There are seventeen different taxes on enterprises, but each tax is not levied on each enterprise. There are three personal business taxes. Tax forecasts for the calendar year, divided into quarters, are provided by each business. To help the Finance and Economics Departments improve the city's revenue forecasting, the department only recently started collecting and compiling forecast information. The forecast for each tax is listed on the enterprise's page(s) in the ledger.

Business taxes are paid monthly or quarterly depending on the size of business. Forecast and actual collection information is maintained in ledger books. Each taxpayer has its own page for each tax. Account status is compiled each quarter, and for forecasting purposes, is compared to the quarter's projected revenue. Each ledger book is used for two years.

The land tax, based on property size, is paid in two installments. Because this tax is easier to administer, one page in the ledger book lasts five years for each land parcel. Delinquent

property owners are pursued first by notices, then by threatening property seizure. This year only 28 landowners were brought to court.

The department also maintains a "passport" for each enterprise, which includes legal papers documenting which taxes can be assessed on the firm. The annual revenue forecast, which businesses must provide, is included in the file. There are penalties for under reporting projections, since that is a way of concealing taxable production and activity. Bartering complicates enterprise collections, and, for small and personal businesses, the cash economy makes enforcement difficult.

Fourteen staff maintain tax records, another twenty, divided equally into two departments, audit, enforce and collect taxes which are not paid in full or on time. All record keeping is manual, so compiling information, including delinquencies, is very time consuming. Payments are made directly to banks, which report collection information to the department. The oblast also receives tax deposit information. Payments are then recorded appropriately.

A database, developed by computer consultant Norbek Moldakunov, is being tested in the department. It includes for each enterprise, its code number, depository bank, quarterly projection, and legal status. It summarizes tax projections, collections, and over- and underpayments. Queries may be made to the database, but answers are reported separately, and it does not appear that all summary information on the enterprise can be reported at once.

### **C2b. Statistics Department**

Location: City Hall, First Floor

Staff: Five, all with administrative responsibilities

Responsibilities: Registering all businesses and issuing certificate numbers, collecting monthly production estimates and final results and reporting vital statistics. Much production information is reported by phone with written follow up. The department uses 50 different forms because of many types of production. Information is compiled for the Mayor and the oblast.

About 40 percent of the financial data collected overlaps with data collected by Tax Inspection. Depending on the size of the business, data is reported monthly and quarterly, with an final annual report. Current production data is compared to the previous year.

### **C2c. Economics Department**

Location: City Hall, Second Floor

Staff: Three

Responsibilities: Forecasting revenues, with particular emphasis on the eighteen enterprises which provide 75 to 80 percent of City revenue. Collects a wide range of financial, production and inventory data which are used to calculate future revenue. Works closely with Tax Inspection and Statistics to verify projected and actual tax data. Access to data in Tax Inspection would be helpful.

## **C2d. Finance Department**

Location City Hall, Second Floor

Staff: 9 total, but only six in financial administration; three are support staff

Responsibilities: Assembling budget, spending requests and revenue forecast. Forecast compiled with assistance from all three other financial departments. Usually, there is a 10-15% increase from the first estimate (August 10) to the final December projection. For FY96, revenue is expected to increase by 15%, 10% from production and 5% from inflation.

When the budget is presented to the City Council, that is the first public discussion of the proposal. Documents only present the budget year's revenue and spending. A largely verbal explanation of the budget is given by the Finance Department Chief. The Mayor does consult with members of the Council's Commission of Budget Planning while the budget is being developed.

There are ten city departments, 55 sub-departments, and twelve expenditure classifications. All Finance Department records, which tally remaining budget funds, are maintained manually. Spending detail concerning payees and the amount of payments is maintained in 18 major and minor "bookkeeping" departments throughout the City. There is tight spending oversight by Finance and the oblast treasury, which approve payment totals by department and category, but not to whom the payment is made.

Karakol's budget problems are the result of the economy, and the City has accumulated a prior year debt obligation of 5 to 7 million *soms*. There is no budget reserve for unforeseen or bad collections, although last year the City received a 1.5 million *som* loan from the republic. Also, a republic Calamity Commission will provide financial aid for disasters. There is also major project construction funding available. Since most tax revenue is related directly to business output, and production forecasts are only meaningful for one month at a time, it is very difficult to know whether spending plans must be adjusted. Part of the annual budget development process is the negotiating with the oblast the share it will receive of the five largest business taxes.

Service levels have changed little and are not expected to; the City expects to fund a level service budget for 1996. The Finance Department does not approve budgeted discretionary spending until later in the fiscal year. Because of budget uncertainty, the 1995 budget did not receive final approval until August 1, nine months later than scheduled. A series of quarterly budgets were approved in the interim. Ongoing initiatives through international groups hold some promise for reform of the republic tax code and how services are funded.

## **C2e. Computer Training Center**

Location: City Hall, fourth floor

Staff: Bakut Talygov and Dinara Barakanov

Operation: Daily, offering a three-week, fifteen-session introductory class totaling 45 hours. Instruction is in wordprocessing and spreadsheet. The MFM Office selects departments to attend, and each department chooses the attenders, who are asked to bring work that might be

automated. Departments decide how to take advantage of trained staff.

The four financial departments are at varying stages of instruction. Finance has had problems attending regularly. Tax Inspection has generated some regular reports and some one-time reports on its PCs. Economics staff is attending class now. Statistics PC was just installed and two top level staff are attending class. There has been an understanding that the four financial departments should be networked, and it has been recommended that a working group of the four be developed to coordinate software applications. Presently, disagreements among departments are resolved by consensus.

## **C2f. Banking Relations**

Tax Depository: Kyrgyzstan Bank (AKB)

Operating Funds Depository: Kyrgyzstan Bank (AKB)

The General Director of AKB would permit electronic access to the City's bank account information. This would provide cash balance information which would be much more current. About 85 percent of the City's tax deposits are wired daily into AKB through two other local banks, but the remaining 15 percent takes about five days via paper transfer from the three other Karakol banks through Bishkek. At AKB there is a 30-day minimum term to earn interest (rates are competitively set). The City's tax collection and operating cash accounts do not earn interest.

## **D. Recommendations**

### **D1. Increase Financial Management Effectiveness With Improved Communication**

**D1a. Network Administrator** - Establish the position of Network Administrator, who would report to the Mayor and/or Finance Department. This position should be established at a high enough level to ensure that proposed computer system enhancements meet department operating requirements. Applications must be reviewed and coordinated, otherwise well-intended enhancements may fall short of departmental needs. A strategic plan should be developed to follow up this report, and applications development and training should follow the plan.

The logical choice for this position is Bukat Talypov, who has already assumed some of the duties associated with this position and conducts classes with another teacher in the Computer Center on the fourth floor of City Hall. Mr. Talypov, as Network Administrator, should devote all of his time to working with departments to develop, document and install applications outlined in this report. (Computer consultant Norbek Moldakunov, who is currently automating Tax Inspection Department records, may be able to replace Mr. Talypov as a trainer, and should also be considered for ongoing consulting assignments.)

Instead of being a trainer, Mr. Talypov would oversee the training to ensure that personnel attend class regularly, are trained properly, and return to their departments to use installed PCs. This is important because the value of training diminishes quickly when trainees cannot immediately apply and continue to use learned skills, but this will be less of a problem when the full complement of computers are delivered to the City this fall. Nevertheless, it is critical that the Network Administrator use his close connection to the Mayor's Office to ensure that

training is immediately and properly applied and that software design meets department requirements.

**D1b. Technical Assistance** - Continue on-site technical assistance with MFM funding during 1995 and 1996, to assist Mr. Talypov with systems design, installation, documentation, testing and operation. It is important not to overemphasize reliance on computer hardware and software and limit the technical support that is needed to reach the MFM goal. For the Karakol project to serve as a national model, considerable planning and care must be used in selecting software and developing applications. Well-planned automation projects can come up short due to over reliance on hardware and software; hardware and software cannot replace trained software development and installation experts, or a clear vision of the transition that must be made from manual to automated systems. The recommended long-term plan for the Atyrau, Kazakstan MFM project might be considered. That plan envisions third-party assistance to ensure continuity after the MFM project is complete.

**D1c. Create A Network** - Link the four principal financial departments (Finance, Economics, Statistics and Tax Inspection) in a network. (See Appendix A for detail.) Initially Tax Inspection could connect via modem but eventually could move to City Hall or be connected via cable. If modem or cable connections prove unreliable, floppy disks can be exchanged easily, however, this would reduce the value of "real time" access to networked data.

The network should include an E-mail system which would complement telephone communication, but more importantly could immediately forward to linked departments copies of documents and spreadsheets not accessible through the network. Databases and spreadsheets in one department could be accessed on a "read only" basis by other departments.

Connecting other city departments to the network would provide communications advantages, but that question is beyond the scope of this project task. Certainly, the financial network could serve as a test network, and other networks could be established after the Network Administrator and staff have successfully established this pilot network.

**D1d. Automate Records and Reports** - Develop database and spreadsheet files for each financial department. The data bases and files could be accessed by other departments, and also generate reports. Based on the needs of the City and department operating requirements, I am recommending the development of five applications. They will automate and further enhance tax collection, budget maintenance, records administration, and revenue forecasting. They are relatively simple applications but will give department staff a focused introduction to automated record keeping. The applications, by department, are:

1) Tax Inspection - "Go live" using the existing enterprise test database, then expand the system to the land tax and businesses. The land tax is a small revenue producer, but it is a large administrative burden. The work to automate the 1,600 businesses will assist greatly with enforcement. This is the largest financial department with the responsibility for collecting the revenue that funds city services, so there is considerable payback from additional work in this area.

Consideration should be given to modifying the existing enterprise database, however, so that separate inquiries do not have to be made to obtain related data on the same enterprise. Once this is done, the automated and manual systems on the test enterprises should run parallel to each other to verify accuracy. Documentation for the system should then be developed.

2) Finance - Tracking expenditures on a spreadsheet will eliminate the cumbersome expense ledger, a goal cited repeatedly by the department. A series of linked spreadsheets would maintain the current department and spending classifications, but would compile the data in a summary sheet that would conform to the five spending categories recommended for the budget presentation. (See "Spending Classification" section.) Current spending information would be maintained with very little effort and eliminate tedious record keeping.

3) Statistics - Establish a database to record business registration information. Easy access by financial departments to business profile records would reduce research and information verification time. There might also be some value to linking this data with similar business data in Tax Inspection. The business registration procedure would be faster, and business certificates, complete with registration numbers, could be printed for taxpayers immediately. Upon completion, a vital statistics database should be considered for development, as department staff skills evolve.

4) Economics - Automate revenue forecasts for the eighteen enterprises that comprise 75 to 80 percent of the City's revenues. This is a logical first step in streamlining revenue forecasting. It will demonstrate the instant adjustments that spreadsheets can make when tax-generating factors such as production, inventory or sales assumptions change. Successful use of this application could lead to expanded forecasting automation.

The impact of these automation projects will grow as staff skills develop and familiarity with the PCs and software increase. The reduced clerical workload will increase the amount of staff time available for data analysis and enforcement. In the future, the City may be able to move administrative staff into direct service positions, or possibly cut its spending with staff reductions.

See Appendix B for recommended spreadsheet and database details, and Appendix C for sample reports.

**D1e. Document Imaging** - Imaging applications for storage and retrieval of often-needed documents should also be considered. The reduced software price of this application should make it an attractive way to file and retrieve enterprise and other permanent business documents which are submitted to Tax Inspection and Statistics. This option should be considered by the Network Administrator as the MFM project continues, and beyond.

## **D2. Improve Budget Preparation And Procedures**

**Revenue Forecast** - It is very important that the budget be based on revenue projections which are likely. The temptation to use optimistic projections could result in a budget that cannot be maintained, and would force upon the Mayor and City Council difficult budget decisions.

The recommended forecast spreadsheet application for the Economics Department, however,

will provide a good introduction to speedier projections. But until this application is developed and more forecast information can be compiled electronically, existing projection procedures will have to be maintained.

**D2b. Spending Requests** - Budget requests should be submitted by departments along with a description of the service, the service recipients, and department operating goals for the next budget year. This non-financial information should be reviewed and approved by the Mayor's Office, as this information will be included in the budget message and document presented to the City Council. (See Budget Document and Budget Presentation sections below.) This transition of the budget from a statistical summary to statement of the mission and goals of municipal departments is very important. It will demonstrate that the Mayor cares about the quality and amount of services provided, not just the numbers in the budget.

**D2c. Budget Hearings** - As part of the budget development process, solicit citizen suggestions on which services should receive increases or decreases their budget for the next year. At an open public meeting, residents should be encouraged to comment on the amount and quality of services. This will provide the Mayor and the City Council with information that can be used to decide how to fund department budgets in the coming year. The Mayor and the City Council Budget Committee should jointly preside over the meeting. It should be held four to six weeks before the budget is presented to the City Council. The emphasis of the meeting should be on citizen comment, questions and suggestions. Elected officials should not use the meeting to defend current budgets; it should be an opportunity to listen and consider options for adjusting service levels in the upcoming budget. The meeting should be publicized with posters, radio, television and newspaper coverage. Citizen comments should be seriously considered by elected officials when the budget is prepared. Comments of residents should also be solicited after the budget has been proposed by the Mayor and is being discussed by the City Council.

**D2d. Budget Document** - The City should transform its budget document from a financial worksheet into a document with historical perspective and a vision of the future. The forum for presenting the budget to the Council should be an opportunity for the Chief Executive Officer---the Mayor--- to state how she proposes to meet the economic and administrative challenges of providing an appropriate level of services to the residents of Karakol.

The budget document should show three years of financial data, both revenues and expenditures, to illustrate recent trends and next year's plan. Listing these basic facts places the budget in historical perspective, and makes way for discussion of the budget's primary goal---articulating current and proposed levels of service to the residents and taxpayers of Karakol. Attachments 1 - 3 provide examples of how budget and service information can be provided to both the City Council and Karakol citizens. The attachments list three years of financial information, classify spending into five categories (discussed later in the section "Improve Financial Controls"), and provides summary information about the kinds of services provided by each department.

**D2e. Budget Presentation** - As the Chief Executive, the Mayor should present the budget to the City Council at a public meeting. The presentation should be in the form of a budget speech, which explains budget priorities and goals for the next year, major economic and

political assumptions, and compares proposed spending plans to prior years. The speech, along with the budget, should be provided to the City Council in writing. As with the budget hearing, the meeting should be publicized with posters, radio, television and newspaper coverage. At the conclusion of the speech, the Mayor should welcome questions from, first, the City Council, then the media, to provide needed detail to further explain the budget. Although the Mayor is expected to know major budget themes and some detail, it is appropriate to refer to the Finance Department Director those questions which the Chief Executive cannot answer.

**D3. Improve Financial Controls**

**D3a. Spending Classifications** - The current twelve spending classifications, while accurate, are too detailed to be included in a summary budget. For budget summary purposes, five broader categories are more appropriate. The categories are: Personal Services; Purchase of Services; Supplies and Materials; Other; and Capital Expenses. Current spending classifications would be assigned to each category as follows:

<b>Personal Services</b>	<b>Purchase of services</b>	<b>Supplies and Materials</b>	<b>Other Expenses</b>	<b>Capital Expenses</b>
Salaries	Water	Medical Supplies	Miscellaneous	Capital Repair
Social Security Fund	Transport	Food	Trip Expenses	
Bonus Fund		Equipment		
Social Ins. Deduction				

These broader categories will contribute to a friendlier budget presentation. The current formats provide too little information (all expenses for each department summarized) or too much information (twelve spending categories, some of which are very broad).

Note: The City might also consider adopting the draft classifications for expenditures (and revenue) developed by the International Monetary Fund. (Copies are available in the MFM Office in Karakol City Hall.) While these proposals are very precise, their very detail could complicate the transition from manual to automated record keeping. The level of detail also suggests that prepackaged software might be developed to assist with implementation. Also, the absence of any accompanying instructions would make using these classifications difficult. Unless this proposed classification system could be implemented immediately, and includes written instructions, I would be reluctant to consider it. If this classification scheme is adopted in Kyrgyzstan, I would expect prepackaged software would be developed that could be accommodated in the City's homegrown network.

**D3b. Improved Enforcement** - The large cash economy and the large number of small businesses make tax collections hard to predict and difficult to enforce; an improved system

of registration, licensing and enforcement might increase compliance and tax revenue.

**D3c. Prior Year Obligations** - The substantial amount of prior year payables that the City is still carrying must be addressed. The Finance Department Director estimates the obligation to be five to seven million *soms*, or roughly one-third of the annual local budget. After determining the amounts and to which fiscal years the obligations apply, a paydown plan should be established, so that services provided by the current budget are not sacrificed to reduce this debt. An intergovernmental loan, with a multi-year payback plan, might provide the mechanism to eliminate the debt and provide some local fiscal stability. An intergovernmental loan of 1.5 million *soms* with an unspecified payback period was received in 1995 for this very purpose.

#### **D4. Establish Stronger Fiscal Accountability**

**D4a. Monthly Revenue/Spending Reports** - At the end of each month, the Finance Department should prepare for the Mayor a written analysis of actual revenue and expenses, based on revenue and expenditure reports. Revenue should be analyzed by each tax or fee, and expenses should be reviewed by department. The written report should state whether spending (revenue) is greater or less than expected; the reasons for the variation; the expected duration of the change; and what response, if any, should be taken by administrative or elected officials. The City Council should receive copies of the report after it has been approved by the Mayor. Any action requiring City Council approval to re-balance the budget should be submitted by the Mayor with the monthly report.

Normally, I would recommend that if any trend threatened to unbalance the budget, immediate legislative action should be submitted by the Mayor to the City Council. Usually, revenue projections would be revised downward and planned spending would be reduced. For Karakol, however, there are two reasons why this traditional approach may not work.

First, the Finance Chief reports that despite the best efforts of all the financial departments, revenue forecasts are reliable only for one month at a time. The unpredictable economy makes extended estimates unreliable. This makes predictions of fiscal year surpluses and deficits extremely difficult until very close to the end of the year.

Second, intergovernmental relations makes budget adjustments politically difficult. The Finance Chief reports that oblast revenue projections (and therefore spending) are dependent on receiving a predetermined share of five major taxes collected by the City of Karakol. If the City reduced its original tax projections, that would have budget implications for the oblast. For that reason, the tradition has been to maintain original revenue projections and any unmet year end financial obligations are paid in ensuing years.

Further complicating this relationship is a similar ripple effect on the republic budget. Since each higher level of government must approve the budget of each lower unit, there is little incentive to approve a later change. Politically, it is easier to pay off budget deficits in future years, than to take action in the current year.

**D4b. Budget Reserve** - The City should include in its budget a reserve to protect against unforeseen occurrences, such as an economic downturn which reduces revenue, or an unanticipated expense that cannot be covered by the regional or republican government. The

reserve should be between five and ten percent of projected local revenues, and should be part of the budget, not in addition to total expected collections. While establishing a reserve of this size may require difficult budget decisions the first year it is implemented, the creation of a budget reserve is an important step in establishing fiscal stability for Karakol.

If revenue collections are sufficient to keep the budget balanced, budget reserve can be used to pay for minor unforeseen expenses or capital projects, such as major repairs or equipment purchases. The Mayor would request that the City Council transfer the funds from budget reserve to an appropriate expenditure article, when a use for the budget reserve has been identified.

If revenue collections are not sufficient to maintain a balanced budget, the budget reserve can be reduced. The Mayor would recommend to the City Council a reduction in the budget reserve equal to the projected revenue deficit (assuming it is less than or equal to the budget reserve). This will protect City services against lagging revenue collections.

**D4c. Capital Fund** - Although the City of Karakol has expressed an interest in borrowing funds from capital markets, the City and the Kyrgyzstan economy are still some years away from that goal. Karakol officials, can, however, begin to demonstrate the budget discipline desired by investors.

The annual budget should include an appropriation of one to three percent of the budget that would be deposited in a separate bank account, and be designated the Capital Fund. As a term deposit, the fund would earn interest and be used only for major capital items, such as equipment purchases, major infrastructure repair, or large projects. In order to decide which projects should be funded, the Mayor should appoint a Capital Committee to review project proposals and establish priorities. The Committee should include representatives from the City Council, business community, citizens and several key City department heads.

Karakol officials and the Capital Committee should establish a goal of leaving the funds on deposit for at least one year, to demonstrate an ability to set aside part of its budget for capital projects. The Capital Fund should be added to each year, and its principal or interest withdrawn from the account for capital projects only on the recommendation of the Capital Committee and approval of the Mayor and City Council for capital projects. After demonstrating such budget restraint, and as the Kyrgyz economy matures, the City of Karakol may be deemed a worthy credit risk in capital markets.

#### **D5. Establish Electronic Connections To Banks, Oblast And Republic**

**Compatible Hardware and Software** - Since it is difficult to predict when political and administrative barriers will allow an actual connection to outside private and public locations, the City should prepare for that moment by using widely accepted hardware, software and computer peripherals. The City's commitment to automated record keeping will ensure it is ready to transmit (receive) when other locations are ready to receive (transmit).

Prepared reports from the City's data files could be transmitted to the oblast and republic and provide to regional and republic officials forecasts, budget and revenue information. Reduced report preparation time would provide more opportunity for data review and analysis, and make the reports more accurate and meaningful. Similarly, automated preparation of expense

“tariff” warrants and electronic transmission to the Oblast treasury (for approval) would reduce clerical workload (although the manual approval requirements, such as signature and stamps, would have to be maintained). The advantages and availability of connection to the City’s bank will be discussed in the section “Improve Cash Management.”

#### **D6. Improve Expenditure Control**

**Automate Payables** - The current manual payment recording system is slow and time consuming despite the best efforts of eighteen major and minor “bookkeeping” departments located throughout City government. This decentralized record keeping should eventually be linked electronically with the Finance Department. Presently, the Finance Department only knows the citywide, department and sub-department total of each expense, or “tariff” list. Employee names are known only to the bookkeeping department where salary cash disbursements are made; vendor names are known only to the department authorizing payment. (Vendors receive cash through bank transfers.)

Presently, the City has about 2300 employees, and about 500 to 1000 vendors (based on the City’s size; the Finance Department could not provide a precise figure). In normal financial times, salaries would be paid twice a month and expenses once a month, and generate 36 scheduled “tariff,” or payment lists. This year, due to uneven cash flow and pressure to payoff prior obligations, about 200 payments have been made.

A computer-created and maintained list of salary and payable recipients would be the first step in an electronic link with the oblast (which verifies that spending disbursements will not exceed budget authority), and banks (which need a list of vendors receiving payments). This data would also be a significant source of information for analyzing budget expenses and part of the automation of the City’s expense and budgetary records. Maintaining records of payees would be fast and accurate and make it easier to locate errors. This project should be pursued as automation continues. Part of this work will be to evaluate whether employee and vendor payments records should be maintained on a centralized or decentralized basis.

#### **D7. Improve Cash Management**

**D7a. Monitor Cash Flow** - Based on expenses and revenue information, monthly (and weekly) cash flow reports could be generated. These reports will become more meaningful, however, when the economy and revenue collection improves and the Finance and Tax Inspection Departments can collaborate on developing a monthly cash flow projection. Presently funds are spent as soon as they are received. As Karakol begins to achieve a balanced budget and pay off its prior year obligations, the City will be in a position to meet bank time deposit requirements (30 days) and can shop for competitive interest rates, taking risk into full consideration.

Presently, cash flow peaks are the first month of each quarter, with the biggest collection during January. As the City’s financial position improves, there may be investment opportunities available as each quarter begins.

**D7b. First Cash Management Steps** - There are two steps the City can take now, however, in preparation for the time when it will be investing its operating cash. First, it can establish a Capital Fund, as recommended in the “Establish Stronger Fiscal Accountability” section

above. This will serve as an introduction to cash management, without risk of using needed operating cash. Second, the City can encourage, or possibly require, all local taxpayers to use the two Karakol banks (Industrial Commercial and Agricultural Commercial) that can wire funds directly to its tax collection depository, Kyrgyzstan Bank (AKB), or use AKB itself. This will speed up deposits to the City's operating account, because the one-day wire transfer is much faster than the three-to-five-day paper transfer used by the other three Karakol banks. Presently, about 85 percent of revenue passes through the electronically connected banks.

Also available to assist with improved cash management, is on-line access to tax collection and operating cash balance information from AKB. The General Director of AKB is willing to permit such access. This information can provide deposit information, which City financial officials can use to monitor available cash.

Of the financial management improvements recommended in this report, revising basic financial operations takes precedence over this longer-term goal. Cash management opportunities will be minimal in the near future.

**D7c. Review Receivables** - The economic problems of the country have affected tax collections, so some prior year taxes may no longer be collectible. The City should review and categorize taxes owed, to determine which amounts can be recovered and which should be written off. A tax amnesty program, with reduced or eliminated penalties and interest, might be considered as a way to provide a one-time revenue infusion and allow taxpayers to eliminate or reduce their debt.

#### **D8. Introduce Standard Fund Accounting Procedures**

**Fund Accounting Software** - As financial skills of Karakol officials increase, the concept of fund accounting can be introduced, and work toward establishing standardized and auditable financial statements can begin. Fund accounting would also be helpful especially when the City is able to issue debt and begins to classify expenses outside the General Fund (such as capital projects). This might be of some value, since some public services are less traditional, such as business enterprises, and others (such as utilities) may eventually be self-supporting. In the near term, however, basic financial operations must be established, as acknowledged in the Cash Management section.

#### **D9. Ensure That New Systems Can Be Adapted To Legislative Changes**

**Software Flexibility** - The pace and scope of legislative and regulatory reform in Kyrgyzstan will probably accelerate as the country develops and economic activity grows. This prospect should not affect software development, installation or use, however. Most elements of the recommended software do not involve complicated data manipulation. Databases or spreadsheets which do require tax rate or government-mandated formulas, however, can be easily revised to accommodate change. New taxes or reporting requirements can also be incorporated into the basic financial applications envisioned in Karakol. Since software plans are still evolving, system flexibility should remain a high priority as decisions are made.

## Appendix A

### Network Configuration

#### City Hall Network

Network Administrator - 4th floor  
Finance Department\* - 2nd floor  
Economics Department - 2nd floor  
Statistics Department - 1st floor

All terminals hard-wire connected  
network server located on 4th floor.

All departments should have fax/modem  
capability.

\*denotes multiple offices

#### Off-Site Link

Tax Inspection Department\*\*

Two buildings 8-10 blocks from  
City Hall. One dedicated to admin-  
istration and reporting; the other to  
field collection/enforcement staff.

Recommend hard wire connection.  
Modem link acceptable, with  
floppy disk exchanges as backup.  
Fax/modem capability required.

With 45 employees, moving into  
City Hall seems unlikely. Moving  
closer might allow line-of-sight  
connection.

\*\* two-terminal stand alone test  
system now on site

## Appendix B: Recommended Spreadsheet and Database Applications

<b>Department</b>	<b>DB or SS</b>	<b>Report Title</b>	<b>Major Element</b>
Tax Inspection	Data Base	Enterprise Collections	same as current, but redesign data base to report all information for each enterprise on one screen
Tax Inspection	Data Base	Land Tax Collections	parcel ID, owner, area, tax rate, tax owed, 1st payment, 2nd payment, net owed, penalties, interest
Tax Inspection	Data Base	Business Collections (physical & juridical)	equivalent to enterprise collections data base
Finance	Spreadsheet (11 linked)	Expenditure Report	Original budget, spent to date, remaining balance. One summary sheet using 5 recommended budget expense groups, 10 department sheets, each showing 55 sub-departments. Each "tariff" payment will show as a deduction from 12 spending categories.
Statistics	Data Base	Registration File	Name, address, location, legal status, certificate number, other legal and identifying data. Could print registration certificate.
Economics	Spreadsheet	Revenue Forecast	Production, sales, inventory and other data to project revenue for 18 major enterprises (80% of \$). Would calculate forecast and update as required.

15

## Appendix C

Sample Report Number One

Appendix C  
Sample Report One  
Land Tax Data Base

Parcel ID	Owner Name	Area	Tax Rate 18.8 c	Tax Owed	First Payment	Second Payment	Net Owed	Penalty	Interest	Total Owed
21A	Smith	20	18,8	376,00	200,00	176,00	0,00	0,00	0	0,00
21B	Jones	24	18,8	451,20	250,00	50,00	151,20	5,00	7,56	163,76
22A	Musante	30	18,8	564,00	300,00	264,00	0,00	0,00	0	0,00
24	Katz	22	18,8	413,60	220,00	193,60	0,00	0,00	0	0,00
<b>Total</b>				<b>1804,80</b>	<b>970,00</b>	<b>683,60</b>	<b>151,20</b>	<b>5,00</b>	<b>7,56</b>	<b>163,76</b>

Appendix C

Sample Report Two

Expenditure Reporting - Summary Page

	<b>Personal</b>	<b>Purchase</b>	<b>Supplies</b>	<b>Other</b>	<b>Capital</b>	<b>Total</b>
	<b>Services</b>	<b>Services</b>	<b>Materials</b>	<b>Expenses</b>	<b>Expenses</b>	<b>Expenses</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Admin./Council Staff	2380	420	210	140	70	3220
Archive Administration						
Police						
Education						
Health Care						
Social Insurance & Provision						
Culture, Religion & Leisure						
Sports						
Public Services						
Agriculture						
<b>Total</b>	<b>2380</b>	<b>420</b>	<b>210</b>	<b>140</b>	<b>70</b>	<b>3220</b>
	<b>Personal</b>	<b>Purchase</b>	<b>Supplies</b>	<b>Other</b>	<b>Capital</b>	<b>Total</b>
	<b>Services</b>	<b>Services</b>	<b>Materials</b>	<b>Expenses</b>	<b>Expenses</b>	<b>Expenses</b>
	<b>Balance</b>	<b>Balance</b>	<b>Balance</b>	<b>Balance</b>	<b>Balance</b>	<b>Balance</b>
Admin./Council Staff	532	100	58	40	20	750
Archive Administration						
Police						
Education						
Health Care						
Social Insurance & Provision						
Culture, Religion & Leisure						
Sports						
Public Services						
Agriculture						
<b>Total</b>	<b>532</b>	<b>100</b>	<b>58</b>	<b>40</b>	<b>20</b>	<b>750</b>

10



## **Appendix D**

### **Karakol Site Visit Primary Contacts**

#### **Office of the Mayor**

Mayor Asylkul Abdurekhmenova

#### **Tax Inspection Department**

Nina Petrovna Gubskaya, Director

Norbek Moldakunov, Computer Consultant

#### **Finance Department**

Iskenderbek Aidaraliev, Chief of Department

Rosa Marlynanovna Gaybulina, Deputy Finance Chief

Gulnara Tolunbekova

Guljan Teembaeva

#### **Statistics Department**

Mayram Sydykbaeva, Department Head

Valentina Pertovna Alekseenko

#### **Economics Department**

Aitybek Truspaev, Department Head

#### **Computer Training Center**

Bukyt Talypov, Director

#### **AKB Bank**

Bakyt Abdrahmanov, General Director

Bolot Ilebesov, Chief Financial Specialist

Meetings with many of the above primary contacts included, for observation purposes, Bukyt Talypov, Director of the Computer Training Center, and Norbek Moldakunov, Computer Consultant.

## Appendix E

### References

- RTI           ADP Implementation Plan: Karakol Kyrgyzstan, April 7, 1995
- RTI           Initial ADP Needs Assessment: Karakol Kyrgyzstan, April 10, 1995
- RTI           Karakol MFM Program - Draft Workplan, May, 1995
- RTI           Draft MFM Contract CCN-0007-C-00-3110-00  
Task 5656: Municipal Budget Process Redesign, June, 1995
- Karakol       City documents including annual budget, organizational chart,  
financial summaries, ledgers, reporting forms, etc.
- GFOA         “The Best of Governmental Budgeting, A Guide to Preparing Budget  
Documents,” Government Finance Officers Association, 1994

**Revenue Summary**  
Detailed Schedule for a Single Fund

City of Ft. Collins, Colorado

This schedule uses a format consistent with the one used for the summary schedule of revenues. To assist the reader with identifying major sources of revenue, a column showing percentage of total is included.

General Fund Resources

	ACTUAL 1991	BUDGET 1992	REVISED 1992	OPTED 1993	% of TOTAL	% INCREASE OVER BUDGET 1992
<b>TAXES</b>	<b>\$5,966,348</b>	<b>\$6,605,392</b>	<b>\$6,592,966</b>	<b>\$6,802,790</b>	<b>15.2%</b>	<b>3.0%</b>
Property Tax	4,774,097	5,407,948	5,407,948	5,582,315	12.4%	2.9%
Beer & Liquor Occupation Tax	175,192	185,700	180,000	180,000	0.4%	-3.1%
Franchise Tax - Gas	445,008	445,000	445,000	445,000	1.0%	0.0%
Franchise Tax - Telephone	313,296	321,304	321,304	330,943	0.7%	3.0%
Lodging Tax	253,822	245,440	263,974	274,532	0.6%	11.9%
Penalties & Other Taxes	4,533	0	(25,260)	10,000	0.0%	100.0%
<b>LICENSES &amp; PERMITS</b>	<b>\$603,618</b>	<b>\$561,532</b>	<b>\$767,165</b>	<b>\$629,525</b>	<b>1.4%</b>	<b>12.1%</b>
Beer & Liquor License	7,206	4,976	6,465	7,500	0.0%	50.7%
Building Permits	500,266	453,956	660,000	523,125	1.2%	15.2%
Business License	35,328	35,000	35,000	35,000	0.1%	0.0%
Contractor License	38,157	43,000	40,000	40,000	0.1%	-7.0%
Street Cut Permit	1,885	22,000	20,000	20,000	0.0%	-9.1%
Miscellaneous Licenses	20,776	2,600	5,700	3,900	0.0%	50.0%
<b>INTERGOVERNMENTAL</b>	<b>\$1,036,215</b>	<b>\$871,066</b>	<b>\$1,191,834</b>	<b>\$923,138</b>	<b>2.1%</b>	<b>6.0%</b>
Ambulance Service	68,629	72,060	72,060	75,663	0.2%	5.0%
County Shared Court Fines	41,418	40,000	40,000	40,000	0.1%	0.0%
Grants and Contributions	150,410	0	201,330	0	0.0%	0.0%
Lamar County - A/B Master	160,041	170,456	190,401	203,441	0.5%	22.9%
Library Contribution - County	109,507	98,550	108,034	108,034	0.2%	9.6%
Tobacco Tax	506,210	490,000	490,000	490,000	1.1%	0.0%
<b>CHARGES FOR SERVICES</b>	<b>\$6,196,258</b>	<b>\$7,121,108</b>	<b>\$7,150,460</b>	<b>\$7,792,390</b>	<b>17.4%</b>	<b>9.4%</b>
Administrative Charge				113,655	0.3%	37.4%
Capital Projects Fund	58,398	82,721	82,721	10,948	0.0%	60.5%
Conservation Trust Fund	3,181	8,821	8,821	39,550	0.1%	12.5%
Golf Fund	30,987	35,164	35,164	642,410	1.4%	16.3%
Light & Power Fund	558,968	552,212	552,212	94,265	0.0%	18.3%
Parkland Fund	6,448	7,619	7,619	179,585	0.4%	31.8%
Storm Drainage Fund	74,117	72,272	72,272	507,370	1.1%	14.0%
Transportation Fund	98,575	136,251	136,251	657,553	1.2%	15.0%
Wastewater Fund	386,628	445,221	445,221	19,000	0.0%	16.6%
Water Fund	428,832	484,713	484,713	68,000	0.2%	1.5%
Beverage Application Fees	19,634	16,360	22,000	14,700	0.0%	8.9%
Court Costs, Fees, Charges	60,020	61,000	63,000	8,500	0.0%	62.5%
Library Xerox Charges	13,217	13,500	14,000	2,728,556	8.1%	10.4%
Miscellaneous Fees	6,490	4,000	17,055	425,900	1.0%	0.0%
Payment in Lieu of Taxes				641,105	1.4%	-4.3%
Light & Power Fund	2,354,543	2,471,257	2,444,472	174,375	0.4%	15.2%
Wastewater Fund	377,175	428,101	398,681	16,500	0.0%	65.0%
Water Fund	559,544	869,686	675,000	217,113	0.5%	3.7%
Plan Checking Fees	168,475	151,319	241,000	7,000	0.0%	-22.2%
PUD Subdivision & Zoning Fees	9,725	10,000	15,000	0	0.0%	-100.0%
Sale of Maps & Publications	4,948	9,000	17,780	0	0.0%	-100.0%
Utility Billing Charge				897,500	2.0%	8.8%
Light & Power Fund	520,509	824,531	824,531	204,873	0.5%	16.3%
Storm Drainage Fund	114,009	175,948	175,948	217,113	0.5%	3.7%
Wastewater Fund	134,179	209,383	209,383	217,113	0.5%	3.7%
Water Fund	134,179	209,383	209,383	0	0.0%	-100.0%
Work for Other Funds	75,479	40,708	57,233	0	0.0%	-100.0%

This schedule shows detailed revenue sources for the General Fund. It is labelled "Resources" because it includes other financing sources such as transfers from other funds and proceeds from lease/purchase agreements.

Приложение 1.

**Доходы Местного Бюджета города Каракол**

Налоги	1994 г.	1995 г.	1995 г.	1996 г.	% изменен	
	По Факту	Бюджет	Уточненн.	Прогноз	% от целого	1996 по отн к 1995 г.
Подходный налог, удерживаемый с работодателей	2400,0	4372,5		781,5	4,2	-82,1
Налог с товарооборота розничной торговли и услуг населению	*	1421,2		819,5	4,4	-42,3
Налог на прибыль предприятий	6027,0	1546,3		1303,2	7,1	-15,7
Налог на добавленную стоимость	6498,0	6171		11327,2	61,5	83,6
Акциз	486,0	638,7		166,3	0,9	-73,9
Налог на производственное имущество	503,0	265,0		200,6	1,1	-24,3
Налог с владельцев транспортных средств	1,0	55,0		20,0	0,1	-63,6
Государственная пошлина	120,0	550,0		1118,0	6,1	103,2
Подходный налог, удерживаемый налоговыми органами	10,0	200,0		20,0	0,1	-90
Административные сборы и платежи	55,0	580,0		476,0	2,6	-17,9
Налог на доходы от акций	*	26,0		*	*	*
Доходы от ликвидации недоимки	2425,3	570,0		*	*	*
Плата за природные ресурсы	50,0	340,0		200,0	1,1	-41,2
Поступления во внебюджетный фонд	80,0	*		*	*	*
Другие доходы	0,3	*		1993,6	10,8	*
<b>Всего Доходов</b>	<b>18655,0</b>	<b>16735,7</b>		<b>18425,9</b>	<b>100,0</b>	<b>10</b>

28

# Summary of Expenditures By Program

City of Ft. Collins, Colorado

## CITY EXPENDITURES BY SERVICE AREA

SERVICE AREA Department	ACTUAL 1991	BUDGET 1992	ADOPTED 1993	% INCREASE OVER 1992
<b>ADMINISTRATIVE</b>				
Administration	\$149,138	\$149,781	\$155,748	4.0%
Employee Development	4,184,114	5,226,301	5,513,717	5.5%
Finance	5,781,658	5,953,984	6,344,255	6.6%
General Services	5,698,288	6,351,566	8,737,459	37.6%
Information & Communication Systems	2,810,260	3,011,117	3,365,212	11.8%
<b>TOTAL ADMINISTRATIVE</b>	<b>18,613,488</b>	<b>20,692,749</b>	<b>24,116,391</b>	<b>16.5%</b>
<b>TRANSFERS TO OTHER FUNDS</b>	<b>(10,109,937)</b>	<b>(11,503,887)</b>	<b>(12,035,104)</b>	<b>4.6%</b>
<b>NET OPERATING ADMINISTRATIVE</b>	<b>\$8,503,491</b>	<b>\$9,188,862</b>	<b>\$12,081,287</b>	<b>31.5%</b>
<b>CULTURAL, LIBRARY &amp; RECREATIONAL</b>				
Administration	\$324,364	\$324,088	\$331,663	2.3%
Cultural Services & Facilities	1,303,519	1,470,435	1,695,228	15.3%
Library	1,556,474	1,475,955	1,652,838	12.0%
Parks & Recreation	7,418,029	7,886,439	8,850,856	12.2%
<b>TOTAL CULTURAL, LIBRARY &amp; RECREATIONAL</b>	<b>10,602,386</b>	<b>11,156,917</b>	<b>12,530,585</b>	<b>12.3%</b>
<b>TRANSFERS TO OTHER FUNDS</b>	<b>(324,751)</b>	<b>(345,238)</b>	<b>(343,949)</b>	<b>-0.4%</b>
<b>NET OPERATING CULTURAL, LIBRARY &amp; RECREATIONAL</b>	<b>\$10,277,635</b>	<b>\$10,811,679</b>	<b>\$12,186,636</b>	<b>12.7%</b>
<b>COMMUNITY PLANNING &amp; ENVIRONMENTAL</b>				
Administration	\$164,844	\$184,525	\$166,808	1.2%
Building Permits & Inspections	614,477	647,567	684,840	5.8%
Economic Affairs	332,053	314,771	344,815	9.5%
Engineering	2,614,753	2,822,200	2,870,447	1.7%
Natural Resources	392,435	494,308	517,591	4.7%
Planning	678,307	721,942	801,939	11.1%
Transportation Services	1,353,529	1,282,486	1,516,715	18.3%
<b>TOTAL COMMUNITY PLANNING &amp; ENVIRONMENTAL</b>	<b>6,160,398</b>	<b>6,468,879</b>	<b>6,923,155</b>	<b>7.0%</b>
<b>TRANSFERS TO OTHER FUNDS</b>	<b>(1,101,501)</b>	<b>(70,869)</b>	<b>(65,904)</b>	<b>-7.1%</b>
<b>NET OPERATING COMMUNITY PLANNING &amp; ENVIRONMENTAL</b>	<b>\$5,058,897</b>	<b>\$6,397,910</b>	<b>\$6,857,251</b>	<b>7.2%</b>

Transfers to other funds are deducted to arrive at a "net budget" amount.

This summary presents three years of expenditures by program (called service area here). This schedule was included in the budget published after city's budget was adopted.

24

## Расходы Местного Бюджета города Каракол

Наименование Организации	1994 г.	1995 г.	1995 г.	1996 г.	% увелич/ уменьш. к от целого 1995 г.
	По Факту	Бюджет	Уточненн.	Прогноз	
Аппараты местной городской государственной администрации и Кенешей	96,0	135,0			0,8
Архивное управление	*	10,0			0,05
Общественный порядок и безопасность	380,2	450,0			2,7
Образование	5183,8	9800,0			58,6
Здравоохранение	3002,6	3756,0			22,4
Социальное страхование и социальное обеспечение	180,3	317,9			1,9
Организация отдыха и культурно-религиозная деятельность	236,6	375,8			2,2
Физическая культура и спорт	35,0	54,0			0,3
Жилищно-коммунальное хозяйство	1820,0	1784,0			10,7
Сельское хозяйство	40,0	53,0			0,3
Наука	10,0	*			
Пенсии и пособия	1830,0	*			
Компенсация на хлеб	5184,4	*			
<b>Всего Расходов</b>	<b>18655,9</b>	<b>16735,7</b>			<b>100,0</b>

## Program Performance Detail

City of Fort Collins, Colorado

Police

A listing of programs administered by this department are presented in the program or departmental summary.

- Administration
- Criminal Investigations
- Communications
- Patrol Services
- Community Affairs
- Records, Training & Systems Mgmt.

One of the primary objectives of Fort Collins Police Services is to provide a safe, secure community environment for all residents. In addition, Police Services serves the community by protecting life and property, preserving peace and order, preventing and detecting crime, enforcing all laws and ordinances, and promoting the safe, efficient use of the City's streets and bikeways.

	ACTUAL 1991	BUDGET 1992	REVISED 1992	ADOPTED 1993
<b>EXPENSES:</b>				
Personal Services	\$7,411,765	\$7,525,870	\$8,028,137	\$8,101,775
Contractual	1,751,364	1,709,088	1,857,731	1,763,569
Commodities	286,757	310,433	396,442	311,337
Capital	47,504	0	133,447	0
Transfers/Other	0	0	0	0
Total	\$9,497,390	\$9,554,391	\$10,415,757	\$10,176,681
<b>STAFF:</b>				
Classified/Unclassified	165.00	166.50	166.50	168.00
Seasonal	—	—	—	—
Hourly	1.30	1.30	1.30	1.30
Contractual	—	—	—	—
Volunteer	1.00	1.00	1.00	1.00
Total	167.30	168.80	168.80	170.30

This staffing provides detail not usually found in budget documents.

A departmental or program summary of expenses and staffing offers a financial overview of the program detail that follows.

## Приложение 3

### Милиция

#### Оперативные службы и подразделения

- \* Управление
- \* Уголовный розыск
- \* Патрульно-постовая служба
- \* Служба связи
- \* Учетный отдел
- \* Тренировка и инструктаж

Основными задачами Отдела внутренних дел г. Каракол является охрана общественного порядка и обеспечение безопасности для всех жителей города. Кроме того Милиция служит обществу охраняя жизнь и собственность граждан, поддерживает мир и спокойствие, предотвращает и расследует преступления, следит за исполнением законов и постановлений, а также обеспечивает безопасное пользование городскими улицами.

	1994 г. фактически	1995 г. Бюджетн	1995 г. Уточненн	1996 г. Предлагаем
Расходы				
Персональные выплаты				
Оплата за услуги				
Приборы и материалы				
Другие расходы				
Капитальные вложения				
Всего расходов:				