

# Budgeting for Kansas Municipalities

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## INTRODUCTION

The purpose of this manual is to provide information needed to prepare a Kansas municipal budget, including the pertinent laws and instructions for completing the required State forms.

### Overview of the Budget Law

Many Kansas statutes relate to municipal budget law. The main statutes, collectively called the budget law, are contained in K.S.A. 79-2925 to 79-2937. The statutes are available on line at <http://www.kslegislature.org/cgi-bin/statutes/index.cgi>. Most provisions in these laws apply to all Kansas municipalities. Some key points in the budget law are as follows:

The Director of Accounts and Reports (A & R) or the budget law prescribes the budget forms.

In some respects, the budget law dictates how the budget forms should look. However, the overall responsibility for the design of the forms rests with the Director of A & R. The budget forms are published and usually ready for distribution in May. (K.S.A.79-2926)

The budget law applies to all Kansas Municipalities. All municipalities are subject to the budget law, and thus, must prepare an annual budget to be certified to the County Clerk. Exception, any money received by a municipality as a gift or bequest. (K.S.A.79-2925, 79-2930)

The annual budget provides the municipality with expenditure authority and authority to levy taxes to finance those expenditures. The annual budget serves two important purposes. First, the budget provides legal expenditure authority to the municipality. Without a budget, there is no authority to spend. Second, the budget is used by the County Clerk to levy the related taxes. (K.S.A.79-2930)

All money that belongs to the municipality must be included in the annual budget. All monies belonging to the municipality (i.e. checking accounts, saving accounts, certificate of deposits, money held by the County Treasurer, and investments) should be included in the balance of the appropriate fund. Money that does not belong to the municipality should not be included in the budget. For example, a municipality might hold money for firemen's relief association. This money does not belong to the municipality and should not be included in the annual budget. (K.S.A. 79-2926)

A separate itemized financial statement is required for each fund. The budget law requires a separate itemized financial statement be included in the budget for each fund. The financial statement must show receipts and expenditures for three years: 1) the Prior Budget Year; 2) the Current Budget Year; and 3) the Proposed Budget Year. The statement must be presented in a three-column format, one column for each year presented in the statement. (K.S.A.79-2927, 79-2930)

The Prior Budget Year is the only year that will have been completed at the time the budget is being prepared. This column will contain **actual financial information**. The other two columns for the Current and Proposed Budget Years will present estimated or proposed amounts.

A balanced budget must be presented for each fund with a tax levy. The budget law requires a balanced budget be presented for each fund with a tax levy for the Proposed Budget Year. Budgeted expenditures must equal estimated revenues, including the amount of ad valorem taxes to be levied. The law permits but does not require a non-appropriated carryover balance be included in the budget. This carryover balance is limited to five percent of total expenditures and non-appropriated balance in each fund. (K.S.A.79-2927)

Miscellaneous category of expenditures or revenues is not to exceed ten percent. The budget for each fund shall not include any item for sundry or miscellaneous purposes in excess of 10% of the total. The budget is to include an itemized budget form for each and every fund. (K.S.A.79-2927)

Budgeted transfers from one fund to another fund must be authorized by statute. K.S.A. 79-2934 states in part: “No part of any fund shall be diverted to any other fund, whether before or after the distribution of taxes by the County Treasurer, except as provided by law.” This means a transfer from one fund to another should be made only if specifically authorized by statute, and only in accordance with that statute.

Transfers from one fund to another fund should be shown in the budget as separate line items in the affected funds and identified either as a “transfer to \_\_\_\_\_ fund” or a “transfer from \_\_\_\_\_ fund” item as appropriate. For example, the entries to record a transfer from the general fund to a capital project fund are: 1) the general fund shows an expenditure of transfer to capital project fund; 2) the capital project fund shows a receipt of transfer from general fund. The schedule of transfers on page 3 should be completed for all transfers.

The budget law allows a budget credit for reimbursed expenses. A reimbursed expense is a cash receipt reimbursing a municipality for a payment previously charged to the current year budget. K.S.A. 79-2934 allows reimbursed expenses to be recorded as a reduction to the original expenditure if reimbursed expenses exceed the amount budgeted for reimbursements as line item revenue.

Reimbursed expenses generally should not include ordinary items of income that the city or county knows it will receive in the normal course of business. A reimbursed expense must meet the following criteria: 1) the expenditure must be made in the Current Budget Year on behalf of the payee (i.e., the person reimbursing the municipality); 2) the purchase should be identifiable as a benefit to the payee; and 3) the amount of the reimbursed expense should be related to the expenditure amount.

Not all funds require a budget for the Proposed Budget Year but a fund page must still be prepared. All municipality funds are subject to the budget law and must be included in the budget document. However, some funds do not require a budget in order to be spent.

Even though such funds are not required to present budgeted receipts and expenditures for the Current Year Estimate and Proposed Budget Year; a fund page is still required. For these funds, the fund page would contain only the column of information for the Prior Actual Year. (K.S.A. 79-2926)

The governing body must give notice and conduct a public hearing for the purpose of answering questions of taxpayers about the proposed budget. Before the annual budget is certified to the County Clerk, a public hearing on the proposed budget must be held. The public hearing is an opportunity for citizen input into the budget process. At least one public official must be present to hear the public's comments. The public hearing does not have to be an official meeting of the governing body but many times a regular meeting is used for the budget hearing. The Notice of Budget Hearing must be published, along with a summary of the proposed budget, at least ten days prior to the date of the hearing for all budgets with total expenditures of \$500 or more. If the total expenditures are less than \$500, the Notice of Budget Hearing is all that needs to be published. (K.S.A.79-2929)

The budget document should be certified to the County Clerk by August 25. The Attorney General has ruled that all dates prescribed by the budget law are directory. (AGO 86-127) If this deadline cannot be met, contact the County Clerk to explain why the budget will be late and when the budget will be submitted. (K.S.A.79-1801)

County Clerk must attest to all budgets. All budgets must be attested (signed) by the County Clerk. This attestation includes validating the tax levies requested in the budgets. (K.S.A.79-2930)

The County Clerk must submit budgets to A & R. The County Clerk submits budgets for all municipalities in the county to A & R. Budgets should be sent as soon as all are available, but December 1st is the deadline for submission. (K.S.A.79-2930(b))

## **The Budget Document**

The budget document is a collection of forms and individual fund financial statements or fund pages. The budget forms are designed to satisfy specific budget law reporting requirements.

Budget Forms. The budget document contains the following required forms (or pages): Certificate, Computation to Determine Limit, Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes and Schedule of Transfers, Statement of Indebtedness, Statement of Conditional Lease-Purchase and Certificate of Participation, fund pages, and Notice of Budget Hearing and Budget Summary.

*For some municipalities, one or more of these forms might not apply. The forms must still be submitted as part of the budget document. For example, a municipality may have no outstanding indebtedness, but the Statement of Indebtedness, must be included. In this case, write "None" on the face of the form and include the form in the budget document.*

- Certificate. A Certificate is required for all budgets. The Certificate provides summarized expenditure and tax levy information for the Proposed Budget Year and serves as a table of contents for the budget document.
- Computation to Determine Limit. The Computation to Determine Limit is the computation to determine the maximum dollar amount of tax levy by municipality can levy without passing an ordinance or resolution as required by K.S.A. 79-2925b.
- Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes. Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes shows the allocation of the three taxes to all funds that levied a tax the previous year.
- Schedule of Transfers. This form is used to determine that all transfers are authorized and traceable from the transferring fund to the receiving fund.
- Statement of Indebtedness. This statement lists all outstanding debt at the beginning of the current year plus any new or proposed issues. The following types of debt must be included in this statement: 1) general obligation bonds; 2) revenue bonds; 3) no-fund warrants; 4) temporary notes; and 5) infrastructure loans.
- Statement of Lease-Purchases and Certificates of Participation. This statement lists all outstanding lease-purchase contracts and certificates of participation at the beginning of the current year.
- Fund Pages. An individual fund financial statement, or fund page, is required for each fund. The fund page contains three columns: Prior Budget Year, Current Budget Year, and Proposed Budget Year. The fund page for a budgeted fund is a three-year comparative financial statement showing the beginning balance, receipts, expenditures, and ending balance for each of the three years. Non-budgeted fund may have the same three columns or only one column for showing the actual year for receipts and expenditures.
- Notice of Budget Hearing/Budget Summary. This form has two important segments: the notice of budget hearing and the budget summary. The form must be published in a local newspaper for the purpose of giving taxpayers notice of the required budget hearing. The notice of budget hearing segment gives the time, date, and location of the hearing. The budget summary segment includes total expenditures and amount of ad valorem tax from the fund pages, actual tax levy rates for prior year actual and current year estimate columns, estimated tax rates for the proposed budget year column, assessed valuations for all columns, and outstanding indebtedness for all columns.

## Consolidating Funds

Some municipalities should consider consolidating funds. For example, some municipalities use a separate fund to account for employee benefit expenditures. These expenditures can easily be accounted for as a line item in the general fund. Reducing the number of funds can increase spending flexibility and reduce the complexity of the budget and accounting systems. Appendix A has more information about consolidating funds.

## General Timetable for Preparing Budget Document

Preparation of the annual budget starts with completing the fund pages and ends with the notice of budget hearing and budget summary. The budget should be completed and submitted to the County Clerk by August 25th with the Clerk submitting all the County's budgets by December 1st. To meet this deadline the following timetable shows the last date to complete various steps:

January 1st	Obtain prior year actual receipts and expenditures from accounting records and documents put them into the proper fund category. Ensure fund ending balances agree with the total unencumbered cash balance as of December 31st. Unencumbered cash is: all cash on hand, money in saving accounts, money in reconcile check balances, certificate of deposits, and money market accounts. If balances do not agree, then determine why and take corrective action.
Prior to July 1st	Review current year receipts and expenditures to date, and projected receipts and expenditures for the remainder of year. Start developing next year budget based on trend analysis and planned projects.
July 1st	Gather budget information
July 1st	Prepare first draft of fund pages (one for each fund)
July 31st	Prepare working draft of complete budget for review by governing body
August 5th	Finish budget and publish notice of budget hearing and budget summary
August 15th	Hold hearing and adopt budget
August 25th	Certify (submit) budget to County Clerk
December 1st	County Clerk submits all budgets to A & R

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## GATHERING BUDGET INFORMATION

Information from a variety of sources must be accumulated prior to completing the budget document. This chapter will discuss the types and sources of information that may be required. All information should be available by July 1st so budget deadlines can be met.

### SOURCES OF INFORMATION

#### **County Clerk**

County Clerk's Budget Information – Report supplies valuation and other information necessary to complete the budget forms. All information should be received by July 1. See Appendix B for sample format. (K.S.A. 79-5a27)

Valuation Information as of July 1st - The July 1st valuation information of property within the municipality used as a basis for levying taxes.

- Computation to Determine Limit utilizes total assessed valuation, new improvements, territory annexed, and property that have changed in use.
- Budget Summary uses total assessed valuation to compute estimated levy rates.

Personal Property excluding oil, gas, and mobile homes for the current year – The personal property valuation needed on Computation to Determine Limit.

Actual Tax Rates Levied for the current Budget – The individual funds with a tax levy and the rates are shown.

- Actual Tax Levy Rate (Mills) - Used on the Budget Summary as the actual tax levy rate for each fund with a tax levy in the Current Year Estimate column.

Final Assessed Valuation from the November 1st from prior year Abstract – The valuation certified on the November 1st abstract.

Personal Property excluding oil, gas, and mobile homes for prior year – The valuation of personal property as of July 1st, used to determine if there is an increase in personal property.

- Computation to Determine Limit utilizes the personal property for prior year.

Gross Earnings (Intangible) Tax Estimate - The intangible tax is a tax upon earnings derived from money, notes and other evidences of indebtedness. This revenue is budgeted in the general fund.

Neighborhood Revitalization District: Valuation Subject to Rebates - The valuation and rebate information related to programs for rebating taxes to owners of property within a neighborhood revitalization district under K.S.A. 12-17,114 is needed. The rebates are based only on the valuation of new improvements to the property. Rebates will be made to taxpayers who qualify and apply for a rebate. The estimated rebate amounts should be budgeted as expenditure for all funds with a tax levy, based on the individual fund levy rates. If the expenditure rebate is not budgeted in the funds, a cash shortage may occur.

### **County Treasurer**

County Treasurer's Annual Report – Report provides information on tax distribution by the categories and amounts of tax money distributed for each fund with a tax levy. The report is provided to the municipality receiving any distribution during the prior year. This information is used in preparing the fund pages for funds with a tax levy. This report must be furnished to each municipality by February 15. See Appendix C. (K.S.A.19-508a)

County Treasurer's Budget Information - Report provides various estimates of various revenues for the budget year. Motor, Recreational and 16/20 M Vehicle Tax estimates are due by May 20th. All other estimates must be available by July 1. The report must be furnished by July 1st. See Appendix D for a sample report. (Various Statutes)

Ad Valorem Taxes – The amount received from the ad valorem tax. The ad valorem tax is certified to the County Clerk by the annual budget.

Delinquent Taxes – The amount received for previous years delinquent taxes. Delinquent taxes are those that were not paid in a timely manner to the county.

Motor Vehicle Tax – Must be allocated to every fund that levied a tax in the previous year budget. Use the Allocation of Motor (MVT), Recreational (VRT) & 16/20M Vehicle Taxes table to allocate this revenue to the funds. The table will be discuss in more detail in the Preparing the Budget Documents section. The amount received when taxpayers register their motor vehicles. This tax is based on the value of the vehicle and the previous year's countywide average levy. (K.S.A. 79-5111)

Recreational Vehicle Tax – Must be allocated to every fund that levied a tax in the current year budget. Use Allocation of Motor (MVT), Recreational (VRT) & 16/20M Vehicle Taxes table to allocate this revenue to the funds. The table will be discuss in more detail in the Preparing the Budget Documents section. The amount received when taxpayers register their RV's. The tax is assessed by weight of the RV. (K.S.A. 79-5123)

16/20 Vehicle Tax – Must be allocated to every fund that levied a tax in the current year budget. Use Allocation of Motor (MVT), Recreational (VRT) & 16/20M Vehicle Taxes Form to allocate this revenue to the funds. The table will be discuss in more detail in the Preparing the Budget Documents section. The amount received when taxpayers register light trucks with a weight of 16,000 to 20,000 pounds. This tax is assessed like motor vehicle but is collected like an ad valorem tax, in December and June. (K.S.A.79-5105a)

Intangible Tax – The amount received from the gross earnings (intangibles) tax. The intangible tax is a tax on taxpayer's interest and dividends earned. Many municipalities no longer receive the intangible tax because the tax can be eliminated by a resolution of the governing body or by election. (K.S.A.12-1,101)

In Lieu of Tax – The amount received from businesses that have issued industrial revenue bonds. These businesses do not pay taxes but may be assessed an in lieu of tax to help pay for services.

Rental Excise Tax - The amount receive from excise tax on rental vehicles. The Department of Revenue collects the tax and distributes it to the County Treasurer on June 30th and November 30th. (K.S.A.79-5117)

Slider – The amount receive from business machinery and equipment, telecommunications, and railroad machinery tax reduction. The state treasurer shall pay to each county on or before February 15th and will expire in 2012. (K.S.A. 79-2978 and 79-2979)

Current Year Delinquency Percentage - This is the percent that the amount of delinquent taxes bears to the total taxes levied for the taxes that funded the Prior Year Actual budget. Delinquent taxes are taxes that were not paid in a timely manner. K.S.A. 79-2930 permits a maximum allowance of the actual rate plus 5%. This provision is optional.

- The delinquency percentage determines the maximum delinquency that is allowed.
- The fund pages for funds with a tax levy may use the delinquency percentage to determine the amount of tax to be levied.

Current Year Delinquency Percentage for Special Assessments – This is the percent of unpaid special assessments. Special assessments are compulsory charges made against certain properties to pay all or part of the cost of a specific capital improvement or service. This information is important when estimating the revenue from special assessments in a bond and interest fund.

**Municipality's Financial Records**

Budget printouts reports from the accounting system or the annual audit report. If these are not available, prepare a budget worksheet for each fund.

Current Year Budget has information necessary to complete the new budget forms.

**Debt Information:**

Bond Register - Shows bond payments for the current and budget years and the amount outstanding on January 1 of the current year.

Lease Purchase Agreement - Shows payments for the Current and Proposed Budget Years. The amortization schedule shows the amount outstanding on January 1 of the current year.

**New or Proposed Bond Issue**

- For issues during the current year use the printout from the State Treasurer that shows the required information.
- For proposed issues contact the bond attorney or estimate the payments.

Revenue Bond Ordinance or Resolution - Review to determine budget requirements for all revenue bond issues. Many times reserves are required.

Infrastructure Loans and Temporary Notes - Review the loan agreement for the required payments.

**Budget Worksheets**

Budget worksheets can be used to convert the accounting records for the Prior Year Actual into the format needed to complete the fund sheets in the budget document if a computer printout or the annual audit is not available. Summarize each month's receipts and expenditures into the budget categories to be used in the fund sheets. Normally, the budget categories are the same as last year budget submission. Old categories that are no longer used or new categories can be added to meet the preparer's needs. A budget worksheet should be created for each fund used. See Appendix F for sample of a budget worksheet.

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## **FUND PAGES FOR FUNDS WITH A TAX LEVY**

The fund page serves as a financial statement for each fund, showing all receipts and expenditures as well as the beginning and ending balances. A fund is an independent fiscal and accounting entity under governmental accounting principles. Prepare a separate fund page for each fund maintained in the accounting records. The fund pages discussed in this chapter are for funds that have a tax levy.

K.S.A. 79-2926 requires the fund pages have three years in parallel columns: Prior Year Actual, Current Year Estimate and Proposed Budget Year. Preparing the first draft for all fund pages is the first step in completing the budget document. The fund pages can be prepared as soon as the prior year accounts are closed. The financial information for the prior year is used to complete column 1 of the fund page. Fund pages should be drafted for each fund by July 1st.

### **Fund Pages Vary in Complexity**

A fund page must be prepared for each fund with a tax levy. Some fund pages will be easier to prepare than others depending upon the complexity of the fund. For example, the fund page for the general fund will normally be the most complex because of the many different classifications of receipts and expenditures.

Since the general fund is usually more complex, we have a general fund page and a general fund detail page. The general fund page by itself can be used to show expenditure categories or the detail page can be used to show departmental expenditures. A detail page can be inserted into the budget spreadsheet for any fund if needed by the preparer. A&R budget spreadsheets allow lines to be inserted to meet the needs of the municipality.

### **Complete Fund Pages in Stages**

Normally, the fund pages are completed in three stages. In stage 1, complete the Prior Year Actual (YYYA) column for all fund pages. This can be done once the actual year has been balanced and the funds have been categorized. In stage 2, complete the Current Year Estimate (YYYC) column for all fund pages. Start by keying in last year budget information and adjusting for future forecasting of receipts and expenditures for the last six months of the budget year. In stage 3, complete the Proposed Budget Year (YYYP) column for all fund pages. Start by looking at how well did last year budget forecasting met receipts and expenditures expectation, adjusting for any short comings, and factor in any new equipment, construction, repairs, and utility or fuel cost.

**Fund Page for Funds With a Tax Levy**

Fund	Prior Year Actual YYYYA	Current Year Estimate YYYYC	Proposed Budget Year YYYYP
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Ad Valorem Tax		0	xxxxxxxxxxx
Delinquent Tax			
Motor Vehicle Tax			
Recreational Vehicle Tax			
16/20M Vehicle Tax			
Slider			
In Lieu of Tax (IRB)			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
<b>Total Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources Available:</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenditures:			
Neighborhood Revitalization Rebate			
Miscellaneous			
Does misc.exceed 10% of Total Expenditures			
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unencumbered Cash Balance Dec 31	0	0	xxxxxxxxxxx
YYYYA/YYYYC Budget Authority Amount:			Non-Appr Bal
Violation Budget Law for YYYYA/YYYYC:	<b>No</b>	<b>No</b>	Tot Exp/Non-Appr Bal
Possible Cash Violation for YYYYA:	<b>No</b>		Tax Required
		Del Comp Rate: 2%	0
		Amount of YYYYC Ad Valorem Tax	<b>0</b>

Page  
No.

**Stage 1 - Complete the Prior Year Actual Column (YYYA) for All Fund Pages**

The Prior Year Actual column for each fund page is a financial statement for the year just completed. The following information is needed for that financial statement: 1) Unencumbered Cash Balance January 1; 2) receipts; 3) expenditures; 4) Unencumbered Cash Balance December 31; and 5) Budget Authority (amount that was published for the fund). Each of these items is discussed below.

- Step 1. Fund Name will be linked from the input page of the spreadsheet.
- Step 2. Enter Unencumbered Cash Balance January 1st. This is the beginning cash balance as shown in the accounting records for the fund less encumbrances and accounts payable outstanding.

*Note: The Unencumbered Cash Balance Dec 31st in prior year budget should agree with the Unencumbered Cash Balance Jan 1st for the current actual budget year. If there is a difference, determine why the balance has changed.*

- Step 3. Enter the receipt categories and amounts. Generally, receipts should be categorized into the same classifications that appear in the budget document that was prepared in the previous year. The amounts are derived from the accounting records by using a budget worksheet, computer printout, or annual audit report. See Appendix F for a sample Budget Worksheet.

*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts. The spreadsheet already has a field to input the miscellaneous receipts and if that amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting receipt or adding a new receipt.*

- Step 4. The spreadsheet sums all of the receipts to determine the Total Receipts.

*Note: The Unencumbered Cash Balance January 1st is not included in the Total Receipts.*

- Step 5. The spreadsheet sums the Total Receipts and Unencumbered Cash Balance January 1st to determine the Resources Available.

- Step 6. Enter the expenditure categories and amounts. Generally, expenditures should be categorized into the same classifications that appear in the budget document that was prepared in the previous year. The amounts are derived from the accounting records by using a budget worksheet, computer printout, or annual audit report.

*Note: Outstanding encumbrances should be included in the expenditure amounts.  
Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures. The spreadsheet already has a field to input the miscellaneous expenditures and if that amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting expenditure or adding a new expenditure.*

- Step 7. The spreadsheet sums all expenditures to determine the Total Expenditures.
- Step 8. Spreadsheet computes the Unencumbered Cash Balance December 31st by subtracting Total Expenditures from Resources Available. The Unencumbered Cash Balance December 31 should agree to the municipality's accounting records cash balance for the fund.
- Step 9. The YYYY Budget Authority Limited Amount is linked from the input page for the budget authority amount that was published for the fund. If Total Expenditures exceed the budget authority amount, a red 'Yes' will appear to indicate a possible budget law violation.

*Note: Actual receipts and expenditures should always be recorded even if a Budget Law violation occurs.*

- Step 10. A possible Cash Violation for YYYY might occur if the Unencumbered Cash Balance Dec 31st is a negative amount. If this occurs, then a red 'Yes' will appear to indicate the possible violation of the Cash Basis Law.

*Note: Actual receipts and expenditures should always be recorded even if a Cash Basis Law occurs.*

To prevent the violations to the Budget and Cash Basis Law discussed in steps 9 and 10 from occurring, the municipality should have reviewed the budget in November to determine if the budget could be amended. If so, then the amend process should be taken before the violation occurs, but must be completed in time before or on December 31. Municipalities should also ensure that a fund has the cash resources available before creating any indebtedness. Please refer to the 'Amending the Budget' section for detailed information concerning the amendment process.

**Fund page for a fund with a tax levy after Stage 1**

Bond & Interest Fund	Prior Year Actual YYYYA	Current Year Estimate YYYC	Proposed Budget Year YYYYP
Unencumbered Cash Balance Jan 1	3,515	2,150	2,150
Receipts:			
Ad Valorem Tax	5,581	0	xxxxxxxxxxxxxxxx
Delinquent Tax	5		
Motor Vehicle Tax	2,729		
Recreational Vehicle Tax	17		
16/20M Vehicle Tax	20		
Slider			
In Lieu of Tax (IRB)			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
<b>Total Receipts</b>	<b>8,352</b>	<b>0</b>	<b>0</b>
<b>Resources Available:</b>	<b>11,867</b>	<b>2,150</b>	<b>2,150</b>
Expenditures:			
Principal	7,500		
Interest	2,212		
Commission	5		
Cash Basis Reserve			
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
<b>Total Expenditures</b>	<b>9,717</b>	<b>0</b>	<b>0</b>
Unencumbered Cash Balance Dec 31	2,150	2,150	xxxxxxxxxxxx
YYYYA/YYC Budget Authority Amount:	11,500	11,500	Non-Appr Bal
Violation Budget Law for YYYYA/YYC:	<b>No</b>	<b>No</b>	Tot Exp/Non-Appr Bal
Possible Cash Violation for YYYYA:	<b>No</b>		Tax Required
		Del Comp Rate: 2%	
		Amount of YYC Ad Valorem Tax	<b>0</b>

**Stage 2 - Complete the Current Year Estimate Column (YYYC) for All Fund Pages**

The same type of information entered in the Prior Year Actual column for all fund pages must also be entered in the Current Year Estimate column. However, there is a big difference between the information in these columns. The Prior Year Actual column contains *actual* receipts and expenditures for the *prior* year budget while the Current Year Estimate column contains some actual and *estimated* receipts and expenditures for the *current* year budget.

Step 1. Enter Unencumbered Cash Balance January 1st. This is the beginning cash balance as shown in the accounting records for the fund less encumbrances and accounts payable outstanding.

*Note: The amount for the Unencumbered Cash Balance December 31st from the Prior Year Actual YYYYA column should be carried over to the top of the next column.*

Step 2. Enter receipt amounts as found in last year budget Proposed Budget Year column with entering the Ad Valorem Tax amount found at the bottom of the column. Review receipts amounts to determine if the estimates should be adjusted based on actual receipts received in the current year.

*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts. The spreadsheet already has a field to input the miscellaneous receipts and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting receipt or adding a new receipt.*

Step 3. The spreadsheet sums all of the receipts to determine the Total Receipts.

*Note: Do not include Unencumbered Cash Balance January 1st in Total Receipts.*

Step 4. The spreadsheet sums the Total Receipts and Unencumbered Cash Balance January 1st for the Resources Available.

Step 5. Enter the expenditure amounts. Normally, the expenditures for the Current Year Estimate column will come directly from the budget prepared the prior year. Use the related fund page from the budget prepared the prior year and copy amounts directly from the Proposed Budget Year column. However, you can revise the estimates as long as the total expenditures for the fund do not exceed the adopted amount in the prior year or the resources available, whichever is less. Expenditures may exceed the amount originally adopted amount only if the fund budget has been amended.

*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures. The spreadsheet already has a field to input the miscellaneous expenditures and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting expenditure or adding a new expenditure.*

Step 6. The spreadsheet sums all expenditures to determine the Total Expenditures.

Step 7. The spreadsheet calculates and enters Unencumbered Cash Balance December 31st. This is computed by subtracting Total Expenditures from Resources Available. A negative Unencumbered Cash Balance December 31 should not occur; decrease expenditures to eliminate any negative amount. (K.S.A. 79-2927)

In stage 2, the main focus is to ensure the municipality has enough funds to meet the municipality needs for the current year. The preparer should be looking at how the first six month receipts and expenditures are holding up to the expectation. Next, relook at the forecast for the last six months to determine if the forecast should be changed to meet the municipality projected needs and adjust the budget accordingly for the current budget year. If the projections indicate the receipts will exceed projections coupled with the expenditures being reduced or some projects not being realized, the preparer could adjust the current budget column to create a reserve or allow the excess to flow to the unencumbered cash balance for use by the proposed budget year. Lastly, the preparer could decide not to make any adjustments to the current budget column.

Again, the main focus is to ensure the municipality has enough funds to meet its needs for the current budget year and to develop a realistic ending cash balance, so the excess funds could be passed to and budgeted in the proposed budget year. Passing of excess funds to the proposed budgeted year will allow for maximum spending authority. Please note that passing excess funds to proposed budgeted year does not prevent the current budget year from spending the excess funds. If it was later determine the current year needed to spend some or all of the excess funds that were passed, the current year could spend up to the budget authority. The impact to the proposed budget year would be a loss of income coupled with reduction of expenditures.

**Fund page for a fund with a tax levy after Stage 2**

Bond & Interest Fund	Prior Year Actual YYYYA	Current Year Estimate YYYC	Proposed Budget Year YYYP
Unencumbered Cash Balance Jan 1	3,515	2,150	749
Receipts:			
Ad Valorem Tax	5,581	7,023	xxxxxxxxxx
Delinquent Tax	5	10	
Motor Vehicle Tax	2,729	1,596	
Recreational Vehicle Tax	17	25	
16/20M Vehicle Tax	20	25	
Slider			
In Lieu of Tax (IRB)			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
<b>Total Receipts</b>	<b>8,352</b>	<b>8,679</b>	<b>0</b>
<b>Resources Available:</b>	<b>11,867</b>	<b>10,829</b>	<b>749</b>
Expenditures:			
Principal	7,500	8,500	
Interest	2,212	1,560	
Commission	5	20	
Cash Basis Reserve			
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
<b>Total Expenditures</b>	<b>9,717</b>	<b>10,080</b>	<b>0</b>
Unencumbered Cash Balance Dec 31	2,150	749	xxxxxxxxxxxxxx
YYYYA/YYYC Budget Authority Amount:	11,500	11,500	Non-Appr Bal
Violation Budget Law for YYYYA/YYYC:	<b>No</b>	<b>No</b>	Tot Exp/Non-Appr Bal
Possible Cash Violation for YYYYA:	<b>No</b>		Tax Required
		Del Comp Rate: 2%	
		Amount of YYYC Ad Valorem Tax	<b>0</b>

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**Stage 3 - Complete the Proposed Budget Year Column (YYYP) for All Fund Pages**

The same type of information entered in the first two columns for all fund pages must also be entered in the Proposed Budget Year column. The amounts entered in this column are receipt and expenditure estimates for the *Proposed Budget Year*.

Step 1. Enter Unencumbered Cash Balance January 1st. This is the amount calculated for Unencumbered Cash Balance December 31st in the Current Year Estimate column. This is the estimated cash available at the beginning of the budget year.

*Note: The amount for the Unencumbered Cash Balance December 31st from the Prior Year Actual YYC column should be carried over to the top of the next column.*

Step 2. Enter the receipt estimates.

The estimates for motor vehicle tax, recreational vehicle tax, 16/20M vehicle tax, and slider will be included in the County Treasurers Budget Information and will be available about July 1st.

The rental vehicle excise tax is, as the name implies, an excise tax on rental vehicles. The Department of Revenue distributes on June 30th and November 30th. Use the prior year receipts as a basis to determine the estimate for the proposed year. K.S.A. 79-5117

The other receipts are from local sources. Use the prior year receipts with adjustment for any known changes as a basis to determine the estimate for the proposed year.

*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts. The spreadsheet already has a field to input the miscellaneous receipts and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting receipt or adding a new receipt.*

Step 3. The spreadsheet sums all of the receipts to determine Total Receipts.

*Note: Do not include Unencumbered Cash Balance January 1st in Total Receipts.*

Step 4. The spreadsheet sums the Total Receipts and Unencumbered Cash Balance January 1st to determine Resources Available.

- Step 5. Enter the proposed expenditures. The expenditure estimates should be based on the prior year's actual and current year estimates with adjustments for any known changes.
- Note: A cash basis reserved is allowed in the Bond and Interest fund only. This is an amount of money needed to assure cash is available when the principal and interest payments are due. It is only in the proposed budget year column and is limited to one year principal and interest amount. (K.S.A. 10-113)*
- Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures. The spreadsheet already has a field to input the miscellaneous expenditures and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting expenditure or adding a new expenditure.*
- Step 6. An amount entered in the Non-Appropriated Balance field is voluntary, but the amount is limited to 5% of the Total Expenditure/Non-Appropriated Balance field. If the amount entered exceeds the statutory limitation, a statement 'Exceeds 5%' will appear and the field will turn red. To correct the error, you will need to reduce the amount to or under the statutory limitation. To determine the limit, divide the 'Total Expenditures' by 19. This is used primary to create a cash flow that can be used by the municipality before the January distribution of taxes by the County Treasurer. (K.S.A. 79-2927)
- Step 7. The spreadsheet calculates and enters Total Expenditures/Non-Appropriated Balance. This is the sum the two amounts for Total Expenditures and Non-appropriated Balance.
- Step 8. The spreadsheet calculates the Tax Required by subtracting Resources Available from Total Expenditures/Non-Appropriated Balance.
- Step 9. If a delinquency rate is used, delinquency amount is calculated by multiplying the rate times Tax Required. *Maximum allowance is actual delinquency rate (provided by County Treasure) plus an additional 5%. K.S.A 79-2930*
- Step 10. The Amount of YYYC Ad Valorem Tax is computed by summing the Tax Required and Delinquency Amount.
- Step 11. The Total Expenditures amounts for actual, current, and proposed budget year along with the Ad Valorem Tax for the proposed year are linked to the Budget Summary and Certificate pages.
- Step 12. Sequentially number the fund pages which will be linked to the Certificate page.

**Completed fund page for a fund with a Tax Levy**

Fund	Prior Year Actual YYYYA	Current Year Estimate YYYC	Proposed Budget Year YYYYP
Unencumbered Cash Balance Jan 1	3,515	2,150	749
Receipts:			
Ad Valorem Tax	5,581	7,023	xxxxxxxxxxxxx
Delinquent Tax	5	10	10
Motor Vehicle Tax	2,729	1,596	2,033
Recreational Vehicle Tax	17	25	13
16/20M Vehicle Tax	20	25	30
Slider			
In Lieu of Tax (IRB)			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
<b>Total Receipts</b>	<b>8,352</b>	<b>8,679</b>	<b>2,086</b>
<b>Resources Available:</b>	<b>11,867</b>	<b>10,829</b>	<b>2,835</b>
Expenditures:			
Principal	7,500	8,500	8,500
Interest	2,212	1,560	1,150
Commission	5	20	20
Cash Basis Reserve			3,500
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
<b>Total Expenditures</b>	<b>9,717</b>	<b>10,080</b>	<b>13,170</b>
Unencumbered Cash Balance Dec 31	2,150	749	xxxxxxxxxxxxx
YYYYA/YYC Budget Authority Amount:	11,500	11,500	Non-Appr Bal
Violation Budget Law for YYYYA/YYC:	<b>No</b>	<b>No</b>	Tot Exp/Non-Appr Bal
Possible Cash Violation for YYYYA:	<b>No</b>		Tax Required
		Del Comp Rate: 2%	
		Amount of YYC Ad Valorem Tax	<b>10,730</b>

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*Note: This form should only be used for those funds having authority to levy funds. If additional lines are needed for either receipts or expenditures, the spreadsheet will allow inserting the lines once the protection is taken off the spreadsheet. Once additional information has been added, verify the computation and ensure the links are still in place before proceeding*

## FUND PAGES FOR FUNDS WITH NO TAX LEVY

The fund page serves as a financial statement for each fund, showing all receipt and expenditure amounts as well as the beginning and ending balances. A fund is considered an independent fiscal and accounting entity under governmental accounting principles. Prepare a separate fund page for each fund maintained in the accounting records. The fund pages discussed in this chapter are for funds that have no tax levy.

There are two different type of funds that will use this type of fund page, budgeted and non-budgeted. A budgeted fund is a fund which normally charges a fee for services or receives some sales tax. An example of a fund which charges for services would be a utility fund such as water, which can be also referred to as an 'Enterprise Fund'. The taxpayers' approval of a quarter cent sale tax to support road improvements would be an example of a sales tax fund. The distinguishing characteristic of a budgeted fund is that all three budgeted years are required to be shown just as a tax levy fund. (K.S.A. 79-2926)

A non-budgeted fund is simply a fund that is only required to show the column for the actual budget year. All three columns may be completed if the governing body chooses to do so. If a non-budgeted fund has a cash balance, any receipts for the actual year or expenditures for the actual year, then a fund page should be completed and the fund should be listed on the Certificate and Budget Summary pages. Examples of a non-budget fund would be grants, donations, and reserve funds for equipment reserve or capital improvement. Additional examples of non-budgeted fund will be discussed in Section II for each municipality type.

The non-budgeted funds have two different forms to choose from for reporting of the funds. The first form is 'Funds With No Tax Levy' which shows all three columns and available to all spreadsheets. The second form is 'Non-Budgeted Funds' which only has one column for the actual year and is available on the county, city, and special district spreadsheets. The 'Non-Budgeted Fund' page will be discussed later in this section.

Normally, the fund pages are completed in three stages. In stage 1, complete the Prior Year Actual (YYYA) column for all fund pages. For budgeted and non-budgeted funds, this can be done once the actual year has been balanced and the funds have been categorized. In stage 2, complete the Current Year Estimate (YYYC) column for all fund pages. Applies only to the budgeted fund and you can start by keying in last year budget information and adjusting for future forecasting of receipts and expenditures for the last six months of the budget year. In stage 3, complete the Proposed Budget Year (YYYP) column for all fund pages. Applies for only the budgeted funds and start by looking at how well did last year budget forecasting met receipts and expenditures expectation, adjusting for any short comings, and factor in any new equipment, construction, repairs, and utility or fuel cost. For the proposed budgeted year, we would recommend balancing the fund to zero so as to allow for maximum spending authority.

**Stage 1 - Complete the Prior Year Actual Column (YYYA) for All Fund Pages**

The Prior Year Actual column in each fund page is a financial statement for that fund for the prior year just completed. The following information is needed for that financial statement: 1) Unencumbered Cash Balance January 1; 2) cash receipts; 3) expenditures; and 4) Unencumbered Cash Balance December 31st. Each of these items is discussed below.

Step 1. Fund Name. Enter the name of the fund in “\_\_\_\_\_ Fund” field.

Step 2. Enter Unencumbered Cash Balance January 1st. This is the beginning cash balance as shown in the accounting records for the fund less encumbrances and accounts payable outstanding.

*Note: Beginning Balance in Prior Year Actual column should agree with Beginning Balance in Current Year Estimate column on the fund page in the current year budget. If there is a difference, determine why the balance has changed.*

Step 3. Enter the receipt categories and amounts. Generally, receipts should be categorized into the same classifications that appear in the budget document that was prepared in the previous year. The amounts are derived from the accounting records by using a budget worksheet, computer printout, or annual audit report. See Appendix F for a sample Budget Worksheet.

*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts. The spreadsheet already has a field to input the miscellaneous receipts and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting receipt or adding a new receipt.*

Step 4. The spreadsheet sums all of the receipts to determine the Total Receipts.

*Note: Do not include Unencumbered Cash Balance January 1st in Total Receipts.*

Step 5. The spreadsheet sums the Total Receipts and Unencumbered Cash Balance January 1st to determine Resources Available.

Step 6. Enter the expenditure categories and amounts. Generally, expenditures should be categorized into the same classifications that appear in the budget document that was prepared in the previous year. The amounts are derived from the accounting records by using a budget worksheet, computer printout, or annual audit report.

*Note: Outstanding encumbrances should be included in the expenditure amounts.*  
*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures. The spreadsheet already has a place to input the miscellaneous expenditures and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting expenditure or adding a new expenditure.*

- Step 7. Spreadsheet sums all expenditures for the Total Expenditures.
- Step 8. Spreadsheet computes the Unencumbered Cash Balance December 31st by subtracting Total Expenditures from Resources Available. The Unencumbered Cash Balance December 31st should agree to the municipality's accounting records cash balance for the fund.
- Step 9. The YYYY Budget Authority Amount is linked from the input page for the budget authority amount that was approved by the govern body as found on the YYYY Certificate page. If the budget authority amount is less than the amount of the Total Expenditures, then a violation of the Budget Law occurred and a red 'Yes' will appear. A red 'No' will appear if no violation has occurred.

*Note: Actual receipts and expenditures should always be recorded even if a Budget Law violation occurs.*

- Step 10. Possible Cash Violation for YYYY might occur if the Unencumbered Cash Balance Dec 31st is a negative amount. If this occurs, then a red 'Yes' will appear to indicate the violation of the Cash Basis Law. A red 'No' will appear if no violation has occurred.

*Note: Actual receipts and expenditures should always be recorded even if a Cash Basis Law occurs.*

To prevent the violations to the Budget and Cash Basis Law discussed in steps 9 and 10 from occurring, the municipality should have reviewed the budget in November to determine if the budget could be amended. If so, then the amend process should be taken before the violation occurs, but must be completed in time before or on December 31st. Municipalities should also ensure that a fund has the cash resources available before creating any indebtedness. Please refer to the 'Amending the Budget' section for detailed information concerning the amendment process.

**Fund page for a fund with no tax levy after Stage 1**

**FUND PAGE FOR FUNDS WITH NO TAX LEVY**

Adopted Budget Water Fund	Prior Year Actual YYYYA	Current Year Estimate YYYC	Proposed Budget Year YYYP
Unencumbered Cash Balance Jan 1	20,216		
Receipts:			
Water charges	154,193		
Sales tax	4,512		
Late charges	1,030		
Interest on Idle Funds	1,055		
Miscellaneous	7,122		
Does miscellaneous exceed 10% of Total Receipts			
<b>Total Receipts</b>	<b>167,912</b>		
<b>Resources Available:</b>	<b>188,128</b>		
Expenditures:			
Personal Services	71,168		
Contractual Services	25,648		
Commodities	18,989		
Capital Outlay	20,149		
Sales Tax	5,439		
Transfer to Bond & Interest	24,145		
Transfer to General Fund	1,000		
Miscellaneous	2,400		
Does miscellaneous exceed 10% of Total Expenditures			
<b>Total Expenditures</b>	<b>168,938</b>		
Unencumbered Cash Balance Dec 31	19,190		

YYYYA/YYYC Budget Authority Amount: 210,695

Violation of Budget Law for YYYYA/YYYC:

Possible Cash Violation for YYYYA:

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**Stage 2 - Complete the Current Year Estimate Column (YYYC)**

The same type of information entered in the Prior Year Actual column for all fund pages must also be entered in the Current Year Estimate column. However, there is a big difference between the information in these columns. The Prior Year Actual column contains *actual* receipts and expenditures for the *Prior Year Actual* budget while the current year estimate column contains *estimated* receipts and expenditures for the *current* year budget.

There are two types of no levy fund pages, budgeted and non-budgeted. Budgeted funds are required to have stages 2 and 3 completed. Non-budgeted are not required to have stages 2 and 3 completed, but can be if the municipality desires too. Budgeted funds are those that charge fees (swimming pools, utilities, etc.) or receive sales taxes are required to complete all three columns.

Step 1. Enter Unencumbered Cash Balance January 1st. This is the beginning cash balance as shown in the accounting records for the fund less encumbrances and accounts payable outstanding.

*Note: Copy Unencumbered Cash Balance December 31st from the Prior Year Actual YYYYA column.*

Step 2. Enter receipt amounts as found in last year budget Proposed Budget Year column with entering the Ad Valorem Tax amount found at the bottom of the column. Review amounts to determine if the estimates should be adjusted based on actual receipts received in the current year.

*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts. The spreadsheet already has a place to input the miscellaneous receipts and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting receipt or adding a new receipt.*

Step 3. The spreadsheet sums all of the receipts to determine the Total Receipts.

*Note: Do not include Unencumbered Cash Balance January 1st in Total Receipts.*

Step 4. The spreadsheet sums the Total Receipts and Unencumbered Cash Balance January 1st to determine Resources Available.

Step 5. Enter the expenditure amounts. Normally, the expenditures for the current year estimate column will come directly from the budget prepared the prior year. Use the related fund page from the budget prepared the prior year and copy amounts directly from the Proposed Budget Year column. However, you can revise the estimates as long as the total expenditures for the fund do not exceed the amount originally published in the prior year or the resources available, whichever is less.

Expenditures may exceed the amount originally published only if the budget of that fund is amended.

*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures. The spreadsheet already has a place to input the miscellaneous expenditures and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting expenditure or adding a new expenditure.*

- Step 6. The spreadsheet sums all expenditures to determine Total Expenditures.
- Step 7. The spreadsheet calculates and enters Unencumbered Cash Balance December 31st. This is computed by subtracting Total Expenditures from Resources Available. A negative Unencumbered Cash Balance December 31st is not allowed; decrease expenditures to eliminate any negative amount. (K.S.A. 79-2927)
- Step 8. The YYYYC Budget Authority Amount is linked from the input page for the budget authority amount that was approved by the govern body as found on the YYYYC Certificate page. If the budget authority amount is less than the amount of the Total Expenditures, then a violation of the Budget Law occurred and a red ‘Yes’ will appear. A red ‘No’ will appear if no violation has occurred.

In stage 2, the main focus is to ensure the municipality has enough funds to meet the municipality needs for the current year. The preparer should be looking at how the first six month receipts and expenditures are holding up to the expectation. Next, relook at the forecast for the last six months to determine if the forecast should be changed to meet the municipality projected needs and adjust the budget accordingly for the current budget year. If the projections indicate the receipts will exceed projections coupled with the expenditures being reduced or some projects not being realized, the preparer could adjust the current budget column to create a reserve or allow the excess to flow to the unencumbered cash balance for use by the proposed budget year. Lastly, the preparer could decide not to make any adjustments to the current budget column.

Again, the main focus is to ensure the municipality has enough funds to meet its needs for the current budget year, but also to look at the possibility of passing along excess funds to the proposed budgeted year. Passing of excess funds to the proposed budgeted year will allow for maximum spending authority. Please note that passing excess funds to proposed budgeted year does not prevent the current budget year from spending the excess funds. If it was later determine the current year needed to spend some or all of the excess funds that were passed, the current year could spend up to the budget authority. The impact to the proposed budget year would be a loss of income coupled with reduction of expenditures.

**Fund page for a fund with no tax levy after Stage 2**

**FUND PAGE FOR FUNDS WITH NO TAX LEVY**

Adopted Budget Water Fund	Prior Year Actual YYYYA	Current Year Estimate YYYC	Proposed Budget Year YYYP
Unencumbered Cash Balance Jan 1	20,216	19,190	
Receipts:			
Water charges	154,193	140,000	
Sales tax	4,512	4,500	
Late charges	1,030	1,500	
Interest on Idle Funds	1,055	1,000	
Miscellaneous	7,122	1,000	
Does miscellaneous exceed 10% of Total Receipts			
<b>Total Receipts</b>	<b>167,912</b>	<b>148,000</b>	
<b>Resources Available:</b>	<b>188,128</b>	<b>167,190</b>	
Expenditures:			
Personal Services	71,168	50,000	
Contractual Services	25,648	30,000	
Commodities	18,989	20,000	
Capital Outlay	20,149	11,025	
Sales Tax	5,439	8,000	
Transfer to Bond & Interest	24,145	23,855	
Transfer to General Fund	1,000	1,000	
Miscellaneous	2,400	2,400	
Does miscellaneous exceed 10% of Total Expenditures			
<b>Total Expenditures</b>	<b>168,938</b>	<b>146,280</b>	
Unencumbered Cash Balance Dec 31	19,190	20,910	

YYYYA/YYYC Budget Authority Amount: 210,695

Violation of Budget Law for YYYYA/YYYC:

Possible Cash Violation for YYYYA:

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**Stage 3 - Complete the Proposed Budget Year Column (YYYP)**

The same type of information entered in the first two columns for all fund pages must also be entered in the Proposed Budget Year column. The amounts entered in this column are receipt and expenditure estimates for the *Proposed Budget Year*. Budgeted funds are required to complete this column.

Step 1. Enter Unencumbered Cash Balance January 1st. This is the amount calculated for Unencumbered Cash Balance December 31st in the Current Year Estimate column. This is the estimated cash available at the beginning of the budget year.

Step 2. Enter the Cash Receipts Estimates.

*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts. The spreadsheet already has a place to input the miscellaneous receipts and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting receipt or adding a new receipt.*

Step 3. The spreadsheet sums all of the receipts to determine the Total Receipts.

*Note: Do not include Unencumbered Cash Balance January 1st in Total Receipts.*

Step 4. The spreadsheet sums the Total Receipts and Unencumbered Cash Balance January 1st to determine Resources Available.

Step 5. Enter the proposed expenditures. The expenditure estimates should be based on the prior year's actual and current year estimates with adjustments for any known changes.

*Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures. The spreadsheet already has a place to input the miscellaneous expenditures and if the amount exceeds statute limitations, a message error will appear and will stay until the error is corrected by reducing the amount and adjusting a preexisting expenditure or adding a new expenditure.*

Step 6. The spreadsheet calculates and enters the Total Expenditures.

Step 7. The spreadsheet calculates and enters Unencumbered Cash Balance December 31st. This is computed by subtracting the Total Expenditures from Resources Available. In order to give the municipal the maximum spending authority, we would recommend the fund to be budgeted to zero. However, if the municipal would retain some of the resources available, in order to spend the remaining resources, a budget amendment will be necessary to increase the expenditure

limits. A negative Unencumbered Cash Balance December 31 is not allowed; decrease expenditures to eliminate any negative amount. (K.S.A. 79-2927)

**Completed fund page for a fund with no tax levy**

**FUND PAGE FOR FUNDS WITH NO TAX LEVY**

Adopted Budget Water Fund	Prior Year Actual YYYYA	Current Year Estimate YYYC	Proposed Budget Year YYYP
Unencumbered Cash Balance Jan 1	20,216	19,190	20,910
Receipts:			
Water charges	154,193	140,000	147,000
Sales tax	4,512	4,500	4,500
Late charges	1,030	1,500	1,500
Interest on Idle Funds	1,055	1,000	1,000
Miscellaneous	7,122	1,000	
Does miscellaneous exceed 10% of Total Receipts			
<b>Total Receipts</b>	<b>167,912</b>	<b>148,000</b>	<b>154,000</b>
<b>Resources Available:</b>	<b>188,128</b>	<b>167,190</b>	<b>174,910</b>
Expenditures:			
Personal Services	71,168	50,000	55,000
Contractual Services	25,648	30,000	34,000
Commodities	18,989	20,000	25,000
Capital Outlay	20,149	11,025	28,480
Sales Tax	5,439	8,000	6,000
Transfer to Bond & Interest	24,145	23,855	23,030
Transfer to General Fund	1,000	1,000	1,000
Miscellaneous	2,400	2,400	2,400
Does miscellaneous exceed 10% of Total Expenditures			
<b>Total Expenditures</b>	<b>168,938</b>	<b>146,280</b>	<b>174,910</b>
Unencumbered Cash Balance Dec 31	19,190	20,910	0

YYYY/YYC Budget Authority Amount: 21,695

Violation of Budget Law for YYYY/YYC:

Possible Cash Violation for YYYYA:

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**Fund Page for Funds With No Tax Levy**  
**Non-Budgeted Funds**  
 (Only the actual budget year shown)

Non-Budgeted Funds

(1) Fund Name:

(2) Fund Name:

(3) Fund Name:

(4) Fund Name:

0		0		0		0		
Unencumbered		Unencumbered		Unencumbered		Unencumbered		<b>Total</b>
Cash Balance Dec 31		Cash Balance Dec 31		Cash Balance Dec 31		Cash Balance Dec 31		0
Receipts:		Receipts:		Receipts:		Receipts:		
Total Receipts	0	Total Receipts	0	Total Receipts	0	Total Receipts	0	0
Resources Available:	0	Resources Available:	0	Resources Available:	0	Resources Available:	0	0
Expenditures:		Expenditures:		Expenditures:		Expenditures:		
Total Expenditures	0	Total Expenditures	0	Total Expenditures	0	Total Expenditures	0	0
Cash Balance Dec 31	0	Cash Balance Dec 31	0	Cash Balance Dec 31	0	Cash Balance Dec 31	0	0
							0	0

\*\*  
\*\*

\*\* Note: These two block figures should agree.

Page No.

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**Fund Page for Funds With No Tax Levy**

The Non-Budgeted Funds form is only used for non-budgeted funds which can be used in place of the Fund Page for Funds With No Tax Levy or in conjunction with the Fund Page With No Tax Levy form. Not all spreadsheets have this form within the spreadsheet package, but could be inserted in the budget by the preparer if so desired. If added to a spreadsheet, please remember to link the information to the Budget Summary and Certificate pages. The form was designed to hold information for five funds, but due to the size; the form has been reduced to fit the page.

Instructions for completing the ‘Non-Budgeted Funds’ form:

- Step 1. The fund names are entered on to the input page and linked to the Non-Budgeted Funds form page. Once a fund name has been entered on the input page, the Non-Budgeted Funds information is linked to the Budget Summary page and the Certificate page will show only ‘Non-Budgeted Funds’. When the budget hearing is conducted, the governing body should have non-budgeted funds detail readily available for discussion.
- Step 2. Enter Unencumbered Cash Balance January 1st. This is the beginning cash balance as shown in the accounting records for the fund less encumbrances and accounts payable outstanding.
- Step 3. Enter in the receipts for the non-budgeted fund.
- Step 4. The spreadsheet sums all the receipts entered to determine Total Receipts.
- Step 5. The spreadsheet will add the Total Receipts with the Cash Balance Jan 1st to determine Resources Available.
- Step 6. Enter in the expenditures for the non-budgeted fund.
- Step 7. The spreadsheet sums all the expenditures entered for the Total Expenditures and add across providing a total expenditures amount which is linked to the Budget Summary.
- Step 8. The spreadsheet will subtract the Total Expenditures from the Resources Available for the Cash Balance Dec 31st.
- Step 9. The spreadsheet adds across for the Cash Balances, Total Receipts, Resources Available, and Total Expenditures. The last two block amounts should agree as one is the total cash balance Dec 31st to last block which is cash balance Jan 1 plus resources available less total expenditures.

Fund Page for Funds With No Tax Levy  
The Completed Non-Budgeted Funds

Non-Budgeted Funds

(1) Fund Name:	(2) Fund Name:	(3) Fund Name:	(4) Fund Name:		
Equipment Reserve	Capital Improvement	Cemetery Donation	Federal Grant		
Unencumbered	Unencumbered	Unencumbered	Unencumbered	Total	
Cash Balance Dec 31	Cash Balance Dec 31	Cash Balance Dec 31	Cash Balance Dec 31	150,000	191,250
15,000	25,000	1,250	150,000		
Receipts:		Receipts:		Receipts:	
Transfer from Gen	Transfer from Water	Parsons family	Sewer replacement		
1,500	2,500	25	75,000		
Total Receipts	Total Receipts	Total Receipts	Total Receipts	79,025	
1,500	2,500	25	75,000		
Resources Available:	Resources Available:	Resources Available:	Resources Available:	270,275	
16,500	27,500	1,275	225,000		
Expenditures:		Expenditures:		Expenditures:	
Computer	Curbs replacement				
950	1,600				
Total Expenditures	Total Expenditures	Total Expenditures	Total Expenditures	2,550	
950	1,600	0	0		
Cash Balance Dec 31	Cash Balance Dec 31	Cash Balance Dec 31	Cash Balance Dec 31	267,725	**
15,550	25,900	1,275	225,000	267,725	**

\*\* Note: These two block figures should agree.

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## THE BUDGET DOCUMENTS

K.S.A. 79-2926 provides: “the director of accounts and reports shall prepare and prescribe forms for the annual budgets of all taxing subdivisions or municipalities of the state. Such forms shall show the information required by this act necessary and proper to disclose complete information as to the financial condition of such taxing subdivision or municipality, and the receipts and expenditures thereof, both past and anticipated.”

A & R created the following forms to meet statutory requirements and all municipalities are to use the forms in completion of the annual budget. USDs and Junior Colleges are to use the forms as created by the Department of Education for the annual budgets. These forms determine the tax levies and provide financial information to the public. They are used extensively by the Legislature, state agencies, and federal agencies to determine local tax effort and expenditure categories.

A & R has prepares the budget forms in Excel spreadsheet format. These Excel spreadsheets are available from A & R Internet Website at <http://da.ks.gov/ar/>. Once the information is entered into the spreadsheets, the information is linked to appropriate forms so as to complete the annual budget. Once completed, one should verify the accuracy of the completed forms.

This chapter will cover the municipality budget forms in completing the budget. The following instructions will provide insight as how to complete the forms, but in some cases, the spreadsheets will automatically complete the form for you.

**Municipality Budget Document** consists of the following forms:

- Computation to Determine Limit for YYYP Budget
- Allocation of Motor (MVT), Recreation (RVT), 16/20M Vehicles Taxes, and Slider Neighborhood Revitalization
- Schedule of Transfers
- Statement of Indebtedness
- Statement of Conditional Lease-Purchase and Certificate of Participation
- Fund Pages - See previous sections for instructions
- Budget Summary/Notice of Budget Hearing
- Certificate
- Amendment Instructions and Notice of Hearing

Budgets can be submitted electronically by e-mail, on a disk, or by paper to the county clerk. Paper submission requires printing two copies of each form used on the Excel spreadsheet. Additionally, each form of submission would require two copies of (1) the printed Certificate form signed by the Governing Body members, (2) a copy of the newspaper publication of the Notice of Budget Hearing with Affidavit of Publication, and (3) a copy of the resolution or published ordinance (cities only) to exceed the computed limit.

**COMPUTATION TO DETERMINE LIMIT FOR YYYY BUDGET**

		<b>Amount of Levy</b>
1. Total Tax Levy Amount in YYYY Budget	+ \$	_____
2. Debt Service Levy in YYYY Budget	- \$	_____
3. <b>Tax Levy Excluding Debt Service</b>	\$	_____
<b>YYYY Valuation Information for Valuation Adjustments:</b>		
4. <b>New Improvements</b>	+ _____	
<b>5. Increase in Personal Property for YYYY:</b>		
5a. Personal Property YYYY	+ _____	
5b. Personal Property YYYYA	- _____	
5c. Increase in Personal Property (5a minus 5b)	+ _____	
<b>6. Valuation of Annexed territory for YYYY:</b>		
6a. Real Estate	+ _____	
6b. State Assessed	+ _____	
6c. New Improvements	- _____	
6d. Total Adjustment	+ _____	
<b>7. Valuation of Property that has Changed in Use during YYYY:</b>		
7a. Real Estate	+ _____	
8. <b>Total Valuation Adjustment</b> (Sum of 4, 5c, 6d & 7a)		_____
9. Total Estimated Valuation July 1, YYYY		_____
10. <b>Total Valuation less Valuation Adjustment (9 - 8)</b>		_____
11. Factor for Increase (8 divided by 10)		_____
12. Amount of Increase (11 times 3)	+ \$	_____
13. <b>Maximum Tax Levy, excluding debt service, without Ordinance or Resolution (3 plus 12)</b>	\$	_____
14. Debt Service Levy in this YYYY budget	\$	_____
15. <b>Maximum Tax Levy, including debt service, without Ordinance or Resolution (13 plus 14)</b>	\$	_____

If the YYYY budget includes tax levies exceeding the total on line 15, you must adopt an ordinance or resolution to exceed this limit and attach resolution or published ordinance to this budget.

## Computation to Determine Limit for YYYP Budget

The Computation to Determine Limit for YYYP Budget shows the maximum tax levy that can be made without adopting an ordinance or resolution to exceed the limit. K.S.A. 79-5040 suspends all statutory fund levy limits, but for computation of the levy limit it does not apply. K.S.A. 79-2925b requires that an ordinance or resolution must be passed if the tax levies in the YYYP budget exceed the tax levy in the YYYC budget with certain adjustments. K.S.A. 12-3007 requires ordinances passed by cities to be published.

Information to complete this form comes from the County Clerk's Budget Information form, the previous year budget and the current budget from the bond & interest fund for ad valorem taxes amount. Once the County Clerk and the prior year budget information have been entered in the spreadsheet input page, the computation to determine levy limit will be computed awaiting the preparer's determination of the ad valorem taxes needed for the current year budget for the bond and interest fund.

Some municipalities include in the bond and interest fund the revenue bonds debt, which is okay as long as enough funds are transferred in the bond and interest fund to cover the revenue bonds debt.

- Step 1. Enter on the spreadsheet input page the amount of ad valorem taxes by fund from last year budget Certificate page. The bond and interest ad valorem taxes and the total ad valorem will be linked to lines 1 and 2 on the form.
- Step 2. Enter on the spreadsheet input page the information from the County Clerk's Budget Information for the YYYP Budget Form. Usually, the County Clerks has this information available around the 1<sup>st</sup> of July. This information is linked to the applicable areas on the form.
- Step 3. The form then calculates the maximum tax levy amount, excluding debt service.
- Step 4. The preparer completes the bond and interest fund page to determine the amount of ad valorem taxes needed. Once completed, the ad valorem taxes amount is linked to the Computation to Determine Limit form.
- Step 5. The spreadsheet calculates the maximum tax levy amount. A resolution or ordinance is required when the amount of ad valorem taxes on the Certificate page exceeds the maximum tax levy amount.
- Step 6. If a resolution or ordinance is required, then complete the resolution or ordinance that is attached to the spreadsheet. For a city, ensure the ordinance is published and attached the published ordinance to the budget. The resolution is only required to be passed by the governing body and attached to the budget.

**COMPUTATION TO DETERMINE LIMIT FOR YYYP BUDGET**

	<b>Amount of Levy</b>
1. Total Tax Levy Amount in YYYC Budget	+ \$ 81,810
2. Debt Service Levy in YYYC Budget	- \$ 7,023
3. <b>Tax Levy Excluding Debt Service</b>	<u>\$ 74,787</u>
<b>2006 Valuation Information for Valuation Adjustments:</b>	
4. <b>New Improvements</b>	+ <u>102,300</u>
<b>5. Increase in Personal Property for YYYC:</b>	
5a. Personal Property YYYC	+ <u>1,687,183</u>
5b. Personal Property YYYA	- <u>1,647,125</u>
5c. Increase in Personal Property (5a minus 5b)	+ <u>40,058</u>
<b>6. Valuation of Annexed Territory for YYYC:</b>	
6a. Real Estate	+ <u>310</u>
6b. State Assessed	+ <u>          </u>
6c. New Improvements	- <u>          </u>
6d. Total Adjustment	+ <u>310</u>
<b>7. Valuation of Property that has Changed in Use during YYYC:</b>	
7a. Real Estate	+ <u>40,551</u>
8. <b>Total Valuation Adjustment (Sum of 4, 5c, 6d &amp; 7a)</b>	<u>182,922</u>
9. Total Estimated Valuation July 1, YYYC	<u>19,189,221</u>
10. <b>Total Valuation less Valuation Adjustment (9 - 8)</b>	<u>19,006,299</u>
11. Factor for Increase (8 divided by 10)	<u>.00962</u>
12. Amount of Increase (11 times 3)	+ \$ <u>787</u>
13. <b>Maximum Tax Levy, excluding debt service, without Ordinance or Resolution (3 plus 12)</b>	<u>\$ 75,574</u>
14. <b>Debt Service Levy in this YYYP budget</b>	<u>10,722</u>
15. <b>Maximum Tax Levy, including debt service, without Ordinance or Resolution (3 plus 12)</b>	<u>\$ 86,296</u>

If the YYYP budget includes tax levies exceeding the total on line 15, you must adopt an ordinance or resolution to exceed this limit and resolution or published ordinance attach to this budget

**Allocation of Motor (MVT), Recreational (RVT), 16/20M Vehicle Taxes, and Slider Form**

**Allocation of Motor (MVT), Recreational (RVT), 16/20M Vehicle Tax & Slider**

Budgeted Funds for YYYY	Budget Tax Levy Amount for YYYY	Allocation for Year YYYY			
		MVT	RVT	16/20M Veh	Slider
		0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

County Treasurers Motor Vehicle Estimate	<u>0</u>			
County Treasurers Recreational Vehicle Estimate		<u>0</u>		
County Treasurers 16/20M Vehicle Estimate			<u>0</u>	
County Treasurers Slider Estimate				<u>0</u>
Motor Vehicle Factor	<u>0.00000</u>			
Recreational Vehicle Factor		<u>0.00000</u>		
16/20 Vehicle Factor			<u>0.00000</u>	
Slider Factor				<u>0.00000</u>

**Allocation of Motor (MVT), Recreational (RVT), 16/20M Vehicle Taxes, and Slider**

This table is used to allocate the motor, recreational, 16/20M vehicle taxes, and slider allocation to the funds with a tax levy as required by the law. The vehicle taxes and slider must be allocated to each fund with a tax levy in proportion to the tax levies in the current year budget. (K.S.A. 79-5110, 79-2978, and 79-2979)

The table computes the amount of tax for each fund and links the amount of tax to the applicable fund page. If this is the first time for a levy fund, then no allocation will be provided as a fund must have received ad valorem taxes in the previous year in order to receive any vehicle or slider taxes for the proposed year. The County Clerk provides the vehicle and slider estimates which usually comes out around the first of July. Once the preparer has the information entered on the input spreadsheet page, the information is linked to the table and automatically computed and in turn linked to the applicable fund page.

**Completing the Allocation of Motor, Recreational, 16/20M vehicle, and Slider taxes:**

Step 1. Enter in the spreadsheet input page the tax levy fund names and amounts from last year Certificate page. Additionally, enter in any new tax levy fund name that is created for the new proposed budgeted year.

*Note: The County Clerk's actual tax levy amount may be slightly different but there should be no material differences unless the County Clerk notified you of changes last fall.*

Step 2. Verify that the total amount for the table agrees with the current year budget total for all tax levies.

Step 3. Enter the County Treasurer's Budget Information for the motor, recreational, 16/20M vehicle taxes, and slider on the input page. Verify the amounts linked correctly to the table estimates.

Step 4. The spreadsheet will automatically computes the factors and taxes then links the taxes to the applicable fund page. Verify tax amount is linked correctly to the fund pages.

*Note: Some rounding may occur when computing the taxes.*

Remember that any new tax levy fund that is added for the YYYP budget year that no vehicle or slider taxes will be allocated.

K.S.A. 79-2978, Business machinery and equipment tax reduction assistance fund and K.S.A. 79-2979, Telecommunications and railroad machinery and equipment tax reduction assistance fund are better known as the slider. This is due because the taxes will be reduced each year starting in January 31 of 2007 through 2013.



**YYYP Neighborhood Revitalization Rebate**

Budgeted Funds for YYYC	YYYC Ad Valorem before Rebate	YYYC Mil Rate before Rebate	Estimate YYYP NR Rebate
<b>TOTAL</b>	<b>0</b>	<b>0.000</b>	<b>0</b>

YYYC Net Valuation (July 1 less NR Valuation) 0

Net Valuation Factor \_\_\_\_\_

Neighborhood Revitalization Subj to Rebate 0

Neighborhood Revitalization factor \_\_\_\_\_

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**Neighborhood Revitalization**

This table is used to approximate the amount of neighborhood revitalization rebate for each tax levy fund. The governing body of any municipality may designate any area within such municipality as a neighborhood revitalization area if the governing body finds that one or more of the conditions as described in subsection (c) of K.S.A. 12-17,115, and amendments thereto, exist and that the rehabilitation, conservation or redevelopment of the area is necessary to protect the public health, safety or welfare of the residents of the municipality. (K.S.A. 12-17,114)

If a municipality does not participate in the neighborhood revitalization, then this table should not be completed.

**Instructions for completing the Neighborhood Revitalization:**

- Step 1. The County Clerk Budget Information for YYYY Budget sheet will provide the July 1, YYYY valuation and neighborhood revitalization amount. This information will be entered into the spreadsheet input page which will link to the neighborhood revitalization table.
- Step 2. The neighborhood revitalization table will compute the factor by multiplying each amount by .001.
- Step 3. Complete the budget for all tax levy funds. This will generate the amount of ad valorem taxes for each fund on the Budget Summary page and provide the fund names for the neighborhood revitalization table.
- Step 4. Enter the ad valorem taxes amount from the Budget Summary page to the neighborhood revitalization table column YYYY Ad Valorem before Rebate.
- Step 5. The table computes the mil rate by dividing the ad valorem before rebate by the net valuation factor.
- Step 6. The table estimates the neighborhood revitalization rebate by multiplying the ad valorem before rebate by the mil rate computed in step 5.
- Step 7. The estimated neighborhood revitalization rebate amounts are then link to the applicable fund page expenditure block which the fund page then re-computes the ad valorem taxes. The fund page ad valorem taxes are then linked to the Budget Summary and Certificate pages.
- Step 8. Verify the rebate amounts are correct and the links were done correctly.

Do not complete this table if the municipality does not participate in the neighborhood revitalization program.

Note: If the neighborhood revitalization rebate amounts are used, this will increase the ad valorem tax for each of the tax levy funds. If the municipality had adjusted the ad valorem taxes to stay at or below the maximum ad valorem taxes before the rebate was computed, then municipality will have to adjust the ad valorem taxes again to stay at or below the maximum ad valorem taxes without passing a resolution or ordinance.

**YYYP Neighborhood Revitalization Rebate**

Budgeted Funds for YYYC	YYYC Ad Valorem before Rebate	YYYC Mil Rate before Rebate	Estimate YYYP NR Rebate
General	36,100	18.623	501
Bond & Interest	2,500	1.290	35
Library	1,975	1.019	27
TOTAL	40,575	20.931	563

YYYC Net Valuation (July 1 less NR Valuation) 1,938,479

Net Valuation Factor 1,938.479

Neighborhood Revitalization Subj to Rebate 26,890

Neighborhood Revitalization Factor 26.89

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The County Clerk provided the July 1 valuation of 1,965,369 and neighborhood rebate of 26,890.

Compute General mil rate before rebate:  $\frac{\text{Ad Valorem before Rebate}}{\text{Net Valuation Factor}} = \text{Mil Rate}$   $\frac{36,100}{1938.479} = 18.623$

Compute General Estimate NR Rebate:  $\text{Mil Rate} * \text{NR Factor} = \text{Estimate NR Rebate}$   $18.623 * 26.89 = 501$



fund pages. Non-budgeted funds are not required to show the current and proposed columns, but the transfer is still required to be shown on the schedule.

Step4. Enter under the heading Authorized by Statute with the statute which authorized the transfer of funds. If a fund is truly be closed, then ‘closure’ or K.S.A. 79-2958 or K.S.A. 10-117a could be used depending upon the what fund is being closed.

Step5. Adjustments occur for the current and proposed budgeted year only when the transfer expenditure does not appear in the Budget Summary totals. In the example, the Capital Improvement fund is transferring \$5,000 back to the General fund as the capital improvement project will not be done. An adjustment would be required since the Capital Improvement fund is a non-budgeted fund and not required to show the proposed budgeted year, then the \$5,000 transfer would not be reflected in the Budget Summary totals.

Step6. The Adjusted Totals are linked to the Budget Summary ‘Less: Transfers’ section to reduce the expenditures for the municipality.

*Note: Fund names as shown on the Schedule of Transfers should have the same names as found on the fund page, Certificate, and Budget Summary pages.*

**Schedule of Transfers**

<b>Fund Transferred From:</b>	<b>Fund Transferred To:</b>	<b>Actual Amount for YYYYA</b>	<b>Current Amount for YYYYC</b>	<b>Proposed Amount for YYYP</b>	<b>Transfers Authorized by Statute</b>
Water	General	10,000	10,000	10,000	12-825d
Cap Improve	General			5,000	12-1,118
	<b>Totals</b>	10,000	10,000	15,000	
	<b>Adjustments</b>			5,000	
	<b>Adjusted Totals</b>	10,000	10,000	10,000	

Note: Adjustments are only required if the transfer expenditure is not shown in the Budget Summary total.

**STATEMENT OF INDEBTEDNESS**

Type of Debt	Date of Issue	Date of Retirement	Interest Rate %	Amount Issued	Begin Amt Outstanding XXXC	Date Due		Amount Due XXXC		Amount Due XXXP	
						Interest	Principal	Interest	Principal	Interest	Principal
General Obligation:											
<b>Total G.O. Bonds</b>											
Revenue Bonds:											
<b>Total Revenue Bonds</b>											
Other:											
<b>Total Other</b>											
<b>Total Indebtedness</b>											

**Statement of Indebtedness** is used to record all existing indebtedness of the taxing subdivision and any anticipated issues with payments due in the budget year. There are three possible types of debt: general obligation bonds, revenue bonds, and other. The “other” category includes no-fund warrants, temporary notes, state revolving fund loans, firemen’s relief loans, and other debt.

General obligation principal and interest can be paid from a bond and interest tax levy or any other source. Revenue bond principal and interest can only be paid from the revenue source cited in the revenue bond ordinance. Other debt issues have to be analyzed individually to determine which fund should be used.

### Instructions for Statement of Indebtedness

Step 1. Enter under Type of Debt column the proper heading: general obligation, revenue bonds and other. Enter the title of each issue under the heading. Use Statement of Indebtedness in the current year budget for existing issues followed by any new or proposed issues.

*Note: If the municipality has no debt, write none on this page and submit with the budget.*

Step 2. Enter Issue Date, Interest Rate %, and Amount Issued from Statement of Indebtedness in the current year budget or the bond records for new issues. Use an estimate for proposed issues.

Step 3. Enter Amount Outstanding 1/1/YYYYC. The amortization schedule (payment schedule) will show this information. Proposed issues will show a zero.

*Note: The amount outstanding for each category will be linked to the Budget Summary page.*

Step 4. Enter Date Due - Interest and Principal. Copy from Statement of Indebtedness in the current year budget for issues outstanding as the beginning of the year, the bond records for new issues, and estimated dates for proposed issues. Usually interest is paid twice a year and principal once a year. Show the month and day the principal and interest are scheduled.

Step 5. Enter Amount Due YYYYC. The current year amounts can be copied from current year budget Statement of Indebtedness or the bond records. Proposed issues will not have payments in the current year.

Step 6. Enter Amount Due YYYP. The amortization schedule (payment schedule) will show the amounts for issues outstanding at the beginning of the year. For proposed issues the amount due will be an estimate. To ensure adequate funds are

available to make any required payments, do not underestimate possible payment requirements.

Step 7. Calculate and enter total by type of debt and total for all debt for the following columns: Amount Outstanding 1/1/YYYYC, Amount Due YYYYC, and Amount Due YYYYP.

Step 8. Post the principal and interest payments to the applicable fund pages. Ensure expenditures are listed on the fund pages the same way as identified on the Statement of Indebtedness.

Step 9. Post the total Amount Outstanding 1/1/YYYYC for each category to the Budget Summary page ‘Outstanding Indebtedness, January 1’ proposed column for YYYYC.

**Statement of Indebtedness**

Purpose of Debt	Issue Date	Date Of Retire	Interest Rate %	Amount Issued	Amount Outstanding 1/1/YYYYC	Date Due		Amount Due YYYYC		Amount Due YYYYP	
						Interest	Principal	Interest	Principal	Interest	Principal
General Obligation:											
*Sewer	10-25xx	10-xxxx	4.5	130,000	130,000	10-25	4-25	1,560	8,500	1,150	8,500
Total G.O.					130,000			1,500	8,500	1,150	8,500
Revenue Bonds:											
Water	8-01-xx	8-xxxx	5	40,000	30,000	2-1		2,700	5,000	2,250	5,000
Proposed Water	9-01-xx	9-xxxx	4	200,000		8-1	9-1	16,000	0	16,000	10,000
Total Revenue					30,000			18,700	5,000	18,250	15,000
Other:											
Temporary Notes	2/12/xx	2-xxxx	6	121,380	121,380	4-1 10-1	4-1 10-1	15,236	30,345	6,676	30,345
State Revolving Loan	8/15/xx	8-xxxx	4.5	200,000	200,000	Monthly	Monthly	9,000	10,000	8,550	10,000
Total Other					321,380			24,236	40,345	15,226	40,345
Total					481,380			51,700	55,345	41,530	65,345

\* This debt has both principal and interest payments due in April. The balance at the end of the calendar year plus the January 20 and March 20 tax distributions from the County Treasurer must be sufficient to pay the principal and interest.



**Statement of Conditional Lease-Purchase and Certificate of Participation** is used to record lease-purchase transactions under K.S.A. 10-1116b. Lease-purchase transactions are installment purchases with ownership transferring to the taxing subdivision at the completion of the agreement. **Transactions where there is no intent to purchase should not be shown.**

*All required information is from Statement of Conditional Lease-Purchase and Certificate of Participation in the current year budget or from the lease purchase contract(s).*

### **Instructions for Statement of Conditional Lease-Purchase and Certificate of Participation**

Step 1. Enter the description of the purchase in Item Purchased column. List the description in general terms such as copier, computer, etc.

*Note: If the municipality has no lease-purchase agreements, write none on this page and submit with the budget.*

Step 2. Enter Contract Date. Show the date the contract was executed.

Step 3. Enter Term of Contract (Months). Show the length of the contract stated in months.

Step 4. Enter Interest Rate %. Show the effective interest rate.

Step 5. Enter in Total Amount Financed (Beginning Principal). Show the total amount of the lease purchase.

Step 6. Enter in the Principal Balance On 1/1/YYYYC. Show the amount outstanding as of January 1 of the current year. The amortization schedule shows principal balance.

*Note: The principal balance total will be linked to the Budget Summary page.*

Step 7. Enter the Payments Due YYYYC and Payments Due YYYP. This is the sum of the monthly, quarterly, or semi-annual payments.

Step 8. Calculate and enter totals for the following columns: Principal Balance on 1-1-YYYYC, Payments Due YYYYC, and Payments Due YYYP.

Step 9. Post the lease payments to the applicable fund pages. Ensure the payments can be readily identifiable back to the Statement of Lease-Purchase.

**Statement of Conditional Lease-Purchase and Certificate of Participation \***

Item Purchased	Contract Date	Term of Contract (Months)	Interest Rate %	Total Amount Financed (Beginning Principal)	Principal Balance On 1/1/YYYYC	Payments Due YYYYC	Payments Due YYYYP
Copier - Appraiser	11-30-xx	36	15.1	5,450	1,758	2,024	
Computer - District Court	9-27-xx	36	7	12,892	336	360	
Motor Grader	12-12xx	60	5.9	120,000	120,000	21,315	25,655
EMT Radios	10/25xx	12	6.53	4,200	3,750	4,200	
Tractor	3/28xx	36	5.35	50,000	50,000	24,345	22,594
911 System	6/19xx	36	8	96,922	62,220	34,772	34,772
Totals					238,804	87,016	83,024

\* If the agreement is merely leasing/renting with no intent to purchase, do not list on this form because they are not lease-purchases.

**Notice of Budget Hearing**

The governing body of the \_\_\_\_\_ will meet on the \_\_\_\_ day of \_\_\_\_\_, YYYYC at \_\_ P.M., at \_\_\_\_\_ for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of YYYYC ad valorem tax. Detailed budget information is available at \_\_\_\_\_ and will be available at this hearing.

**Budget Summary**

Proposed Budget YYYP Expenditures and Amount of YYYYC ad valorem tax establish the maximum limits of the YYYP budget. Estimated Tax Rate\* is subject to change depending on the final assessed valuation.

Fund	YYYA		YYYYC		Proposed Budget YYYP		
	Prior Year Actual Expenditures	Actual Tax Rate*	Current Year Estimate of Expenditures	Actual Tax Rate*	Expenditures	Amount of YYYYC Ad Valorem Tax	Est Tax Rate*
Totals							
Less: Transfers							
Net Expenditures							
Total Tax Levied							
Assessed Valuation							
Outstanding Indebtedness, January 1							
	YYYYX		YYYA		YYYYC		
GO Bonds							
Revenue Bonds							
No-Fund Warrants							
Lease Purchase							
Principal							
Total							

\* Tax Rates are expressed in mills.

\_\_\_\_\_  
Clerk

**Notice of Budget Hearing and Budget Summary** is published in the local newspaper as required by K.S.A. 79-2929. The Notice of Budget Hearing and Budget Summary **must be** published at least ten days before the budget hearing. This form is very important as the published fund expenditures with the YYYC ad valorem tax amounts sets the spending limit and amount of taxes received for the municipality's Proposed Budget Year. Once the expenditure amounts have been published, the municipality's spending cannot exceed the published amounts for any budgeted fund.

- Step 1. Enter in the appropriate blanks at the top of the form, the name of the municipality time, date, and location of hearing; and location where the budget will be available prior to the hearing.
- Step 2. List the names of the funds with a tax levy first in Fund column. Follow with the funds with no tax levy.
- Step 3. From the fund pages, enter the following: Total Expenditures for YYYYA Prior Year Actual, YYYC Current Year Estimate, YYYP Proposed Budget Year and Amount of YYYC Ad Valorem Tax in the YYYP Proposed Budget column.
- Step 4. Enter Total Tax Levied, Actual Tax Rate\*, and Assessed Valuation in the YYYYA Prior Year Actual column and Outstanding Indebtedness, January 1, YYYYX. This information is taken from the current year budget, Budget Summary, YYYYA Budget or Estimate column and the County Clerk's Budget information.  
  
*Note: All columns move to the left when transferring numbers from one year's budget to the next.*
- Step 5. Enter Total Tax Levied, Actual Tax Rate\*, and Assessed Valuation in the YYYC Current Year column and Outstanding Indebtedness, January 1, YYYYA. This information is taken from the current year budget, Budget Summary, YYYC Proposed Budget column and the County Clerk's Budget information.
- Step 6. Enter Assessed Valuation for July 1, YYYC. This is on the County Clerk's Budget Information.
- Step 7. Calculate and enter Est. Tax Rate for the YYYP Proposed Budget Year column. This is Amount of YYYC ad valorem tax divided by the Assessed Valuation. Move the decimal three places to the right and enter the rate in Est. Tax Rate column. The General fund tax rate in the example is 73,316 divided by 3,983,188 which results in .01841, then move the decimal to get 18.41 mills.
- Step 8. Calculate and enter totals for all columns on the "Totals" line.

- 
- Step 9. Calculate and enter in the transfer amount for Less: Transfers. This is the sum of all transfers between funds that the expenditure is reflected in the YYYP column.
- Step 10. Calculate and enter Net Expenditures. This is Total Expenditures minus Less: Transfers.
- Step 11. Enter the Outstanding Indebtedness, January 1 in the Proposed Budget YYYP column from the Statement of Indebtedness and Statement of Conditional Lease-Purchase and Certificate of Participation Forms.
- Step 12. Verify all amounts on the budget summary are correct. Compare all amounts to the budget summary in the current year budget and verify amounts that are materially different.
- Step 13. Sign the form and arrange for publication.
- Step 14. **Once the Notice of Budget Hearing has been published, ensure the published amounts, date, time, and location of the meeting are in agreement with the Budget Summary information. Additionally, ensure there is at least 10 days between date of publication and when the meeting is to be held.**

*Note: The expenditure amount for YYYP and the amount of YYYC ad valorem tax should accurately reflect the municipality needs. If the amount of YYYC ad valorem tax or expenditures amounts for YYYP is too low, the only way to increase it is to republish the entire budget and schedule a new hearing. Once the municipality's budget has been submitted to the county clerk and the county clerk has set the mil level, then the only way to increase YYYP expenditure amounts is by a budget amendment. If either the expenditure amount or the amount of YYYC ad valorem tax is too high, the amounts can be reduced by action of the governing body with no additional publication. If amounts are changed, ensure the changes are reflected on the applicable fund page(s), Budget Summary and Certificate pages.*

*If a mistake is found on the published YYYP or YYYC columns, totals or the indebtedness section, republishing is not required as this is published for taxpayers' information. Be aware the taxpayers might question any errors found.*

**Notice of Budget Hearing**

The governing body of the City of Example will meet on the 20th day of August, YYYYC at 7 P.M., at City Hall for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of 2006 ad valorem tax.

Detailed budget information is available at City Hall and will be available at this hearing.

**Budget Summary**

Proposed Budget YYYP Expenditures and Amount of YYYYC ad valorem tax establish the maximum limits of the YYYP budget. Estimated Tax Rate\* is subject to change depending on the final assessed valuation.

Fund	YYYYA		YYYYC		Proposed Budget YYYP		
	Prior Year Actual Expenditures	Actual Tax Rate*	Current Year Estimate of Expenditures	Actual Tax Rate*	Expenditures	Amount of YYYYC Ad Valorem Tax	Est Tax Rate*
General	240,160	18.70	240,000	18.24	360,000	73,316	18.41
Bond & Interest	9,717	1.40	10,080	1.81	13,170	10,622	2.67
Employee Benefit	7,626		8,251		29,000		
Library	6,934	1.64	6,232	1.65	8,500	7,310	1.84
Special Highway	50,343		36,000		50,000		
Water	168,938		143,880		169,000		
Sewer	18,553		20,000		26,000		
Equipment Reserve	5,123						
Capital Impr Res							
Totals	507,394	21.74	464,443	21.70	655,670	91,248	22.92
Less: Transfers	25,145		34,855		34,030		
Net Expenditures	482,249		429,588		621,640		
Total Tax Levied	79,926		81,810				
Assessed Valuation	3,787,988		3,881,763		3,983,188		
<b>Outstanding Indebtedness, January 1</b>							
	<b>YYYYX</b>		<b>YYYYA</b>		<b>YYYYC</b>		
G O Bonds	40,000		35,000		30,000		
Revenue Bonds							
No-Fund Warrants							
Lease Purchase							
Total	40,000		35,000		30,000		

\* Tax Rates are expressed in mills.

Clerk

**CERTIFICATE**

To the Clerk of , State of Kansas

We, the undersigned, officers of

0

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditure for various funds for the year YYYY; and (3) the Amount(s) of YYYY Ad Valorem Tax are within statutory limitations.

		Page No.	YYYY	Adopted Budget	
			Expenditures	Amount of YYYY Ad Valorem Tax	County Clerk's Use Only
<b>Table of Contents:</b>					
Computation to Determine Limit for		YYYY	2		
Allocation of MVT, RVT, 16/20M Veh & Slider			3		
Schedule of Transfers			4		
Statement of Indebtedness			5		
Statement of Lease-Purchases			6		
<b>Fund</b>	<b>K.S.A.</b>				
General	12-101a	7			
Bond & Interest	10-113				
Special Highway					
<b>Totals</b>		x	0	0	
Budget Summary			0		
Neighborhood Revitalization			0		
Is an Ordinance required to be passed, published, and attached to the budget?					No

State Use Only  
 Received \_\_\_\_\_  
 Reviewed by \_\_\_\_\_  
 Follow-up: Yes \_\_\_ No \_\_\_

Clerk's Use Only  
  
 November 1st  
 Total Assessed  
 Valuation

Date Attested: \_\_\_\_\_, YYYYC

Assisted by: \_\_\_\_\_  
 Address: \_\_\_\_\_

\_\_\_\_\_  
 County Clerk

\_\_\_\_\_  
 Governing Body

**Certificate** is used to certify to the County Clerk that this is the adopted budget for the municipality. The Certificate page must be signed by at least one of the governing body members, but the optimum would have all the governing body sign. The County Clerk will use this page to compute the tax levy rates using the final assessed valuation prior to November 1.

### Instructions for Certificate

Step 1. Enter the name of the taxing subdivision, county, fund names, and statute reference on the spreadsheet input page. The information will be linked to the Certificate page.

*Note: Each fund with a tax levy should have an authorizing statute. The statutory reference can be copied from the Certificate in the current year budget or obtained from the authorized fund listing in the budget instructions. If a charter ordinance or resolution authorizes the fund, enter the ordinance or resolution number and attach a copy of the charter.*

Step 2. The page number for each page is linked from the individual fund pages. In order for the Certificate page to show the page number, the page numbers must be entered on each fund page.

Step 3. The proposed expenditures and ad valorem taxes are linked from the individual fund pages.

*Note: The fund expenditure on this form can never exceed the amounts published.*

Step 4. For all cities spreadsheet has a question: Is an Ordinance required to be passed, published, and attached to the budget? For all other municipalities the question is: Is a resolution required? Next block after the question will have either a 'No' or 'Yes' will appear. If no, then a resolution or ordinance is not required. If yes, then a resolution or an ordinance is required to be attached to the budget before submission to the County Clerk.

*Note: All city ordinances must be published. The published ordinance must be included with the certified budget. K.S.A. 12-3007*

Step 8. Enter the preparer's name and employer with address in the "Assisted by" section if the budget is prepared by someone who is not an employee or officer of the municipality.

Step 9 . The governing body should sign the Certificate form after the budget is adopted. We recommend all the governing body sign the budget, but we will accept the budget if only one signs it.

**Certificate**

**To The Clerk of Example County, State of Kansas**

We the undersigned officers of

**Municipality of Example**

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditure for the various funds for the year YYYY; and (3) the Amount(s) of YYYY ad valorem tax are within statutory limitations.

		YYYY Adopted Budget		County Clerk's Use Only
		Expenditures	Amount of YYYY Ad Valorem Tax	
Table of Contents:	Page No.			
Computation to Determine Limit for YYYY	2			
Allocation of MVT, RVT, 16/20M Veh & Slider	3			
Schedule of Transfers	3			
Statement of Indebtedness	4			
Statement of Conditional Lease, etc.	5			
Fund	K.S.A.			
General	12-101a	6	360,000	73,316
Bond & Interest	10-113	7	13,170	10,722
Employee Benefit	12-16,102	8	29,000	
Library	12-1220	8	8,500	7,310
Special Highway		9	50,000	
Water		9	169,000	
Sewer		10	26,000	
Equipment Reserve		10		
Capital Improvement Res		11		
Totals			655,670	91,248
Budget Summary		12		
Final Assessed Valuation				

Is an Ordinance required to be passed, published, and attached to the budget? No

State Use Only Received _____ Reviewed By _____ Follow-up Yes ___ No ___
---

Assisted by:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Governing Body

## ADOPTION OF THE BUDGET

Adoption of the proposed budget by the governing body establishes the maximum expenditure limit for the next year. This is the final step in the review of the budget proposals by the governing body, department heads, and the budget preparer. The steps leading to budget adoption may include informal briefings, formal presentations, and adoption of the budget with the submission of the certified budget to the county clerk by August 25th. (K.S.A. 79-1801)

### Informal Briefings

The governing body is usually briefed about various issues prior to the formal presentation. These may take the form of work sessions, written questions about the proposed budget, and meetings with the budget preparer. The governing body shall meet not later than August 1st of each year to start the budget process. (K.S.A. 79-2927)

### Formal Presentations

K.S.A. 79-2929 requires a public hearing. This is scheduled at the time the Notice of Budget Hearing/Budget Summary is published. This formal budget hearing must be held at least 10 days after the Notice of Budget Hearing was published and can be scheduled along with a regular meeting of the governing body. Time should be set aside to specifically address adoption of the budget. The hearing can also be a special meeting scheduled specifically for the purpose of adopting the budget. The hearing provides an opportunity for public input into the budget process. At least one public official must be present to hear the public's comments. Once the Notice of Budget Hearing has been published, review the publication to ensure the information matches the Budget Summary information.

- Step 1. A formal budget presentation by the budget preparer to explain the overall budget and addresses any major changes from the current year budget. Sometimes department heads and others are helpful in this presentation.
- Step 2. Allow time for input from the community so that any concerns will be addressed. There is no requirement that the budget document be changed as a result of input from the community.

### Adoption of the Budget

- Step 3. The governing body should adopt the budget or table adoption until a later date after the formal budget hearing is closed. Changes to the budget are permitted but the proposed expenditure and amount of YYYC ad valorem tax cannot be increased, unless the budget summary is republished and another hearing is held.

The necessary changes should be made to the budget document if reductions are made.

- Step 4. All governing body members present at the adoption of the budget should sign the Certificate page. This certifies to the County Clerk that this is the official budget as adopted.

### **Filing of the Budget**

- Step 5. Hardcopy Procedure: A minimum of two complete copies of the budget should be made. The copies should be assembled in page number order with the published budget summary as the last page. If any charter ordinances or resolutions are being used, attach a copy to the budget. *Do not include blank forms or instruction pages.*

Excel Spreadsheet Procedure: A minimum of two copies of the signed Certificate, published Notice of Budget Hearing, Affidavit of Publication, and published ordinance or resolution.

*Note: If the municipality levies exceed the computation on page 2, include a copy of the ordinance or resolution. Because all **city ordinances** must be published, the newspaper publication must be included with the certified budget.*

- Step 6. Hardcopy Procedure: File two copies of the completed budget with the County Clerk by August 25. One copy will be retained in the County Clerk's office and the other is sent to A & R. Check with the County Clerk on what procedures to follow relating to submitting computer spreadsheets.

Excel Spreadsheet Procedure: File two copies of the signed Certificate, published Notice of Budget Hearing, Affidavit of Publication, and published ordinance or resolution. Email the Excel file to [armunis@da.state.ks.us](mailto:armunis@da.state.ks.us) or submit a disk to the county clerk.

## TAX LEVIES AND TAX STATEMENTS

After the budgets are filed with the County Clerk, several things happen before the taxpayer receives the tax statement. The County Clerk will verify several items on the budget, the final valuation is determined, the final levy rate is set and then tax statements are prepared and mailed. The County Clerk will mail all of the County's budgets to Division of A&R by Dec 1st.

### County Clerk's Verification and Filing

#### Initial Review

- Step 1. Remove all blank pages and instruction pages from the budget and verify that all required pages are included. Staple the newspaper publication of the budget summary to a 8 ½" X 11" paper. If the newspaper publication does show the date published, then an Affidavit of Publication is not required.
  
- Step 3. Verify that there is a copy of the signed resolution (county/township/spec dist) or the newspaper publication of the ordinance (city) to exceed the levies in the YYYY budget if the levies exceed the computation on page 2.
  
- Step 4. Verify that at least one member of the governing body signed the Certificate page.

### Notice of Budget Hearing

The Notice of Budget Hearing must be published ten days before the hearing to give notice to the public. The Prior Year Actual YYYYA and the Current Year Estimate YYYYC are shown only for information and comparison but the Proposed Budget Year YYYYP expenditures and the YYYYC Ad Valorem Tax set the limits for the budget.

- Step I. Verify all funds are listed. The funds should be in the same order as the Certificate.
  
- Step II. Verify actual expenditures for the Prior Year Actual YYYYA, the Current Budget Year YYYYC and the Proposed Budget Year YYYYP and the Amount of YYYYC Ad ValoremTax.
  
- Step III. Verify the actual tax rate that was levied for the YYYYA and YYYYC columns. Compare the YYYYX tax levy rates with the YYYYA budget and the YYYYA tax levy rates with the YYYYC budget. The taxing entity should be advised if wrong rates are shown.

- Step IV. Verify the estimated tax rate that is needed to fund the Amount of YYYY Ad Valorem Tax. The rate is only an estimate and must be recalculated using the final valuation. The taxing entity should be notified if the rate is incorrect.
- Step V. Verify the total amount of tax levied for YYYYA and YYYYC budgets and the assessed valuations for these years.
- Step VI. Verify the assessed valuation for the YYYP column agrees with the County Clerks' Budget Information.
- Step VII. Verify that the Less: Transfers line agrees with the transfers included on the fund pages.
- Step VIII. Verify the outstanding debt as of January 1, YYYYX, and YYYYA. These should agree with the Notice of Budget Hearing from the YYYYC Budget.
- Step IX. Verify the lease purchase principal outstanding January 1, YYYYX and YYYYA. These should agree with the Notice of Budget Hearing from the YYYYC Budget.
- Step X. Verify the outstanding debt as of January 1, YYYYC. A Statement of Indebtedness is required when there is outstanding debt and a Lease Purchase Form is required when there are any lease purchases. Verify that the principal and interest payments are budgeted in a debt service fund and that they agree with Statement of Indebtedness.
- Step XI. Verify the lease purchase principal outstanding January 1, YYYYC. This should agree with the total on the Statement of Conditional Lease-Purchase and Certificate of Participation. Lease purchases must be budgeted in an operating fund. Payments from the bond and interest fund are not authorized.

**Notice of Budget Hearing**

The governing body of the City of Example will meet on the 20th day of August, YYYC at 7 p.m., at City Hall for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of YYYC ad valorem tax.

Detailed budget information is available at City Hall and will be available at this hearing.

**Budget Summary**

The Proposed Budget YYYYP Expenditures and Amount of YYYC Ad Valorem Tax establish the maximum limits of the YYYYP budget. Estimated Tax Rate\* is subject to change depending on the final assessed valuation.

Fund	YYYYA		YYYC		Proposed Budget YYYYP		
	Prior Year Actual Expenditures	Actual Tax Rate*	Current Year Estimate of Expenditures	Actual Tax Rate*	Proposed Budget Year Expenditures	Amount of 00 Ad Valorem Tax	Est Tax Rate*
I	II	III	II	III	II	II	IV
Totals							
Less: Transfers	VII		VII		VII		
Net Expenditures							
Total Tax Levied	V		V				
Assessed Valuation	V		V		VI		
Outstanding Indebtedness, January 1							
	YYYYX		YYYYA		YYYC		
G O Bonds	VIII		VIII		X		
Revenue Bonds							
No-Fund Warrants							
Lease Purchase Princ	IX		IX		XI		
Other							
Total							

\* Tax Rates are expressed in mills.

\_\_\_\_\_  
Clerk

**Fund Sheets**

- Non Appropriated Balances cannot exceed 5 percent of Total Expenditures and Non Appropriated Balance.
- Miscellaneous category is limited to 10 percent of the total of receipts and expenditures.
- Each sheet should be numbered.
- All sheets are accounted for. If missing, request copies from the municipality.
- Checking the remainder of the information is optional. Many County Clerks verify the entire page. If there are mistakes that will affect the amount of cash available to fund the budget, the municipality should be notified so corrective action can be taken.

**Final Budget Review at Levy Setting Time**

- Step 1. Enter the final valuation amount on the line provided at the bottom of the Certificate form.
- Step 2. Compute the levy rates for the funds with a tax levy and determine the total for each taxing subdivision.
- Step 3. Verify all rates. We recommend using a computer spreadsheet or having another staff member check them. Multiply each levy rate and the total levy rate times the total valuation for the district. The result should be very close to the certified levy amounts. Any significant differences should be identified.
- Step 4. If an ordinance or resolution was not adopted, verify that the total levy, excluding debt service, is less than or equal to the amount determined on the Computation to Determine Limit for YYYY page.
- Step 5. Enter levy rates and valuations on the tax levy sheet.
- Step 6. Sign Certificate and affix the county seal.
- Step 7. For hardcopy budgets submit a copy of the budget. For excel files, submit a copy of the Certificate, Notice of Budget Hearing, and Affidavit of Publication pages only and e-mail the file or send a copy of the disk if the budget was prepared on the budget spreadsheet. If a published ordinance or resolution is required for any budget, send a copy. The e-mail address is [armunis@da.state.ks.us](mailto:armunis@da.state.ks.us). Send all documents to Division of Accounts and Reports, 900 SW Jackson Street, Room 351, Topeka, Kansas 66612-1248.
- Step 8. Notify all taxing districts of the final valuation and tax levy rates.

- Notification of Taxing Subdivisions - If any levy amount must be reduced, the County Clerk must inform the taxing subdivision in writing at least seven days prior to making the change in the levies. (K.S.A. 79-1965)

### **Final Tax Levy Rate**

Amount of YYYY Ad Valorem Tax is the dollar amount levied. The County Clerk must finance the certified *amount* of ad valorem tax, see K.S.A. 79-1801 and 79-1803.

Final Valuation is the valuation determined in October and should include all changes that have been finalized at that point. Usually this value will be different from the July 1 value because the appraisal process continues until October. There is no provision for adjusting values until the Board of Tax Appeals has made a decision on pending cases. Penalty valuation is not included in the valuation used for setting levies.

*Note: Penalty valuation is the assessed valuation of personal property times the appropriate penalty percentage. K.S.A. 79-1422 specifies the penalty percentage for failure to report personal property as required by law.*

- Levy Rate is the result of dividing the Amount of Ad Valorem Tax by the Final Valuation, then moving the decimal three places to the right. This rate is stated in mills, which is \$1 of tax per \$1000 of assessed valuation.

### **Tax Statement**

The tax statement sent to the taxpayer is the result of the process of setting the levy rates for all the budgets. A tax statement should contain the following:

- Description of the property and assessed valuation
- Taxpayer name and address
- Tax levies by taxing subdivision
- Parcel number of property
- Total tax due along with the two payment amounts in December and June
- Information about due dates and what happens when taxes are not paid on time
- Stub to be mailed with each payment
- Notification that receipts will only be sent if requested by taxpayer

<b>2006 Real Estate Tax Statement</b>		<b>John R. Doe</b> Treasurer, Example County Example, Kansas 66YYY		Notice: Return one stub with remittance Real Estate Taxes may be paid in full or one-half by the due dates. If the first half is unpaid December 20, it draws interest at the statutory rate. All Real Estate bearing unpaid taxes is advertised and sold the First Tuesday in September and if not redeemed in two years is subject to Judicial Sale.																																												
AA-0168	004																																															
Description of Property:		Example City W1/2 Lt3, Blk 2, Less N 20'		<table border="1"> <thead> <tr> <th>Tax Entity</th> <th>Levy</th> <th>Tax Amount</th> </tr> </thead> <tbody> <tr> <td>State</td> <td>1.500</td> <td>3.50</td> </tr> <tr> <td>RU-Land</td> <td>3,500</td> <td>403</td> </tr> <tr> <td>RU-Bldg</td> <td>16,780</td> <td>1,930</td> </tr> <tr> <td>Total</td> <td>20,280</td> <td>2,333</td> </tr> <tr> <td>County</td> <td>43.859</td> <td>102.32</td> </tr> <tr> <td>City</td> <td>17.492</td> <td>40.81</td> </tr> <tr> <td>USD</td> <td>37.986</td> <td>88.62</td> </tr> <tr> <td>Library</td> <td>1.063</td> <td>2.48</td> </tr> <tr> <td>Total</td> <td>101.900</td> <td>237.73</td> </tr> <tr> <td colspan="3">Parcel No. 2030504026005000</td> </tr> <tr> <td colspan="3">Bill No. 004467</td> </tr> <tr> <td>Total Tax</td> <td>1st Half</td> <td>2nd Half</td> </tr> <tr> <td>237.73</td> <td>118.87</td> <td>118.86</td> </tr> </tbody> </table>			Tax Entity	Levy	Tax Amount	State	1.500	3.50	RU-Land	3,500	403	RU-Bldg	16,780	1,930	Total	20,280	2,333	County	43.859	102.32	City	17.492	40.81	USD	37.986	88.62	Library	1.063	2.48	Total	101.900	237.73	Parcel No. 2030504026005000			Bill No. 004467			Total Tax	1st Half	2nd Half	237.73	118.87	118.86
Tax Entity	Levy						Tax Amount																																									
State	1.500	3.50																																														
RU-Land	3,500	403																																														
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237.73	118.87	118.86																																														
John Jones 123 Main Street Example City, KS 12345																																																

Enclose only one portion with payment.  
YYYP Real Property Tax Statement 0044667

Enclose only one portion with payment.  
YYYP Real Property Tax Statement 0044667

Receipt will not be sent unless requested.

Receipt will not be sent unless requested.

ID# 2030504026005000  
Bill No. 004467

ID# 2030504026005000  
Bill No. 004467

Due 12/20/YYYYC 118.87  
Due 6/20/YYYYC 118.86

Due 12/20/YYYYC 118.87  
Due 6/20/YYYYC 118.87

John Jones  
123 Main Street  
Example City, KS 12345

John Jones  
123 Main Street  
Example City, KS 12345

**Information sheet**

K.S.A. 79-2006 requires a tax information sheet mailed to each taxpayer by first class mail. When the tax information form is returned for failure to find the addressee, the treasurer must make a diligent effort to find a forwarding address. This sheet must show:

- Taxing unit
- Assessed value of real property for this year and the previous year
- Tax due and a itemization of each taxing units mill levy for this year, the previous year and the percentage change, USD General Fund levies must be shown separately
- For agricultural land, the acreage and description of each parcel
- Tax information may be part of the tax statement or separate
- Tax information must be in the format prescribed by Director of Property Valuation

**Example Tax Statement**

**PROPERTY TAX INFORMATION SHEET**

THIS IS NOT A TAX BILL - IT IS FOR YOUR INFORMATION ONLY

Example County Treasurer

Tax Year: YYYY Tax Unit: 001

Date: 10/20/YYYYC

**Taxpayer Name and Address:**  
 John Jones  
 123 Main Street  
 Example City, KS 12345

**Property Description**  
 NW PLATT 60 SEC 15 TWP 489  
 LASKJJ D JFLIF DJKLDJLLLL  
 Parcel Id: YYY-xx-x-xx-xx-YYY-YYY-xx-x

**YOUR ASSESSED VALUE**

Property Class	YYA	YYC	Value Change	% Change
Residential*	\$ 16,089.00	\$ 16,089.00	\$ 0.00	0.00%
Total	\$ 16,089.00	\$ 16,089.00	\$ 0.00	0.00%

\* The first \$2,300 in residential assessed value is exempt from the Statewide USD Mill Levy.

**YOUR MILL LEVIES**

**YOUR TAXES**

Authority	YYA	YYC	%Chg	YYA	YYC	\$ Chg	% Chg
Statewide USD *	27.000	20.000	-25.93%	\$372.30	\$248.20	(\$124.10)	-33.33%
State	1.500	1.500	0.00%	\$24.13	\$24.13	\$0.00	0.00%
Example City	36.053	32.588	-9.61%	\$580.06	\$524.31	(\$55.75)	-9.61%
USD	20.418	21.112	3.40%	\$328.51	\$339.67	\$11.16	3.40%
County	36.668	37.193	1.43%	\$589.95	\$598.40	\$8.45	1.43%
Comm College	17.599	17.847	1.41%	\$283.15	\$287.14	\$3.99	1.41%
Library	6.378	6.588	3.29%	\$102.62	\$105.99	\$3.37	3.28%
Transit Authority	3.460	2.596	-24.97%	\$55.67	\$41.77	(\$13.90)	-24.97%
Total	149.076	139.424	-6.47%	\$2,336.39	\$2,169.61	(\$166.78)	-7.14%

**REVENUE FROM PROPERTY TAX LEVIES**

Taxing Authority	YYYC	YYYY	\$ Change	% Change
Statewide USD *	\$5,611,560	\$4,156,711	(\$1,454,849)	-25.93%
State	\$1,352,705	\$1,433,051	\$80,346	5.94%
Example City	\$22,946,271	\$21,920,747	(\$1,025,524)	-4.47%
USD	\$4,177,511	\$4,793,787	\$616,276	14.75%
County	\$33,067,320	\$35,532,968	\$2,465,648	7.46%
Comm College	\$11,201,049	\$12,005,020	\$803,971	7.18%
Library	\$5,647,839	\$6,180,680	\$532,841	9.43%
Transit Authority	\$2,202,150	\$1,746,234	(\$455,916)	-20.70%
Total	\$86,206,405	\$87,768,198	\$1,562,793	1.81%

**THIS IS NOT A TAX STATEMENT**

**Impact on Taxpayer**

Many times when a budget is being prepared, the question is raised about how a levy increase would affect the typical taxpayer. This is especially important when a change in levy rate is being considered.

**Example**

A city is considering increasing the levy by five mills and wants to know the effect on the taxpayers. We will assume that the average house is valued at \$100,000. The taxes would increase by \$57.50 if the city increased the levy by five mills.

Value of Property	\$100,000
Taxable Percentage (11.5% Residential, 30% Commercial)	11.5%
Taxable Value	\$11,500 (\$100,000 times 11.5%)
Mill Levy Increase	5 Mills
Tax (Taxable Value times Mill levy divided by 1000)	\$57.50 (11,500 times 5 divided by 1000)

**Computation of Tax for Proposed Tax Increase**

Value of Property	_____
Taxable Percentage (11.5% Residential, 30% Commercial)	_____
Taxable Value	_____
Mill Levy Increase	_____
Tax (Taxable Value times Mill levy divided by 1000)	_____

## AMENDING THE BUDGET

Municipalities are authorized by K.S.A. 79-2929a to amend budgets to spend money not in the original budget. The additional expenditures are to be made from existing revenue and cannot require additional tax levies. The revenue should be analyzed to be sure that the revenue source is required to be included in the proposed budget. State or federal grants do not require a budget amendment. A budget amendment is not required if the receipt results from a source exempt by statute from the budget law.

The budget can be amended when actual beginning balance exceeds the estimated beginning balance so that there is sufficient budget authority to use the excess balance.

The amending process can be done at anytime during the year, but must be completed before exceeding the municipality's budget authority. The last time amending the budget may occur is on or before the Dec 31 of the budgeted year. In order for a municipality to meet the Dec 31 deadline, the following must occur: forms completed, Notice of Budget Hearing published, budget hearing held, governing body certifies the amendment, and amendment sent to the county clerk.

### Preparation of the Budget Forms

- Step 1. Prepare a fund sheet showing two columns, Adopted Budget and Proposed Amendment, for each fund being amended. Refer to the instructions on completing the fund pages in this manual.
- Step 2. Prepare the Notice of Budget Hearing - Amending the \_\_\_\_ (year) Budget. Complete the blanks in the Notice of Budget Hearing section. The wording can be changed to include an explanation of why an amendment is required. List the funds being amended and enter the fund's adopted budget total under the heading Adopted Budget and the fund's proposed amendment total under Proposed Amendment. If more than one fund is being amended, show a total for all funds.
- Step 3. The Clerk must sign and publish the Notice of Budget Hearing Amending the \_\_\_\_ (year) Budget at least ten days before the budget hearing.
- Step 5. Prepare a Certificate form. Write Amended at the top of the form and show only the funds being amended. Show the fund's Proposed Amendment total for each fund. If more than one fund is being amended, show a total for all funds.

### Adoption and Filing of Amendment

- Step 1. Hold the hearing on amending the budget as scheduled in the publication (must be held on or before the Dec 31 of the budgeted year). Be prepared to explain why the amendment is required. The budget hearing can be at a

regular or special meeting, but must be done on or before December 31 of the budgeted year.

- Step 2. The governing body members who are present should sign the Certificate page if the amendment is adopted. The Certificate must be signed by at least one member of the governing body on or before the Dec 31 of the budgeted year.
- Step 3. Expedite sending two copies of the following forms to the County Clerk: Certificate signed by at least one member of the governing body. Individual fund page for each fund being amended. Publication of the Notice of Budget Hearing - a copy from the newspaper with an Affidavit of Publication or a copy from the newspaper which shows the date published.
- Step 4. County Clerk retains a copy and expedites sending the other copy to A & R.

**Amendment - Page for a Fund with a Tax Levy**

Adopted Budget

<u>Library Fund</u>	YYYP Adopted Budget	YYYP Proposed Amendment
Unencumbered Cash Balance January 1	704	755
Ad Valorem Tax	10,622	10,622
Delinquent Tax	10	1,385
Motor Vehicle Tax	2,033	2,500
Recreational Vehicle Tax	13	15
Insurance Reimbursement		
Interest on Idle Funds		
<b>Total Receipts</b>	12,678	14,522
<b>Resources Available</b>	13,382	15,277
Expenditures:		
Appropriation to Library Board	13,170	15,170
<b>Total Expenditures</b>	13,170	15,170
Unencumbered Cash Balance December 31	212	107

**Notice of Budget Hearing  
Amending the YYYY Budget**

The governing body of Example City will meet on the 10th day of November, YYYY at 7 P.M., at City Hall for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds. This amendment is required because the carryover balance is greater than anticipated and the funds are needed for increased health insurance costs.

Detailed budget information is available at City Hall and will be available at this hearing.

Fund	Adopted Budget YYYY			Proposed Amendment YYYY
	Actual Tax Rate	Amount of Tax to Be Levied	Expenditures	Expenditures
Library	2.67	10,622	13,170	15,170

Joe Smith, City Clerk

**AMENDED  
Certificate**

The Clerk of Example County, State of Kansas  
We the undersigned officers of  
Example City

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing, this budget was duly approved and adopted as the maximum expenditure for the various funds for the year YYYY; and (3) the Amount(s) of YYYYA ad valorem tax are within statutory limitations.

Table of Contents:		Page No.	YYYY Amended Budget		County Clerk's Use Only
			Proposed Amendment	Amount of YYYY Tax to be Levied	
Fund	K.S.A.				
Library	12-16,102	2	15,170	10,622	
Publication		3			

**Chapter II – Kansas Municipalities****Municipality**

In the previous chapter, we went through the Kansas municipalities' budget processes. In this chapter, we will be looking into unique dealings with a municipality. With that in mind, what is a Kansas' municipality?

Kansas statute K.S.A. 12-105a defines Municipality, 'means and includes county, township, city, school district of whatever name or nature, community junior college, municipal university, drainage district, cemetery district, fire district, and other political subdivision or taxing unit, and including their boards, bureaus, commissions, committees and other agencies such as, but not limited to, library board, park board, recreation commission, hospital board of trustees having power to create indebtedness and make payment of the same independently of the parent unit.'

What controls a Kansas' municipality?

Kansas statute K.S.A. 12-105b defines Governing body, 'means and includes the board of county commissioners, the governing body of a city, the township board (trustee, clerk, and treasurer), board of education or other governing body of a school district, board of trustees of a community junior college, board of regents of a municipal university, the body of a special district (such as a drainage, cemetery, fire or other) which has the power create indebtedness and is charged with the duty of paying the same, and the board, bureau, commission, committee or other body of an independent agency of a parent unit.'

The governing body acts for the municipality as authorized by the State constitution and laws. For most municipalities the Dillion Rule applies. The Dillion Rule basically states that the municipality authorization to act is due to those granted in express words by statute.

Now that you know what constitutes a Kansas' municipality and how it's govern, we will be looking at some unique processes for the governing body for applying to the municipalities' budget. The municipalities that we will be covering are; county, city, township, special districts, and recreation commission. For questions dealing with school districts or universities, please seek assistance from the Department of Education, website at [www.ksbe.state.ks.us](http://www.ksbe.state.ks.us), under School Finance Links.

## County

Information pertaining to Kansas' statutes dealing with counties is found in Chapter 18 and 19. If you are looking to see what counties are in Kansas, Chapter 18 is the place. Chapter 18 also provides as to how to change county boundaries and establish new counties. Chapter 19 provides insight to county officers and other unique subject matter areas. By no means are these the only two chapters in statute that deals strictly with county issues. County issues are strung through out the statutes dealing with other issues not mention in Chapters 18 and 19. To found other areas in the statutes, we suggest using the Legislative website at [www.kslegislature.org/legsrv-statutes/index.do](http://www.kslegislature.org/legsrv-statutes/index.do), for assistance.

### Home Rule

The Home Rule came into existence back in 1974 with statute K.S.A. 19-101. The Home Rule gave the authority for a county not to comply with the legislation when legislation does not apply in whole or part to all counties. K.S.A. 19-101a provides limitation on Home Rule powers and K.S.A. 19-101b provides how to charter out from acts of legislation. Before a county uses Home Rule to opt out of legislation, legal counsel should be requested to determine if Home Rule could be applied to the legislation. The League of Kansas Municipalities has additional information pertaining to the Home Rule in their book on 'Kansas Local Government Law' or from their website at: [www.lkm.org/](http://www.lkm.org/). Another good source to use would be Kansas Association of Counties website at: [Kansas Association of Counties](http://www.kansasassociationofcounties.org/).

### Home Rule versus Dillion Rule

Under the Dillion Rule before a county could act, it must have express written authority by statute. The Home Rule can be applied when the statute does not apply in whole or part for all counties. So the Dillion Rule should be followed by all counties unless the statute is not uniformed for all counties, then and only then could a county opt to use the Home Rule and charter out of the statute.

### Exception to the Budget Law

The budget law does not apply to certain types of municipalities that are related to counties. Such related municipalities include public libraries and county extension councils.

### Transfers

Following is a list of common transfers:

Sales Tax Revenue Transfers to County Road and Bridge Fund. Permit counties to transfer local sales tax revenue from the general fund to the road and bridge fund. (K.S.A. 12-196)

Sales Tax Revenue Pledged for Special Purposes. Permit counties to pledge revenue from local sales tax (in certain instances) resulting in transfers from the general fund to other funds. (K.S.A. 12-197)

Transfers to County Equipment Reserve Fund. Permit counties to transfer money from any fund that could purchase equipment to an equipment reserve fund. (K.S.A. 19-119)

Transfers to County Capital Improvement Fund. Permits counties to transfer money from any fund that could make improvement to a multi-year capital improvement fund. (K.S.A. 19-120)

Transfers to Equipment Reserve or Capital Improvement Fund for Road, Bridge, or Street Purposes. Permit counties to transfer money from a road, bridge or street fund to a related equipment reserve or capital improvement fund. (K.S.A. 68-141g)

Transfers to Special Highway Improvement Fund. Permit counties to transfer money from the fund that budgets for road, bridges or streets to a special highway improvement fund. The transfer is limited to 25% of the budget. (K.S.A. 68-590)

### **Funds Requiring Showing Only the Prior Year Actual**

The following list of funds is only required to show the Prior Actual Year column:

- County Equipment Reserve (K.S.A. 19-119)
- County Home Improvement (K.S.A. 19-2120)
- County Multi-year Capital Improvement (K.S.A. 19-120)
- Donations (K.S.A. 79-2925)
- Federal Grants (K.S.A. 12-1663)
- Prosecuting Attorneys' Training Fund (K.S.A. 28-170a)
- Reappraisal (tax levy authorized) (K.S.A. 79-1482)
- Risk Management Reserve (K.S.A. 12-2615)
- Special Assessment Equalization (K.S.A. 79-1608)
- Special Assessment (tax levy authorized) (K.S.A. 79-1808)
- Special Bridge (tax levy authorized) (K.S.A. 68-1135)
- Special Building (sale of county farm/home property) (K.S.A. 19-15,136)
- Special Highway Improvement (K.S.A. 68-590)
- Special Law Enforcement Trust Fund (K.S.A. 60-4117d (2))
- Special Liability Expense (tax levy authorized) (K.S.A. 75-6110)
- Special Recreation Facilities (K.S.A. 79-2925)
- Special Recreation Facilities Reserve (K.S.A. 79-2925)
- Special Refuse Disposal (K.S.A. 19-2661)
- Special Road and Bridge (tax levy authorized) (K.S.A. 68-559a)
- Special Road and Bridge Building (K.S.A. 68-141g)
- State Grants (K.S.A. 12-16,111)
- Workmen's Compensation Trust (K.S.A. 44-505b)

## **Budget Worksheets**

The receipts for funds with a tax levy are fairly uniform and will usually consist of many categories noted below. The receipt categories for funds with no tax levy consist of non-tax items and usually can be determined by reviewing the fund page in the current budget.

County Liquor Tax – One third of the tax goes to the general, special parks and recreation, and special alcoholic liquor funds if a county receives money for an establishment outside of the incorporated limits of a city. If the county receives a portion of the tax for cities with a population under 6,000, the entire amount must go to the special alcoholic liquor fund.

The amount received from tax levy on liquor served by the drink by clubs, caterers, and drinking establishments. All municipalities with these businesses within their boundaries should be receiving this revenue. The Department of Revenue distributes local alcoholic liquor taxes quarterly on March 15, June 15, September 15, and December 15. (K.S.A.79-41a04)

Sales Tax – The amount receive from a local tax on sales of goods or services. The Department of Revenue distributes sale tax monthly. Sales Tax must be deposited in the General Fund unless the election to levy designated another fund. (K.S.A.12-192e)

Special City and County Highway – Must be budgeted in the special highway, consolidated street, or the county road fund. Some counties must distribute part of the Special City and County highway revenue to townships. Payments are distributed by the Department of Transportation with payments occurring in January, April, August, and October. (K.S.A.79-3425)

## **League of Kansas Municipalities**

Budget Tip Bulletins – The League issues the ‘Special City and County Highway Fund’ (Distribution to the Cities including Estimated Redistribution from the Counties) and ‘Special City and County Highway Fund’ (Including County Equalization and Adjustment Fund) bulletins in June of each year to assist municipal officials in preparing the budgets. Website location for the League’s bulletin: [www.lkm.org/publications/budget-tipspop.html](http://www.lkm.org/publications/budget-tipspop.html)

## **Local Sources**

Fines – The amount received from payments for violation of laws or city ordinances. The maximum fines are set by ordinance but the municipal court judge determines the amount of the fines.

Franchise Fees – The amount received from utility or cable companies. Franchise fees are negotiated periodically in a franchise agreement, usually 2 to 5 percent of the receipts.

Licenses and Permits – The amount received from issuing licenses or permits, including beer license, dog and cat licenses, and building permits.

Other – The amount received from sources that do not have a specific category. If the amount exceeds ten percent of total receipts, add additional receipt categories. K.S.A. 79-2927 limits any miscellaneous category to ten percent.

Cancelled Encumbrances – This is not a receipt but a reduction of expenditures when a payment is applied to an encumbrance brought forward from a prior year and the actual payment amount is less than the amount of the encumbrance. The result is that a certain amount of the encumbrance will be “unused.” These “unused” encumbrance amounts are referred to as canceled prior year encumbrances. The full amount of the prior year encumbrance will become “unused” if the related purchase order is completely canceled.

Interest on Idle Funds – The interest income received from interest bearing checking accounts, savings accounts, or investments.

The budget worksheet for expenditures should show the categories of expenditures to be used on the fund sheets of the budget document. Review the previous budget to determine the categories which are currently used. To add new categories, delete existing categories, or change existing categories, consult with other municipal officials.

Prepare the budget worksheets, and then complete stage 1 of the fund sheets as discussed on pages 12 and 22. This can be done any time after the books are closed for the year and prior to June 30. See appendix F for example of the budget worksheet.

### **Filing of the Budget**

For those counties using excel spreadsheets with formulas, there are four different spreadsheets to select from our website: [Kansas Municipal Budget Forms, Manuals, etc.](#) The first two spreadsheets, county and county1 are designed for county’s budget submission. The other two, cons and county special district are designed to be used along with county or county1 spreadsheets.

The county spreadsheets come in different sizes and you select the one which best meets your need. The first spreadsheet listed as county is set-up for general, bond & interest, and road funds with additional 22 pages for tax levy funds, 10 funds with no tax levy, and 5 non-budgeted funds. County1 spreadsheet also has general, bond & interest, road, 22 funds with a tax levy and 10 funds with no tax levy, but in addition, it has twenty non-budgeted funds. Each spreadsheet has a second Certificate and Budget Summary page which allows the county to file special districts along with the county’s budget. The additional pages are designed to accommodate up to 29 special districts. These spreadsheets can be changed to meet your needs.

If you are a county that submits special districts on the county's budget, then you will need to submit either cons or county special district spreadsheet. The cons spreadsheet is set-up for one special district. If more than one special district is listed on the county's Certificate page, then one cons spreadsheet should be submitted for each one listed. Versus creating several different cons spreadsheets, you could use the county special district spreadsheet. The county special district spreadsheet can hold up to 29 different special districts. If these spreadsheets are to be used, please review the instruction page for each spreadsheet.

## City

Information pertaining to Kansas' statutes dealing with cities is found in Chapter 12. Cities of first, second and third class are found in chapters 13, 14, and 15 respectively. The majority of cities' issues is found in these chapters, but by no means are they the only chapters in statute that deals strictly with cities issues. City issues are strung through out the statutes. To found other areas in the statutes, we suggest using the Legislative website at [www.kslegislature.org/legsrv-statutes/index.do](http://www.kslegislature.org/legsrv-statutes/index.do), for assistance.

### Home Rule

The Home Rule came into existence back in 1961 by adding Article 12, section 5, 'Cities' powers of home rule' to the constitution. The difference between the county's Home Rule and the city's Home Rule is that county's authority was given by the legislative while the city's authority comes from the constitution. The constitution empowers the cities to determine their local affairs and government. When legislation does not apply in whole or part to all cities, then the cities can opt out of the legislation. Before a city uses Home Rule to opt out of legislation, legal counsel should be requested to determine if Home Rule could be applied to the legislation. The League of Kansas Municipalities has additional information pertaining to the Home Rule in their book on 'Kansas Local Government Law'.

### Home Rule versus Dillion Rule

Under the Dillion Rule before a city could act, it must have express written authority by statute. The Home Rule can be applied when the statute does not apply in whole or part for all cities. So the Dillion Rule should be followed by all cities unless the statute is not uniformed for all cities, then and only then could a city opt to use the Home Rule and charter out of the statute.

### Exception to the Budget Law

The budget law does not apply to certain types of municipalities that are related to cities. Such related municipalities include public libraries and boards of public utilities.

### Transfers

Following is a list of common transfers:

Sales Tax Revenue Pledged for Special Purposes. Permit cities to pledge revenue from local sales tax (in certain instances) which may result in transfers from the general fund to other funds. (K.S.A. 12-197)

City Utility Fund Transfers. Permit cities to transfer "surplus" money from a utility fund to any other fund. Also, permits transfers to related depreciation reserve fund. (K.S.A. 12-825d)

Transfers to Consolidated Street and Highway Fund. Permit cities to transfer money from the general fund or other operating funds for street and highway purposes to the consolidated street and highway fund. (K.S.A. 12-1,119)

Transfers to City Equipment Reserve Fund. Permit cities to transfer money from any fund that could purchase the equipment to an equipment reserve fund. (K.S.A. 12-1,117)

Transfers to City Capital Improvement Fund. Permit cities to transfer money from any fund that could make the improvement to a multi-year capital improvement fund. (K.S.A. 12-1,118)

Transfers to Equipment Reserve or Capital Improvement Fund for Road, Bridge or Street Purposes. Permit cities to transfer money from a road, bridge or street fund to a related equipment reserve or capital improvement fund. The transfer is limited to 25% of the budget. (K.S.A. 68-141g)

Transfers to Special Highway Improvement Fund. Permit cities to transfer money from the fund that budgets for roads, bridges or streets to a special highway improvement fund. The transfer is limited to 25% of the budget. (K.S.A. 68-590)

### **Funds Requiring Showing Only the Prior Year Actual**

The following list of funds is only required to show the Prior Actual Year column:

- Airport Revolving (K.S.A. 79-2925)
- Capital Projects (K.S.A. 12-6a16)
- City Multi-Year Capital Improvement (K.S.A. 12-1,118)
- City Equipment Reserve (K.S.A. 12-1,117)
- Donations (K.S.A. 79-2925)
- Federal Grants (K.S.A. 12-1663)
- Hospital Special Improvement (K.S.A. 13-14b12)
- Risk Management Reserve (K.S.A. 12-2615)
- Special Assessment (tax levy authorized) (K.S.A. 79-1808)
- Special Improvement (tax levy authorized) (K.S.A. 79-1950b, 13-10,140, 12-6a13)
- Special Law Enforcement Trust Fund (K.S.A. 60-4114d (2))
- Special Liability Expense (tax levy authorized) (K.S.A. 75-6110)
- Special Recreation Facilities Reserve (K.S.A. 79-2925)
- Special Road and Bridge Building (K.S.A. 68-141g)
- Special Services (K.S.A. 12-1674)
- State Grants (K.S.A. 12-16,111)
- Utility or Proprietary Reserve Accounts (K.S.A. 12-825d)

## Budget Worksheets

The receipts for funds with a tax levy are fairly uniform and will usually consist of many the categories noted below. The receipt categories for funds with no tax levy consist of non-tax items and usually can be determined by reviewing the fund page in the current budget. A typical fund with a levy may consist of the following categories:

Local Alcoholic Liquor – Must be budgeted as required by statute:

Cities under 6,000 Population - One half of the tax to general and special parks and recreation funds.

Cities over 6,000 Population - One third of the tax to general, special parks and recreation, and special alcoholic liquor funds.

The amount received from tax levy on liquor served by the drink by clubs, caterers, and drinking establishments. All municipalities with these businesses within their boundaries should be receiving this revenue. The Department of Revenue distributes local alcoholic liquor taxes quarterly on March 15th, June 15th, September 15th, and December 15th. (K.S.A.79-41a04)

Special City and County Highway – Must be budgeted in the special highway, consolidated street, or the county road fund. Some counties must distribute part of the Special City and County highway revenue to townships. The Department of Transportation distributes the payments in January, April, August, and October. (K.S.A.79-3425)

## League of Kansas Municipalities

Budget Tip Bulletins – The League issues ‘Special City and County Highway Fund’ (Distribution to the Cities including Estimated Redistribution from the Counties) in June of each year to assist municipal officials in preparing the budget.

## State Sources

Local Alcoholic Liquor – The amount received from a tax levy on liquor served by the drink by clubs, caterers, and drinking establishments. All municipalities with these businesses within their boundaries should be receiving this revenue. The Department of Revenue distributes local alcoholic liquor taxes quarterly on March 15th, June 15th, September 15th, and December 15th. (K.S.A. 79-41a04)

Sales Tax - The amount received from a local tax on sales of goods or services. The tax can be either a county or city tax. The Department of Revenue distributes sales tax monthly. Sales Tax must be deposited in the General Fund unless the election to levy designated another fund. (K.S.A. 12-192e)

## Local Sources

Fines – The amount received from payments for violation of laws or city ordinances. The maximum fines are set by ordinance but the municipal court judge determines the amount of the fines.

Franchise Fees – The amount received from utility or cable companies. Franchise fees are negotiated periodically in a franchise agreement, usually 2 to 5 percent of the receipts.

Licenses and Permits – The amount received from issuing licenses or permits, including beer license, dog and cat licenses, and building permits.

Other – The amount received from sources that do not have a specific category. If the amount exceeds ten percent of total receipts, add additional receipt categories. K.S.A. 79-2927 limits any miscellaneous category to ten percent.

Cancelled Encumbrances – This is not a receipt but a reduction of expenditures when a payment is applied to an encumbrance brought forward from a prior year and the actual payment amount is less than the amount of the encumbrance. The result is that a certain amount of the encumbrance will be “unused.” These “unused” encumbrance amounts are referred to as canceled prior year encumbrances. The full amount of the prior year encumbrance will become “unused” if the related purchase order is completely canceled.

Interest on Idle Funds – The interest income received from interest bearing checking accounts, savings accounts, or investments.

The budget worksheet for expenditures should show the categories of expenditures to be used on the fund sheets of the budget document. Review the previous budget to determine the categories which are currently used. Add new categories, delete existing categories, or change existing categories as needed with consulting the municipal officials concerning any changes to the new budget.

Prepare the budget worksheets, and then complete stage 1 of the fund sheets as discussed on Page 12 and 22. This can be done any time after the books are closed for the year and prior to June 30. See Appendix F for example of a budget worksheet.

## Filing of the Budget

For those cities using excel spreadsheets with formulas, there are four different spreadsheets to select from our website: [Kansas Municipal Budget Forms, Manuals, etc.](#)

City spreadsheet has general, bond & interest, four tax levy funds, Special Highway, five no tax levy funds, single no tax levy fund, and five non-budgeted funds.

City1 spreadsheet has general, bond & interest, ten tax levy funds, Special Highway, seven tax levy funds, three single no tax levy funds, and five non-budgeted funds.

City2 spreadsheet has general, bond & interest, ten tax levy funds, Special Highway, eleven no tax levy funds, four single no tax levy funds, and twenty non-budgeted funds.

City3 spreadsheet allows for four county inputs and has general, bond & interest, four tax levy funds, Special Highway, five no tax levy funds, single no tax levy fund, and five non-budgeted funds.

City4 spreadsheet allows for four county inputs and has general, bond & interest, ten tax levy funds, Special Highway, 11 no tax levy funds, four single no tax levy funds, and twenty non-budgeted funds.

The spreadsheets can be adjusted to meet the needs of the preparer.

## Township

Information pertaining to Kansas' statutes dealing with townships is found in Chapter 80. The major of townships' issues are found in this chapter, but by no means is it the only chapter in statute that deals strictly with townships' issues. Townships' issues are strung through out the statutes. To found other areas in the statutes, we suggest using the Legislative website at [www.kslegislature.org/legsrv-statutes/index.do](http://www.kslegislature.org/legsrv-statutes/index.do), for assistance.

### Home Rule

A township corporate power is different than from a city. The Kansas Constitution gave the city corporate power, but for township corporate power was given by statute K.S.A. 80-101 as a body politic and corporate with the ability to sue and be sued and make contracts for its use. Township does not have a home rule, so the Dillion Rule applies. The Dillion Rule basically states that the municipality authorization to act is due to those granted in express words by statute.

### Exception to the Budget Law

Exception to the budget law applies to any township in counties having the county road unit system which have annual expenditures of less than two hundred dollars. Additionally, does not apply to public libraries that are related to the township.

### Transfers

Following is a list of common transfers:

Transfer from the General Fund. In section 1, permits townships to transfer funds from the general fund to any other township fund. The general fund transfer can only occur if there is no general fund tax levy in the current budget year. Section 2, allows the townships to transfer money from the general fund to an equipment reserve fund. The transfer is limited to 25% of general fund budget if there is sufficient cash and budget remaining. (K.S.A. 80-1406b)

Transfer to Special Fire Protection Reserve Fund. Permit a township to transfer funds from a fire fund to special fire protection reserve fund. The transfer is limited to 25% of the fire fund budget if there is sufficient cash and budget remaining. (K.S.A. 80-1558)

Transfer to Special Machinery Fund. Permit townships to transfer money from a road fund to a special machinery fund. The transfer is limited to 25% of road fund budget if there is sufficient cash and budget remaining. (K.S.A. 68-141g)

**Funds Requiring Showing Only the Prior Year Actual**

The following list of funds is only required to show the Prior Actual Year column:

- Capital Projects (K.S.A. 12-6a16)
- Donations (K.S.A. 79-2925)
- Equipment Reserve (K.A.S. 80-1406b)
- Federal Grants (K.S.A. 12-1663)
- Special Liability Expense (tax levy authorized) (K.S.A. 75-6110)
- Special Machinery (K.S.A. 68-141g)
- Special Fire Protection Reserve (K.S.A. 80-1558)
- State Grants (K.S.A. 12-16,111)

**Township Annual Report**

All townships are required to prepare an annual report. (K.S.A.80-410(a)) The report forms have the same classifications as the budget forms. The annual report form and the county treasurer's distribution records are needed to prepare the fund sheet. Most classifications are preprinted on the fund pages. The completed report must be filed with the County Clerk by January 31<sup>st</sup>. The annual report and instructions are found at our website: <http://www.da.ks.gov/ar/muniserv/ReportForms/TwpAnnualRepW-formulas.xls>.

The township treasurer shall publish in a newspaper of general circulation in the township immediately following the annual settlement in December of each year. The published summary shows totals for categories of the receipts, expenditures and liabilities as of time the annual settlement completed. Additionally, the published summary shall include a statement that detail information is available for public inspection at the county clerk's office.

If the total of all expenditures is \$500 or less, the summary of receipts, expenditures and liabilities shall not be required to be published.

**Gathering Budget Information**

The County Clerk's Budget Information form is a little different for townships then it is for the other municipalities. Since some townships have a third class city in their corporate limits, an additionally column has been added to allow for the third class city's property valuation to be included. The third class city valuation (if entered on the input page of township spreadsheet with formulas) will be included on the Certificate and Budget Summary pages of the budget. See Appendix C for sample of County Clerk's Budget Information form.

The township annual report information is used to complete the actual column for the next year budget.

**Allocation of Motor, Recreational, and 16/20M Vehicle Taxes**

For those townships having a third class city in their corporate limits, then the valuation and vehicle taxes would be applied to the township. The vehicle tax allocation page has been modified to allow for the city portion of ad valorem taxes and anticipated vehicle taxes to be computed with the township's ad valorem taxes and anticipated vehicle taxes. (K.S.A. 15-104, 79-5111)

**Filing of the Budget**

For townships using excel spreadsheets with formulas, there are three spreadsheets available to select from our website: [Kansas Municipal Budget Forms, Manuals, etc.](#).

The first spreadsheet labeled township, can be used by townships that do not have any input by a third class city. The second spreadsheet labeled township1, can be used by those townships having one or two third class city's input for the budget. The city's input is usually the city assessed valuation and allocation of motor vehicle taxes. The last spreadsheet, township2 can be used when a township supports an unincorporated town with lighting or fire protection. (K.S.A. 19-2716)

## Special Districts

Special Districts are unique and as such, there is no one chapter in statute that is devoted to them. Special Districts are usually linked with a county, city or a township and one could look in the chapters dealing with county, city or a township to find information pertaining to a special district. Special District issues are truly strung through out the statutes. To found other areas in the statutes, we suggest using the Legislative website at [www.kslegislature.org/legsrv-statutes/index.do](http://www.kslegislature.org/legsrv-statutes/index.do), for assistance.

### Home Rule

Special Districts do not have a home rule, so the Dillion Rule applies. The Dillion Rule basically states that the municipality authorization to act is due to those granted in express words by statute.

### Transfers

Following is a list of common transfers:

Transfer to Cemetery Machinery/Equipment Maintenance Fund. Permit a cemetery district to transfer any surplus money from any tax levy fund to a special fund to purchase machinery and equipment for cemetery maintenance. The transfer is limited to 25% of the budget. (K.S.A. 17-1336a (b))

Transfer to Library Capital Improvement. Permit the general fund to transfer funds to library capital improvement fund. The transfer should not exceed 10% of the amount of money credited to the general fund. (K.S.A. 12-1258)

Transfer to Road Improvement. Permit a cemetery district to transfer any surplus money from any tax levy fund to special fund for road improvements. No more than one such transfer shall be made. (K.S.A. 17-1336a (a))

### Funds Requiring Showing Only the Prior Year Actual

The following list of funds is only required to show the Prior Actual Year column:

- Capital Projects (K.S.A. 12-6a16)
- Cemetery Machinery/Equipment Maintenance (K.S.A. 17-1336a (c))
- Cemetery Road Improvement (K.S.A. 17-1336a (c))
- Donations (K.S.A. 79-2925)
- Federal Grants (K.S.A. 12-1663)
- Hospital Special Improvement (K.S.A. 13-14b12)
- Library Capital Improvement (K.S.A. 12-1258)
- Special Liability Expense (tax levy authorized) (K.S.A. 75-6110)
- State Grants (K.S.A. 12-16,111)
- Fire Equipment Reserve Fund (various statutes)

**Cemetery Annual Report**

The annual cemetery report is required by K.S.A. 17-1372. The report must be filed with the county clerk by January 15<sup>th</sup>. The report verifies full and detail statements of the receipts, expenditures, and location of money invested by the cemetery for the preceding calendar year. The annual report and instructions are found at our website: <http://www.da.ks.gov/ar/muniserv/ReportForms/CemeteryAnnualReport.xls>

K.S.A. 12-1426 requires the same information to be submitted, but the statute requires an affidavit by the cemetery President and Secretary. To make the spreadsheet in compliance with the statute, you will need to change the Annual Report sheet signature block for 'Cemetery Treasurer' to 'Cemetery Secretary'.

The annual report information can be used to complete the actual budgeted year section for the proposed budget.

**Filing of the Budget**

For special districts using excel spreadsheets with formulas, there are two spreadsheets available to select from our website: [Kansas Municipal Budget Forms, Manuals, etc.](#)

The first spreadsheet labeled special district, is used by those special districts having only one county for levying taxes. The second spreadsheet labeled special district1, is used by those special districts having up to five counties support for levying taxes. The last spreadsheet, special district3 is used by those special districts having up to sixteen counties support for levy taxes.

## Recreation Commissions

Information pertaining to Kansas' statutes dealing with recreation commissions is found in statutes 12-1922 to 12-1935. The major of recreation commissions' issues are found in these section, but by no means is it the only sections that deals strictly with recreation commissions' issues. To found other areas in the statutes, we suggest using the Legislative website at [www.kslegislature.org/legsrv-statutes/index.do](http://www.kslegislature.org/legsrv-statutes/index.do), for assistance.

K.S.A. 12-1924 provides the authority for any city or school district may establish, independently or jointly, a recreation system. K.S.A. 12-1927 sets the date the annual budget shall be submitted to the city or school district not later than *August 1st*. The statute goes on to say that a copy of the budget shall be submitted to the county clerk in which the recreation system is located. If the recreation system is located in more than one county, then the recreation system submits the budget to the county having the largest portion of assessed valuation in which the recreation system is located.

### Home Rule

Recreation Commissions do not have a home rule, so the Dillion Rule applies. The Dillion Rule basically states that the municipality authorization to act is due to those granted in express words by statute.

### Gathering Budget Information

Other municipalities receive budget information from the county clerk, county treasure, and League of Kansas Municipalities' Budget Tips Bulletins, but for the recreation commissions these resources are not available. The recreation commissions' information will come from their own financial records and anticipated receipts and expenditures.

Since a recreation commission can not levy taxes, it is depended upon their sponsor(s), be it a city, school district or joint city and school district for its income. K.S.A. 12-1927 states: 'not later than August 1st of any year, certify its budget to such city or school district which shall levy a tax sufficient to raise the amount required by such budget on all the taxable tangible property within the taxing district.' It's important for the recreation commission to meet the August 1st deadline so that the city or school district can meet their budget submission deadline to the county clerk by August 25th.

K.S.A. 12-1927 goes on to state: 'A copy of such budget also shall be filed with the county clerk of the county in which the recreation system is located.'

### Filing of the Budget

For recreation commissions using excel spreadsheets with formulas, there is only one spreadsheet available to select from our website: [Kansas Municipal Budget Forms, Manuals, etc.](#)

## APPENDIX A

### CONSOLIDATING FUNDS

Fund accounting is the foundation for governmental accounting and financial reporting. Unlike private sector entities that are viewed as a single unit, public sector entities are treated, for accounting purposes at least, as a group of smaller entities called funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Because each fund is a separate accounting entity, the complexity of governmental accounting and financial reporting increases as the number of funds increases. This is one reason why generally accepted accounting principles discourage the creation of unnecessary funds.

The “number of funds” principle, as published in the Codification of Governmental Accounting and Financial Reporting Standards, published by the Governmental Accounting Standards Board, is stated as follows:

“Governmental units should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established, however, because unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.”

Probably the most important advantage to consolidating funds is simplifying the accounting system. Financial reports and budgets are easier to prepare and simpler to read and understand. Consolidation became easier after the tax lid law that sunsetted in 2005.

#### **The League of Kansas Municipalities**

The League of Kansas Municipalities is also a great source on consolidation for funds. In prior years they have published excellent papers on the topic of consolidating funds.

#### **Additional Information About Consolidating Funds**

To get more information about consolidating funds contact the city or county auditor, or the Division of A & R, Municipal Services Team (785-296-4799) for assistance.

#### **Procedure For Consolidating Funds**

A function is transferred from one fund to another when a fund is consolidated. For example, a city might want to consolidate the street lighting fund with the general fund by transferring the street lighting function to the general fund. The city would close the street lighting fund by transferring the cash balance to the general fund; this transfer is exempt from the budget. The budget would show a line item expenditure in the street lighting fund called “Transfer to General Fund” and a line item receipt in the general fund called “Transfer from Street Lighting Fund.” Then street lighting expenditures would be budgeted in the general fund.

## APPENDIX B

### County Clerk's Budget Information for the YYYY Budget

\_\_\_\_\_  
Municipality Name

1. Valuation Information as of July 1, YYYY:

	<b>Estimated Assessed Valuation</b>	<b>Territory Added</b>	<b>Property with changed use</b>
Real Estate			
Personal Property		XXXXXXXXXXXXXXXX	
State Assessed			
<b>Total</b>	<b>0</b>	<b>0</b>	
New Improvements			

2. Personal Property excluding oil, gas and mobile homes for YYYY

*(use this amount on Computation to Determine Limit for YYYY Budget, Line 5a)*

3. Actual Tax Rates Levied for the YYYY Budget:

<b>Fund</b>	<b>Rate</b>
<b>Total</b>	<b>0</b>

4. Final Assessed Valuation from the November 1, YYYY Abstract

5. Personal Property excluding oil, gas and mobile homes for YYYY

*(use this amount on Computation to Determine Limit for YYYY Budget, Line 5b)*

6. Gross Earning (Intangible) Tax Estimate

7. Neighborhood Revitalization District:

Valuation Subject to Rebates

Date	Provided by:	
	Name of County:	

## APPENDIX C

### County Clerk's Budget Information For Townships For YYYP Budget

\_\_\_\_\_  
Township Name

\_\_\_\_\_  
3rd Class City in Township

\_\_\_\_\_  
3rd Class City in Township

		Estimated Assessed Valuation				
1. Valuation Information as of July 1, YYYYC	Real Estate	Personal Property	State Assessed	Total	New Improvements	Property changed use
Township	_____	_____	_____	0	_____	_____
3rd Class City	_____	_____	_____	0	_____	_____
3rd Class City	_____	_____	_____	0	_____	_____
<b>Total Assessed Valuation</b>	_____	_____	_____	0	0	0

2. Personal Property excluding oil, gas and mobile homes for YYYYC \_\_\_\_\_  
(use this amount on Computation to Determine Limit for YYYP Budget, Line 5a)

3. Actual Tax Rates Levied for the YYYYC Budget:

Fund	Rate
_____	_____
_____	_____
_____	_____
_____	_____
<b>Total</b>	<u>0</u>

4. Final Valuation from the November 1, YYYYA Abstract:

Township	_____
3rd Class City	_____
3rd Class City	_____
Total	0

5. Personal Property excluding oil, gas and mobile homes for YYYYA \_\_\_\_\_  
(use this amount on Computation to Determine Limit for YYYP Budget, Line 5b)

6. Gross Earnings (Intangible) Tax Estimate \_\_\_\_\_

7. Neighborhood Revitalization District:  
Valuation Subject to Rebates \_\_\_\_\_

\_\_\_\_\_  
Date

Provided by: \_\_\_\_\_

Name of County: \_\_\_\_\_

## APPENDIX D

County Treasurer's Annual Report for \_\_\_\_\_

Date	Type of Distribution	Ad Valorem	Intangible	Amount	Total
	Balance January 1				
20-Jan	Current Tax				
20-Mar	Current Tax				
5-Jun	Current Tax				
20-Sep	Current Tax				
31-Oct	Current Tax				
	<b>Total Current Tax</b>				0
20-Jan	Motor Vehicle Tax				
20-Mar	Motor Vehicle Tax				
5-Jun	Motor Vehicle Tax				
20-Sep	Motor Vehicle Tax				
31-Oct	Motor Vehicle Tax				
Dec	Motor Vehicle Tax				
	<b>Total Motor Vehicle Tax</b>				0
20-Jan	Recreational Vehicle Tax				
20-Mar	Recreational Vehicle Tax				
5-Jun	Recreational Vehicle Tax				
20-Sep	Recreational Vehicle Tax				
31-Oct	Recreational Vehicle Tax				
Dec	Recreational Vehicle Tax				
	<b>Total Recreational Vehicle Tax</b>				0
20-Jan	16/20 M Vehicle Tax				
20-Mar	16/20 M Vehicle Tax				
5-Jun	16/20 M Vehicle Tax				
20-Sep	16/20 M Vehicle Tax				
31-Oct	16/20 M Vehicle Tax				
Dec	16/20 M Vehicle Tax				
	<b>Total 16/20 M Vehicle Tax</b>				0
	Delinquent Personal Property Tax				
	Delinquent Real Estate Tax				
	<b>Total Delinquent Tax</b>				0
20-Jan	Local Ad Valorem Tax Reduction (LAVTR)				
20-Jul	Local Ad Valorem Tax Reduction (LAVTR)				
	<b>Total Local Ad Valorem Tax Reduction</b>				0
15-Feb	Slider				
	<b>Total Credits for Year</b>				0
	<b>Payments to City</b>			<b>Amount</b>	
20-Jan	Funds Paid to City				
20-Mar	Funds Paid to City				
5-Jun	Funds Paid to City				
20-Sep	Funds Paid to City				
31-Oct	Funds Paid to City				
Dec	Funds Paid to City				
	<b>Total Payments for the year</b>				0
	<b>Balance, December 31</b>				0

I certify that this is a true and correct statement of all receipts and disbursements as shown in my records.

Date

County Treasurer

County

APPENDIX E

County Treasurer's Budget Information for YYYY Budget

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City and County Revenue Sharing	—
K.S.A. 79-2967	
Local Ad Valorem Tax Reduction (LAVTR)	—
K.S.A. 79-2960	
Local Alcoholic Liquor Tax	—
K.S.A. 79-41a04	
Motor Vehicle Tax	—
K.S.A. 79-5111	
Recreational Vehicle Tax	—
K.S.A. 79-5123	
16/20M Vehicle Tax	—
K.S.A. 79-5111	
Slider	—
K.S.A. 79-2978 & 79-2979	
Special City and County Highway	—
K.S.A. 79-3425c	
Other Sources (Specify)	
_____	—

YYYY Tax Delinquency

Percentage:

YYYY Taxes uncollected	_____
YYYYA Ad Valorem Levied	_____
Delinquency Percentage	_____0

Date \_\_\_\_\_

Provided By \_\_\_\_\_  
County Treasurer

\_\_\_\_\_  
Name of County

**APPENDIX F**  
**BUDGET WORKSHEET**

Description	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Beginning Balance, Jan 1													
Receipts:													
<b>Total Receipts</b>													
Resources Available													
Expenditures:													
<b>Total Expenditures</b>													
Ending Balance, Dec 31													

**APPENDIX G**

**MODEL CITY ORDINANCE**

**ORDINANCE NUMBER \_\_\_\_\_**

AN ORDINANCE ATTESTING TO THE INCREASE IN TAXES LEVIED FOR BUDGET YEAR YYYY NECESSARY TO FINANCE PUBLIC SERVICES FOR THE CITY OF \_\_\_\_\_

WHEREAS, the City of \_\_\_\_\_ must continue to provide services to protect the health, safety, and welfare of the citizens of this community; and

WHEREAS, the cost of providing essential services to the citizens of this city continues to increase.

NOW THEREFORE, be it ordained by the Governing Body of the City of \_\_\_\_\_:

Section One. In accordance with state law, the City of \_\_\_\_\_ has scheduled a public hearing and has published the budget summary to fund City services from January 1, YYYY to December 31, YYYY.

Section Two. After careful public deliberations, it is hereby attested that in order to maintain the public services, which are essential for the citizens of this city, it will be necessary to utilize property tax revenues in an amount which exceeds the revenues budgeted in the year YYYY.

Section Three. This ordinance shall take effect after publication once in the official city newspaper.

Passed and adopted by the Governing Body on this \_\_\_\_\_ day of \_\_\_\_\_, YYYY.

\_\_\_\_\_, Mayor

ATTEST: \_\_\_\_\_, City Clerk

*(Note: This ordinance must be published to be effective because all city ordinances must be published.)*

**MODEL COUNTY RESOLUTION**

**RESOLUTION NO. \_\_\_\_\_**

*A resolution expressing the property taxation policy of the Board of \_\_\_\_\_ County*

**APPENDIX H**

Commissioners with respect to financing the YYYY annual budget for \_\_\_\_\_ County.

**Whereas, K.S.A. 79-2925b provides that a resolution be adopted if property taxes levied** to finance the YYYY \_\_\_\_\_ County budget exceed the amount levied to finance the YYYY \_\_\_\_\_ County budget, except with regard to revenue produced and attributable to the taxation of 1) new improvements to real property; 2) increased personal property valuation, other than increased valuation of oil and gas leaseholds and mobile homes; and 3) property which has changed in use during the past year, or with regard to revenue produced for the purpose of repaying the principal of and interest upon bonded indebtedness, temporary notes, or no-fund warrants; and

**Whereas,** budgeting, taxing and service level decisions for all county services are the responsibility of the board of county commissioners; and

**Whereas,** \_\_\_\_\_ County provides the essential services to protect the health, safety, and well being of the citizens of the county; and

**Whereas,** the cost of provision of these services continues to increase.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of \_\_\_\_\_ County Commissioners that is our desire to notify the public of the *possibility* of increased property taxes to finance the YYYY \_\_\_\_\_ County budget due to the above mentioned constraints, and that all persons are invited and encouraged to attend budget meeting conducted by the Board of \_\_\_\_\_ County Commissioners. The date and time of budget hearings with the Board of \_\_\_\_\_ County Commissioners will be published in the \_\_\_\_\_ (newspaper). Interested persons can also address questions concerning the budget to \_\_\_\_\_ (office) \_\_\_\_\_ by calling \_\_\_\_\_ between the hours of \_\_\_\_\_ a.m. to \_\_\_\_\_ p.m., Monday through Fridays, excluding holidays.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, YYYY by the Board of \_\_\_\_\_ County Commissioners.

**BOARD OF COUNTY COMMISSIONERS**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, County Clerk.

*(Note: The statues do not require publication of this form)*

**APPENDIX I**

**RESOLUTION NO. \_\_\_\_\_**

*A resolution expressing the property taxation policy of the Board of \_\_\_\_\_ Township with respect to financing the YYYYP annual budget for \_\_\_\_\_ Township, \_\_\_\_\_ County, Kansas.*

**Whereas**, K.S.A. 79-2925b provides that a resolution be adopted if property taxes levied to finance the YYYYP \_\_\_\_\_ Township budget exceed the amount levied to finance the YYYYC \_\_\_\_\_ Township budget, except with regard to revenue produced and attributable to the taxation of 1) new improvements to real property; 2) increased personal property valuation, other than increased valuation of oil and gas leaseholds and mobile homes; and 3) property which has changed in use during the past year, or with regard to revenue produced for the purpose of repaying the principal of and interest upon bonded indebtedness, temporary notes, or no-fund warrants; and

**Whereas**, budgeting, taxing and service level decisions for all township services are the responsibility of the township board; and

**Whereas**, \_\_\_\_\_ Township provides essential services to protect the safety and well being of the citizens of the township; and

**Whereas**, the cost of provision of these services continues to increase.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of \_\_\_\_\_ Township of \_\_\_\_\_ County, Kansas that it is our desire to notify the public of the *possibility* of increased property taxes to finance the YYYYC \_\_\_\_\_ Township budget as defined above.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, YYYYC by the \_\_\_\_\_ Township Board, \_\_\_\_\_ County, Kansas.

\_\_\_\_\_ TOWNSHIP BOARD

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Clerk

*(Note: The statutes do not require publication of this resolution. Attach a signed copy to the budget.)*

**APPENDIX J**

**A RESOLUTION EXPRESSING THE PROPERTY TAXATION POLICY OF THE BOARD OF \_\_\_\_\_ DISTRICT WITH RESPECT TO FINANCING THE YYYY ANNUAL BUDGET FOR \_\_\_\_\_ DISTRICT, \_\_\_\_\_ COUNTY(S), KANSAS.**

**WHEREAS**, budgeting, taxing and service level decisions for all district services are the responsibility of the district board; and

**WHEREAS**, it is the policy of the \_\_\_\_\_ District to minimize the property taxes used to finance district at the lowest possible level, while exercising our stewardship responsibility to maintain basic services for our citizens; and

**WHEREAS**, it is the policy of the \_\_\_\_\_ District that, to the extent possible within the context of the needs of district residents, as YYYY budget for \_\_\_\_\_ District will be adopted that does not require property taxes to be levied for district purposes in an amount exceeding an amount levied to finance the YYYC \_\_\_\_\_ District budget, except with regard to revenue produced and attributable to the taxation of 1) new improvements to real property; 2) increased personal property valuation, other than increased valuation of oil and gas leaseholds and mobile homes; and 3) property which has changed in use during the past year; or with regard to revenue produced for the purpose of repaying the principal of and interest upon bonded indebtedness, temporary notes or no-fund warrants; and

**WHEREAS**, despite the desire of the \_\_\_\_\_ District Board to adopt a YYYY budget while adhering to a maximum level of property taxation described in the forgoing paragraph, the residents of \_\_\_\_\_ District are to be aware that the YYYY \_\_\_\_\_ District budget will require property taxes to be levied in an amount greater than the level defined in the desired maximum level defined in the preceding paragraph, due to \_\_\_\_\_.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the \_\_\_\_\_ District of \_\_\_\_\_ County that it is our desire to notify the public of the increased property taxes to finance the YYYY \_\_\_\_\_ District Budget as defined above and in 2004 Senate Bill 45.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, YYYC by the \_\_\_\_\_ District, \_\_\_\_\_ County(s), Kansas.

\_\_\_\_\_ District Board  
\_\_\_\_\_, Chairman  
\_\_\_\_\_, Officer  
\_\_\_\_\_, Officer

*(Note: The statutes do not require publication of this form.)*

## APPENDIX K

### PROCEDURE FOR INCREASING A RECREATION COMMISSION LEVY

The following two-step approach for increasing a recreation commission's levy is required:

1. The recreation commission must pass a resolution requesting an increase in the mill levy rate by the City or USD that makes the levy. The resolution should be acted upon and included in the minutes of the recreation commission. The resolution is delivered to the City or USD and does not need to be published. See enclosed Example RC 1.
2. The City or USD must adopt a resolution allowing the recreation commission to increase its mill levy. There is no longer a maximum increase per year. There is no four mill maximum levy for the general fund. See enclosed Example RC 2.

These sample resolutions have been developed in consultation with the Department of Administration legal staff and the language of the examples may need to be modified to fit the situation. They should be retyped to produce a clean copy after changes are made. The information at the top of the examples should not be reproduced in the resolutions; the information is for identification purposes.

**Example Resolution For Recreation Commission**

Request for Increase in mill levy

Cut off top

-----

RESOLUTION NO. \_\_\_\_\_

WHEREAS, the \_\_\_\_\_ Recreation Commission has been operating a public recreation system under the provisions of Article 19 of Chapter 12 of the Kansas Statutes Annotated, and the (City of \_\_\_\_\_) (Unified School District No. \_\_\_\_\_) is currently authorized to levy a property tax of not to exceed \_\_\_\_ mills for the use of the Recreation Commission; and

WHEREAS, the Recreation Commission has determined that the maximum authorized property tax currently being levied for the use of the Commission is insufficient to operate the recreation system, and the Commission determines that an increase in the levy is necessary;

BE IT RESOLVED, by the \_\_\_\_\_ Recreation Commission, that the Commission hereby requests that the maximum mill levy be increased to \_\_\_\_\_ mills, and that the Commission requests the (City of \_\_\_\_\_) (Unified School District No. \_\_\_\_\_) to authorize such an increase, in accordance with K.S.A. 12-1927 and amendments thereto.

**Example City Or Unified School District Resolution**  
Increase in mill levy for recreation commission

Cut off top section before publishing

-----

RESOLUTION NO. \_\_\_\_\_

WHEREAS, the \_\_\_\_\_ Recreation Commission has adopted a resolution declaring it necessary to increase the annual property tax levy for the use of such Commission to operate a public recreation system and has requested the (City) (School District) to authorize a maximum mill levy of not to exceed \_\_\_\_\_ mills; and

WHEREAS, the provisions of K.S.A. 12-1927 and amendments thereto, to provide for such an increase, subject to a petition of the voters for a referendum thereon;

BE IT RESOLVED, by the (Governing Body of the City of \_\_\_\_\_) (Board of Education of Unified School District No. \_\_\_\_\_) that the \_\_\_\_\_ Recreation Commission be authorized to levy a tax of not to exceed \_\_\_\_\_ mills, in the year \_\_\_\_\_ and thereafter, subject to such petition and referendum requirement.

BE IT FURTHER RESOLVED, that this resolution shall be published once each week for two consecutive weeks in the official (city) (school district) newspaper and that an amount not exceeding said maximum mill levy may be levied by the Recreation Commission unless a petition requesting an election upon the proposition, signed by at least five percent of the qualified voters of the (city) (school district), shall be filed with the county election officer within 30 days following the date of the last publication of this resolution.

PASSED, by the (Governing Body of the City of \_\_\_\_\_) (Board of Education of Unified School District No. \_\_\_\_\_), on this \_\_\_\_ day of \_\_\_\_\_

## APPENDIX L

### County Authorized Funds Listing

<u>Fund</u>	<u>K.S.A.</u>
Airport	3-121, 3-307, 3-310, 3-316
Alcohol & Drug	65-4060
Appraisal	19-436
Appraisal, Reappraisal	79-1482
Arts	19-26,100
Bond & Interest	10-113
Building	12-1736, 19-120, 19-1572c, 19-1573, 19-1579, 19-15,116, 19-15,124, 19-15,125
Building, 4-H Clubs	19-1561
Cemetery	15-1015, 19-3105, 19-3106, 19-3107
Child Care Center	12-4801
Civil Defense	19-236a
Conservation District	2-1907b
Depository Bank Failure	19-2636
Drainage Maintenance & Repair	24-302
Economic Development	19-4102
Elderly Services	12-1680
Elderly, Home	19-2106, 19-2106a, 19-2106b, 19-2106e, 19-2107, 19-2122
Election	19-3435a, 25-2201a
Election, Voting Machine	25-120, 25-4407
Emergency Expense	19-236
Emergency Medical Services	65-6113, 65-6115
Employee Benefits	12-16,102
Employee Benefits-KP & F	74-4967
Employee Benefits-KPERS	74-4920
Employee Benefits-Social Security	40-2305
Employee Benefits-Unempl Ins	44-710e
Employee Benefits-Workers Comp	44-505c
Enforce County Resolutions	19-101d
Extension Council	2-610, 2-625, 12-620
Fair & 4-H Clubs	2-129, 2-131a-d, 2-132, 2-142, 2-145a, 2-301, 19-1561
Flood Control	19-3305, 82a-308
General	79-1946
Geological Survey	76-326a
Golf Course	19-27,156
Handicapped Services	19-2698
Health	65-204, 65-205
Health & Sanitation	65-208
Historical, Memorial	73-402, 73-406, 73-407, 73-427
Historical Museum	19-2651
Hospital	19-4606
Hospital, Indigent	39-416
JV Facility & Services	19-3903, 19-3905, 38-507, 38-513, 38-523, 38-533, 38-536, 38-546, 38-548, 38-554, 38-555
Law Enforcement	12-11a01, 19-4421, 19-4443, 19-4485
Law Enforcement, NFW	19-4420

## APPENDIX L

### County Authorized Funds Listing

<u>Fund</u>	<u>K.S.A.</u>
Liability Expense	75-6110
Library	12-1234, 12-1257, 12-1220, 12-1230
Library, Building	79-4001
Mental Health & Retardation	19-4004, 19-4007, 19-4011, 65-211, 65-212, 65-215
Museums	19-2801
Noxious Weed	2-1318
Parks	19-2803
Parks & City Lake	19-2833a
Parks & Recreation	19-2801, 19-2855, 19-2871
Parks, Zoo	19-28,112
Prisoner Maintenance	19-1930
Road & Bridge	68-559a, 68-582, 68-596, 68-709, 68-1103, 68-1135, 68-5,100, 68-5,101
Salary	28-716
Soil Drifting	2-2007
Solid Waste	65-204
Stream Maintenance	82a-308
Weather Modification	82a-1425
WSU Development	76-3a07

## APPENDIX M

### City Authorized Funds Listing

<u>Fund</u>	<u>K.S.A.</u>
Airport	3-113, 3-114, 3-121
Bond & Interest	10-113, 12-1775
Building	12-1737, 12-6a13, 79-1950a, 79-1950b
Building, Memorial	73-407
Capital Improvements	12-1,118
Cemetery	12-1405, 12-1407, 12-1414, 14-1007b, 14-1052, 15-1015, 17-1344, 17-1365, 80-908
Child Care Center	12-4801
Connecting Link	68-582
Elderly Services	12-1680
Elderly Home	12-4906
Emergency Equipment	12-110b
Emergency Med Services	65-6113
Employee Benefits	12-16,102
Employee Benefits-City Pension	13-14,100
Employee Benefits-City Retirement	13-14,107
Employee Benefits-KP & F	74-4967
Employee Benefits-KPERS	74-4920
Empl. Ben.-Police & Fire Pension	13-14a02, 13-14a05, 14-10a02, 14-10a05
Employee Benefits-Social Security	40-2305
Employee Benefits-Unempl Ins	44-710e
Employee Benefits-Workers Comp	44-505c
Fair	2-131c, 2-142
Flood Control	12-646a, 13-10,141, 14-713, 19-3307
General	12-101a
Health	65-208
Historical, Collections	12-1661
Historical, Memorial	73-406, 73-407
Historical, Museum	12-1661, 12-1684, 12-1688
Hospital	12-183, 13-14b12, 14-602, 14-640d, 14-696, 14-6,110
Industrial Development	12-1617h
Law Enforcement	12-11a03, 12-11a09, 19-4421, 19-4443, 19-4485
Library	12-1220, 12-1230, 12-1247, 79-4001
Library, Building	12-1254
No-Fund Warrant	15-112, 79-2938, 79-2939
Noxious Weed	2-1318
Park, Maintenance	12-1303, 14-538
Park, Road Maintenance	15-913
Parking	13-1379
Public Transit	12-803b, 12-2535, 13-3108
Recreation Commission	12-1927
Refuse	12-2122a, 12-2123
Refuse Collection	12-2104
Sewage Service	12-630a, 12-631x, 13-1018j
Street	14-535, 15-733
Street Lighting	15-712, 68-582
Tort Liab & Judgments	75-6110

## APPENDIX N

### Authorized Township Funds Listing

<u>Fund</u>	<u>K.S.A.</u>
Bond and Interest	10-113
Cemetery	12-1403, 12-1405
Emergency Medical Service	65-6113
Employee Benefits	12-16,102
Employee Benefits-KP & F	74-4967
Employee Benefits-KPERS	74-4920
Employee Benefits-Soc. Sec.	40-2305
Employee Benefits - Unempl. Ins.	44-710e
Employee Benefits - Workers Comp	44-505c
Fire	80-1503, 80-1509, 80-1533, 80-1537, 80-1903, 80-1916, 80-1918a, 80-1921
Fire Protection & StreetLights	19-2717
Flood Control	80-1429
Garbage & Trash	80-2201
General	79-1962
Law Enforcement	19-807d
Liability Expense	75-6110
Library	12-1220, 12-1230, 12-1234
No-Fund Warrants	79-2938, 79-2939
Noxious Weed	2-1318
Park & Cemetery	80-903, 80-907, 80-932, 80-938, 80-939
Prairie Dog (Tax-real prop only)	80-1203
Road	68-518c
Solid Waste Disposal	80-2205
Special Road	80-1413
Township Hall	80-115, 80-1417

## APPENDIX O

### Special Districts With Power To Levy Taxes Directly

<u>District</u>	<u>Levy Authority Provided by K.S.A.</u>
Airport	27-333
Ambulance	65-6113
Community Building	15-11b10
Drainage	24-407, 24-512, 24-618 to 24-634
Extension	2-623
Fire	19-3612d (certain counties) 19-3612e (Reno County) 19-3616 (certain counties) 19-3622 19-3626 (in 2 counties) 80-1520 80-1546
Hospital	19-4601 (County Hospitals, elected board only) 80-2501 (District Hospitals)
Improvement	19-2765
Industrial	19-3808
Irrigation	42-377
Library	12-1215 (Topeka, Salina and Hutchinson) 12-1247 75-2551 12-1234 (Regional) 12-1237 (Regional)
Sewer	19-27a09, 80-2021
Water	19-3541
Watershed	24-1208, 24-1219

## APPENDIX P

### FEMA

(A) In the past, we suggested two ways to account for FEMA funds in the budget. The first would be to receipt the funds in the fund where the FEMA money is for rebuilding or repairing of the municipality damage area. The second way would be to receipt the funds in a non-budgeted fund by itself. Let's look at these two ways.

If a municipality receipts the funds in a fund that will be doing the repairs for example let's use the general fund. First, you will need to clearly identify the receiving funds as FEMA. When FEMA funds are spent, the expenditures must be clearly identified as FEMA expenditures. Also, when a municipality crew is doing normal repairs and FEMA repairs, the charged hours for FEMA work must be clearly recorded and charged against the FEMA funds. Second, instead of placing FEMA money in the General Fund, create a FEMA fund, which is a non-budgeted fund and record the FEMA money in under receipts and as expenditures. This leads to the next section concerning the prescribed method per statutes.

(B) K.S.A. 79-2934: ...If any indebtedness is reimbursed during the current budget year and the reimbursement is in excess of the amount which was shown as reimbursed expense in the budget of revenues for the current budget year, the charge made shall be reduced by the amount of the reimbursement...

If the amount of FEMA reimbursement is known, then record the receipt in the fund doing the repairs as FEMA reimbursement in the current budget. If the FEMA expenditures exceed the amount estimated, then show the expenditures that exceed the recorded revenue as 'FEMA reimbursement' with negative amount. The negative amount will reduce the fund overall expenditures.

K.S.A. 12-1663: ...such expenditures shall not be charged against the budget of the current or any other budget year of the public agency. Where a public agency spends from budgeted funds and later is reimbursed by federal aid, such expenditure from budgeted funds shall be a reimbursed expense and if received after the budget year, shall increase the current budget to the same amount unless the budget had anticipated and included the reimbursement as income...

If the FEMA amount of money is known, then you would handle the same as in the above paragraph for K.S.A. 79-2934. But, if the expenditures happen in the previous year and the FEMA money was received in the current year, then the FEMA money is shown in the expenditure section as 'FEMA reimbursement' with a negative amount.

The municipality must report the FEMA money within the budget using one of the above methods that governing body can understand and explainable to their taxpayers.

Please note state grants are covered under K.S.A. 12-16,111 and handle the same as Federal grant funds.

## GLOSSARY

**Ad Valorem Tax Levy** - A tax based on the value of property (property tax), usually expressed in mills.

**Amortization Schedule** - A schedule of debt service payments that identifies the principal and interest.

**Annexation** – Territory added to the city.

**Appraised Valuation** - The estimated value of property.

**Assessed Valuation** - Valuation of property used as a basis for levying taxes by a government. It is based on a statutory rate applied to the appraised valuation.

**Audit** - A systematic collection of evidence needed to attest to the fairness of management's assertions in the financial statements or whether management has efficiently and effectively carried out its responsibility.

**Bond Register** - A record showing the principal and interest due on each bond issue.

**Budget** - A plan of financial operation including an estimate of proposed expenditures for a given period and proposed means of financing them. In Kansas, counties, cities, townships and most special districts use the calendar year as the budget period. USDs, community colleges and some special districts use a July 1 to June 30 for the fiscal year.

**Budget Amendment** - A formal change to the budget during the year to increase expenditure limits.

**Budgeted Fund** - A fund that is required by statute to be budgeted. This fund will have expenditures in all three columns of the fund page.

**Budget Hearing** - The formal hearing for the budget to be presented to the governing body for adoption and approval and the opportunity for public input.

**Budget Law** - A series of the statutes, K.S.A. 79-2925 to 79-2937, which includes specific requirements for preparing the budget document. The budget sets a limit on expenditures and tax levies.

**Cash Basis Law** - A statute, K.S.A. 10-1116, which requires that cash be on hand before incurring an obligation. Most city and county funds fall under this requirement.

**Cash basis reserved** - An amount of money budgeted in the bond and interest fund to assure there is adequate cash flow to meet principal and interest payments. It is only in the proposed budget year column and is limited to one year's principal and interest amount.

**Certificate of Participation** - A contractual agreement entitling one party to use property for a specific period of time, but also results in a purchase of the property involved.

**Charter Ordinance.** The document used by cities to exempt themselves from a non-uniform state statute using constitutional home rule.

## GLOSSARY

**Charter Resolution.** The document used by counties to exempt themselves from a non-uniform state statute using statutory home rule.

**City/County Highway.** See Special City and County Highway

**Conditional Lease** - A contractual agreement which entitles one party the right to use property for a specific period of time.

**County Clerk's Budget Information** - The valuation and other information needed to prepare a budget, available about July 1.

**County Treasurer's Report** - A report which shows the distributions of taxes made by the County Treasurer for the previous year.

**Current Year** - The fiscal and budget year that applies to present time.

**Debt** - An obligation resulting from borrowing money or purchasing goods and services. Includes general obligation bonds, revenue bonds, no fund warrants, temporary notes and State revolving loans as well as purchase orders and encumbrances.

**Debt Service Levy** – Taxes levied for use in bond and interest and no-fund warrant funds. This amount is excluded from the total tax levy when computing the levy limit for the 2007 budget.

**Delinquent Taxes** - Taxes unpaid after the date when the penalty for non-payment starts. These taxes are delinquent until abated, canceled, paid, or converted into tax liens.

**Employee Benefits** - These are benefits provided for employees.

**Encumbrance** - Commitment related to unperformed or performed contracts for goods or services but for which payment has not been made.

**Estimated Assessed Valuation** - Amount of valuation set upon real estate and other property by a government as a basis for levying taxes, available about July 1.

**Expenditures** – Includes cash payments plus any encumbrances for budgetary purposes. Expenditures cannot exceed the published budget. Note: For accounting purposes, it means any decrease in net financial resources.

**Final Assessed Valuation** - The October valuation set upon real estate and other property by a government as a basis for levying taxes.

**Fund** - An independent fiscal and accounting entity including all cash with related liabilities or obligations.

**General Obligation Bonds** - Long term debt backed by the full faith and credit of the taxing subdivision. A tax levy can be used to pay principal and interest. Often, cities will also use some revenue from a utility fund to finance the payments.

## GLOSSARY

**Gross Earnings Tax** - It was formerly called “intangible tax.” This is a tax on intangible property, usually interest earnings. The rate is set individually by the county, city, or township. The gross earnings tax can be authorized by resolution and eliminated by either resolution or election.

**Home Rule** - Either city’s constitutional or county’s statutory authority to exempt a city or county from any law that is not uniformly applicable. Home rule process includes a charter ordinance or resolution, two publications and a protest petition provision.

**Illegal Levy** - A levy which exceeds the legal limit or for which there is no authority.

**Indebtedness** - See Debt.

**Infrastructure Loan Payments** - Periodic payments made on a debt which was incurred because of a project to construct, repair, or replace permanent structures.

**Intangible Tax** - See Gross Earnings Tax.

**Lease Purchase** - A contractual agreement which entitles one party the right to use property for a specific period of time and includes a provision for purchase of the property.

**Levy Limit** – See fund levy limit.

**Local Alcoholic Liquor Tax** - A ten percent tax on the sale of alcoholic liquor. In counties and cities over 6,000 populations, it is allocated one third each to general, special parks and recreation, and special alcohol and drug programs funds. In cities under 6,000 populations, it is allocated one-half to the general and one-half to special parks and recreation funds.

**Local Sales Tax** - This can be implemented as county-wide or city. The county wide tax is allocated to the county and cities on the basis of population and tax levy amount unless the statute specifically allows the county to retain the entire tax, see K.S.A. 12-192 and 12-198. The city tax is distributed to the city and the county wide tax is distributed to the county and cities by the State Treasurer.

**Mill Levy** - One dollar of tax per \$1000 of assessed valuation.

**Motor Vehicle Tax (MVT)** – A tax on motor vehicles that is paid at the time of registration. It is based on the countywide average tax from the previous year's budgets; the 2005 tax levy rate is used for the 2007 collections. In addition the countywide average is adjusted for the USD general fund levy being phased out of this calculation. MVT is allocated to every tax levy fund on the basis of the levies in the previous year’s budget.

**New Improvements** - The total amount of dollars of valuation of new buildings or major additions to existing buildings. Generally, the appraiser uses building permits to identify new improvements. If an industrial revenue bond exempts a new building for ten years, it will be considered a new improvement when it is first taxed.

**Neighborhood Revitalization Program** - A program for rebating taxes to owners of property

## GLOSSARY

within a neighborhood revitalization program under K.S.A. 12-17, 114. The rebates are based on the valuation of new improvements in the district after the program was established.

**No Fund Warrants** - A form of short term borrowing which often has to be approved by the State Board of Tax Appeals. The Board approves the no-fund warrants and then the municipality borrows the money from the bank, another fund, or private citizens.

**Non-Appropriated Balance** - A budgeted amount, which is reserved for funding the budget in the year after the Proposed Budget Year. The amount cannot exceed five percent of the total expenditures plus the non-appropriated balance, K.S.A. 79-2927.

**Operating Lease** - A lease agreement which does not have the provisions for purchasing of the leased property.

**Penalty Valuation** - The assessed valuation of personal property times the appropriate penalty percentage. K.S.A. 79-1422 specifies the penalty for failure to report personal property as required by law.

**Personal Property** – Any property that is not real estate or a building upon real estate. This property is temporary or movable.

**Prior Year** - The fiscal and budget year that proceeded the current year.

**Property that has Changed in Use** - The valuation of property that has changed from one appraisal classification to another.

**Proposed Budget Year** - The year for which the budget is being adopted.

**Purchase Order** - A document authorizing the acquisition of specific goods or services.

**Receipt** - Any cash received by a municipality.

**Recreation Commission** - An organization authorized to conduct recreation activities. It must be created by an election, K.S.A. 12-1925.

**Recreational Vehicle Tax (RVT)** - The recreational vehicle tax is based on the weight of the vehicles defined in statute as a recreational vehicle. It is allocated to every tax levy fund on the basis of the levies in the previous year's budget.

**Reimbursed Expense** – Expenditure made on behalf of another person or entity which will subsequently be recovered in cash. The transaction must be completed in the same budget year.

**Resources Available** - The total cash available to fund the budget. It includes the beginning unencumbered cash balance and all receipts that are anticipated for the period.

**Revenue Bonds** - Long term debt issued for the benefit of a revenue producing activity. Principal and interest payments must be paid from revenue generated by the related activity. An ad valorem tax levy cannot be used for the principal and interest payments. In addition, the

## GLOSSARY

revenue bond ordinance often requires that one or more reserve funds be established for specific purposes.

**Special Assessment** - A compulsory charge made against certain properties to pay all or part of the cost of a specific capital improvement or service.

**Special District** - A municipality, which is not a city, county, township, USD or community college. These districts use a special district budget form and have specific laws governing their operations.

**Special City and County Highway** - A portion of the State motor fuels tax distributed to counties and cities and must be used on roads or streets.

**State Revenue Sharing** – (Note: No distribution in 2006 or until further notice) A portion of the State sales tax that must be budgeted in the General Fund, see K.S.A. 79-2965. It is distributed in July and December.

**State Revolving Loan** - A loan from the State of Kansas for a specific project. Usually these are for infrastructure improvements and can be funded from a bond and interest fund.

**Statutory Levy Rate** - The rate of levy authorized in the statutes for a specific fund, usually stated in mills.

**Tax** - Compulsory charge levied by a governmental unit for the purpose of financing services.

**Tax Levy Sheet** - A listing of all taxing subdivisions showing the levy rate for each fund and a total levy rate for each taxing subdivision. The County Treasurer is required by K.S.A. 79-2007 to publish the statement three times.

**Tax Statement** - The statement sent to a taxpayer notifying them of the amount of taxes due and the due dates. It shows a description and valuation of the property and assessment rates.

**Temporary Notes** - A form of short-term borrowing, often in anticipation of a bond issue. The temporary notes can either be paid as they come due or be rolled over into a bond issue at a later date.

**Territory Added** - Territory annexed and added to a city.

**Transfer of Funds** - The transfer of money from one fund to another. These must have specific authority.

**Transfer of Function** - The transfer of a function from one municipality to another.

**Unencumbered Cash Balance** - The cash balance as shown in the accounting records for the fund, less any outstanding encumbrances.

## GLOSSARY