Budgeting for Kansas Townships

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Budgeting for Kansas Townships

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INTRODUCTION

The purpose of this manual is to provide information needed to prepare a township 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 ready for distribution during May. (K.S.A.79-2926)

- The budget law applies to all townships. All townships are subject to the budget law, and thus, must prepare an annual budget to be certified to the County Clerk. However, a budget is not required if a township has total expenditures less than $200. The budget law does not apply to public libraries that are related to townships.

- The budget provides the township 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 township. 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 township must be included in the annual budget. Money in savings accounts or certificates of deposit should be included in the balance of the appropriate funds.

- A separate itemized financial statement is required for each fund included in the budget. The itemized financial statement must be presented in a three-column format. One column must be presented for each of the following years: 1) Prior Budget Year; 2) Current Budget Year; and 3) Proposed Budget Year. Each column must show beginning unencumbered cash balance, receipts, expenditures, and ending unencumbered cash balance. (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 for the Proposed Budget Year. Budgeted expenditures must equal estimated receipts, including the amount of ad valorem taxes to be levied. The law permits, but does not require, a township to include a non-appropriated carryover balance. 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, 79-2930)

- 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 or a transfer from item as appropriate. For example, the entries in the budget document to record a transfer from the general to the road fund are: 1) the general fund shows an expenditure of transfer to road fund; 2) the road fund shows a receipt of transfer from general fund.

  Statutory authority for transfers:

  - Transfers from the General Fund. Permits townships to transfer from the general fund to any other township fund. *The general fund can make this transfer if there is no general fund tax levy in the current year budget*. (K.S.A. 80-1406b)

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

- The budget law allows a budget credit for reimbursed expenses. A reimbursed expense is a receipt reimbursing a township for a payment the township charged to its 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 reimbursed expenses.

  Reimbursed expenses generally should not include ordinary items of income that the township 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 township); 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 township 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.

List of funds required to show only the Prior Actual Year column:

- Capital Projects (K.S.A. 12-6a16)
- Donations (K.S.A. 79-2925)
- 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)

- 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 for all townships with total expenditures of $200 or more. The Notice of Budget Hearing and Budget Summary must be published for all townships with total expenditures of $500 or more. The publication must be at least ten days before the budget hearing is scheduled.

- 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. If this deadline cannot be met, contact the County Clerk and 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. (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): Notice of Budget Hearing and Budget Summary, Certificate, Computation to Determine Limit for 2007 Budget, Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes, Statement of Indebtedness and Statement of Conditional Lease-Purchase and Certificate of Participation, and fund pages.

For some townships, one or more of these forms might not apply. The forms must still be submitted as part of the budget document. For example, a township 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.

- 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; K.S.A. 79-2929 requires the notice of budget hearing to be published at least 10 days prior to the budget 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 three columns, and outstanding indebtedness for all three columns.

  Note: The Notice of Budget Hearing must be published for all townships with total expenditures of $200 or more. The Notice of Budget Hearing and Budget Summary must be published for all townships with total expenditures of $500 or more.

- 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 for 2007 Budget. The Computation to Determine Limit for 2007 Budget is the computation to determine the maximum dollar amount of tax levy a township can levy without passing a 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.

- Statement of Indebtedness and Statement of Lease-Purchases and Certificates of Participation. The statement of indebtedness 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. The statement of lease-purchases and certificates of participation 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 is a three-year comparative financial statement showing the beginning balance, receipts, expenditures, and ending balance for each of the three years.

Consolidating Funds

Some townships should consider consolidating funds. If there is a third class city in the township, the township can operate with a general and road fund. The statutes specifically prohibit levying for the road and noxious weed expenditures on the third class city valuation. Thus, these expenditures can't be included in the general fund because it is levied on the third class city valuation.

However, if there is no third class city the township may be able to operate with only a general fund. There may be instances that separate funds are desirable, however, K.S.A. 79-2925b removes many of these reasons.

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. To meet this deadline the following timetable shows the last date to complete various steps:

July 1	Gather Budget Information
July 1	Prepare first draft of fund pages (one for each fund)
July 31	Prepare working draft of complete budget for review by governing body
August 5	Finish budget and publish notice of budget hearing and budget summary
August 15	Hold hearing and adopt budget.
August 25	Certify (submit) budget to County Clerk.
December 1	County Clerk submits all budgets to A & R.

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 prepare the budget forms. All information should be received by July 1. The report includes the following information necessary to complete the budget forms. See Appendix A for sample format. K.S.A. 79-5a27

Valuation Information as of July 1, 2006 - The valuation information, as of July 1, of property within the township 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 and the third class city valuation to compute estimated levy rates.

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

Actual Tax Rates Levied for the 2006 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 1, 2005 Abstract – The valuation certified on the November 1 abstract.

- Final Assessed Valuation for 2005 - Used on the Budget Summary as the final assessed valuation in Current Year Estimate column. It should be the same amount as the County Clerk certified on the November 1 abstract.

Personal Property excluding oil, gas, and mobile homes for 2005 – The valuation of personal property as of July 1, 2005 used to determine if there is an increase in personal property.

- Computation to Determine Limit utilizes the personal property for 2005.

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, either the county or township makes the rebate. The estimated rebate amounts should be budgeted as expenditures in all funds with a tax levy, based on the individual fund levy rates. If the expenditures are not budgeted in the funds, a cash shortage may occur.

2005 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 to be used.
- The fund pages for funds with a tax levy may use the delinquency percentage to determine the amount of tax to be levied.

County Treasurer

County Treasurer's Annual Report - Report provides information on the categories and amounts of tax money distributed to the township during the prior year. This information is used in preparing the fund pages for funds with a tax levy. A request for the information should be made if the county clerk does not send it because there is no statutory requirement that it be furnished to townships.

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 20. All other estimates must be available by July 1. The report must be furnished by July 1. See Appendix C for a sample report.

- Motor Vehicle Tax - Must be allocated to every fund that levied a tax in the current year budget. Use Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes Form to allocate this revenue to the funds.
- Recreation Vehicle Tax - Must be allocated to every fund that levied a tax in the current year budget. Use Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes Form to allocate this revenue to the funds.

- 16/20M Vehicle Tax - Must be allocated to every fund that levied a tax in the current year budget. Use Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes Form to allocate this revenue to the funds.

Township's Financial Records

- The township annual report shows actual receipts and expenditures for the prior actual year column.

- Current Year Budget has information necessary to complete the 2007 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 Issues -
    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.

  - Temporary Notes - Review the loan agreement for the required payments.

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 31st.

The information should be shown as follows:

- COUNTY DISTRIBUTIONS - The total amount of taxes received during the prior year from the county. The county should provide a report of tax distributions for each fund with the tax levy. The report shows the various categories of receipts in each distribution. The following list shows the possible categories of receipts:

  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.

  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 townships 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

  Motor Vehicle Tax - 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 - The amount received when taxpayers register their RVs. The tax is assessed by weight of the RV rather than the value of the RV. K.S.A. 79-5123

  16/20M Vehicle Tax - The amount is 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

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

  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 received from excise tax on rental vehicles. The Department of Revenue collects the tax and distributes it to the County Treasurer on June 30 and November 30. K.S.A. 79-5117

- LOCAL SOURCES

  Charges for Services – The amount received for services performed for citizens, such as opening and closing graves.

  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.

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

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.

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 for next year's budget. Fund pages should be drafted for each fund by July 1.

The township budget set has pages for the General, Road, Special Machinery, Cemetery, and Fire Funds with preprinted receipt and expenditure categories. There are fund pages with _____ Fund in the heading for all other funds.

Complete Fund Pages in Stages

Normally the fund pages are completed in three stages. In stage 1, complete the Prior Year Actual column for all fund pages. In stage 2, complete the Current Year Estimate column for all fund pages. In stage 3, complete the Proposed Budget Year column for all fund pages.

For funds for which a proposed budget is not required, only the Prior Year Actual column is required to be completed as per statute and other columns can be blank. See page 3 for list of funds.

State of Kansas
Township
2007

Adopted Budget **General Fund**	Code	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance Jan 1				
County Treasurer Balance Jan 1		+	+	
Receipts: Ad Valorem Tax	T01			
Delinquent Tax	T01			
Motor Vehicle Tax	T01			
Recreational Vehicle Tax	T01			
16/20 M Vehicle Tax	T01			
Gross Earnings (Intangibles) Tax	T01			
Other	U99			
County Treasurer Balance Dec 31	W61	-	xxxxxxxxxxx	xxxxxxxxxx
Interest on Idle Funds	U20			
Total Receipts				
Resources Available				
Expenditures: Officers Pay	E23			
Wages	E23			
Employee Benefits	E23			
Supplies	F52			
Equipment	E89			
Buildings	E89			
Transfer to	NE			
Total Expenditures				
Unencumbered Cash Balance Dec 31	W61			
			Non-Appropriated Balance	
			Total Expenditures and Non-Appropriated Balance	
			Tax Required	
			Delinquency Computation	
			Amount of 2006 Ad Valorem Tax	

Stage 1 - Complete the Prior Year Actual Column for All Fund Pages

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

Step 1. Fund Name. If the fund has _____ Fund in the heading, enter the name of the fund.

Step 2. Enter Unencumbered Cash Balance January 1. 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 County Treasurer Balance, Jan 1. This is the amount that was in the account at the county treasurer's office that was not distributed to the township.

Step 4. 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 township annual report will show the receipt amount .

Note: *K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts.*

Step 5. Enter County Treasurer Balance, Dec 31. This is the amount that was in the account at the county treasurer's office that was not distributed to the township.

Step 6. Calculate and enter Total Receipts. This is the sum of all receipt amounts.

Note: Do not include Unencumbered Cash Balance January 1 or County Treasurer Balance, Jan 1 in Total Receipts.

Step 7. Calculate and enter Resources Available. This is the sum of Total Receipts, Unencumbered Cash Balance January 1, and County Treasurer Balance, Jan 1.

Step 8. 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 township annual report will show the expenditure amounts.

Note: Outstanding encumbrances should be included in the expenditure amounts. K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures.

Step 9. Calculate and enter Total Expenditures. This is the sum of all expenditure amounts.

Step 10. Calculate and enter Unencumbered Cash Balance December 31. This is computed by subtracting Total Expenditures and County Treasurer Balance, Dec 31 from Resources Available. Compare the computed balance to the cash balance in the accounting records to determine that the balance is correct. The balance should equal the cash balance less encumbrances and accounts payable.

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

State of Kansas
Township
2007

Adopted Budget **General Fund**	Code	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance Jan 1		59		
County Treasurer Balance Jan 1	+	20		
Receipts: Ad Valorem Tax	T01	11,570		
Delinquent Tax	T01	240		
Motor Vehicle Tax	T01	1,993		
Recreational Vehicle Tax	T01	41		
16/20 M Vehicle Tax	T01			
County Treasurers Balance Dec 31	W61	-132		
Gross Earnings (Intangibles) Tax	T01	7,561		
Interest on Idle Funds	U20			
Total Receipts		21,273		
Resources Available		21,332		
Expenditures: Officer Pay	E23	800		
Miscellaneous Expenses	F52	1,655		
Insurance	F52	2,346		
Cemetery	F52	980		
Ambulance	F52	5,647		
Fire	F52	4,224		
Transfer to Road	NE	5,000		
Total Expenditures		20,652		
Unencumbered Cash Balance Dec 31	W61	700		
			Non-Appropriated Balance	
			Total Expenditures and Non-Appropriated Balance	
			Tax Required	

Delinquency Computation	
Amount of 2006 Ad Valorem Tax	

For funds for which a proposed budget is not required, the Prior Year Actual column is all that is required by statute. The other columns can be left blank. See page 3 for list of funds.

Stage 2 - Complete the Current Year Estimate Column 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 *estimated* receipts and expenditures for the *current* year budget.

Step 1. Enter Unencumbered Cash Balance January 1. 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 31 from the Prior Year Actual 2005 column.

Step 2. Enter County Treasurer Balance, Jan 1. Copy the amount show as County Treasurer Balance, Dec 31 in the Prior Year Actual column.

Step 3. Calculate and enter the receipt amounts. Normally, the receipts 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, review amounts to determine if the estimate needs to be changed based on actual receipts received in the current year. If a better estimate is available, use it.

Note: Ad Valorem Tax is in the right column at the bottom of the fund page entitled Amount of Ad Valorem Tax in the current year budget. This amount should be shown on the ad valorem tax line on the fund page in the Current Year Estimate column.

Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts.

Step 3. Calculate and enter Total Receipts. This is the sum of all receipt amounts.

Note: Do not include Unencumbered Cash Balance January 1 or County Treasurer Balance, January 1 in Total Receipts.

Step 4. Calculate and enter Resources Available. This is the sum of Total Receipts, Unencumbered Cash Balance January 1, and County Treasurer Balance, Jan 1.

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.

Step 6. Calculate and enter Total Expenditures. This is the sum of all expenditure amounts.

Step 7. Calculate and enter Unencumbered Cash Balance December 31. This is computed by subtracting Total Expenditures from Resources Available. A negative Unencumbered Cash Balance December 31 is not allowed; decrease expenditures to eliminate any negative amount. (K.S.A. 79-2927)

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

State of Kansas
Township
2007

Adopted Budget **General Fund**	Code	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance Jan 1		59	700	
County Treasurer Balance Jan 1		20	132	
Receipts: Ad Valorem Tax	T01	11,570	9,404	
Delinquent Tax	T01	240		
Motor Vehicle Tax	T01	1,993	1,910	
Recreational Vehicle Tax	T01	41	52	
16/20 M Vehicle Tax	T01			
County Treasurer Balance Dec 31	W61	-132	xxxxxxxx	xxxxxxxxx
Gross Earnings (Intangibles) Tax	T01	7,561	7,391	
Interest on Idle Funds	U20			
Total Receipts		21,373	18,757	
Resources Available		21,332	19,589	
Expenditures: Officer Pay	E23	800	800	
Miscellaneous Expenses	F52	1,655	1,800	
Insurance	F52	2,346	3,000	
Cemetery	F52	980	2,000	
Ambulance	F52	5,647	6,000	
Fire	F52	4,224	5,500	
Transfer to Road	NE	5,000		
Total Expenditures		20,652	19,100	

Unencumbered Cash Balance Dec 31	W61	700	489	
			Non-Appropriated Balance	
			Total Expenditures and Non-Appropriated Balance	
			Tax Required	
			Delinquency Computation	
			Amount of 2006 Ad Valorem Tax	

Stage 3 - Complete the Proposed Budget Year Column 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 1. This is the amount calculated for Unencumbered Cash Balance December 31 in the Current Year Estimate column. This is the estimated cash available at the beginning of the budget year.

Step 2. Enter the receipt estimates.

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

The rental vehicle excise tax is, as the name implies, an excise tax on rental vehicles. The Department of Revenue distributes on June 30 and November 30. 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 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.

Step 3. Calculate and enter Total Receipts. This is the sum of all receipt amounts.

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

Step 4. Calculate and enter Resources Available. This is the sum of Total Receipts and Unencumbered Cash Balance January 1.

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. The total of all expenditures should be entered in the line for total expenditures.

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 years principal and interest amount.

Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures.

Step 6. Calculate and enter Non-appropriated Balance that is allowed by K.S.A. 79-2927. This is a budgeted carryover from the Proposed Budget Year to the following budget year. The limit is 5 percent of the Total Expenditures plus the Non-appropriated Balance. To determine the limit, divide Total Expenditures by .95 and subtract Total Expenditures from the result.

Step 7. Calculate and enter Total Expenditures and Non-Appropriated Balance. This is the sum of Total Expenditures and Non-appropriated Balance.

Step 8. Calculate and enter Tax Required. This is computed by subtracting Resources Available from Total Expenditures and Non-Appropriated Balance.

Step 9. Calculate and enter the Delinquency Computation if a delinquency rate is used. The delinquency rate is found on the County Clerk's Budget Information.

Step 10. Compute Amount of 2006 Ad Valorem Tax by adding Tax Required and Delinquency Amount.

Completed fund page for a fund with a Tax Levy

State of Kansas
Township
2007

Adopted Budget **General Fund**	Code	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance Jan 1		59	700	489
County Treasurer Balance Jan 1	+	20	132	
Receipts: Ad Valorem Tax	T01	11,570	9,404	
Delinquent Tax	T01	240		
Motor Vehicle Tax	T01	1,993	1,910	501
Recreational Vehicle Tax	T01	41	52	10
16/20 M Vehicle Tax	T01			46
County Treasurer Balance Dec 31	W61	-132	xxxxxxxx	xxxxxxxx
Gross Earnings (Intangibles) Tax	T01	7,561	7,391	7,843
Interest on Idle Funds	U20			
Total Receipts		21,273	18,757	8,400
Resources Available		21,332	19,589	8,889
Expenditures: Officer Pay	E23	800	800	800
Miscellaneous Expenses	F52	1,655	1,800	1,700
Insurance	E23	2,346	3,000	5,500
Cemetery	E23	980	2,000	2,000
Ambulance	F52	5,647	6,000	5,828
Fire	E89	4,224	5,500	5,700
Transfer to Road	NE	5,000		
Total Expenditures		20,652	19,100	21,528
Unencumbered Cash Balance Dec 31	W61	700	489	
			Non-Appropriated Balance	0
			Total Expenditures and Non-Appropriated Balance	21,528
			Tax Required	12,639
			Delinquency Computation	0
			Amount of 2006 Ad Valorem Tax	12,639

PREPARING THE BUDGET DOCUMENT

This chapter will cover the township budget forms. This information should enable you to complete any of these forms, except the fund pages and amendment form that are covered in other chapters. The forms that comprise the budget document will be discussed in the order they should be prepared.

Township Budget Document consists of the following forms:

Computation to Determine Limit for 2007 Budget
Allocation of Motor (MVT), Recreation (RVT) & 16/20M Vehicle Taxes
Statement of Indebtedness
Statement of Conditional Lease-Purchase and Certificate of Participation
Fund Pages - See previous sections for instructions
Notice of Budget Hearing
Certificate
Amendment Instructions and Notice of Hearing

All townships use the **Township Budget Forms**. 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.

Please use the electronic spreadsheet provided by A & R to prepare the budget forms. A & R provides budget templates in Excel. These templates are available on computer disks or A & R Internet Website at http://da.state.ks.us/ar/. The templates will result in forms that are comparable to the hard copies discussed in this chapter. Once the information is entered, the spreadsheets will copy much of the data to the appropriate forms. Verify the accuracy of the completed forms.

Budgets submitted electronically or on disk must be prepared using the electronic spreadsheet format provided by A & R. At a minimum, submit 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, (3) a copy of the signed resolution increasing taxes, if needed, and (4) the computer disk. An alternative to submitting the disk is to follow the instructions on the website.

State of Kansas
Township
2007

COMPUTATION TO DETERMINE LIMIT FOR 2007 BUDGET

				Amount of Levy
1.	Total Tax Levy Amount in 2006 Budget			+ $ _____
2.	Debt Service Levy in 2006 Budget			- $ _____
3.	**Tax Levy Excluding Debt Service**			$ _____
	2006 Valuation Information for Valuation Adjustments:			
4.	**New Improvements**		+ _____	
5.	**Increase in Personal Property for 2006:**			
	5a. Personal Property 2006	+ _____		
	5b. Personal Property 2005	- _____		
	5c. Increase in Personal Property (5a minus 5b)		+ _____	
6.	**Valuation of Property that has Changed in Use during 2006:**			
	Real Estate		+ _____	
7.	**Total Valuation Adjustment (Sum of 4, 5c, 6)**		_____	
8.	Total Estimated Valuation July 1, 2006	_____		
9.	**Total Valuation less Valuation Adjustment (9 - 8)**		_____	
10.	Factor for Increase (7 divided by9)		_____	
11.	Amount of Increase (10 times 3)			+ $ _____
12.	**Maximum Tax Levy, excluding debt service, without Resolution (3 plus 11)**			_____
13.	**Debt Service Levy in this 2007 budget**			_____
14.	**Maximum Tax Levy without Resolution (12 plus 13)**			$ _____

If the 2007 budget includes tax levies exceeding the total on line 14, you must adopt a resolution to exceed this limit and attach to this budget.

Computation to Determine Limit for 2007 Budget shows the maximum tax levy that can be made without adopting a resolution. K.S.A. 79-5040 suspends all statutory fund levy limits and requires a resolution if the 2007 budget exceeds the tax levy in the 2006 budget with certain adjustments.

The form includes the total tax levy amount in the 2006 budget, adjustment allowances for new improvements, increases in personal property, and the valuation of property that has changed in use.

Step 1. Enter Total Tax Levy Amount in 2006 Budget. The Certificate of the current budget year shows this amount.

Step 2. Enter Debt Service Levy in 2006 Budget. Debt service payments include bond and interest, temporary note, and no-fund warrant levy amounts from the current budget year. This adjustment is allowed as along as debt service payments are budgeted in a fund with a tax levy.

Step 3. Calculate and enter Tax Levy Excluding Debt Service. This is the amount on line 1 less the amount on line 2.

Step 4. Enter New Improvements on line 4. The value of new improvements is on the County Clerk's Budget Information.

Step 5. Calculate and enter Increase in Personal Property for 2006. On line 5a enter the 2006 personal property valuation from the County Clerk's Budget Information. On line 5b enter the 2005 personal property valuation from the County Clerk's Budget Information. Calculate the increase in personal property by subtracting 5b from 5a. Enter a zero if there is no increase.

Step 6. Enter Valuation of Property that has Changed in Use during 2006 from the County Clerk's Budget Information. This should include only real estate valuation.

Step 7. Calculate and enter Total Valuation Adjustment. This is the sum of the values on lines 4, 5c, and 6.

Step 8. Enter Total Estimated Valuation July 1, 2006. The County Clerk's Budget Information includes the total.

Step 9. Calculate and enter Total Valuation less Valuation Adjustment. Subtract the value on line 8 less the value on line 7.

Step 10. Calculate and enter Factor for Increase. This is the value on line 8 divided by the value on line 9.

Step 11. Calculate and enter Amount of Increase. This is the value on line 3 multiplied times the value on line 10.

Step 12. Calculate and enter Maximum Tax Levy, excluding debt service, without a Resolution. This is the sum of the values on line 3 and line 11.

Step 13. Enter the debt service levy included in this 2007 budget when the budget has been completed.

Step 14. Calculate the Maximum Tax Levy without Resolution. This is the sum of the values on line 12 and line 13. This is the maximum amount that can be levied unless the governing body adopts a resolution.

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Township
2007

COMPUTATION TO DETERMINE LIMIT FOR 2007 BUDGET

					Amount of Levy
1.	Total Tax Levy Amount in 2006 Budget			+ $	46,749
2.	Debt Service Levy in 2006 Budget			- $	5,000
3.	**Tax Levy Excluding Debt Service**			$	41,749
	2006 Valuation Information for Valuation Adjustments:				
4.	**New Improvements**		+ 12,298		
5.	**Increase in Personal Property for 2006:**				
5a.	Personal Property 2006	+ 232,952			
5b.	Personal Property 2005	- 195,846			
5c.	Increase in Personal Property (5a minus 5b)		+ 37,106		
6.	**Valuation of Property that has Changed in Use during 2006:**				
	Real Estate		+ 0		
7.	**Total Valuation Adjustment (Sum of 4, 5c, 6)**		49,404		
8.	Total Estimated Valuation July 1, 2006	5,178,582			
9.	**Total Valuation less Valuation Adjustment (8 – 7)**		5,129,178		
10.	Factor for Increase (7 divided by 9)		.00963		
11.	Amount of Increase (10 times 3)			+ $	402
12.	**Maximum Tax Levy, excluding debt service, without Resolution (3 plus 11)**			$	42,151
13.	**Debt Service Levy in this 2007 budget**			$	0
14.	**Maximum Tax Levy without Resolution (12 plus 13)**			$	42,151

If the 2007 budget includes tax levies exceeding0 the total on line 14, you must adopt a resolution to exceed this limit and attach to this budget.

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Allocation Of Motor (MVT), Recreational (RVT) and 16/20M Vehicle Taxes

2006 Budgeted Fund Names	Actual Amount of 2005 Tax Levy	County Treasurer's Estimate for Year 2007		
		2007 MVT	2007 RVT	16/20M Veh Tax
TOTAL				

MVT Factor _____

RVT Factor _____

16/20M Factor _____

Note: Do not allocate to new, discontinued, or any funds that did not have a tax levy in 2005.

Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes

This form is used to allocate the motor, recreational, and 16/20M vehicle taxes to the funds with a tax levy as required by the law. These three taxes 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

Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes determines the amount of these three revenue sources to be used in the funds with a tax levy. These allocations are used on the Fund Pages for each fund with a tax levy. All three sources must be allocated on the basis of the ratio that the individual tax levy amount bears to the total tax levy amount in the current year budget.

Step 1. Enter in 2006 Budgeted Fund Names and Actual Amount of 2005 Tax Levy columns, the names of the funds and the amounts of the tax levy for each of the funds with a tax levy in the current year budget. This information can be taken from Certificate of the current year budget.

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. Calculate and enter Total for the Actual Amount of 2005 Tax Levy column. Verify that the amount agrees with the current year budget total for all tax levies.

Step 3. Enter the revenue estimates from the County Treasurer's Budget Information for the motor, recreational and 16/20M vehicle taxes on the Total line of the respective columns.

Step 4. Calculate and enter the factors on the lines provided at the bottom of the form. The factors are calculated by dividing each estimate by the total levies for all funds.

Step 5. Calculate and enter the allocations on the appropriate lines. The fund allocation for the budget year is calculated by multiplying the factor by the fund's Actual Amount of 2005 Tax Levy.

Step 6. Verify that the fund allocations equal the total amount entered on Total line. Rounding may result in a small difference that must be adjusted.

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

2006 Budgeted Fund Names	Actual Amount of 2005 Tax Levy	Allocation for Year 2007		
		MVT	RVT	16/20M Veh
General	$ 9,404	447	$ 10	$ 46
Road	32,345	1,539	37	159
No Fund Warrant	5,000	238	6	25
TOTAL	$46,749	$2,224	$53	$230

MVT Factor (2,224 ÷ 41,749) = .04757

The general fund 2007 MVT Allocation is $9,404 times .05327 or $501.

RVT Factor (53 ÷ 41,749) = .00113

16/20M Vehicle Factor (230 ÷ 41,749) = .00492

Note: Do not allocate to new, discontinued or any funds that did not have a tax levy in 2005.

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Statement of Indebtedness

Type of Debt	Issue Date	Interest Rate %	Amount Issued	Amount Outstanding 1/1/2006	Date Due		Amount Due 2006		Amount Due 2007	
					Interest	Principal	Interest	Principal	Interest	Principal
Total										

Statement of Conditional Lease Purchase and Certificate of Participation

Item Purchased	Contract Date	Contract Term (Months)	Interest Rate %	Total Amount Financed (Beginning	Principal Balance 1/1/2006	Payments Due 2006	Payments Due 2007
Total							

* If you are merely leasing/renting with no intent to purchase, do not list—such transactions are not lease-purchases.

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. The possible types of debt are general obligation bonds or other. The "other" category includes no-fund warrants, temporary notes, firemen's relief loans, and other debt.

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.

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 1/1/2006. The amortization schedule (payment schedule) will show this information. Proposed issues will show a zero.

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 2006. 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 2007. The amortization 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 1/1/2006, Amount Due 2006, and Amount Due 2007.

S**tatement 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.

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 1/1/2006. Show the amount outstanding as of January 1 of the current year. The amortization schedule shows principal balance.

Step 7. Enter the Payments Due 2006 and Payments Due 2007. 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 1/1/2006, Payments Due 2006, and Payments Due 2007.

State of Kansas
Township
2007

Statement of Indebtedness

Type of Debt	Issue Date	Interest Rate %	Amount Issued	Amount Outstanding 1/1/2006	Date Due		Amount Due 2006		Amount Due 2007	
					Interest	Principal	Interes	Principal	Interest	Principal
No Fund Warrants:					4-1	4-1				
Motor Grader	2/12/03	8	50,380	10,000	10-1	10-1	800	10,000		
Total				10,000			800	10,000		

Statement of Conditional Lease Purchase and Certificate of Participation

Item Purchased	Contract Date	Contract Term (Months)	Interest Rate %	Total Amount Financed (Beginning	Principal Balance On 1/1/2006	Payments Due 2006	Payments Due 2007
EMT Radios	10/25/06	24	6.53	4,200	3,871	2,246	1,872
Total					3,871	2,246	1,872

* If you are merely leasing/renting with no intent to purchase, do not list—such transactions are not lease-purchases.

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Notice of Budget Hearing

The governing body of the _____ Township, _____ County will meet on the ____ day of _____, 2006 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 2006 ad valorem tax.
Detailed budget information is available at _____ and will be available at this hearing.

Budget Summary

Proposed Budget 2007 Expenditures and Amount of 2006 ad valorem tax establish the maximum limits of the 2007 budget. Estimated Tax Rate* is subject to change depending on the final assessed valuation.

	2005		2006		Proposed Budget 2007		
Fund	Prior Year Actual Expenditures	Actual Tax Rate*	Current Year Estimate of Expenditures	Actual Tax Rate*	Expenditures	Amount of 2006 Ad Valorem Tax	Est Tax Rate*
Totals							
Less: Transfers							
Net Expenditures							
Total Tax Levied							
Assessed Valuation:							
Township							
City							
Total							
	Outstanding Indebtedness, January 1						
	2004		2005		2006		
G O Bonds							
No-Fund Warrants							
Lease Purchase							
Total							

* Tax Rates are expressed in mills.

_____
Township Officer

Notice of Budget Hearing and Budget Summary is published in the newspaper as required by K.S.A. 79-2929. This form must be correct. The Notice of Budget Hearing and Budget Summary must be published at least ten days before the hearing. The expenditures and the amounts of 2006 ad valorem tax for the Proposed Budget Year set the limits. The certified amounts cannot exceed the published amounts in any fund.

Step 1. Enter in the appropriate blanks at the top of the form, the name of the township; 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 in Fund column.

Step 3. From the fund pages, enter the following: Total Expenditures for 2005 Prior Year Actual, 2006 Current Year Estimate, 2007 Proposed Budget Year and Amount of 2006 Ad Valorem Tax in the 2007 Proposed Budget column.

Step 4. Enter Total Tax Levied, Actual Tax Rate*, and Assessed Valuation in the 2005 Prior Year Actual column and Outstanding Indebtedness, January 1, 2004. This information is taken from the current year budget, Budget Summary, 2005 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 2006 Current Year column and Outstanding Indebtedness, January 1, 2005. This information is taken from the current year budget, Budget Summary, 2006 Proposed Budget column and the County Clerk's Budget information.

Step 6. Enter Assessed Valuation for July 1, 2006. This is on the County Clerk's Budget Information.

Step 7. Calculate and enter Est Tax Rate* for the 2007 Proposed Budget Year column. This is Amount of 2006 ad valorem tax divided by the Assessed Valuation. Move the decimal three places to the right and enter the rate in Estimated Tax Rate column. The General fund tax rate in the example is 9,393 divided by 5,178,582 which results in .001814, then move the decimal to get 1.814 mills.

Note: The township general fund levy is assessed on the township and third class city valuation. The road and noxious weed levies must be levied on the township valuation only. The other levies should be verified to determine if they are assessed on the township only or the township and third class city valuations. If funds are combined, take care that the road and noxious weed functions are not in a fund levied on third class city.

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.

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 2007 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 if publication is required. For all budgets with total expenditures of $500 or more, the Notice of Hearing must be published, along with a summary of the proposed budget, at least ten days prior to the date of the hearing. If total expenditures are less than $500, The Notice of Hearing is all that needs to be published.

Note: The expenditure amount for 2007 and the amount of 2006 ad valorem tax must be correct. If the amount of 2006 ad valorem tax is too low, the only way to increase it is to republish the entire budget and schedule a new hearing. If the expenditure amount for 2007 is too low, a budget amendment can be used to increase it. If either the expenditure amount or the amount of 2006 ad valorem tax is too high, it can be reduced by action of the governing body with no additional publication.

If there is a mistake on the 2005 or 2006 columns, totals or the indebtedness, this is only published for information and no corrective action will be necessary.

Step 14. Once published, ensure amounts are in agreement with the Budget Summary and that the budget hearing was schedule for at least 10 days after publication.

State of Kansas
Township
2007

Notice of Budget Hearing

The governing body of Example Township will meet on the 20th day of August, 2006 at 7 P.M., at Example Township 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 Example Township Hall and will be available at this hearing.

Budget Summary

Proposed Budget 2007 Expenditures and Amount of 2006 ad valorem tax establish the maximum limits of the 2007 budget. Estimated Tax Rate* is subject to change depending on the final assessed valuation.

	2005		2006		Proposed Budget 2007		
Fund	Prior Year Actual Expenditures	Actual Tax Rate*	Current Year Estimate of Expenditures	Actual Tax Rate*	Expenditures	Amount of 2006 Ad Valorem Tax	Est Tax Rate*
General	20,652	2.437	19,500	1.201	17,828	9,393	1.814
Road	32,311	9.151	43,794	11.816	68,103	32,758	11.238
No Fund Warrant	11,600	2.000	10,800	1.82			
Totals	64,563	13.588	74,094	14.837	85.931	42,151	13.052
Less: Transfers							
Net Expenditures	64,563		74,094		85,931		
Total Tax Levied	43,493		46,749				
Assessed Valuation							
Township	2,823,718		2,746,887		2,914,811		
City	1,954,810		2,080,783		2,263,771		
Total	4,778,528		4,827,670		5,178,582		
	Outstanding Indebtedness, January 1						
	2004		2005		2006		
G O Bonds							
No-Fund Warrants	20,000		10,000				
Lease Purchase			3,800				
Total	20,000		13,800				

* Tax Rates are expressed in mills.

_____
Clerk

State of Kansas
Township
2007

Certificate

To The Clerk of _____County, State of Kansas

We the undersigned officers of
_____Township
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 2007; and (3) the Amount(s) of 2006 ad valorem tax are within statutory limitations.

			2007 Adopted Budget		
Table of Contents:		Page No.	Expenditures	Amount of 2006 Ad Valorem Tax	County Clerk's Use Only
Computation to Determine Limit for 2007		2			
Allocation of MVT, RVT & 16/20M Veh		3			
Statement of Indebtedness/ Lease Purchase					
Fund	K.S.A.				
General	79-1962				
Road	68-518c				
Cemetery					
Fire					
Totals					
Publication					
Final Assessed Valuation:					
Township					
City					
Total					

State Use Only
Received _____
Reviewed By _____
Follow-up Yes___ No___

Assisted by:
_____ _____
_____ _____
_____ _____
Governing Body

Attest: _____, 2006

_____
County Clerk

List any resolution setting a fund levy limit:
Special Road Election held _____ for _____ mills for _____ years. First levy in ____.

Salaries and Wages: Please report here the total amount of salaries and wages paid in 2005 by your township to all employees, full and part-time. This amount may be taken from the 2005 W-3 form that your township files with the IRS. $_____

Certificate is used to certify to the County Clerk that this is the adopted budget. The Certificate must be signed by at least one of the governing body members. 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 township and county on the lines provided.

Step 2. Enter fund names in Fund column in the same order as the Budget Summary.

Step 3. Enter K.S.A. 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.

Step 4. Enter the page number for each page shown. Also enter the page number on each page.

Step 5. Enter the Total Expenditures and Amount of 2006 Ad Valorem Tax for the Proposed Budget 2007 column for each fund from the related fund page.

Step 6. Calculate and enter Totals for Expenditures and Amount of 2006 Ad Valorem Tax columns.

Note: The fund expenditure and amount of 2006 ad valorem tax amounts on this form can never exceed the amounts published.

Step 7. Verify that the total levies do not exceed the amount entered on line 14 of the Computation to Determine Limit for 2007 Budget. The governing body must adopt a resolution if the levies exceed this amount, see Appendix D. A copy of the resolution must be attached to the budget.

Step 8. If a resolution was adopted to set a levy limit for any fund, list the resolution in the "List any resolution setting a fund levy limit" section. A copy of the resolution should be attached to the budget.

Step 9. Enter the preparer's name and employer in the "Assisted by" section if the budget is prepared by someone who is not an employee or officer of the township.

Step 10. The governing body should sign the Certificate form after the budget is adopted.

State of Kansas
Township
2007

Certificate
To The Clerk of Example County, State of Kansas
We the undersigned officers of
City 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 2007; and (3) the Amount(s) of 2006 ad valorem tax are within statutory limitations.

			2007 Adopted Budget		
Table of Contents:		Page No.	Expenditures	Amount of 2006 Ad Valorem Tax	County Clerk's Use Only
Allocation of MVT, RVT & 16/20M Veh		2			
Computation to Determine Limit for 2007		3			
Statement of Indebtedness		4			
Statement of Conditional Lease, etc.		4a			
Fund	K.S.A.				
General	79-1953	5	17,828	9,393	
Road	68-518c	6	68,103	32,758	
No Fund Warrant	79-2940	7			
Special Machinery	68-141g	6			
Totals			85,931	42,151	
Publication		8			
Final Assessed Valuation					
Township					
City					
Total					

State Use Only
Received _____
Reviewed By _____
Follow-up Yes___ No___

Assisted by:
_____ _____
_____ _____
_____ _____
Governing Body

Attest: _____, 2006
_____
County Clerk
List any resolution setting a fund levy limit:
Special Road Election held _____ for _____ mills for _____ years. First levy in ____.

Salaries and Wages: Please report here the total amount of salaries and wages paid in 2005 by your township to all employees, full and part-time. This amount may be taken from the 2005 W-3 form that your township files with the IRS. $_____

ADOPTION OF 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.

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 should be held at least10 days after the Notice of Budget Hearing has been published and can be conducted at a regular or special meeting of the governing body. Time should be set aside to specifically address adoption of 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, ensure to review what was published agrees with the Budget Summary.

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.

Step 2. The hearing allows for input from the community so that any concerns can 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 2006 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. This may take some time so adoption will be tabled until a later date.

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 including the resolution to exceed the computed maximum levy if required.

The copies should be assembled in page number order with the published budget summary as the last page. *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 and Budget Summary, Affidavit of Publication, and the signed resolution to exceed the computed maximum levy, if required.

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 and Budget Summary, Affidavit of Publication, and the resolution to exceed the computed maximum levy. Email the Excel file to 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.

County Clerk's Verification and Filing

- Initial Review

Step 1. Remove all blank pages and instruction pages from the budget.

Step 2. Verify all pages are included, check for prenumbered pages, and account for all page numbers. Include the published budget summary from newspaper with Affidavit of Publication from the newspaper. Staple the publication copy to an 8 ½" X 11" sized paper.

Step 3. Verify that there is a copy of the resolution to exceed the levies in the 2007 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 at least ten days before the public hearing per K.S.A. 79-2929. The Prior Year Actual 2005 and the Current Year Estimate 2006 are shown only for information and comparison but the Proposed Budget Year 2007 expenditures and the 2006 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 2005, the Current Budget Year 2006 and the Proposed Budget Year 2007 and the Amount of 2006 Ad ValoremTax.

Step III. Verify the actual tax rate that was levied for the 2005 and 2006 columns. Compare the 2004 tax levy rates with the 2005 budget and the 2005 tax levy rates with the 2006 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 2006 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 2005 and 2006 budgets and the assessed valuations for these years.

Step VI. Verify the assessed valuation for the 2007 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. Include only those transfers that are included in expenditures of two funds.

Step VIII. Verify the outstanding debt as of January 1, 2004, and 2005. These should agree with the Notice of Budget Hearing from the 2006 Budget.

Step IX. Verify the lease purchase principal outstanding January 1, 2004 and 2005. These should agree with the Notice of Budget Hearing from the 2006 Budget.

Step X. Verify the outstanding debt as of January 1, 2006. 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 the Statement of Indebtedness.

Step XI. Verify the lease purchase principal outstanding January 1, 2006. 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 Example Township will meet on the 20th day of August, 2006 at 7 p.m., at Township 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 Township Hall and will be available at this hearing.

Budget Summary

The Proposed Budget 2007 Expenditures and Amount of 2006 Ad Valorem Tax establish the maximum limits of the 2007 budget. Estimated Tax Rate* is subject to change depending on the final assessed valuation.

	2005		2006		Proposed Budget 2007		
Fund	Prior Year Actual Expenditures	Actual Tax Rate*	Current Year Estimate of Expenditures	Actual Tax Rate*	Proposed Budget Year Expenditures	Amount of 2006 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		
Township	V		V		VI		
City	V		V		VI		
Total	V		V		VI		
	Outstanding Indebtedness, January 1						
	2004		2005		2006		
No-Fund Warrants	VIII		VIII		X		
Lease Purchase Princ	IX		IX		XI		
Other							
Total							

* Tax Rates are expressed in mills.

_____
Clerk

Fund Sheets

- LAVTR is budgeted in a qualified fund.
- Non Appropriated Balances cannot exceed 5 percent of Total Expenditures and Non Appropriated Balance.
- Miscellaneous is limited to 10 percent of the total for both receipts and expenditures.
- 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 township should be notified so that they can take corrective action.

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 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 and the total, accounting for the small rounding differences. The reason for any significant differences should be identified.

Step 4. If a 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 2007 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 complete budget. For excel files; submit a copy of the Certificate and Summary pages, resolution (if needed), and e-mail the file or send a copy of the disk if the budget was prepared on the budget spreadsheet. The e-mail address is 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, according to K.S.A. 79-1965.

Final Tax Levy Rate

- Amount of 2006 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, two payment amounts for December and June, and payment stubs
- Information about due dates and what happens when taxes are not paid on time
- Notification that receipts will only be sent if requested by taxpayer

Property Tax 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

2006 Real Estate Tax Statement

AA-0168 | 004

John R. Doe
Treasurer, Example County
Example, Kansas 66XXX

Notice:
Second half tax bills are not sent

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.

Description of Property:

Example City
W1/2 Lt3, Blk 2, Less N 20'

Class	Appraised Valuation	Assessed Valuation	Unpaid Tax
RU-Land	3,500	403	
RU-Bldg	16,780	1,930	
Total	20,280	2,333	

Tax Entity	Levy	Tax Amount
State	1.500	3.50
County	43.859	102.32
City	17.492	40.81
USD	37.986	88.62
Library	1.063	.48
Total	101.900	237.73

Parcel No. 2030504026005000

Bill No. 004467

Total Tax	1st Half	2nd Half
237.73	118.87	118.86

John Jones
123 Main Street
Example City, KS 12345

Enclose only one portion with payment.
2006 Real Property Tax Statement 0044667

Receipt will not be sent unless requested.

ID# 2030504026005000
Bill No. 004467

Due 12/20/05
Due 6/20/06

John Jones
123 Main Street
Example City, KS 12345

Enclose only one portion with payment.
2006 Real Property Tax Statement 0044667

Receipt will not be sent unless requested.

ID# 2030504026005000
Bill No. 004467

118.87 Due 12/20/05 118.87
118.86 Due 6/20/06 118.87

John Jones
123 Main Street
Example City, KS 12345

PROPERTY TAX INFORMATION SHEET

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

Example County Treasurer

Tax Year: 2006 Tax Unit: 001 Date: 10/20/06

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: xxx-xx-x-xx-xx-xxx-xxx-xx-x

YOUR ASSESSED VALUE

Property Class	2005	2006	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	2005	2006	%Chg	2005	2006	$ 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	2005	2006	$ 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 township 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 $60,000. The taxes would increase by $34.50 if the township increased the levy by five mills.

Value of Property	$60,000
Taxable Percentage (11.5% Residential, 30% Commercial)	11.5%
Taxable Value	$6,900
Mill Levy Increase	5 Mills
Tax (Taxable Value times Mill levy divided by 1000)	$34.50 (6,900 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

Townships 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 amending process can be done at any time during the budgeted year, must be completed on or before December 31 of the budgeted year.

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.

Amendment Procedures

Preparation of the 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 Amendment 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. Be prepared to explain why the amendment is required. The budget hearing can be at a regular or special meeting and must be on or before the 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 December 31 of the budgeted year.

Step 3 Expedites filing two copies of the following forms with the County Clerk:

Certificate signed by at least one member of the governing body.
Individual fund page for each fund being amended.
Publication - a copy from the newspaper with Affidavit of Publication.

Amendment - Fund Page for a Fund with a Tax Levy

State of Kansas
Township
2007

Adopted Budget

Road Fund	2006 Adopted Budget	2006 Proposed Amendment
Unencumbered Cash Balance January 1	27,912	50,551
Ad Valorem Tax	32,758	32,758
Delinquent Tax	10	10
Motor Vehicle Tax	1,539	1,539
16/20M Vehicle Tax	159	159
Recreational Vehicle Tax	37	37
Gasoline Tax	4,883	4,883
Interest on Idle Funds		
Total Receipts	40,194	40,194
Resources Available	68,106	90,745
Expenditures:		
Administration – Per Diem	3,000	3,000
Salaries and Wages	8,000	10,000
Miscellaneous Expenses	4,000	4,000
Materials and Supplies	53,103	70,000
Total Expenditures	68,103	87,000
Unencumbered Cash Balance December 31	3	3,745

Notice of Budget Hearing
Amending the 2006 Budget

The governing body of Example Township will meet on the 10th day of November, 2006 at 7 P.M., at Township 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 Township Hall and will be available at this hearing.

Fund	Adopted Budget 2006			Proposed Amendment 2006 Budget
	Actual Tax Rate	Amount of Tax to Be Levied	Expenditures	Expenditures
Road	11.24	32,758	68,103	87,000

Joe Smith, Township Clerk

State of Kansas
Township
2007

AMENDMENT
Certificate

The Clerk of Example County, State of Kansas
We the undersigned officers of
Example Township
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 2006; and (3) the Amount(s) of 2006 ad valorem tax are within statutory limitations.

Table of Contents:		Page No.	2006 Amended Budget		County Clerk's
			Proposed Amendment	Amount of 2005 Tax to be Levied	
Fund	K.S.A.				
Road	68-518c	2	87,000	32,758	
Publication		3			

APPENDIX A

County Clerk's Budget Information for Townships for 2007 Budget

_____
Municipality Name

_____
3rd Class City Name

1. Valuation Information as of July 1, 2006:

Estimated Assessed Valuation:	**Township**	**3rd Class City**	**Property with Changed Use**
Real Estate	_____	_____	_____
Personal Property	_____	_____	_____
State Assessed	_____	_____	_____
Total	_____	_____	_____
New Improvements	_____	_____	_____

2. Personal Property excluding oil, gas, and mobile homes _____
(use this amount on Computation to Determine Limit for 2007 Budget, Line 5a)

3. Actual Tax Rates Levied for the 2006 Budget:

Fund	**Rate**
_____	_____
_____	_____
_____	_____

4. Final Assessed Valuation from the November 1, 2005 Abstract _____
   Township _____
   3rd Class City _____
   Total _____

5. Personal Property excluding oil, gas, and mobile homes for 2005 _____
   (use this amount on Computation to Determine Limit for 2007 Budget, Line 5b)
6. Gross Earning (Intangible) Tax Estimate _____
7. Neighborhood Revitalization District:
   Valuation Subject to Rebates _____
   _____
8. 2004 Delinquency Percentage for _____ Fund _____
9. 2004 Delinquency Percentage for Special Assessments _____

_____ Provided by: _____
Date

Name of County: _____

APPENDIX B

County Treasurer's Annual Report
_____ City _____Fund ____ Year

Date	Type of Distribution	Ad Valorem	Intangible	Amount	Total
	Balance January 1				
Jan 20	Current Tax				
Mar 20	Current Tax				
June 5	Current Tax				
Sep 20	Current Tax				
Oct 31	Current Tax				
	Total Current Tax				
Jan 20	Motor Vehicle Tax				
Mar 20	Motor Vehicle Tax				
June 5	Motor Vehicle Tax				
Sep 20	Motor Vehicle Tax				
Oct 31	Motor Vehicle Tax				
Dec	Motor Vehicle Tax				
	Total Motor Vehicle Tax				
Jan 20	Recreational Vehicle Tax				
Mar 20	Recreational Vehicle Tax				
June 5	Recreational Vehicle Tax				
Sep 20	Recreational Vehicle Tax				
Oct 31	Recreational Vehicle Tax				
Dec	Recreational Vehicle Tax				
	Total Recreational Vehicle Tax				
Jan 20	16/20 M Vehicle Tax				
Mar 20	16/20 M Vehicle Tax				
June 5	16/20 M Vehicle Tax				
Sep 20	16/20 M Vehicle Tax				
Oct 31	16/20 M Vehicle Tax				
Dec	16/20 M Vehicle Tax				
	Total 16/20 M Vehicle Tax				
	Delinquent Personal Property Tax				
	Delinquent Real Estate Tax				
	Total Delinquent Tax				
	Total Credits for Year				
	Payments to City			**Amount**	
Jan 20	Funds Paid to City				
Mar 20	Funds Paid to City				
June 5	Funds Paid to City				
Sep 20	Funds Paid to City				
Oct 31	Funds Paid to City				
Dec	Funds Paid to City				
	Total Payments for the year				
	Balance, December 31				

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 C

County Treasurer's Budget Information for 2007 Budget

_____

_____

Local alcoholic liquor _____
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

Special city and county highway _____
K.S.A. 79-3425c

Other (Specify) _____

Date _____ Provided by _____
County Treasurer

_____
Name of County

APPENDIX E

RESOLUTION NO._____

A resolution expressing the property taxation policy of the Board of _____Township with respect to financing the 2007 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 2007_____ Township budget exceed the amount levied to finance the 2006 _____ 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 is our desire to notify the public of the *possibility* of increased property taxes to finance the 2006 _____ Township budget as defined above.

Adopted this _____ day of _____, 2006 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 E

Authorized Township Funds Listing

Fund	K.S.A.
Bond and Interest	10-113
Cemetery	12-1403, 12-1405, 79-1962
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	79-1962, 80-1503, 80-1509, 80-1520, 80-1533, 80-1537, 80-1546, 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
No-Fund Warrants	79-2938, 79-2939
Noxious Weed	2-1318
Out-District Tuition	13-13a26
Park & Cemetery	79-1962, 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

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.

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 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 township 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.

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

GLOSSARY

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.

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.

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

Indebtedness - See Debt.

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.

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 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 township 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 that does not include provisions for purchasing 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 preceded 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 township.

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 - An 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.

Special District - A municipality that 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.

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.

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.