

Budgeting for Kansas Cities and Counties

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INTRODUCTION

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

Overview of the Budget Law

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

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

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

The budget law applies to all cities and counties. All cities and counties are subject to the budget law, and thus, must prepare an annual budget to be certified to the County Clerk. The budget law does not apply to certain types of municipalities that are related to cities and counties. Such related municipalities include public libraries, boards of public utilities, and county extension councils. (K.S.A.79-2925, 79-2930)

The annual budget provides the city or county 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 city or county. 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 city or county 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. Money that does not belong to the city or county should not be included in the budget. For example, a city might hold money for firemen's relief association. This money does not belong to the city and should not be included in the annual budget.

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

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

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

Miscellaneous category of expenditures or revenues is not to exceed ten percent. The budget for each fund shall not include any item for sundry or miscellaneous purposes in excess of 10% of the total. The budget is to include an itemized budget form for each and every fund. (K.S.A.79-2927, 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 _____ fund” or a “transfer from _____ fund” item as appropriate. For example, the entries to record a transfer from the general fund to a capital project fund are: 1) the general fund shows an expenditure of transfer to capital project fund; 2) the capital project fund shows a receipt of transfer from general fund. The schedule of transfers on page 3 should be completed for all transfers.

Following is a list of common transfers:

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

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

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

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

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

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

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

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

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

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

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

- Airport Revolving (K.S.A. 79-2925)
- Capital Projects (K.S.A. 12-6a16)
- City Multi-Year Capital Improvement (K.S.A. 12-1,118)
- City Equipment Reserve (K.S.A. 12-1,117)
- County Equipment Reserve (K.S.A. 19-119)
- County Home Improvement (K.S.A. 19-2120)
- County Multi-year Capital Improvement (K.S.A. 19-120)
- Donations (K.S.A. 79-2925)
- Federal Grants (K.S.A. 12-1663)
- Hospital Special Improvement (K.S.A. 13-14b12)
- Prosecuting Attorneys' Training Fund (K.S.A.28-170a)
- Reappraisal (tax levy authorized) (K.S.A. 79-1482)
- Risk Management Reserve (K.S.A. 12-2615)
- Special Assessment Equalization (county) (K.S.A. 79-1608)
- Special Assessment (tax levy authorized) (K.S.A. 79-1808)
- Special Bridge (tax levy authorized) (K.S.A. 68-1135)
- Special Building (Sale of county farm/home property) (K.S.A. 19-15,136)
- Special Highway Improvement (K.S.A. 68-590)
- Special Improvement (tax levy authorized) (K.S.A.79-1950b, 13-10,140, 12-6a13)
- Special Law Enforcement Trust Fund (K.S.A60-4117(d)(2))
- Special Liability Expense (tax levy authorized) (K.S.A. 75-6110)
- Special Recreation Facilities (county) (K.S.A. 79-2925)
- Special Recreation Facilities Reserve (K.S.A. 79-2925)
- Special Refuse Disposal (K.S.A. 19-2661)
- Special Road and Bridge (tax levy authorized) (K.S.A. 68-559a)
- Special Road and Bridge Building (K.S.A. 68-141g)
- Special Services (K.S.A. 12-1674)
- State Grants (K.S.A. 12-16,111)
- Utility or Proprietary Reserve Accounts (K.S.A. 12-825d)
- Workmen's Compensation Trust (county) (K.S.A. 44-505b)

The governing body must give notice and conduct a public hearing for the purpose of answering questions of taxpayers about the proposed budget. Before the annual budget is certified to the County Clerk, a public hearing on the proposed budget must be held. The public hearing is an opportunity for citizen input into the budget process. At least one public official must be present to hear the public's comments. The public hearing does not have to be an official meeting of the governing body but many times a regular meeting is used for the budget hearing. The Notice of Budget Hearing must be published, along with a summary of the proposed budget, at least ten days prior to the date of the hearing for all

budgets with total expenditures of \$500 or more. If the total expenditures are less than \$500, the Notice of Budget Hearing is all that needs to be published. (K.S.A.79-2929)

The budget document should be certified to the County Clerk by August 25. The Attorney General has ruled that all dates prescribed by the budget law are directory. (AGO 86-127) If this deadline cannot be met, contact the County Clerk 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. (K.S.A.79-2930(b))

The Budget Document

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

Budget Forms. The budget document contains the following required forms (or pages): Certificate, Computation to Determine Limit for 2007 Budget, Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes and Schedule of Transfers, Statement of Indebtedness, Statement of Conditional Lease-Purchase and Certificate of Participation, fund pages, and Notice of Budget Hearing and Budget Summary.

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

- Certificate. A Certificate is required for all budgets. The Certificate provides summarized expenditure and tax levy information for the Proposed Budget Year and serves as a table of contents for the budget document.
- Computation to Determine Limit for 2007 Budget. The Computation to Determine Limit for 2007 Budget is the computation to determine the maximum dollar amount of tax levy a city or county can levy without passing an ordinance or resolution as required by K.S.A. 79-2925b.
- Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes and Schedule of Transfers. Allocation of Motor (MVT), Recreational (RVT) & 16/20M Vehicle Taxes shows the allocation of the three taxes to all funds that levied a tax the previous year.

- Schedule of Transfers. This form is used to determine that all transfers are authorized and traceable from the transferring fund to the receiving fund.
- Statement of Indebtedness. This statement lists all outstanding debt at the beginning of the current year plus any new or proposed issues. The following types of debt must be included in this statement: 1) general obligation bonds; 2) revenue bonds; 3) no-fund warrants; 4) temporary notes; and 5) infrastructure loans.
- Statement of Lease-Purchases and Certificates of Participation. This statement lists all outstanding lease-purchase contracts and certificates of participation at the beginning of the current year.
- Fund Pages. An individual fund financial statement, or fund page, is required for each fund. The fund page contains three columns: Prior Budget Year, Current Budget Year, and Proposed Budget Year. The fund page is a three-year comparative financial statement showing the beginning balance, receipts, expenditures, and ending balance for each of the three years.
- Notice of Budget Hearing/Budget Summary. This form has two important segments: the notice of budget hearing and the budget summary. The form must be published in a local newspaper for the purpose of giving taxpayers notice of the required budget hearing. The notice of budget hearing segment gives the time, date, and location of the hearing. The budget summary segment includes total expenditures and amount of ad valorem tax from the fund pages, actual tax levy rates for prior year actual and current year estimate columns, estimated tax rates for the proposed budget year column, assessed valuations for all columns, and outstanding indebtedness for all columns.

Consolidating Funds

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

General Timetable for Preparing Budget Document

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

- | | |
|-----------------|---|
| Prior to July 1 | Obtain prior years actual receipts and expenditures from accounting records and documents. Review current year receipts and expenditures to date, and projected receipts and expenditures for the remainder of year. Start developing next years budget based on trend analysis and planned projects. |
| 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 complete the budget forms. All information should be received by July 1. See Appendix B for sample format. (K.S.A. 79-5a27)

Valuation Information as of July 1, 2006 - The July 1, valuation information of property within the city or county used as a basis for levying taxes.

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

Personal Property excluding oil, gas, and mobile homes – 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.

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

2005 Delinquency Percentage for Special Assessments – This is the percent of unpaid special assessments. Special assessments are compulsory charges made against certain properties to pay all or part of the cost of a specific capital improvement or service. This information is important when estimating the revenue from special assessments in a bond and interest fund.

County Treasurer

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

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

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

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

Motor Vehicle Tax – Must be allocated to every fund that levied a tax in the current year budget. Use Allocation of Motor (MVT), Recreational (VRT) & 16/20M Vehicle Taxes Form to allocate this revenue to the funds. See page 36 for a sample report. The amount received when taxpayers register their motor vehicles. This tax is based on the value of the vehicle and the previous year's countywide average levy. (K.S.A. 79-5111)

Recreational Vehicle Tax – Must be allocated to every fund that levied a tax in the current year budget. Use Allocation of Motor (MVT), Recreational (VRT) & 16/20M Vehicle Taxes Form to allocate this revenue to the funds. See page 36 for a sample report. The amount received when taxpayers register their RV's. The tax is assessed by weight of the RV. (K.S.A. 79-5123)

16/20 Vehicle Tax – Must be allocated to every fund that levied a tax in the current year budget. Use Allocation of Motor (MVT), Recreational (VRT) & 16/20M Vehicle Taxes Form to allocate this revenue to the funds. See page 36 for a sample report. The amount received when taxpayers register light trucks with a weight of 16,000 to 20,000 pounds. This tax is assessed like motor vehicle but is collected like an ad valorem tax, in December and June. (K.S.A.79-5105a)

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

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

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

League of Kansas Municipalities

Budget Tip Bulletins - Two bulletins are issued in June of each year to assist municipal officials in preparing budgets. One bulletin is for cities and the other for counties.

City's or County's Financial Records

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

Current Year Budget has information necessary to complete the 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 Issue

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

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

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

Budget Worksheets

Budget worksheets can be used to convert the accounting records for the Prior Year Actual into the format needed to complete the fund sheets in the budget document if a computer printout or the annual audit is not available. Summarize each month's receipts and expenditures into the budget categories to be used in the fund sheets. See Appendix E for sample report.

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

- County Distributions - The total amount of taxes received during the prior year from the county. The county must 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:
- Local Alcoholic Liquor – Must be budgeted as required by statute:
 - Cities under 6,000 Population – One half each to general and special parks and recreation funds
 - Cities over 6,000 Population - One third each to general, special parks and recreation, and special alcoholic liquor funds.
 - Counties – One third each to general, special parks and recreation, and special alcoholic liquor funds if a county receives money for an establishment outside of the incorporated limits of a city. If the county receives a portion of the tax for cities with a population under 6,000, the entire amount must go to the special alcoholic liquor fund.

The amount received from tax levy on liquor served by the drink by clubs, caterers, and drinking establishments. All municipalities with these businesses within their boundaries should be receiving this revenue. The Department of Revenue distributes local alcoholic liquor taxes quarterly on March 15, June 15, September 15, and December 15. (K.S.A.79-41a04)
- Sales Tax – The amount receive from a local tax on sales of goods or services. The tax can be either a county or city tax. The Department of Revenue distributes sale tax monthly. Sales Tax must be deposited in the General Fund unless the election to levy designated another fund. (K.S.A.12-192e)
- Special City and County Highway – Must be budgeted in the special highway, consolidated street, or the county road fund. Some counties must distribute part of the Special City and County highway revenue to townships. Distributed by the Department of Transportation with payments in January, April, August, and October. (K.S.A.79-3425)

State Sources

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

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

Local Sources

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

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

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

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

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

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

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

Budget Worksheet

Description	January	February	November	December	Total
Receipts					
County Distributions					
Local Alcoholic Liquor					
County/ City Rev Sharing					
Sales Tax					
Fines					
Franchise Fees					
Licenses and Permits					
Other					
Cancelled Encumbrances					
Interest on Idle Funds					
Total Receipts					
Expenditures					
Administration					
Police					
Fire					
Streets					
Street Lighting					
Parks and Recreation					
Transfer to Equip Reserve					
Total Expenditures					

Prepare the budget worksheets, then complete stage 1 of the fund sheets as discussed on Page 15. This can be done any time after the books are closed for the year and prior to June 30.

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.

Fund Pages Vary in Complexity

A fund page must be prepared for each fund but some fund pages will be much easier to prepare than others. For example, the fund page for the general fund will normally be the most complex because of the many different classifications of receipts and expenditures

Two Fund Pages for Funds with a Tax Levy are in the budget form distributed by A & R. Two forms are provided to allow flexibility in the amount of detail that is shown for a fund. Choose the form that has enough lines for the detail desired. Use A & R computer spreadsheets or design a spreadsheet using the same basic format if more lines are needed.

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.

Fund Page for Funds With a Tax Levy

State of Kansas
City/County
2007

Adopted Budget	Fund	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance January 1				
Receipts:				
Ad Valorem Tax				
Delinquent Tax				
Motor Vehicle Tax				
Recreational Vehicle Tax				
16/20 M Vehicle Tax				
Transfers From: (Specify Fund)				
Cancellation of Prior Year Encumbrances				
Interest on Idle Funds				
Total Receipts				
Resources Available				
Expenditures:				
Transfer To: (Specify Fund)				
Total Expenditures				
Unencumbered Cash Balance December 31				
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. Enter the name of the fund in “_____ Fund” field.

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

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

Step 4. 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 5. Calculate and enter Resources Available. This is the sum of Total Receipts and Unencumbered Cash Balance January 1.

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

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

Step 7. Calculate and enter Total Expenditures. This is the sum of all expenditure amounts.

Step 8. Calculate and enter Unencumbered Cash Balance December 31. This is computed by subtracting Total Expenditures 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
City/County
2007

Adopted Budget

<u>Bond & Interest Fund</u>	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance January 1	3,515		
Receipts:			
Ad Valorem Tax	5,581		
Delinquent Tax	5		
Motor Vehicle Tax	2,729		
Recreational Vehicle Tax	17		
16/20M Vehicle Tax	20		
Cancellation of Prior Year Encumbrances			
Interest on Idle Funds			
Total Receipts	8,352		
Resources Available	11,867		
Expenditures:			
Interest	2,212		
Principal	7,500		
Commission	5		
Cash Basis Reserve			
Total Expenditures	9,717		
Unencumbered Cash Balance December 31	2,150		
		Non-Appropriated Balance	
		Total Expenditures and Non-Appropriated Balance	
		Tax Required	
		Delinquency Computation	
		Amount of 2006 Ad Valorem Tax	

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. 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.

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 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 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 fund budget 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
City/County
2007

Adopted Budget

<u>Bond & Interest Fund</u>	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance January 1	3,515	2,150	
Receipts:			
Ad Valorem Tax	5,581	7,023	
Delinquent Tax	5	10	
Motor Vehicle Tax	2,729	1,596	
Recreational Vehicle Tax	17	25	
16/20M Vehicle Tax	20	25	
Cancellation of Prior Year Encumbrances			
Interest on Idle Funds			
Total Receipts	8,352	8,679	
Resources Available	11,867	10,829	
Expenditures:			
Interest	2,212	1,560	
Principal	7,500	8,500	
Commission	5	20	
Cash Basis Reserve			
Total Expenditures	9,717	10,080	
Unencumbered Cash Balance December 31	2,150	759	
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, and 16/20M vehicle tax will be included in the County Treasurers Budget Information and will be available about July 1.

The estimate for special city and county highway funds are included in the League's Budget Tips Bulletin received in June.

The special city and county highway funds must be used for maintaining streets or roads. The Department of Transportation distributes quarterly on January 15, April 15, July 15, and October 15. K.S.A. 79-3425c

The city connecting link estimate is determined by an amount per lane mile maintained. These funds must be used to maintain a connecting link with a State highway. The Department of Transportation distributes quarterly on January 1, April 1, July 1, and October 1. K.S.A. 68-416

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

Transient guest tax is a tax on lodging facilities. The Department of Revenue distributes quarterly on January 30, April 30, July 30, and October 30. Use the prior year receipts as a basis to determine the estimate for the proposed year. K.S.A. 12-1698

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

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

- 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 year 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. 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. K.S.A. 79-2927
- Step 7. Calculate and enter Total Expenditures and Non-Appropriated Balance. This is the sum the two amounts for 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
City/County
2007

Adopted Budget

<u>Bond & Interest Fund</u>	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance January 1	3,515	2,150	759
Receipts:			
Ad Valorem Tax	5,581	7,023	
Delinquent Tax	5	10	10
Motor Vehicle Tax	2,729	1,596	2,033
Recreational Vehicle Tax	17	25	13
16/20M Vehicle Tax	20	25	30
Cancellation of Prior Year Encumbrances			
Interest on Idle Funds			
Total Receipts	8,352	8,679	2,086
Resources Available	11,867	10,829	2,845
Expenditures:			
Interest	2,212	1,560	1,150
Principal	7,500	8,500	8,500
Commission	5	20	20
Cash Basis Reserve			3,500
Total Expenditures	9,717	10,080	13,170
Unencumbered Cash Balance December 31	2,150	759	
		Non-Appropriated Balance	185
		Total Expenditures and Non-Appropriated Balance	13,355
		Tax Required	10,510
		Delinquency Computation	212
		Amount of 2006 Ad Valorem Tax	10,722

Note that the fund page for funds with a tax levy has lines after the Unencumbered Cash Balance December 31. The fund page for funds with no levy ends with Unencumbered Cash Balance December 31. Be sure to use the correct form for the fund.

FUND PAGES FOR FUNDS WITH NO TAX LEVY

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

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. Note: Not all fund pages require columns 2 and 3 to be completed. See page 4 for list of funds which do not require these columns to be completed.

Two forms for funds with no tax levy are in the budget forms distributed by A & R. There is a one page fund form and a half page fund form. Choose the form that has adequate lines for the amount of detail necessary for the fund.

Fund page for a fund with no tax levy

State of Kansas
City/County
2007

Adopted Budget

Fund	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance January 1			
Receipts:			
Total Receipts			
Resources Available			
Expenditures:			
Total Expenditures			
Unencumbered Cash Balance December 31			

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 prior year just completed. The following information is needed for that financial statement: 1) Unencumbered Cash Balance January 1; 2) cash receipts; 3) expenditures; and 4) Unencumbered Cash Balance December 31. Each of these items is discussed below.

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

Step 2. Enter Unencumbered Cash Balance January 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 the receipt categories and amounts. Generally, receipts should be categorized into the same classifications that appear in the budget document that was prepared in the previous year. The amounts are derived from the accounting records by using a budget worksheet, computer printout, or annual audit report. See Appendix E for a sample Budget Worksheet.

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

Step 4. 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 5. Calculate and enter Resources Available. This is the sum of Total Receipts and Unencumbered Cash Balance January 1.

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

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

Step 7. Calculate and enter Total Expenditures. This is the sum of all expenditure amounts.

Step 8. Calculate and enter Unencumbered Cash Balance December 31. This is computed by subtracting Total Expenditures 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 no tax levy after Stage 1

State of Kansas
City/County
2007

Adopted Budget

<u>Water</u> Fund	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance January 1	20,216		
Receipts:			
Water Charges	154,193		
Sales Tax	4,512		
Late Charges	1,030		
Reimbursed Expenses	7,122		
Interest on Idle Funds	1,055		
Total Receipts	167,912		
Resources Available	188,128		
Expenditures:			
Water Operations:			
Personal Services	71,168		
Contractual Services	25,648		
Commodities	18,989		
Capital Outlay	20,149		
Sales Tax	5,439		
Transfer to Bond & Interest	24,145		
Transfer to Bond Reserve	2,400		
Transfer to General	1,000		
Total Expenditures	168,938		
Unencumbered Cash Balance December 31	19,190		

For funds for which the proposed budget is not required (See Page 3 and 4), the Prior Year Actual column is all that is required. Leave the other columns blank.

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 Actual* budget while the current year estimate column contains *estimated* receipts and expenditures for the *current* year budget. Not all funds require this column to be completed. See page 4 for list of these funds.

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. 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.

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 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 no tax levy after Stage 2

State of Kansas
City/County
2007

Adopted Budget

<u>Water Fund</u>	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance January 1	20,216	19,190	
Receipts:			
Water Charges	154,193	140,000	
Sales Tax	4,512	4,500	
Late Charges	1,030	1,500	
Reimbursed Expenses	7,122	1,000	
Interest on Idle Funds	1,055	1,000	
Total Receipts	167,912	148,000	
Resources Available	188,128	167,190	
Expenditures:			
Water Operations:			
Personal Services	71,168	50,000	
Contractual Services	25,648	30,000	
Commodities	18,989	20,000	
Capital Outlay	20,149	11,025	
Sales Tax	5,439	8,000	
Transfer to Bond & Interest	24,145	23,855	
Transfer to Bond Reserve	2,400		
Transfer to General	1,000	1,000	
Total Expenditures	168,938	143,880	
Unencumbered Cash Balance December 31	19,190	23,310	

For funds for which the proposed budget is not required (See Page 3 and 4), the Prior Year Actual column is all that is required. Leave the other columns blank.

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*. Not all funds require this column to be completed. See page 4 for list of these funds.

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 Cash Receipts Estimates.

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

Note: Do not include Unencumbered Cash Balance January 1 in Total Receipts. K.S.A. 79-2927 limits any miscellaneous category to ten percent of 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.

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

Step 6. Calculate and enter the Total Expenditures. This is computed by adding all expenditure amounts.

Step 7. Calculate and enter Unencumbered Cash Balance December 31. This is computed by subtracting the Total Expenditures from Resources Available. There is no limit on the ending balance. However, it is usually a good idea to budget most of the resources available. If expenditures exceed the budgeted amount during the budget year, a budget amendment will be necessary to increase the expenditure limits. A negative Unencumbered Cash Balance December 31 is not allowed; decrease expenditures to eliminate any negative amount. (K.S.A. 79-2927)

Completed fund page for a fund with no tax levy

State of Kansas
City/County
2007

Adopted Budget

<u>Water Fund</u>	Prior Year Actual 2005	Current Year Estimate 2006	Proposed Budget Year 2007
Unencumbered Cash Balance January 1	20,216	19,190	23,310
Receipts			
Water Charges	154,193	140,000	147,000
Sales Tax	4,512	4,500	4,500
Late Charges	1,030	1,500	1,500
Reimbursed Expenses	7,122	1,000	
Interest on Idle Funds	1,055	1,000	1,000
Total Receipts	167,912	148,000	154,000
Resources Available	188,128	167,190	177,310
Expenditures:			
Water Operations:			
Personal Services	71,168	50,000	55,000
Contractual Services	25,648	30,000	34,000
Commodities	18,989	20,000	25,000
Capital Outlay	20,149	11,025	25,000
Sales Tax	5,439	8,000	6,000
Transfer to Bond & Interest	24,145	23,855	23,030
Transfer to Bond Reserve	2,400		
Transfer to General	1,000	1,000	1,000
Total Expenditures	168,938	143,880	169,030
Unencumbered Cash Balance December 31	19,190	23,310	8,280

For funds for which the proposed budget is not required (See Page 3 and 4), the Prior Year Actual column is all that is required. Leave the other columns blank.

PREPARING THE BUDGET DOCUMENT

This chapter will cover the city/county 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.

City/County Budget Document consists of the following forms:

- Computation to Determine Limit for 2007 Budget
- Allocation of Motor (MVT), Recreation (RVT) & 16/20M Vehicles Taxes and Schedule of Transfers
- 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 cities and counties use the **City and County 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 with Affidavit of Publication, (3) a copy of the resolution or published ordinance to exceed the computed limit, and (4) the e-mailed excel file or computer disk.

State of Kansas
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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 Annexed territory for 2006:	
6a.	Real Estate	+ _____
6b.	State Assessed	+ _____
6c.	New Improvements	- _____
6d.	Total Adjustment	+ _____
7.	Valuation of Property that has Changed in Use during 2006:	
7a.	Real Estate	+ _____
8.	Total Valuation Adjustment (Sum of 4, 5c, 6d & 7a)	_____
9.	Total Estimated Valuation July 1, 2006	_____
10.	Total Valuation less Valuation Adjustment (9 - 8)	_____
11.	Factor for Increase (8 divided by 10)	_____
12.	Amount of Increase (11 times 3)	+ \$ _____
13.	Maximum Tax Levy, excluding debt service, without Ordinance or Resolution (3 plus 12)	\$ _____
14.	Debt Service Levy in this 2007 budget	\$ _____
15.	Maximum Tax Levy, including debt service, without Ordinance or Resolution (13 plus 14)	\$ _____

If the 2007 budget includes tax levies exceeding the total on line 15, you must adopt an ordinance or resolution to exceed this limit and attach to this budget.

Computation to Determine Limit for 2007 Budget

The Computation to Determine Limit for 2007 Budget shows the maximum tax levy that can be made without adopting an ordinance or resolution to exceed the limit. K.S.A. 79-5040 suspends all statutory fund levy limits. K.S.A. 79-2925b requires that an ordinance or resolution must be passed if the tax levies in the 2007 budget exceed 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, the valuation of annexed territory, 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 long 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. Calculate and enter Valuation of Annexed Territory for 2006. Enter the valuation of real estate, state assessed, and new improvements on lines 6a to 6c. This information is obtained from the County Clerk's Budget Information. Add the values on lines 6a and 6b, and subtract from them the value on line 6c. Enter this amount on line 6d.

Note: The new improvement value is subtracted from the total because all new improvements are included in the new improvement value entered on line 4.
- Step 7. 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 8. Calculate and enter Total Valuation Adjustment. This is the sum of the values on lines 4, 5c, 6d, and 7a.
- Step 9. Enter Total Estimated Valuation July 1, 2006. The County Clerk's Budget Information includes the total.
- Step 10. Calculate and enter Total Valuation less Valuation Adjustment. Subtract the value on line 9 less the value on line 8.
- Step 11. Calculate and enter Factor for Increase. This is the value on line 8 divided by the value on line 10.
- Step 12. Calculate and enter Amount of Increase. This is the value on line 3 multiplied times the value on line 11.
- Step 13. Calculate and enter Maximum Tax Levy without Ordinance or Resolution. This is the sum of the values on line 3 and line 12.
- Step 14. Enter the debt service levy for this 2007 budget after the budget has been completed.
- Step 15. Calculate the Maximum Tax Levy, including debt service, without ordinance or resolution. This is the maximum amount that can be levied unless the governing body adopts an ordinance or resolution. Appendix F is an example city ordinance and Appendix G is the county resolution.

State of Kansas
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COMPUTATION TO DETERMINE LIMIT FOR 2007 BUDGET

	Amount of Levy
1. Total Tax Levy Amount in 2006 Budget	+ \$ <u>81,810</u>
2. Debt Service Levy in 2006 Budget	- \$ <u>7,023</u>
3. Tax Levy Excluding Debt Service	\$ <u>74,787</u>
 2006 Valuation Information for Valuation Adjustments:	
4. New Improvements	+ <u>102,300</u>
 5. Increase in Personal Property for 2006:	
5a. Personal Property 2006	+ <u>1,687,183</u>
5b. Personal Property 2005	- <u>1,647,125</u>
5c. Increase in Personal Property (5a minus 5b)	+ <u>40,058</u>
 6. Valuation of Annexed Territory for 2006:	
6a. Real Estate	+ <u>310</u>
6b. State Assessed	+ _____
6c. New Improvements	- _____
6d. Total Adjustment	+ <u>310</u>
 7. Valuation of Property that has Changed in Use during 2006:	
7a. Real Estate	+ <u>40,551</u>
8. Total Valuation Adjustment (Sum of 4, 5c, 6d & 7a)	<u>182,922</u>
9. Total Estimated Valuation July 1, 2006	<u>19,189,221</u>
10. Total Valuation less Valuation Adjustment (9 - 8)	<u>19,006,299</u>
11. Factor for Increase (8 divided by 10)	<u>.00962</u>
12. Amount of Increase (11 times 3)	+ \$ <u>787</u>
13. Maximum Tax Levy, excluding debt service, without Ordinance or Resolution (3 plus 12)	\$ <u>75,574</u>
14. Debt Service Levy in this 2007 budget	<u>10,722</u>
15. Maximum Tax Levy, including debt service, without Ordinance or Resolution (3 plus 12)	\$ <u>86,296</u>

If the 2007 budget includes tax levies exceeding the total on line 15, you must adopt an ordinance or resolution to exceed this limit and attach to this budget

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

2006 Budgeted Fund Names	Tax Levy Amt in 2006 Budget	County Treasurer's Estimate for Year 2007		
		MVT	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 Tax Levy Amount in 2006 Budget 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 Funds Names	Tax Levy Amt in 2006 Budget	Allocation for Year 2007		
		MVT	RVT	16/20M Veh
General	\$ 31,635	\$ 11,169	\$ 152	\$ 84
Emergency Equipment	2,877	1,016	14	8
Library	2,878	1,016	14	8
TOTAL	\$37,390	\$13,201	\$180	\$100

MVT Factor $(13,201 \div 37,390) = \underline{.35306}$

The general fund 2007 MVT Allocation is \$31,635 times .35306 or \$11,169.

RVT Factor $(180 \div 37,390) = \underline{.00481}$

16/20M Vehicle Factor $(100 \div 37,390) = \underline{.00267}$

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

Schedule of Transfers

Fund Transferred From:	Fund Transferred To:	2005 Amount Actual	2006 Amount	2007 Amount	Statute

Schedule of Transfers should be completed for all transfers between funds. Be sure that all transfers are authorized and traceable from transferring fund to receiving fund. See pages 2 and 3 for the common transfers.

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

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

Instructions for Statement of Indebtedness

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

Note: If the city or county has no debt, write none on this page and submit with the budget.

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

Step 3. Enter Amount Outstanding 1/1/2006. 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 (payment schedule) will show the amounts for issues outstanding at the beginning of the year. For proposed issues the amount due will be an estimate. To ensure adequate funds are available to make any required payments, do not underestimate possible payment requirements.

Step 7. Calculate and enter total by type of debt and total for all debt for the following columns: Amount Outstanding 1/1/2006, Amount Due 2006, and Amount Due 2007.

State of Kansas
City/County
2007

Statement of Indebtedness

Purpose 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
General Obligation:					4-25					
*Sewer	10-25-05	4.5	130,000	130,000	10-25	4-25	1,560	8,500	1,150	8,500
Total G.O.				130,000			1,500	8,500	1,150	8,500
Revenue Bonds:										
Water	8-01-05	5	40,000	30,000	2-1		2,700	5,000	2,250	5,000
Proposed Water	9-01-05	4	200,000		8-1	9-1	16,000	0	16,000	10,000
Total Revenue				30,000			18,700	5,000	18,250	15,000
Other:										
Temporary Notes	2/12/06	6	121,380	121,380	4-1 10-1	4-1 10-1	15,236	30,345	6,676	30,345
State Revolving Loan	8/15/06	4.5	200,000	200,000	Monthly	Monthly	9,000	10,000	8,550	10,000
Total Other				321,380			24,236	40,345	15,226	40,345
Total				481,380			51,700	55,345	41,530	65,345

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

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 2007

STATEMENT OF CONDITIONAL LEASE-PURCHASE AND CERTIFICATE OF PARTICIPATION*

Item Purchased	Contract Date	Term of Contract (Months)	Interest Rate %	Total Amount Financed (Beginning Principal)	Principal Balance On 1/1/2006	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 Conditional Lease-Purchase and Certificate of Participation is used to record lease-purchase transactions under K.S.A. 10-1116b. Lease-purchase transactions are installment purchases with ownership transferring to the taxing subdivision at the completion of the agreement. **Transactions where there is no intent to purchase should not be shown.**

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

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

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

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

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

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

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

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

Step 6. Enter in the Principal Balance On 1/1/2006. 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
 City/County
 2007

Statement of Conditional Lease-Purchase and Certificate of Participation *

Item Purchased	Contract Date	Term of Contract (Months)	Interest Rate %	Total Amount Financed (Beginning Principal)	Principal Balance On 1/1/2006	Payments Due 2006	Payments Due 2007
Copier - Appraiser	11-30-05	36	15.1	5,450	1,758	2,024	
Computer - District Court	9-27-05	36	7	12,892	336	360	
Motor Grader	12-12-06	60	5.9	120,000	120,000	21,315	25,655
EMT Radios	10/25/05	12	6.53	4,200	3,750	4,200	
Tractor	3/28/05	36	5.35	50,000	50,000	24,345	22,594
911 System	6/19/05	36	8	96,922	62,220	34,772	34,772
Totals					238,804	87,016	83,024

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

State of Kansas
 City/County
 2007

Notice of Budget Hearing

The governing body of the _____ 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.

Fund	2005		2006		Proposed Budget 2007		
	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							
Outstanding Indebtedness, January 1							
	2004		2005		2006		
G O Bonds							
Revenue Bonds							
No-Fund Warrants							
Lease Purchase							
Total							

* Tax Rates are expressed in mills.

 Clerk

Notice of Budget Hearing and Budget Summary is published in the newspaper as required by K.S.A. 79-2929. **The Notice of Budget Hearing and Budget Summary must be published at least ten days before the hearing. This form must be correct because the fund expenditure and the amount of 2006 ad valorem tax for the Proposed Budget Year set the limit. 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 city or county; time, date, and location of hearing; and location where the budget will be available prior to the hearing.
- Step 2. List the names of the funds with a tax levy first in Fund column. Follow with the funds with no tax levy.
- Step 3. From the fund pages, enter the following: Total Expenditures for 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 Est Tax Rate column. The General fund tax rate in the example is 73,316 divided by 3,983,188 which results in .01841, then move the decimal to get 18.41 mills.
- Step 8. Calculate and enter totals for all columns on the "Totals" line.
- Step 9. Calculate and enter in the transfer amount for Less: Transfers. This is the sum of all transfers between funds.

- 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.
- Step 14. **Once the Notice of Budget Hearing has been published. Ensure the published amounts, date, time, and location of the meeting are in agreement with the Budget Summary information. Additionally, ensure there is at least 10 days between date of publication and when the meeting is to be held.**

Note: The expenditure amount for 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

State of Kansas
 City/County
 2007

Notice of Budget Hearing

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

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

Budget Summary

Proposed Budget 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.

Fund	2005		2006		Proposed Budget 2007		
	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	240,160	18.70	240,000	18.24	360,000	73,316	18.41
Bond & Interest	9,717	1.40	10,080	1.81	13,170	10,622	2.67
Employee Benefit	7,626		8,251		29,000		
Library	6,934	1.64	6,232	1.65	8,500	7,310	1.84
Special Highway	50,343		36,000		50,000		
Water	168,938		143,880		169,000		
Sewer	18,553		20,000		26,000		
Equipment Reserve	5,123						
Capital Impr Res							
Totals	507,394	21.74	464,443	21.70	655,670	91,248	22.92
Less: Transfers	25,145		34,855		34,030		
Net Expenditures	482,249		429,588		621,640		
Total Tax Levied	79,926		81,810				
Assessed Valuation	3,787,988		3,881,763		3,983,188		
Outstanding Indebtedness, January 1							
	2004		2005		2006		
G O Bonds	40,000		35,000		30,000		
Revenue Bonds							
No-Fund Warrants							
Lease Purchase							
Total	40,000		35,000		30,000		

* Tax Rates are expressed in mills.

 Clerk

State of Kansas
 City/County
 2007

Certificate

To The Clerk of _____ County, State of Kansas

We the undersigned officers of

_____ 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.

Table of Contents:		Page No.	2007 Adopted Budget		
			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			
Schedule of Transfers		3			
Statement of Indebtedness		4			
Statement of Conditional Lease, etc.		4a			
Fund	K.S.A.				
General		5			
Totals					
Publication					
Final Assessed Valuation					

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

Assisted by:

Governing Body

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 taxing subdivision 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. If a charter ordinance or resolution authorizes the fund, enter the ordinance or resolution number and attach a copy of the charter.
- 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 on this form can never exceed the amounts published.
- Step 7. Verify that the total levies do not exceed the amount shown on line 15 of the Computation to Determine Limit for 2007 Budget. The governing body must adopt an ordinance or resolution if the levies exceed this amount. A copy of the ordinance or resolution should be attached to the budget.

Note: All city ordinances must be published. The published ordinance must be included with the certified budget.
- Step 8. If an ordinance or resolution was adopted to set a levy limit for any fund, list the ordinance or resolution in the “List any ordinance or resolution setting a fund levy limit” section. A copy of the ordinance or 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 city or county.
- Step 10. The governing body should sign the Certificate form after the budget is adopted.

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		County Clerk's Use Only
Table of Contents:		Page No.	Expenditures	Amount of 2006 Ad Valorem Tax	
Computation to Determine Limit for 2007		2			
Allocation of MVT, RVT & 16/20M Veh		3			
Schedule of Transfers		3			
Statement of Indebtedness		4			
Statement of Conditional Lease, etc.		4a			
Fund	K.S.A.				
General	12-101a	5	360,000	73,316	
Bond & Interest	12-16,102	6	13,170	10,722	
Employee Benefit	10-113	6	29,000		
Library	12-1220	7	8,500	7,310	
Special Highway		8	50,000		
Water		8	169,000		
Sewer		9	26,000		
Equipment Reserve		9			
Capital Improvement Res		10			
Totals			655,670	91,248	
Publication		11			
Final Assessed Valuation					

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

Assisted by:

_____	_____
_____	_____
_____	_____

Governing Body

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.

Informal Briefings

The governing body is usually briefed about various issues prior to the formal presentation. These may take the form of work sessions, written questions about the proposed budget, and meetings with the budget preparer.

Formal Presentations

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

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

Adoption of the Budget

- Step 3. The governing body should adopt the budget or table adoption until a later date after the formal budget hearing is closed. Changes to the budget are permitted but the proposed expenditure and amount of 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.
- Step 4. All governing body members present at the adoption of the budget should sign the Certificate page. This certifies to the County Clerk that this is the official budget as adopted.

Filing of the Budget

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

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

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

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

Excel Spreadsheet Procedure: File two copies of the signed Certificate, published Notice of Budget Hearing, Affidavit of Publication, and ordinance or resolution. 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 and verify that all required pages are included. Staple the newspaper publication of the budget summary to a 8 ½" X 11" paper. If the newspaper publication does show the date published, then an Affidavit of Publication is not required.

Step 3. Verify that there is a copy of the signed resolution (county) or the newspaper publication of the ordinance (city) 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 ten days before the hearing to give notice to the public. 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 Valorem Tax.
- 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.
- 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 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.

Note: Verify Newspaper Copy

Notice of Budget Hearing

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

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

Budget Summary

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.

Fund	2005		2006		Proposed Budget 2007		
	Prior Year Actual Expenditures	Actual Tax Rate*	Current Year Estimate of Expenditures	Actual Tax Rate*	Proposed Budget Year Expenditures	Amount of 00 Ad Valorem Tax	Est Tax Rate*
I	II	III	II	III	II	II	IV
Totals							
Less: Transfers	VII		VII		VII		
Net Expenditures							
Total Tax Levied	V		V				
Assessed Valuation	V		V		VI		
Outstanding Indebtedness, January 1							
	2004		2005		2006		
G O Bonds	VIII		VIII		X		
Revenue Bonds							
No-Fund Warrants							
Lease Purchase Princ	IX		IX		XI		
Other							
Total							

* Tax Rates are expressed in mills.

Clerk

Fund Sheets

- Non Appropriated Balances cannot exceed 5 percent of Total Expenditures and Non Appropriated Balance.
- Miscellaneous category is limited to 10 percent of the total of receipts and expenditures.
- Checking the remainder of the information is optional. Many County Clerks verify the entire page. If there are mistakes that will affect the amount of cash available to fund the budget, the municipality should be notified so 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 the levy rates for the funds with a tax levy and determine the total for each taxing subdivision.
- Step 3. Verify all rates. We recommend using a computer spreadsheet or having another staff member check them. Multiply each levy rate and the total levy rate times the total valuation for the district. The result should be very close to the certified levy amounts. Any significant differences should be identified.
- Step 4. If an ordinance or resolution was not adopted, verify that the total levy, excluding debt service, is less than or equal to the amount determined on the Computation to Determine Limit for 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 budget. For excel files, submit a copy of the Certificate, Notice of Budget Hearing, and Affidavit of Publication pages only and e-mail the file or send a copy of the disk if the budget was prepared on the budget spreadsheet. If a published ordinance or resolution is required for any budget, send a copy. The e-mail address is armunis@da.state.ks.us. 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 along with the two payment amounts in December and June
- Information about due dates and what happens when taxes are not paid on time
- Stub to be mailed with each payment
- Notification that receipts will only be sent if requested by taxpayer

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				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.		
AA-0168	004	Description of Property:							
Example City W1/2 Lt3, Blk 2, Less N 20'				Tax Entity	Levy	Tax Amount			
Class	Appraised Valuation	Assessed Valuation	Unpaid Tax	State	1.500	3.50			
RU-Land	3,500	403		County	43.859	102.32			
RU-Bldg	16,780	1,930		City	17.492	40.81			
Total	20,280	2,333		USD	37.986	88.62			
John Jones 123 Main Street Example City, KS 12345				Library	1.063	2.48			
				Total	101.900	237.73			
				Parcel No. 2030504026005000					
				Bill No. 004467					
				Total Tax	1st Half	2nd Half			
				237.73	118.87	118.86			

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 12/20/05 118.87

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 12/20/05 118.87

Due 6/20/06 118.86

Due 6/20/06 118.87

John Jones
123 Main Street
Example City, KS 12345

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: 10/20/2006

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	2006	2007	\$ Change	% Change
Statewide USD *	\$5,611,560	\$4,156,711	(\$1,454,849)	-25.93%
State	\$1,352,705	\$1,433,051	\$80,346	5.94%
Example City	\$22,946,271	\$21,920,747	(\$1,025,524)	-4.47%
USD	\$4,177,511	\$4,793,787	\$616,276	14.75%
County	\$33,067,320	\$35,532,968	\$2,465,648	7.46%
Comm College	\$11,201,049	\$12,005,020	\$803,971	7.18%

Library	\$5,647,839	\$6,180,680	\$532,841	9.43%
Transit Authority	\$2,202,150	\$1,746,234	(\$455,916)	-20.70%
Total	\$86,206,405	\$87,768,198	\$1,562,793	1.81%

THIS IS NOT A TAX STATEMENT

Impact on Taxpayer

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

Example

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

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

Computation of Tax for Proposed Tax Increase

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

AMENDING THE BUDGET

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

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

The amending process can be done at anytime during the year, but must be completed and submitted on or before the Dec 31 of the budgeted year.

Amendment Procedures

Preparation of the Budget Forms

- Step 1. Prepare a fund sheet showing two columns, Adopted Budget and Proposed Amendment, for each fund being amended. Refer to the instructions on completing the fund pages in this manual.
- Step 2. Prepare the Notice of Budget Hearing - Amending the ____ (year) Budget. Complete the blanks in the Notice of Budget Hearing section. The wording can be changed to include an explanation of why an amendment is required. List the funds being amended and enter the fund's adopted budget total under the heading Adopted Budget and the fund's proposed amendment total under Proposed Amendment. If more than one fund is being amended, show a total for all funds.
- Step 3. The Clerk must sign and publish the Notice of Budget Hearing Amending the ____ (year) Budget at least ten days before the budget hearing.
- Step 5. Prepare a Certificate form. Write 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 (must be held on or before the Dec 31 of the budgeted year). Be prepared to explain why the amendment is required. The budget hearing can be at a regular or special meeting, but must be done on or before December 31 of the budgeted year.

Step 2. The governing body members who are present should sign the Certificate page if the amendment is adopted. The Certificate must be signed by at least one member of the governing body on or before the Dec 31 of the budgeted year.

Step 3. Expedite sending two copies of the following forms to the County Clerk:

Certificate signed by at least one member of the governing body.

Individual fund page for each fund being amended.

Publication of the Notice of Budget Hearing - a copy from the newspaper with an Affidavit of Publication or a copy from the newspaper which shows the date published.

Step 4. County Clerk retains a copy and expedites sending the other copy to A & R.

Amendment - Page for a Fund with a Tax Levy

State of Kansas
City/County

Adopted Budget

<u>Library</u> Fund	2006 Adopted Budget	2006 Proposed Amendment
Unencumbered Cash Balance January 1	704	755
Ad Valorem Tax	10,622	10,622
Delinquent Tax	10	1,385
Motor Vehicle Tax	2,033	2,500
Recreational Vehicle Tax	13	15
Insurance Reimbursement		
Interest on Idle Funds		
Total Receipts	12,678	14,522
Resources Available	13,382	15,277
Expenditures:		
Appropriation to Library Board	13,170	15,170
Total Expenditures	13,170	15,170
Unencumbered Cash Balance December 31	212	107

**Notice of Budget Hearing
Amending the 2007 Budget**

The governing body of Example City will meet on the 10th day of November, 2006 at 7 P.M., at City Hall for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds. This amendment is required because the carryover balance is greater than anticipated and the funds are needed for increased health insurance costs.

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

Fund	Adopted Budget 2006			Proposed Amendment 2006 Expenditures
	Actual Tax Rate	Amount of Tax to Be Levied	Expenditures	
Library	2.67	10,622	13,170	15,170

Joe Smith, City Clerk

**AMENDMENT
Certificate**

State of Kansas
City/County

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

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing, this budget was duly approved and adopted as the maximum expenditure for the various funds for the year 2006; and (3) the Amount(s) of 2005 ad valorem tax are within statutory limitations.

Table of Contents:		Page No.	2006 Amended Budget		County Clerk's Use Only
			Proposed Amendment	Amount of 2005 Tax to be Levied	
Fund	K.S.A.				
Library	12-16,102	2	15,170	10,622	
Publication		3			

APPENDIX A

CONSOLIDATING FUNDS

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

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

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

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

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

The League of Kansas Municipalities

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

Additional Information About Consolidating Funds

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

Procedure For Consolidating Funds

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

APPENDIX B

County Clerk's Budget Information for the 2007 Budget

Municipality Name

1. Valuation Information as of July 1, 2006:

	Estimated Assessed Valuation	Territory Added	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 _____

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 % _____

Date

Provided by: _____

Name of
County: _____

APPENDIX C

County Treasurer's Annual Report for _____

_____ City _____ Fund

Date	Type of Distribution	Ad Valorem	Intangible	Amount	Total
Balance January 1					
20-Jan	Current Tax				
20-Mar	Current Tax				
5-June	Current Tax				
20-Sep	Current Tax				
31-Oct	Current Tax				
	Total Current Tax				
20-Jan	Motor Vehicle Tax				
20-Mar	Motor Vehicle Tax				
5-June	Motor Vehicle Tax				
20-Sep	Motor Vehicle Tax				
31-Oct	Motor Vehicle Tax				
Dec	Motor Vehicle Tax				
	Total Motor Vehicle Tax				
20-Jan	Recreational Vehicle Tax				
20-Mar	Recreational Vehicle Tax				
5-June	Recreational Vehicle Tax				
20-Sep	Recreational Vehicle Tax				
31-Oct	Recreational Vehicle Tax				
Dec	Recreational Vehicle Tax				
	Total Recreational Vehicle Tax				
20-Jan	16/20 M Vehicle Tax				
20-Mar	16/20 M Vehicle Tax				
5-June	16/20 M Vehicle Tax				
20-Sep	16/20 M Vehicle Tax				
31-Oct	16/20 M Vehicle Tax				
Dec	16/20 M Vehicle Tax				
	Total 16/20 M Vehicle Tax				
	Delinquent Personal Property Tax				
	Delinquent Real Estate Tax				
	Total Delinquent Tax				

Total Credits for Year

Date	Payments to City	Amount
20-Jan	Funds Paid to City	
20-Mar	Funds Paid to City	
5-June	Funds Paid to City	
20-Sep	Funds Paid to City	
31-Oct	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 D
County Treasurer's Budget Information for 2007 budget

Local Alcoholic Liquor Tax
K.S.A. 79-41a04

Motor Vehicle Tax
K.S.A. 79-5111

Recreational Vehicle Tax
K.S.A. 79-5123

16/20M Vehicle Tax
K.S.A. 79-5111

Special City and County Highway
K.S.A. 79-3425c

Other Sources (Specify)

Date _____

Provided By _____
County Treasurer

Name of County

APPENDIX E
BUDGET WORKSHEET

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

APPENDIX F

MODEL CITY ORDINANCE

ORDINANCE NUMBER _____

AN ORDINANCE ATTESTING TO THE INCREASE IN TAXES LEVIED FOR BUDGET YEAR 2007 NECESSARY TO FINANCE PUBLIC SERVICES FOR THE CITY OF _____

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

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

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

Section One. In accordance with state law, the City of _____ has scheduled a public hearing and has published the budget summary to fund City services from January 1, 2007 to December 31, 2007.

Section Two. After careful public deliberations, it is hereby attested that in order to maintain the public services, which are essential for the citizens of this city, it will be necessary to utilize property tax revenues in an amount which exceeds the revenues budgeted in the year 2006.

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

Passed and adopted by the Governing Body on this _____ day of _____, 2006.

_____, Mayor

ATTEST: _____, City Clerk

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

APPENDIX G

MODEL COUNTY RESOLUTION

RESOLUTION NO. _____

A resolution expressing the property taxation policy of the Board of _____ County Commissioners with respect to financing the 2007 annual budget for _____ County.

Whereas, K.S.A. 79-2925b provides that a resolution be adopted if property taxes levied to finance the 2007 _____ County budget exceed the amount levied to finance the 2006 _____ County budget, except with regard to revenue produced and attributable to the taxation of 1) new improvements to real property; 2) increased personal property valuation, other than increased valuation of oil and gas leaseholds and mobile homes; and 3) property which has changed in use during the past year, or with regard to revenue produced for the purpose of repaying the principal of and interest upon bonded indebtedness, temporary notes, or no-fund warrants; and

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

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

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

NOW, THEREFORE, BE IT RESOLVED by the Board of _____ County Commissioners that is our desire to notify the public of the *possibility* of increased property taxes to finance the 2007 _____ County budget due to the above mentioned constraints, and that all persons are invited and encouraged to attend budget meeting conducted by the Board of _____ County Commissioners. The date and time of budget hearings with the Board of _____ County Commissioners will be published in the _____ (newspaper). Interested persons can also address questions concerning the budget to _____ (office) _____ by calling _____ between the hours of _____ a.m. to _____ p.m., Monday through Fridays, excluding holidays.

Adopted this _____ day of _____, 2006 by the Board of _____ County Commissioners.

BOARD OF COUNTY COMMISSIONERS

ATTEST:

, County Clerk.

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

APPENDIX H

County Authorized Funds Listing

<u>Fund</u>	<u>K.S.A.</u>
Airport	3-121, 3-307, 3-310, 3-316
Alcohol & Drug	65-4060
Appraisal	19-436
Appraisal, Reappraisal	79-1482
Arts	19-26,100
Bond & Interest	10-113
Building	12-1737, 19-120, 19-1572c, 19-1573, 19-1579, 19-15,116, 19-15,124, 19-15,125
Building, 4-H Clubs	19-1561
Cemetery	15-1015, 19-3105, 19-3106, 19-3107
Child Care Center	12-4801
Civil Defense	19-236a
Conservation District	2-1907b
Depository Bank Failure	19-2636
Drainage Maintenance & Repair	24-302
Economic Development	19-4102
Elderly Services	12-1680
Elderly, Home	19-2106, 19-2106a, 19-2106b, 19-2106e, 19-2107, 19-2122, 79-1947b
Election	19-3435a, 25-2201a, 39-417
Election, Voting Machine	25-120, 25-1315, 25-4407
Emergency Expense	19-236
Emergency Medical Services	65-6113, 65-6115
Employee Benefits	12-16,102
Employee Benefits-KP & F	74-4967
Employee Benefits-KPERS	74-4920
Employee Benefits-Social Security	40-2305
Employee Benefits-Unempl Ins	44-710e
Employee Benefits-Workers Comp	44-505c
Enforce County Resolutions	19-101d
Extension Council	2-610, 2-625, 12-620
Fair & 4-H Clubs	2-129, 2-131a-d, 2-132, 2-142, 2-145a, 2-301, 19-1561
Flood Control	19-3305, 82a-308
General	79-1946
Geological Survey	76-326a
Golf Course	19-27,156
Grasshopper Control	19-2412
Handicapped Services	19-2698
Health	65-204, 65-205
Health & Sanitation	65-208
Historical, Memorial	73-402, 73-406, 73-407, 73-427
Historical Museum	12-1684, 12-1688, 19-2651
Hospital	19-4606
Hospital, Indigent	39-416
JV Facility & Services	19-3903, 19-3905, 38-507, 38-513, 38-523, 38-533, 38-536, 38-546, 38-548, 38-554, 38-555
Law Enforcement	12-11a01, 19-4421, 19-4443, 19-4485
Law Enforcement, NFW	19-4420

APPENDIX H

County Authorized Funds Listing

<u>Fund</u>	<u>K.S.A.</u>
Liability Expense	75-6110
Library	12-1234, 12-1257, 12-1220, 12-1230
Library, Building	79-4001
Lighting, Highway	68-166
Mental Health & Retardation	19-4004, 19-4007, 19-4011, 65-211, 65-212, 65-215
Noxious Weed	2-1318
Out-District Tuition	13-13a26, 71-301
Parks	19-2803
Parks & City Lake	19-2833a
Parks & Recreation	19-2801, 19-2855, 19-2871
Parks, Zoo	19-28,112
Prisoner Maintenance	19-1930
Road & Bridge	68-559a, 68-582, 68-596, 68-709, 68-1103, 68-1135, 68-5,100, 68-5,101, 79-1946
Salary	28-716
Soil Drifting	2-20027
Solid Waste	65-204
Stream Maintenance	82a-308
Weather Modification	82a-1425
WSU Development	76-3a07

APPENDIX H

City Authorized Funds Listing

<u>Fund</u>	<u>K.S.A.</u>
Airport	3-113, 3-114, 3-121
Bond & Interest	10-113, 12-1775
Building	12-1,118, 12-1737, 12-6a13, 79-1950a, 79-1950b
Building, Memorial	73-407
Cemetery	12-1405, 12-1407, 12-1414, 13-14c08, 14-1007b, 14-1052, 15-1015, 17-1344, 17-1365, 80-908
Child Care Center	12-4801
Connecting Link	68-582
Elderly Services	12-1680
Elderly Home	12-4906
Emergency Equipment	12-110b
Emergency Med Services	65-6113
Employee Benefits	12-16,102
Employee Benefits-City Pension	13-14,100
Employee Benefits-City Retirement	13-14,107
Employee Benefits-KP & F	74-4967
Employee Benefits-KPERS	74-4920
Empl. Ben.-Police & Fire Pension	13-14a02, 13-14a05, 14-10a02, 14-10a05
Employee Benefits-Social Security	40-2305
Employee Benefits-Unempl Ins	44-710e
Employee Benefits-Workers Comp	44-505c
Fair	2-131c, 2-142
Flood Control	12-646a, 13-10,141, 14-713, 19-3307
General	12-101a
Health	65-208
Historical, Collections	12-1661
Historical, Memorial	73-406, 73-407
Historical, Museum	12-1661, 12-1684, 12-1688
Hospital	12-183, 13-14b12, 14-602, 14-640d, 14-696, 14-6,110
Industrial Development	12-1617h
Law Enforcement	12-11a03, 12-11a09, 19-4421, 19-4443, 19-4485
Library	12-1220, 12-1230, 12-1247, 79-4001
Library, Building	12-1254
No-Fund Warrant	79-2938, 79-2939
Noxious Weed	2-1318
Park, Maintenance	12-1303, 13-2507, 13-2541, 13-2544, 14-538
Park, Road Maintenance	15-913
Parking	13-1379
Public Transit	12-803b, 12-2535, 13-3108
Recreation Commission	12-1927
Refuse	12-2120
Refuse Collection	12-2104
Sewage Service	12-630a, 12-631x, 13-1018j
Street	14-535, 15-712
Street Lighting	15-733, 68-582
Tort Liab & Judgments	75-6110, 79-1951

GLOSSARY

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

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

Annexation – Territory added to the city.

Appraised Valuation - The estimated value of property.

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

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

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

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

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

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

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

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

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

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

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

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

GLOSSARY

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

City/County Highway. See Special City and County Highway

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

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

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

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

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

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

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

Employee Benefits - These are benefits provided for employees.

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

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

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

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

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

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

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.

GLOSSARY

The gross earnings tax can be authorized by resolution and eliminated by either resolution or election.

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

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

Indebtedness - See Debt.

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

Intangible Tax - See Gross Earnings Tax.

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

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

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

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

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

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

Neighborhood Revitalization Program - A program for rebating taxes to owners of property 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 city or county borrows the money from the bank, another fund, or private citizens.

GLOSSARY

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 city or county.

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.

Revenue Bonds - Long term debt issued for the benefit of a revenue producing activity. Principal and interest payments must be paid from revenue generated by the related activity. An ad valorem tax levy cannot be used for the principal and interest payments. In addition, the revenue bond ordinance often requires that one or more reserve funds be established for specific purposes.

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

Special District - A municipality 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.

GLOSSARY

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

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

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

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

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

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

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

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

Territory Added - Territory annexed and added to a city.

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

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

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