

Recreation Commission Budget 2008 Forms and Instructions

All recreation commissions that receive an appropriation from a city or USD use the **Recreation Commission Budget Forms**. These forms meet the requirements of K.S.A. 12-1927 as amended. They are similar to the city and USD forms so your sponsoring city or USD should be able to integrate them into their budgets. The USD fund pages for Code No. 84 and 86 can be substituted for the fund page in this set. If you have suggestions concerning the design of the budget forms, please write or call our office.

It is critically important that you work closely with your sponsoring city or USD in preparing your budget. It is too early to have the official estimates of receipts. You need to obtain the estimates for ad valorem, motor vehicle, recreational vehicle, and delinquent taxes when they are available.

We encourage preparing the budget on computer because it increases efficiency. We provide Excel budget templates that are available on internet website <http://da.ks.gov/ar/muniserv/>. If assistance is needed, call Mark Handshy at 785-296-4799.

Calendar

The budget must be prepared so that it can be filed with your city clerk or USD clerk and County Clerk by August 1. The following calendar shows the last date the various steps should be completed to meet this deadline (K.S.A.12-1927):

July 10	Publish Notice of Hearing
July 20	Hold Budget Hearing
August 1	Certify Budget to City Clerk or USD Clerk

There must be at least ten days between the publication and the hearing. If publication is made at least ten days prior to a regular meeting date, the budget hearing can be part of a regular recreation commission meeting.

General Instructions

The budget should be prepared for a 12-month period: either the calendar year (January 1 to December 31) or fiscal year (July 1 to June 30).

Use rounded dollars on all forms in all columns. Individual amounts may need to be adjusted a few dollars to add to the correct totals.

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

This form is used to show all lease-purchase transactions. These must be lease-purchase transactions that are installment purchases where ownership will transfer to the recreation commission. Transactions where there is no intent to purchase should not be shown. K.S.A. 10-1116b

The information required in all steps is in the current year budget or the lease-purchase contract(s).

- Step 1. Enter the name of the property in Item Purchased. List the name in general terms such as copier, computer, etc.
- Step 2. Enter Contract Date. This is the date that the contract was executed.
- Step 3. Enter Term of Contract (Months). This is the length of the contract stated in months.
- Step 4. Enter Interest Rate %. This is effective interest rate.
- Step 5. Enter Total Amount Financed (Beginning Principal). This is the total amount of the lease purchase.
- Step 6. Enter the Principal Balance at Beginning of Year (1/1/2007 or 7/1/2006) the amount outstanding as of the beginning the current year. This is the principal balance shown on the amortization schedule.
- Step 7. Enter the Payments Due in the budget year beginning January 2007 or July 2006 and Payments Due in the budget year beginning January 2008 or July 2007. This is the sum of the monthly, quarterly, or semi-annual payments.
- Step 8. Calculate and enter the total for the following columns: Principal Balance Due, Payments Due in 2007 or 2006-2007 (budget year beginning January 2007 or July 2006) and Payments Due in 2008 or 2007-2008 (budget year beginning January 2008 or July 2007).

Fund Page

Complete a fund page, either this form or USD Code Nos. 84 and 86, for each fund the recreation commission uses. Typical funds used are General, Employee Benefit, Tort Liability, and Building but you must have at least the same funds used by the USD or city to fund the recreation commission. You may have to use other authorized funds to meet your special needs.

The Fund Page serves as a financial statement for each fund showing Unencumbered Cash Balance January 1 or July 1, receipts, expenditures, and the Unencumbered Cash Balance December 31 or June 30. A fund is considered an independent fiscal and

accounting entity under governmental accounting principles. Prepare a separate Fund Page for each fund that is maintained in the accounting records.

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

Stage 1 - Complete the Prior Year Actual Column of Fund Page for All Funds

The Prior Year Actual column in each Fund Page is a fund's financial statement for the prior year. This column will contain information for the 2005-2006 year using a July 1 to June 30 budget year or 2006 calendar year for all others. The following items of information are needed for the Fund Page: Unencumbered Cash Balance January 1 or July 1; cash receipts; expenditures; and Unencumbered Cash Balance December 31 or June 30. Each of these items is discussed later.

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

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

Note: Unencumbered Cash Balance January 1 or July 1, 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 cash receipt amounts by type of receipt. Generally, cash receipts should be categorized into the same classifications that appear in the budget document that was prepared in the previous year. The individual amounts are obtained from the accounting records by using a budget worksheet, computer printout, or annual audit report. See Appendix B for a sample Budget Worksheet.

Step 4. Calculate and enter Total Receipts. This is the sum of all receipt amounts.

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

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

- 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 or June 30. 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.

Stage 2 - Complete the Current Year Estimate Column of Fund Page for All Funds

The same type of information entered in Prior Year Actual column of the Fund Page must also be entered for the Current Year Estimate column. If the budget year is a calendar year, Prior Year Actual column contains *actual* information for the *prior* year budget (2006), the Current Year Estimate column contains *estimated* receipts and expenditures for the *current* calendar year budget (2007). If the budget year is July 1 to June 30, enter the actual amounts for the 2006-2007 year or the best estimate if actual amounts are not available in the Current Year Estimate column. If actual amounts are used, follow steps 3 to 7 of Stage 1 instructions.

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

Note: Unencumbered Cash Balance January 1 or July 1, for Current Year Estimate column must be the same as Unencumbered Cash Balance December 31 or June 30, from the Prior Year Actual 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 estimate column. However, review amounts to determine if the estimate needs to be changed based on actual receipts received in the current year. If a better estimate is available, use it.

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

Note: Do not include the Unencumbered Cash Balance January 1 or July 1, in the total receipts.

- Step 4. Calculate and enter Resources Available. This is the sum of Total Receipts and Unencumbered Cash Balance January 1 or July 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 estimate 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.
- Step 6. Calculate and enter Total Expenditures. This is the total of all expenditure amounts.
- Step 7. Calculate and enter Unencumbered Cash Balance December 31 or June 30. This is computed by subtracting Total Expenditures from Resources Available. A negative Unencumbered Cash Balance December 31 or June 30, is not allowed; decrease expenditures to eliminate any negative amount.

Stage 3 - Complete Proposed Budget Estimate Column of Fund Page for All Funds

The same type of information entered in the Prior Year Actual and Current Year Estimate columns of the fund pages must also be entered for the Proposed Budget Estimate column. The amounts entered in this column represent *proposed* receipt and expenditure amounts for the *Proposed Budget Year*.

- Step 1. Enter Unencumbered Cash Balance January 1 or July 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 or June 30, from the Current Year Estimate 2007 column.

- Step 2. Enter Cash Receipt Estimates. The receipt estimates should be based on the prior year's actual and the current year estimates with adjustments for any known changes.

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

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

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

- Step 5. Enter Proposed Expenditure amounts. The expenditure estimates should be based on the prior year's actual and the current year estimates with adjustments for any known changes.
- 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 or June 30. 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, a budget amendment will be necessary to increase the expenditure limits. A negative Unencumbered Cash Balance December 31 or June 30 is not allowed; decrease expenditures to eliminate any negative amount.

Notice of Budget Hearing and Budget Summary of Expenditures

This form is published in the newspaper at least ten days before the hearing. The expenditures and the amounts of tax to be levied for the proposed budget year set the limits. *Certified amounts cannot exceed the published amounts in any fund.*

- Step 1. Enter the name of the funds.
- Step 2. Enter in the blanks at the top of the form the name of the recreation commission, the time, date, and location of hearing, and where the budget will be available prior to the hearing.
- Step 3. Enter the following from the Fund Pages: Budget Summary of Expenditures for Prior Year Actual (2006 or 2005-2006), Current Year Estimate (2007 or 2006-2007), and Proposed Budget Year (2008 or 2007-2008).
- Step 4. Enter the Lease Purchase Principal Balance for the Prior Year Actual and Current Year Estimated columns. Copy the balance outstanding to the Prior Year Actual (2006 or 2005-2006) and Current Year Estimated (2007 or 2006-2007) columns from the current year budget Notice of Budget Hearing.
- Step 5. Enter the Lease Purchase Principal Balance on 1-1-2007 or 7-1-2006 in the Proposed Budget Year column from the Statement of Conditional Lease-Purchase and Certificate of Participation.
- Step 6. Verify that the budget summary is correct. Compare the amounts to the budget summary in the current year budget and double-check all information.
- Step 7. Sign the form and arrange for publication.

Certificate

This form certifies to the City or USD Clerk and County Clerk that this is the adopted budget. The Certificate must be signed by some of the governing body members.

- Step 1. Enter the name of the recreation commission and the City or USD that levies the tax on the lines provided.
- Step 2. List the fund names in the same order as on the Budget Summary.
- Step 3. Enter a page number for each of the funds and the Budget Summary. Also enter the page number on the fund pages.
- Step 4. Enter Total Expenditures for the Proposed Budget (2008 or 2007-2008) column for each of the funds from the fund pages.
- Step 5. Compute and enter total for the Expenditures column. This is the sum of the amounts for the funds. Compare the Totals with the Budget Summary totals.

Note: The fund expenditure amounts on this form can never exceed the amounts published.
- Step 6. Enter the addresses on the forms. The first address should be the permanent address for the recreation commission. Jointly sponsored recreation commissions should show the addresses of both sponsors.
- Step 7. After the budget is adopted, the governing body signs the Certificate form.

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 and the budget preparer. The steps leading to the budget adoption may include informal briefings, formal presentations, and adoption of the budget.

The legal requirement is that one formal public hearing be held. The hearing is scheduled at the time the Budget Summary is published. The hearing can be a regular meeting of the governing body with time set aside to specifically discuss the proposed budget. The hearing can also be a special meeting scheduled specifically for the purpose of discussing the proposed budget.

- Step 1. A formal budget presentation by the budget preparer to explain the overall budget and addresses any major changes from the current year budget.

- Step 2. Time for input from the community so that any concerns will be understood. There is no requirement that the budget document be changed as a result of input from the community.
- 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 for the budget year cannot be increased. The necessary changes should be made to the budget document if reductions are made. This may take some time so adoption may be tabled until a later date.
- Step 4. All governing body members present at the adoption of the budget should sign the Certificate page. This certifies to the City or USD and county clerk that this is the official budget as adopted.

Filing of the Budget

- Step 5. A minimum of three complete copies of the budget should be made. The copies and originals should be assembled in page number order with the published budget summary as the last page.
- Note: Do not include blank forms or instruction pages.*
- Step 6. One copy is filed with the City or USD Clerk that levies the tax by August 1.
- Step 7. Two copies are filed with the County Clerk by August 1. One copy is retained in the County Clerk's office and the county clerk sends the other copy to A & R.
- Step 8. The original copy is filed in the official budget file of the recreation commission.