

### Summary

---

- Libraries are a community necessity.
- The Northeast Kansas Library System (NEKLS) supports member libraries through consulting and technology services, continuing education and training, and grants and subsidies.
- All Kansans are taxed for library service.
- Member libraries and NEKLS effectively partner to ensure all Kansans in the 14-county service area enjoy access to strong library services.
- The Revenue Neutral Rate for the 2025 budget is 1.103 mills.
- The proposed budget requires a total ad valorem tax of \$2,418,934. This is a \$68,917 or 2.9% increase from 2024 to 2025.
- The proposed budget requires a 1.134 mill levy rate to fund the ad valorem tax – *this is a 0.004 reduction in the mill levy from the prior year.*

### How NEKLS is Funded

---

All Kansans are taxed for library service. Member public libraries levy taxes from within their legal taxing area (city, township, district or county), often at a higher mill levy rate than their regional library system.

NEKLS, as a special taxing district, collects an ad valorem tax and other taxes (e.g. motor vehicle) from those areas of the region not taxed by a local public library. NEKLS uses these funds judiciously to provide the services, resources, grants and subsidies described above.

As a result, member libraries and NEKLS effectively partner to ensure all Kansans in the 14-county service area enjoy access to strong library services.

### Historical Budget Trends

---

NEKLS has consistently held or dropped the mill levy for at least the last nine years.

Year	Mill Rate	Year	Mill Rate
2017	1.378	2022	1.295
2018	1.353	2023	1.291
2019	1.353	2024*	1.138
2020	1.351		<i>*below revenue neutral rate</i>
2021	1.351	2025	1.134

## Budget Assumptions & Highlights

---

NEKLS strives to be an effective steward of tax dollars. The annual budget requires balancing the cost of providing strong services and grants (our core purpose at NEKLS) to our member libraries with careful analysis of the financial resources available.

The 2025 proposed NEKLS budget is based on the following:

- (1) NEKLS will be staffed at **11 employees** (and temporarily staffed with 12 employees for a portion of 2025) and all employees will accept health insurance.
- (2) The budget pre-supposes a **7.7% increase in the cost of benefits**: health insurance, worker's compensation, unemployment insurance costs, and employer KPERS costs.
- (3) 1Q ending cash flow projections for 2024 indicated an **estimated year-end cash balance of \$710,270** in the combined General Fund & Employee Benefits Fund.

NEKLS should maintain at least three months – or about \$750,000 – of annual expenditures in cash reserves. (Generally, auditors recommend that municipalities maintain at least six to nine months of annual expenditures in cash reserves.)

- (4) The **assessed valuation** of the taxing district, per June 2024 estimates, increased 3.23%.
- (5) **Motor vehicle tax estimates** for the 2025 budget declined nearly 4.75% from the prior year. (Includes motor vehicle, recreational vehicle, 16/20M vehicle, commercial vehicle, and watercraft taxes.)
- (6) **Grants and subsidies** will account for 44% of the estimated budget and provide over \$1.6 million to member libraries.

# Budget Summary

## SUPPORTING COUNTIES

Douglas County (home county) Atchison County, Brown County, Doniphan County, Franklin County, Jackson County  
Jefferson County, Leavenworth County, Miami County, Nemaha County, Osage County

## BUDGET SUMMARY

Proposed Budget 2025 Expenditures and Amount of Current Year Estimate for 2024 Ad Valorem Tax establish the maximum limits of the 2025 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2023		Current Year Estimate for 2024		Proposed Budget Year for 2025		
	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Budget Authority for Expenditures	Amount of 2024 Ad Valorem Tax	Proposed Estimated Tax Rate*
General	2,400,774	1.167	2,657,903	0.990	3,344,136	2,090,713	0.980
Debt Service							
Employee Benefits	303,603	0.124	326,814	0.148	402,915	328,221	0.154
Kansas Library Express Courier	930,444		1,007,719		1,262,553		
Non-Budgeted Funds							
Totals	3,634,821	1.291	3,992,436	1.138	5,009,604	2,418,934	1.134
					<i>Revenue Neutral Rate **</i>		<i>1.103</i>
Less: Transfers	0		0		0		
Net Expenditures	3,634,821		3,992,436		5,009,604		
Total Tax Levied	2,392,978		2,350,017		xxxxxxxxxxxxxxxx		
Assessed Valuation	1,854,866,154		2,065,510,890		2,132,321,466		

## 2024 Budget Year

**\$2,350,017** Total ad valorem tax levied for 2024 budget

**1.138** Mill levy rate required to fund this amount

## 2025 Budget Year

**1.103** Revenue Neutral mill levy rate for the 2025 budget – *would generate \$2,350,017 in total ad valorem tax dollars, the same amount as the 2024 budget*

**\$2,418,934** Proposed total ad valorem tax levied for 2025 budget

**1.134** Mill levy rate required to fund this amount – *this is a 0.004 reduction in the mill levy from the prior year*

**\$68,917** A 2.9% increase in total ad valorem tax dollars from 2024 to 2025

**Example of the impact of the proposed 2025 budget on a homeowner**

---

**Suppose a residential property is appraised at \$350,000 in 2024.**

**Determine the assessed value**  
*(residential properties are assessed at 11.5%)*

$$\begin{array}{rcccccc} \text{Appraised value} & \times & \text{Assessment rate} & = & \text{Assessed value} \\ 350,000 & \times & 0.115 & = & \$40,250 \end{array}$$

**Note:** *Agricultural land, commercial property and other property classes are assessed at a different percentage. This example is specific to real property for residential purposes.*

**2025 Estimated Tax Bill for this property**

$$\begin{array}{rcccccc} \text{(Assessed value} & \times & \text{Proposed Mill levy rate)} & / & 1000 & = & \text{Property tax for NEKLS} \\ (\ 40,250 & \times & 1.134 & ) & / & 1000 & = & \$45.65 \end{array}$$

**2025 Revenue Neutral Tax Bill for this property**

$$\begin{array}{rcccccc} \text{(Assessed value} & \times & \text{RNR Mill levy rate)} & / & 1000 & = & \text{Property tax for NEKLS} \\ (\ 40,250 & \times & 1.103 & ) & / & 1000 & = & \$44.40 \end{array}$$

**Estimated total increase in Ad Valorem Property Tax for this homeowner**

**\$1.25**