

***DOUGLAS COUNTY, KANSAS***

REGULATORY BASIS  
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2012

AND

INDEPENDENT AUDITOR'S REPORT

DOUGLAS COUNTY, KANSAS

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**DOUGLAS COUNTY, KANSAS**

REGULATORY BASIS  
FINANCIAL STATEMENTS

Year Ended December 31, 2012

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## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
**Douglas County, Kansas**

### **Report on the Financial Statements**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Douglas County, Kansas and the related municipal entities of the Douglas County Extension Council, Lawrence/Douglas County Health Department and Douglas County Free Fair (collectively, Douglas County, Kansas Financial Reporting Entity), as of and for the year ended December 31, 2012, and the related notes to the financial statement.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note IB to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note IB of the financial statement, the financial statement is prepared by the Douglas County, Kansas Financial Reporting Entity to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note IB, and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the

financial position of the Douglas County, Kansas Financial Reporting Entity as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash unencumbered cash balance of the Douglas County, Kansas Financial Reporting Entity as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note IB.

Other Matters

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The supplementary and other information as listed in the table of contents are presented for analysis and are not a required part of the basic financial statement.

The supplementary information is required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note IB.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2013 on our consideration of the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and compliance.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

July 11, 2013  
Wichita, Kansas

**Douglas County, Kansas**  
 Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	Beginning Unencumbered Cash Balance As Restated 1/1/2012	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2012	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2012
<b>GOVERNMENTAL TYPE FUNDS:</b>						
GENERAL FUND	\$ 1,548,368	\$ 38,095,803	\$ 37,246,357	\$ 2,397,814	\$ 623,253	\$ 3,021,067
<b>SPECIAL PURPOSE FUNDS:</b>						
Ambulance	206,679	4,330,368	4,537,038	9	-	9
Ambulance Capital Reserve	443,487	144,286	117,653	470,120	-	470,120
Economic Development	2,575	-	-	2,575	-	2,575
Emergency Telephone Service	476,634	520,921	546,967	450,588	-	450,588
Employee Benefits	401,726	8,863,033	8,837,795	426,964	113,217	540,181
Motor Vehicle Operations	50,769	700,646	693,458	57,957	13,313	71,270
Road & Bridge	539,557	5,586,215	5,567,895	557,877	51,239	609,116
Special Alcohol	-	24,594	16,232	8,362	-	8,362
Special Building	253,063	178,629	77,763	353,929	-	353,929
Special Liability	220,025	128,131	141,042	207,114	-	207,114
Special Parks & Recreation	110,712	15,710	16,313	110,109	-	110,109
Youth Services-Juv Detention	206,339	1,884,261	1,619,694	470,906	36,130	507,036
Youth Services Grants	486,294	612,586	524,428	574,452	6,633	581,085
Community Correction Plan	4,537	490,241	492,462	2,316	8,759	11,075
Donations	80,218	4,215	2,700	81,733	700	82,433
Equipment Reserve	8,665,472	4,529,230	2,504,486	10,690,216	77,422	10,767,638
Grants Programs	298,878	946,705	1,039,909	205,674	5,212	210,886
Prosecutor Training & Assistance	31,331	7,695	7,448	31,578	-	31,578
Register of Deeds Technology	182,202	162,738	142,522	202,418	101	202,519
Sheriff Special Use	28,659	24,433	5,158	47,934	-	47,934
Special Law Enforcement Trust	226,453	272,069	115,626	382,896	376	383,272
Special Road, Bridge, Machinery and Equipment	196,047	-	196,047	-	-	-
Special Highway Improvement	556,314	-	73,042	483,272	-	483,272
Valley View	191,028	734	82,536	109,226	-	109,226
<b>TOTAL SPECIAL PURPOSE FUNDS</b>	<b>13,858,999</b>	<b>29,427,440</b>	<b>27,358,214</b>	<b>15,928,225</b>	<b>313,102</b>	<b>16,241,327</b>
<b>CAPITAL PROJECTS FUNDS</b>	<b>16,827,941</b>	<b>6,544,450</b>	<b>5,639,569</b>	<b>17,732,822</b>	<b>2,083</b>	<b>17,734,905</b>
<b>DEBT SERVICE FUNDS:</b>						
Bond and Interest	453,949	13,209,624	13,286,740	376,833	-	376,833
Local County Sales Tax	3,835,274	2,041,648	2,561,761	3,315,161	-	3,315,161
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>4,289,223</b>	<b>15,251,272</b>	<b>15,848,501</b>	<b>3,691,994</b>	<b>-</b>	<b>3,691,994</b>
<b>BUSINESS FUNDS:</b>						
Risk Management	(109,739)	338,626	231,592	(2,705)	207,622	204,917
Employee Benefit Trust	2,900,788	9,964,452	6,312,635	6,552,605	479,640	7,032,245
<b>TOTAL BUSINESS FUNDS:</b>	<b>2,791,049</b>	<b>10,303,078</b>	<b>6,544,227</b>	<b>6,549,900</b>	<b>687,262</b>	<b>7,237,162</b>
<b>TOTAL COUNTY</b>	<b>39,315,580</b>	<b>99,622,043</b>	<b>92,636,868</b>	<b>46,300,755</b>	<b>1,625,700</b>	<b>47,926,455</b>

The accompanying notes are an integral part of these financial statements.

**Douglas County, Kansas**  
Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
(Continued)  
For the Year Ended December 31, 2012

	Beginning Unencumbered Cash Balance As Restated 1/1/2012	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2012	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2012
RELATED MUNICIPAL ENTITIES:						
Douglas County Extension Council	\$ 557,775	\$ 641,763	\$ 611,667	\$ 587,871	\$ -	\$ 587,871
Lawrence/Douglas County Health Dept	2,215,473	3,382,175	3,392,303	2,205,345	-	2,205,345
Douglas County Free Fair	67,962	288,293	301,592	54,663	-	54,663
<b>TOTAL RELATED MUNICIPAL ENTITIES</b>	<u>2,841,210</u>	<u>4,312,231</u>	<u>4,305,562</u>	<u>2,847,879</u>	<u>-</u>	<u>2,847,879</u>
<b>TOTAL REPORTING ENTITY (Excluding Agency Funds)</b>	<u>\$ 42,156,790</u>	<u>\$ 103,934,274</u>	<u>\$ 96,942,430</u>	<u>\$ 49,148,634</u>	<u>\$ 1,625,700</u>	<u>\$ 50,774,334</u>

Composition of Cash:	Petty Cash	\$ 2,500
	Checking Account - UMB Bank	(52,800)
	Repurchase Agreement - UMB Bank	74,608,000
	Investment Account - Kansas Municipal Investment Pool	1,372,289
	Savings Account - Baldwin State Bank	1,500,000
	Certificates of Deposit - Commerce Bank	7,041,607
	Certificates of Deposit - Capitol Federal	15,500,000
	Certificates of Deposit - Central National Bank	12,361,948
	U.S. Treasury Note-US Bank	1,022,887
	Employee Benefits Trust - Douglas County Bank	7,029,952
	Inmate Funds	13,760
	Checking Account - District Attorney	124,904
	Checking Account - Sheriff Bond Fund	7,681
	Checking Account - Sheriff Reward Fund	12,020
	Health Department	2,205,345
	Extension Council	587,871
	Free Fair Board	54,663
	<b>Total Cash</b>	<u>123,392,627</u>
	Less Agency Funds per Schedule 3	(72,618,293)
	<b>Total Reporting Entity (Excluding Agency Funds)</b>	<u>\$ 50,774,334</u>

The accompanying notes are an integral part of these financial statements.

**DOUGLAS COUNTY, KANSAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DOUGLAS COUNTY, KANSAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Municipal Financial Reporting Entity**

Douglas County, Kansas (County) is organized under the laws of the State of Kansas (Kansas or State) and is governed by a three member commission. This regulatory financial statement presents the County and its related municipal entities. The related municipal entities are included in the County's reporting entity because they were established to benefit the County and/or its constituents. Each related municipal entity has a December 31 year end.

*Related Municipal Entities*

The Douglas County Extension Council (Council) provides services in such areas as Community Development, agriculture, home economics and 4-H clubs to all persons in the County. The Council is governed by an elected nine-member executive board. The County levies taxes for the support of the Council.

The Lawrence/Douglas County Health Department (Health Department) provides health care and education to citizens of the County. It is governed by a five-member board (two members are appointed by the County, two by the City of Lawrence, and one is jointly appointed). The City of Lawrence provides office space for the Health Department. The County provides funding through the annual appropriation of the health fund tax levy.

The Douglas County Free Fair (Free Fair) manages and controls the business of the fair association and its property. The Free Fair's Board of Directors, representing each township within the County, is appointed by the County Commission. The County provides an annual appropriation to the Free Fair.

Separate financial statements are not available for each of the related municipal entities.

**B. Fund Types and Basis of Accounting**

**1. Regulatory Basis Fund Types**

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into three categories: governmental, fiduciary, and business. Within each of these three categories there are one or more fund types. The County uses the following fund types:

### *Governmental Fund Types*

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

**General Fund** - This fund is the chief operating fund and was established to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.

**Special Purpose Funds** - These funds are established to account for the proceeds of specific tax levies and other revenue sources (other than tax levies for long-term debt or major capital projects) that are intended for specified purposes.

**Debt Service Funds** - These funds are established for the purpose of accumulating resources, including tax levies, for the payment of interest and principal on long-term general obligation debt.

**Capital Project Funds** - These funds account for debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

### *Business Fund Types*

**Internal Service Funds** - These funds are used to account for risk management reserves, workers' compensation reserves, and health, dental and life reserves, which are services provided to other departments on a cost-reimbursement basis.

### *Fiduciary Fund Types*

**Agency Funds** - These funds are used to report assets held by the municipal reporting entity in a purely custodial capacity (county treasurer tax collection accounts, etc.).

## **2. Regulatory Basis of Accounting**

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

### **C. Deposits and Investments**

The County Treasurer maintains a cash and investment pool that is available for use by all funds. The pool has the general characteristics of demand deposit accounts in that each fund may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. The pooled cash is invested to the extent available in authorized investments. In addition, cash and investments are separately maintained by other County officials and departments, third party trustees and fiscal agents.

The County's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county and that the bank provide an acceptable rate for active funds.

Earnings from the investments are allocated to the general fund. Investments for the County as of December 31, 2012 consisted of certificates of deposit, a US Treasury Note, repurchase agreements, investments in the Kansas Municipal Investment Pool, and a money market fund, which are recorded at cost.

The County's investment policy and Kansas law (K.S.A. 12-1675 - 12-1677) allow monies not otherwise regulated by statute to be invested in:

1. Temporary notes of Douglas County, Kansas.
2. Time deposits, open accounts, or certificates of deposits with maturities of not more than two years.
3. Repurchase agreements with commercial banks, or state or federally chartered savings and loan associations that have offices located in Douglas County, Kansas.
4. U.S. Treasury bills or notes with maturities not exceeding two years.
5. U.S. government agency securities with a maturity of not more than four years.
6. The municipal investment pool fund operated by the Kansas Treasurer. This pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool.
7. A municipal investment pool established through the trust department of commercial banks that have offices located in Douglas County, Kansas.

In addition, the County's investment policy and Kansas law (K.S.A. 10-131) allows investment of the proceeds of bonds and temporary notes in the following in addition to those stated above:

1. U.S. government and agency obligations.
2. Time deposits with banks and trust companies in Douglas County, Kansas.
3. FNMA, FHLB, and FHLMC obligations.
4. Collateralized repurchase agreements.
5. Investment agreements with financial institutions, including broker/dealers whose obligations are rated in one of the three highest rating categories by either Moody's or Standard & Poor's.
6. Mutual funds whose portfolio consists entirely of obligations of the U.S. government, U.S. government agencies, FLMA, FHLB, and FHLMC.
7. Certain Kansas municipal bonds.

## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

Kansas statutes require an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), debt service funds, and certain business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable of the legal annual operating budget:

- \* Preparation of the budget for the succeeding calendar year on or before August 1.
- \* Publication of the proposed budget and notice of public hearing in the local newspaper on or before August 5.
- \* Public hearing on or before August 15, but at least 10 days after publication of notice of hearing.
- \* Adoption of the final budget on or before August 25.

The County has the following levels of budget control:

- \* The legal level of control is established at the fund level by Kansas statutes.
- \* As allowed by Kansas statute, the governing body can increase the fund level expenditures from the originally adopted budget by amending the budget. An amendment may only be made for previously unbudgeted increases in revenue other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after the publication, the hearing may be held and the governing body may amend the budget at that time.

Budget comparison statements are presented for each budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures. These statements are shown at the legal level of control, which is at the fund level. Budgetary data in the financial statements represent the amended budget amounts.

All legal operating budgets are prepared using the regulatory basis of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end except for capital project funds appropriations, which are carried forward until such time as the project is completed or terminated. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or canceled.

A legal operating budget is not required for capital project funds, internal service funds, fiduciary funds, and the following special purpose funds:

Ambulance Capital Reserve	Sheriff Special Use
Community Correction Plan	Special Law enforcement Trust
Donations	Special Road & Bridge Machinery
Equipment Reserve	Equipment
Grants Programs	Special Highway Improvement
Prosecutor Training & Assistance	Youth Services Grants
Register of Deeds Technology	Valley View

Spending in the above funds that is not subject to the legal budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**B. Budget Violations and Deficit Cash**

The Risk Management fund has \$2,705 of a deficit balance in unencumbered cash as of December 31, 2012. The deficit cash the Risk Management fund was due to overspending. This will be recovered by future revenues or transfers.

**III. DETAILED NOTES ON THE FUNDS AND ACCOUNTS**

**A. Deposits and Investments**

*Deposits* - At year end, the carrying amount of deposits for the County was \$46,312,955 and the bank balance was \$46,602,781.

*Investments* - As of December 31, 2012, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity		Percentage of Investments	Rating
		Less than 1 Year			
US Treasury Notes	\$ 1,004,961	\$ 1,004,961		1.3%	N/A
Money Market Funds	76,497	76,497		.1%	Unrated
Kansas Municipal Investment Pool	1,372,289	1,372,289		1.8%	AAAf/S1+ AAA
Repurchase Agreements	74,608,000	74,608,000		96.8%	
Total Fair Value	<u>\$ 77,061,747</u>	<u>\$ 77,061,747</u>			

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of a bank failure, or failure of the counterparty, the County will not recover the value of its investments or deposits that are in possession of an outside party. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the

Federal Home Loan Bank of Topeka, except during designated “peak periods” when required coverage is 50%. As of December 31, 2012, \$4,452,453 of the County’s deposits were exposed to custodial credit risk. The County has \$1,004,961 of U.S. Treasury securities that are held by the investment counterparty.

At December 31, 2012, the County had invested \$1,372,289 in the State’s municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

*Credit Risk.* State law limits the types of investments that the County may make. The County’s investment policy does not add any further limitations.

*Concentration of Credit Risk.* State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Interest Rate Risk.* State law limits investments in U.S. Treasury bills or notes and agency securities to those with maturities not exceeding two or four years, respectively, as discussed in Note I.C.

**B. Long-Term Debt**

Changes in long-term debt were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<u>Douglas County:</u>									
General Obligation Bonds - Governmental Funds:									
Series 2001A - Taxable G.O. Bonds	6.75 - 7.25%	03/01/01	\$ 345,000	08/01/21	\$ 230,000	\$ --	\$ 230,000	\$ --	\$ 7,906
Series 2003A - Refunding Bonds	2.20 - 3.75%	05/01/03	8,175,000	08/01/16	6,215,000	--	6,215,000	--	114,441
Series 2003B - Refunding Bonds	2.20 - 3.50%	05/01/03	1,325,000	09/01/14	420,000	--	420,000	--	9,476
Series 2004A - Sales Tax Bonds	2.13 - 5.00%	02/01/04	13,650,000	08/01/19	9,625,000	--	7,530,000	2,095,000	296,088
Series 2005A General Obligation Bonds	2.75 - 3.50%	03/01/05	737,000	09/01/15	335,000	--	335,000	--	6,900
Series 2006A General Obligation Bonds	3.80 - 4.75%	08/15/06	255,000	09/01/16	141,000	--	26,000	115,000	5,473
Series 2008 General Obligation Bonds	4.00 - 4.75%	09/15/08	280,000	09/01/28	250,000	--	10,000	240,000	11,088
Series 2009A GO Improvement Bonds	2.63 - 4.25%	10/01/09	2,445,000	09/01/30	2,410,000	--	30,000	2,380,000	91,088
Series 2012A Refunding Bonds	2-3%	06/04/12	5,985,000	08/01/16	--	5,985,000	5,000	5,980,000	27,376
Series 2012B Refunding Bonds	.35-2%	06/04/12	6,020,000	08/01/19	--	6,020,000	100,000	5,920,000	14,528
Series 2012C General Obligation Bonds	2.000%	06/04/12	550,000	09/01/15	--	550,000	10,000	540,000	2,658
Series 2012D Taxable GO Bonds	1.45-2.55%	06/04/12	240,000	08/01/21	--	240,000	20,000	220,000	743
Series 2012E General Obligation Bonds	2.625-4%	09/05/12	175,000	08/01/32	--	175,000	-	175,000	-
Total Bonded Indebtedness					<u>\$ 19,626,000</u>	<u>\$ 12,970,000</u>	<u>\$ 14,931,000</u>	<u>\$ 17,665,000</u>	<u>\$ 587,765</u>

Funding received from the various bonds issuances was used to provide financing for improvements to certain roadways, sewers, the juvenile detention facility, judicial center, courthouse, spillway, fairground facilities and portions of the health department.

Maturities of long-term debt are as follows:

	YEAR								
	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	Total
<b>PRINCIPAL:</b>									
<u>Douglas County:</u>									
General Obligation Bonds - Governmental Funds:									
Series 2004A - Sales Tax Bonds	\$ 2,095,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,095,000
Series 2006A General Obligation Bonds	27,000	28,000	29,000	31,000	-	-	-	-	115,000
Series 2008 General Obligation Bonds	10,000	10,000	10,000	10,000	15,000	75,000	90,000	20,000	240,000
Series 2009A GO Improvement Bonds	40,000	50,000	110,000	115,000	115,000	635,000	770,000	545,000	2,380,000
Series 2012A Refunding Bonds	50,000	1,225,000	2,460,000	2,245,000	-	-	-	-	5,980,000
Series 2012B Refunding Bonds	95,000	1,165,000	60,000	65,000	790,000	3,745,000	-	-	5,920,000
Series 2012C General Obligation Bonds	215,000	235,000	90,000	-	-	-	-	-	540,000
Series 2012D Taxable GO Bonds	20,000	25,000	25,000	20,000	20,000	110,000	-	-	220,000
Series 2012E General Obligation Bonds	5,000	5,000	5,000	5,000	5,000	50,000	50,000	50,000	175,000
<b>TOTAL PRINCIPAL</b>	<b>\$ 2,557,000</b>	<b>\$ 2,743,000</b>	<b>\$ 2,789,000</b>	<b>\$ 2,491,000</b>	<b>\$ 945,000</b>	<b>\$ 4,615,000</b>	<b>\$ 910,000</b>	<b>\$ 615,000</b>	<b>\$ 17,665,000</b>
<b>INTEREST:</b>									
General Obligation Bonds - Governmental Funds:									
Series 2004A - Sales Tax Bonds	\$ 79,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,125
Series 2006A General Obligation Bonds	4,485	3,432	2,340	1,209	-	-	-	-	11,466
Series 2008 General Obligation Bonds	10,688	10,288	9,888	9,487	9,087	35,987	18,250	950	104,625
Series 2009A GO Improvement Bonds	90,300	89,250	87,938	84,638	81,188	346,162	215,437	46,962	1,041,875
Series 2012A Refunding Bonds	172,550	162,575	122,700	50,550	-	-	-	-	508,375
Series 2012B Refunding Bonds	91,245	88,905	83,000	82,094	78,541	87,737	-	-	511,522
Series 2012C General Obligation Bonds	10,800	6,500	1,800	-	-	-	-	-	19,100
Series 2012D Taxable GO Bonds	4,400	4,110	3,748	3,385	3,095	7,012	-	-	25,750
Series 2012E General Obligation Bonds	5,405	5,838	5,706	5,575	5,444	23,937	16,000	6,000	73,905
<b>TOTAL INTEREST</b>	<b>\$ 468,998</b>	<b>\$ 370,898</b>	<b>\$ 317,120</b>	<b>\$ 236,938</b>	<b>\$ 177,355</b>	<b>\$ 500,835</b>	<b>\$ 249,687</b>	<b>\$ 53,912</b>	<b>\$ 2,375,743</b>
<b>TOTAL PRINCIPAL AND INTEREST</b>	<b>\$ 3,025,998</b>	<b>\$ 3,113,898</b>	<b>\$ 3,106,120</b>	<b>\$ 2,727,938</b>	<b>\$ 1,122,355</b>	<b>\$ 5,115,835</b>	<b>\$ 1,159,687</b>	<b>\$ 668,912</b>	<b>\$ 20,040,743</b>

On June 4, 2012, the County issued \$5,985,000 General Obligation Sales Tax Refunding Bonds, Series 2012-A with interest rates ranging from 2%-3%, \$6,020,000 Taxable General Obligation Sales Tax Refunding Bonds, Series 2012-B with interest rates ranging from .35%-2%, \$550,000 General Obligation Refunding Bonds, Series 2012-C with an interest rate of 2%, and \$240,000 Taxable General Obligation Refunding Bonds, Series 2012-D with interest rates ranging from 1.45%-2.55%. A portion of the proceeds of Series 2012-A were used to refund \$6,140,000 of outstanding Series 2003-A, which had interest rates ranging from 2.2%-3.75%. A portion of the proceeds of Series 2012-B were used to advance refund \$5,560,000 of outstanding Series 2004-A, which had interest rates ranging from 2.13%-5%. A portion of the proceeds of Series 2012-C were used to refund Series 2003-B and 2005-A, which had interest rates ranging from 2.2%-3.5%. A portion of the proceeds of Series 2012-D were used to refund Series 2001, which had interest rates ranging from 6.75%-7.25%.

The County refunded these bonds to reduce total debt payments over the next 9 years by \$947,881. The economic gain (difference between the present value of the old and new debt service payments) is \$909,861.

On September 5, 2012, the County issued \$175,000 General Obligation Bonds, Series 2012-E with interest rates ranging from 2.625%-4% for the Yankee Tank Dam Rehabilitation Project.

*Conduit Debt* - The County has entered into conduit debt arrangements wherein the County issues industrial revenue bonds to finance a portion of the construction of facilities by private entities. In return, the private enterprises have executed mortgage notes or leases with the County. The County is not responsible for payment of the original bonds, but rather the debt is secured only by the cash payments agreed to be paid by the private enterprises under the terms of the mortgage or lease agreements. Generally, the conduit debt is arranged so that payments required by the private enterprises are equal to the mortgage payment schedule related to the original debt. The total outstanding balance on the conduit debt could not be determined at December 31, 2012; however, the aggregate principal amount issued (to AGNL Plastics, L.L.C.) was \$21,000,000.

## C. Other Long-Term Obligations From Operations

### 1. *Compensated Absences*

It is the County's policy to permit employees to accumulate vacation to a maximum of 290 hours for full-time employees and 145 hours for part-time employees. Accumulated vacation pay is payable upon termination or resignation from service from the County. During the first 4 years of employment, employees earn vacation at the rate of 3.75 hours per pay period; 5-9 years, employees earn 4.75 hours per pay period; 10-14 years, employees earn 5.50 hours per pay period; and after 15 years, 6.50 hours per pay period of vacation is earned each year.

All full-time equivalent employees earn sick leave at the rate of 4.75 hours per pay period, and may accumulate sick leave up to 1,040 hours. Upon retirement or termination, any employee, if employed for two years or more, shall be compensated for one-third accumulated sick leave up to a maximum of 240 hours at his or her regular rate of pay.

At December 31, 2012, the liability for compensated absences included:

Douglas County	\$ 3,302,902
Lawrence/Douglas County Health Department	<u>105,188</u>
	<u>\$ 3,408,090</u>

### 2. *Other Post-Employment Benefits*

The County sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents to age 65. The Douglas County Retiree Healthcare Plan (Plan) provides medical benefits to eligible retirees and their spouses. KSA 12-5040 requires all local governmental entities in the state that provide a group healthcare plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

The contribution requirements of plan participants and the County are established and amended by the County. The required contribution is based on projected pay-as-you-go financing requirements. The County contributed approximately \$504,000 of total premiums to the Plan, which includes the expected implicit rate subsidy being provided. Plan participants contributed approximately 55% of total premiums to the Plan through their required contribution rates.

*Annual OPEB Cost and Net OPEB Obligation* - The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, which requires an actuarial study to be performed at a minimum biennially. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the Plan for the year, the amount actually contributed to the Plan, and the changes in the County's net OPEB obligation to the Plan:

	<u>2012</u>
Annual required contribution	\$ 6,815,231
Interest on OPEB obligation	1,061,510
Adjustment to annual required contribution	<u>(1,020,683)</u>
Annual OPEB cost	6,856,058
Contributions made	<u>(504,000)</u>
Change in net OPEB obligation	6,352,058
Net OPEB obligation – beginning of year	<u>26,537,761</u>
Net OPEB obligation – end of year	<u>\$ 32,889,819</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended December 31, 2012 is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2010	\$ 6,674,746	7.85%	\$ 20,263,888
December 31, 2011	6,938,873	9.58%	26,537,761
December 31, 2012	6,856,058	7.35%	32,889,819

As of January 1, 2012, the most recent actuarial valuation date, the Plan was not funded. The actuarial liability for benefits was \$67.1 million, and there was no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$67.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$26.4 million and the ratio of the UAAL to the covered payroll was 254.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multi-year trend information about whether the actuarial value of the plan assets (if any) are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions* - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (includes inflation at 3.5%), which is the rate of the employer's own investments as there are no plan assets, and an annual healthcare cost trend of 8%, reduced by decrements to an ultimate rate of 5% after seven years. The UAAL is being amortized as a level percent of pay over an open thirty-year period with 26 years remaining.

**D. Interfund Transfers**

A summary of interfund transfers is as follows:

To	From											Total
	General Fund	Employee Benefit	Special Liability	Ambulance	Road & Bridge	Equipment Reserve	Register of Deeds Technology	Emergency Telephone Services	Youth Services	Motor Vehicle Operations	Special Road and Bridge Machinery & Equipment	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,000	\$ -	\$ 106,000
Capital Improvement	4,000,000	-	-	-	-	-	-	-	-	-	-	4,000,000
Local County Sales Tax	2,037,670	-	-	-	-	-	-	-	-	-	-	2,037,670
Employee Benefit	438,690	-	-	-	-	-	-	-	-	-	-	438,690
Equipment Reserve	1,316,429	-	-	-	1,299,800	-	100,000	383,663	60,000	2,000	196,047	3,357,939
Risk Management	-	250,000	75,000	-	-	-	-	-	-	-	-	325,000
Ambulance Capital Reserve	-	-	-	142,200	-	-	-	-	-	-	-	142,200
CIP Sales Tax	413,600	-	-	-	-	-	-	-	-	-	-	413,600
Special Law Enforcement Trust	12,000	-	-	-	-	-	-	-	-	-	-	12,000
Youth Services	-	-	-	-	-	12,713	-	-	-	-	-	12,713
<b>Total</b>	<b>\$ 8,218,389</b>	<b>\$ 250,000</b>	<b>\$ 75,000</b>	<b>\$ 142,200</b>	<b>\$ 1,299,800</b>	<b>\$ 12,713</b>	<b>\$ 100,000</b>	<b>\$ 383,663</b>	<b>\$ 60,000</b>	<b>\$ 108,000</b>	<b>\$ 196,047</b>	<b>\$ 10,845,812</b>

The County uses interfund transfers to share administrative cost between funds and allocate sales tax proceeds to certain special revenue funds.

**IV. OTHER INFORMATION**

**A. Litigation**

The County can be a defendant in various legal actions pending or in process and other miscellaneous claims. The ultimate liability, if any, that might result from the final resolution of the above matters is not presently determinable. Management and the County's counsel are of the opinion that the final outcome of any such cases will not have an adverse material effect on the County's financial position.

**B. Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

## C. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial coverage for buildings and personal property, general liability, automobile fleet, inland marine, public official and employee errors and omissions, workers' compensation, medical professional liability, boiler and machinery, lawyers professional liability, and law enforcement liability. Claims have not exceeded commercial coverage in any of the last three years, and coverage has not been reduced substantially from the prior year.

The County has established a limited risk management program for employees' health care insurance. The program includes a stop-loss provision for claims over \$150,000 per individual. The County is also self-insured with respect to its obligations to provide workers' compensation for its employees. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims for both programs are recorded in the Employee Benefit Trust Internal Service Fund. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amounts of payouts, and other economic and social factors.

Changes in self-insured claims liabilities are as follows:

	<u>2012</u>
Estimated unpaid claims, January 1	\$ 840,640
Incurred claims (including reported and unreported)	4,238,431
Claim payments	<u>(4,391,809)</u>
Estimated unpaid claims, December 31	<u>\$ 687,262</u>

Liabilities related to risks of loss are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. The County has reserved \$6,549,900 of unencumbered cash in the Risk Management Fund and the Employee Benefits Trust for future health and workers' compensation claims.

## D. Pension and Other Benefits

### 1. *KPERS and KP&F*

*Plan description* - The County participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS, (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Funding Policy* - K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009, benefits and funding is based on a two tier schedule. Tier 1 members are active and contributing members hired prior to July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. The KPERS member-employee contribution rates are 4% of covered salary for Tier 1 members and 6% of covered salary for Tier 2 members.

The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for calendar year 2012 was 8.34%. There was a moratorium on the 1% contribution for Group Death and Disability Insurance from April 1 to June 30<sup>th</sup> during which the rate was 7.34%. The County contributions to KPERS for the years ended December 31, 2012, 2011, and 2010, were \$1,032,067, \$952,496 and \$854,581, respectively, equal to the statutory required contributions for each year.

K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KP&F uniform participating employer rate established for the year beginning January 1, 2012 is 19.32%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. Douglas County employer contributions to KP&F for the years ending December 2012, 2011, and 2010 were \$1,148,272, \$1,014,207, and \$887,079, respectively, equal to the statutory required contributions for each year.

## **2. *Deferred Compensation Plan***

The County offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan assets are transferred to a plan agent in a custodial trust and are not available to pay the claims of the County's general creditors. Therefore, the liability and corresponding assets are not reflected in the financial statements.

## **E. *Cost Sharing Arrangements***

The County has entered into various cost sharing arrangements with the City of Lawrence, Kansas (the City) to provide services and facilities. A listing of those arrangements is as follows:

In 1994, the City and the County agreed to combine their emergency communications services with the costs of the combined operations to be shared as follows: City 66% and County 34%. This agreement was modified in 1997 following the combination of the County emergency medical services and the City fire department in 1996 as discussed below.

In 2012, the City and County agreed to fund improvements to the combined emergency communications system with the costs being shared as follows: City 66% and County 34%. The agreement provided that on completion, the improvements would be owned and insured by the County. The total cost of these improvements is estimated to be approximately \$6,600,000. The City will pay for its share of the cost of the improvements in three annual installments with the first installment being received by the County in 2012.

In 1996, the County emergency medical services and the City fire department were combined with the City paying 74.36% and the County paying 25.64% of the operating costs of the combined operations. The County pays all the costs of buildings and equipment of the ambulance services and the City pays all the costs of buildings and equipment of the fire department.

As of the effective date of the 1996 agreement, all buildings, equipment and furniture were to be transferred to the ownership of the City. This agreement was later modified in 1997, 1998 and 2005.

In 1996, the City and County agreed to share equally in the cost of construction of a health facility to house the Lawrence-Douglas County Health Department, the Bert Nash Community Mental Health Center and the Douglas County Visiting Nurses Association. The agreement provided that on completion, the building, equipment and furniture would be owned by the City. This health facility was completed and occupied in 1997. A related agreement provides for the City and County to each pay half of the health facility maintenance and operating costs.

The County also pays 1/6<sup>th</sup> of the cost of the City's planning department.

In 2006, the County participated in the creation of the Lawrence-Douglas County Bioscience Authority (LDCBA), along with the City of Lawrence, the University of Kansas, and the Lawrence Chamber of Commerce. In December 2009, the City and County jointly acquired a building to be used by the LDCBA as a business incubator for life sciences companies. The acquisition was financed by general obligation bonds issued by the City. Debt service for the bonds is funded by rental revenue generated from leasing the building space. Should the rents received be insufficient to pay all the debt service on the bonds, the County has an agreement to pay the City 50% of such shortfall. Additionally, the County pays \$200,000 annually to help fund the LDCBA, an agreement which continues through 2018.

## **F. Commitments**

In March 2012, Douglas County approved an agreement with the Bioscience and Technology Business Center at the University of Kansas to help fund capital costs of the facility's expansion. The County's commitment is for \$1 million, to be paid in equal annual installments of \$100,000 over a 10-year period, beginning in 2012.

## **G. Prior Period Adjustments**

During 2012, the County identified certain prior year journal entries that had not been properly reversed. These were corrected during fiscal 2012, resulting in the following adjustments to unencumbered cash balances as of January 1, 2012: Ambulance Fund increased \$386,633; Emergency Telephone Service Fund increased \$48,235; Sheriff Special Use Fund increased \$29,420; Capital Improvement Plan Fund increased \$316,800.

## **H. Subsequent Events**

On June 12, 2013, the board of county commissions passed a resolution authorizing the offering for sale of general obligation refunding and sales tax improvement bonds, series 2013 for \$21,000,000.

**Douglas County, Kansas**  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

Schedule 1

	Certified Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>GOVERNMENTAL TYPE FUNDS:</b>			
GENERAL FUND	\$ 38,092,776	\$ 37,246,357	\$ (846,419)
<b>SPECIAL PURPOSE FUNDS:</b>			
Ambulance	4,700,000	4,537,038	(162,962)
Emergency Telephone Service	601,630	546,967	(54,663)
Employee Benefits	9,000,000	8,837,795	(162,205)
Motor Vehicle Operations	785,500	693,458	(92,042)
Road & Bridge	6,140,000	5,567,895	(572,105)
Special Alcohol	35,000	16,232	(18,768)
Special Building	268,950	77,763	(191,187)
Special Liability	250,000	141,042	(108,958)
Special Parks & Recreation	118,222	16,313	(101,909)
Youth Services-Juvenile Detention	1,669,990	1,619,694	(50,296)
<b>DEBT SERVICE FUNDS:</b>			
Bond and Interest	827,627	491,740	(335,887)
Local County Sales Tax	5,872,849	2,561,761	(3,311,088)

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

Schedule 2-1

**General Fund**

	Actual	Budget	Variance- Over (Under)
<b>Cash receipts:</b>			
Taxes:			
Ad valorem property tax	\$ 25,648,319	\$ 25,421,648	\$ 226,671
Delinquent tax	453,732	310,000	143,732
Motor vehicle tax	2,251,744	2,293,019	(41,275)
In lieu of tax	-	486	(486)
Local county sales tax	5,779,946	5,400,000	379,946
Other taxes	16,802	350,000	(333,198)
Interest and penalties	450,735	-	450,735
Total taxes	34,601,278	33,775,153	826,125
Licenses, fees, and permits:			
Licenses, permits & fees	585,326	610,292	(24,966)
Charges for services	10,932	350,500	(339,568)
District court fees	481,807	303,000	178,807
Mortgage registration	1,791,980	1,450,000	341,980
Total licenses, fees, and permits	2,870,045	2,713,792	156,253
Use of money and property:			
Interest on idle funds	203,726	208,000	(4,274)
Total interest	203,726	208,000	(4,274)
Other:			
Rental income	95,603	81,000	14,603
Weed department receipts	63,180	-	63,180
Miscellaneous income	155,971	65,000	90,971
Transfers	106,000	-	106,000
Total other	420,754	146,000	274,754
Total cash receipts	\$ 38,095,803	\$ 36,842,945	\$ 1,252,858
<b>Expenditures:</b>			
Administration:			
Personal services	\$ 257,139	\$ 253,377	\$ 3,762
Miscellaneous	52	-	52
Total administration	257,191	253,377	3,814
Administrative services:			
Personal services	329,303	471,121	(141,818)
Contractual services	557,716	551,000	6,716
Total administrative services	887,019	1,022,121	(135,102)
Agencies county funded:			
Contractual services	6,195,546	6,145,546	50,000
Total agency county funded	6,195,546	6,145,546	50,000
Appraiser:			
Personal services	535,221	555,605	(20,384)
Contractual services	4,485	19,750	(15,265)
Commodities	(1,048)	-	(1,048)
Capital outlay	3,275	1,300	1,975
Total appraiser	541,933	576,655	(34,722)
CIP projects - capital improvements:			
Transfers to CIP	4,000,000	4,000,000	-
Total CIP projects	4,000,000	4,000,000	-

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

Schedule 2-1

**General Fund**

	Actual	Budget	Variance- Over (Under)
<b>Commissioners:</b>			
Personal services	102,758	105,182	(2,424)
Contractual services	227,699	175,300	52,399
Miscellaneous	87,175	77,385	9,790
Total commissioners	<u>417,632</u>	<u>357,867</u>	<u>59,765</u>
<b>Community service work program:</b>			
Personal services	47,162	47,134	28
Contractual services	53	825	(772)
Commodities	291	550	(259)
Reimbursements	(23,681)	(24,254)	573
Total community service work program	<u>23,825</u>	<u>24,255</u>	<u>(430)</u>
<b>Coroner:</b>			
Contractual services	154,773	159,700	(4,927)
Commodities	4,469	2,000	2,469
Total coroner	<u>159,242</u>	<u>161,700</u>	<u>(2,458)</u>
<b>County Clerk:</b>			
Personal services	325,117	315,825	9,292
Contractual services	644	3,895	(3,251)
Commodities	1,091	3,050	(1,959)
Miscellaneous	237	250	(13)
Total county clerk	<u>327,089</u>	<u>323,020</u>	<u>4,069</u>
<b>Countywide:</b>			
Personal services	-	14,500	(14,500)
Contractual services	620,627	688,662	(68,035)
Commodities	157,090	159,400	(2,310)
Capital outlay	(1,321)	-	(1,321)
Miscellaneous	2,421	7,500	(5,079)
Total countywide	<u>778,817</u>	<u>870,062</u>	<u>(91,245)</u>
<b>Court operating:</b>			
Personal services	179,940	203,973	(24,033)
Contractual services	559,021	752,725	(193,704)
Commodities	3,678	10,500	(6,822)
Capital outlay	23,195	20,280	2,915
Miscellaneous	3,534	5,000	(1,466)
Transfers	73,400	-	73,400
Total court operating	<u>842,768</u>	<u>992,478</u>	<u>(149,710)</u>
<b>Court trustee:</b>			
Personal services	396,279	392,278	4,001
Contractual services	6,597	4,750	1,847
Commodities	332	350	(18)
Capital outlay	5,502	3,100	2,402
Miscellaneous	1,889	7,300	(5,411)
Total court trustee	<u>410,599</u>	<u>407,778</u>	<u>2,821</u>
<b>District Attorney:</b>			
Personal services	1,398,469	1,420,754	(22,285)
Contractual services	113,591	94,550	19,041
Capital outlay	-	500	(500)
Miscellaneous	16,696	20,000	(3,304)
Total district attorney	<u>1,528,756</u>	<u>1,535,804</u>	<u>(7,048)</u>

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

Schedule 2-1

**General Fund**

	Actual	Budget	Variance- Over (Under)
<b>Elections:</b>			
Personal services	132,922	122,378	10,544
Contractual services	163,926	186,275	(22,349)
Commodities	50,257	74,600	(24,343)
Transfers	36,000	-	36,000
<b>Total elections</b>	<b>383,105</b>	<b>383,253</b>	<b>(148)</b>
<b>Emergency communication center:</b>			
Personal services	1,188,719	1,144,445	44,274
Contractual services	58,139	63,592	(5,453)
Commodities	13,505	20,500	(6,995)
Capital outlay	11,248	19,000	(7,752)
Miscellaneous	1,367	1,500	(133)
Reimbursements	(819,929)	(824,364)	4,435
<b>Total emergency communication center</b>	<b>453,049</b>	<b>424,673</b>	<b>28,376</b>
<b>Emergency management:</b>			
Personal services	119,374	114,324	5,050
Contractual services	21,810	32,656	(10,846)
Commodities	3,059	2,000	1,059
Capital outlay	2,500	7,525	(5,025)
Miscellaneous	3,736	15,300	(11,564)
Transfers	5,000	-	5,000
<b>Total emergency management</b>	<b>155,479</b>	<b>171,805</b>	<b>(16,326)</b>
<b>Fairgrounds:</b>			
Personal services	124,579	87,396	37,183
Contractual services	33,594	34,800	(1,206)
Commodities	25,356	20,533	4,823
<b>Total fairgrounds</b>	<b>183,529</b>	<b>142,729</b>	<b>40,800</b>
<b>First Responders:</b>			
Personal services	1,380	2,000	(620)
Contractual services	37,694	50,500	(12,806)
Commodities	4,347	5,000	(653)
<b>Total first responders</b>	<b>43,421</b>	<b>57,500</b>	<b>(14,079)</b>
<b>Fleet operations:</b>			
Personal services	214,095	225,473	(11,378)
Contractual services	68,581	55,350	13,231
Commodities	819,055	965,217	(146,162)
Capital outlay	11,839	15,000	(3,161)
Transfers	25,000	25,000	-
<b>Total fleet operations</b>	<b>1,138,570</b>	<b>1,286,040</b>	<b>(147,470)</b>
<b>Geographic information system:</b>			
Personal services	154,080	152,873	1,207
Contractual services	240	5,500	(5,260)
Commodities	503	1,100	(597)
<b>Total geographic information system</b>	<b>154,823</b>	<b>159,473</b>	<b>(4,650)</b>

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

Schedule 2-1

**General Fund**

	Actual	Budget	Variance- Over (Under)
Information technology:			
Personal services	684,069	667,721	16,348
Contractual services	265,524	239,670	25,854
Commodities	9,964	15,500	(5,536)
Capital outlay	158,047	237,180	(79,133)
Miscellaneous	290	500	(210)
Total information technology	<u>1,117,894</u>	<u>1,160,571</u>	<u>(42,677)</u>
Maintenance:			
Personal services	294,065	307,094	(13,029)
Contractual services	80,812	116,523	(35,711)
Commodities	58,786	76,000	(17,214)
Capital outlay	-	1,000	(1,000)
Reimbursements	(18,819)	(23,176)	4,357
Transfers	3,500	-	3,500
Total maintenance	<u>418,344</u>	<u>477,441</u>	<u>(59,097)</u>
Noxious weeds:			
Personal services	99,121	80,999	18,122
Contractual services	1,843	2,305	(462)
Commodities	85,177	125,610	(40,433)
Transfers	20,000	20,000	-
Total noxious weeds	<u>206,141</u>	<u>228,914</u>	<u>(22,773)</u>
Parks:			
Personal services	100,781	98,189	2,592
Contractual services	21,508	31,125	(9,617)
Commodities	20,822	31,300	(10,478)
Transfers	25,000	25,350	(350)
Total parks	<u>168,111</u>	<u>185,964</u>	<u>(17,853)</u>
Register of Deeds:			
Personal services	238,494	241,120	(2,626)
Total register of deeds	<u>238,494</u>	<u>241,120</u>	<u>(2,626)</u>
Shared costs & transfers:			
Contractual services	37,438	32,000	5,438
Commodities	159	-	159
Agencies and projects	1,088,159	-	1,088,159
Miscellaneous	1,639	4,280,921	(4,279,282)
Transfers	3,327,139	-	3,327,139
Total shared costs & transfers	<u>4,454,534</u>	<u>4,312,921</u>	<u>141,613</u>
Sheriff:			
Personal services	3,837,133	3,756,351	80,782
Contractual services	117,271	161,200	(43,929)
Commodities	46,025	62,095	(16,070)
Capital outlay	25,584	174,700	(149,116)
Transfers	419,700	237,000	182,700
Total sheriff	<u>4,445,713</u>	<u>4,391,346</u>	<u>54,367</u>
Sheriff Clinton Lake Patrol:			
Personal services	26,087	36,500	(10,413)
Contractual services	928	-	928
Commodities	6	1,000	(994)
Capital outlay	373	7,056	(6,683)
Transfers	17,400	-	17,400
Total sheriff Clinton Lake patrol	<u>44,794</u>	<u>44,556</u>	<u>238</u>

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

Schedule 2-1

**General Fund**

	Actual	Budget	Variance- Over (Under)
<b>Sheriff inmate:</b>			
Contractual services	7,338	21,760	(14,422)
Commodities	35,166	33,920	1,246
Capital outlay	-	8,320	(8,320)
Transfers	16,600	-	16,600
Total sheriff inmate	<u>59,104</u>	<u>64,000</u>	<u>(4,896)</u>
<b>Sheriff jail:</b>			
Personal services	4,288,994	4,259,216	29,778
Contractual services	520,865	930,100	(409,235)
Commodities	436,735	502,200	(65,465)
Capital outlay	19,806	133,150	(113,344)
Transfers	248,650	-	248,650
Total sheriff jail	<u>5,515,050</u>	<u>5,824,666</u>	<u>(309,616)</u>
<b>Sheriff reentry management:</b>			
Personal services	146,015	136,381	9,634
Contractual services	(18,365)	20,190	(38,555)
Commodities	248	-	248
Capital outlay	(513)	-	(513)
Total sheriff reentry management	<u>127,385</u>	<u>156,571</u>	<u>(29,186)</u>
<b>Sheriff underwater recovery:</b>			
Contractual services	5,926	7,500	(1,574)
Capital outlay	6,010	7,000	(990)
Total sheriff underwater recovery	<u>11,936</u>	<u>14,500</u>	<u>(2,564)</u>
<b>Sustainability management:</b>			
Personal services	78,648	66,539	12,109
Contractual services	1,778	1,450	328
Commodities	186	-	186
Total sustainability management	<u>80,612</u>	<u>67,989</u>	<u>12,623</u>
<b>Treasurer:</b>			
Personal services	206,865	203,361	3,504
Contractual services	2,506	28,275	(25,769)
Commodities	15,009	19,000	(3,991)
Capital outlay	-	750	(750)
Transfers	1,000	1,000	-
Total treasurer	<u>225,380</u>	<u>252,386</u>	<u>(27,006)</u>
<b>Utility building maintenance:</b>			
Contractual services	17,592	35,000	(17,408)
Total utility building maintenance	<u>17,592</u>	<u>35,000</u>	<u>(17,408)</u>
<b>Utilities:</b>			
Contractual services	796,852	921,073	(124,221)
Reimbursements	(29,291)	(34,426)	5,135
Total utilities	<u>767,561</u>	<u>886,647</u>	<u>(119,086)</u>
<b>Utility telephone:</b>			
Contractual services	161,896	140,790	21,106
Capital outlay	542	7,000	(6,458)
Total utility telephone	<u>162,438</u>	<u>147,790</u>	<u>14,648</u>

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

Schedule 2-1

**General Fund**

	Actual	Budget	Variance- Over (Under)
Zoning:			
Personal services	284,402	283,058	1,344
Contractual services	17,554	21,200	(3,646)
Capital outlay	925	-	925
Total zoning	302,881	304,258	(1,377)
 Total expenditures	\$ 37,246,357	\$ 38,092,776	\$ (846,419)
 Receipts over (under) expenditures	849,446		
 Unencumbered cash, beginning	1,548,368		
 Unencumbered cash, ending	\$ 2,397,814		

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Special Revenue Fund - Ambulance**

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 2,311,424	\$ 2,311,424	\$ -
Delinquent tax	32,597	32,591	6
Motor vehicle tax	169,627	169,627	-
Charges for service	1,814,799	2,100,000	(285,201)
Miscellaneous	1,921	-	1,921
Total cash receipts	<u>\$ 4,330,368</u>	<u>\$ 4,613,642</u>	<u>\$ (283,274)</u>
Expenditures:			
Contractual services	\$ 4,221,155	\$ 4,277,059	\$ (55,904)
Commodities	125,790	103,300	22,490
Capital outlay	47,893	61,600	(13,707)
Transfers	142,200	258,041	(115,841)
Total expenditures	<u>\$ 4,537,038</u>	<u>\$ 4,700,000</u>	<u>\$ (162,962)</u>
Receipts over (under) expenditures	(206,670)		
Unencumbered cash, beginning	(179,954)		
Prior period adjustment	386,633		
Unencumbered cash, beginning, as restated	206,679		
Unencumbered cash, ending	<u>\$ 9</u>		

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures - Actual and Budget  
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**Special Revenue Fund - Economic Development**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ -	\$ -	\$ -
Delinquent tax	-	-	-
Motor vehicle tax	-	-	-
In lieu of tax	-	-	-
Charges for service	-	-	-
Intergovernmental	-	-	-
Sale of property	-	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total cash receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Personal services	\$ -	\$ -	\$ -
Contractual services	-	-	-
Commodities	-	-	-
Capital outlay	-	-	-
Transfers	-	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts over (under) expenditures	-		
Unencumbered cash, beginning	<u>2,575</u>		
Unencumbered cash, ending	<u>\$ 2,575</u>		

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

**Special Revenue Fund - Emergency Telephone Service**

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
911 emergency telephone service tax	\$ 517,746	\$ 475,000	\$ 42,746
Interest on idle funds	3,175	1,630	1,545
	<b>\$ 520,921</b>	<b>\$ 476,630</b>	<b>\$ 44,291</b>
Expenditures:			
Contractual services	\$ 162,479	\$ 237,200	\$ (74,721)
Capital outlay	825	322,500	(321,675)
Transfers	383,663	41,930	341,733
	<b>\$ 546,967</b>	<b>\$ 601,630</b>	<b>\$ (54,663)</b>
Receipts over (under) expenditures	(26,046)		
Unencumbered cash, beginning	428,399		
Prior period adjustment	48,235		
Unencumbered cash, beginning, as restated	476,634		
Unencumbered cash, ending	\$ 450,588		

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Special Revenue Fund - Employee Benefits**

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 7,195,258	\$ 7,195,257	\$ 1
Delinquent tax	128,917	128,917	-
Motor vehicle tax	667,472	667,471	1
Miscellaneous	432,696	227,768	204,928
Transfers	438,690	438,690	-
	<u>\$ 8,863,033</u>	<u>\$ 8,658,103</u>	<u>\$ 204,930</u>
Expenditures:			
Personal services	\$ 8,587,795	\$ 8,744,000	\$ (156,205)
Contractual services	-	6,000	(6,000)
Transfers	250,000	250,000	-
	<u>\$ 8,837,795</u>	<u>\$ 9,000,000</u>	<u>\$ (162,205)</u>
Receipts over (under) expenditures	25,238		
Unencumbered cash, beginning	401,726		
Unencumbered cash, ending	<u>\$ 426,964</u>		

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

**Special Revenue Fund - Motor Vehicle Operations**

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Charges for service	\$ 700,646	\$ 730,500	\$ (29,854)
Total cash receipts	\$ 700,646	\$ 730,500	\$ (29,854)
Expenditures:			
Personal services	\$ 561,904	\$ 594,028	\$ (32,124)
Contractual services	21,896	42,850	(20,954)
Commodities	1,658	9,500	(7,842)
Capital outlay	-	137,122	(137,122)
Transfers	108,000	2,000	106,000
Total expenditures	\$ 693,458	\$ 785,500	\$ (92,042)
Receipts over (under) expenditures	7,188		
Unencumbered cash, beginning	50,769		
Unencumbered cash, ending	\$ 57,957		

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Special Revenue Fund - Road & Bridge**

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 3,119,845	\$ 3,119,844	\$ 1
Delinquent tax	59,499	59,498	1
Motor vehicle tax	260,500	260,499	1
Fees and permits	2,745	6,200	(3,455)
Charges for service	26,712	-	26,712
Intergovernmental	2,116,914	2,112,945	3,969
Miscellaneous	-	41,457	(41,457)
	<u>\$ 5,586,215</u>	<u>\$ 5,600,443</u>	<u>\$ (14,228)</u>
Total cash receipts			
Expenditures:			
Personal services	\$ 2,164,533	\$ 2,293,906	\$ (129,373)
Contractual services	1,302,869	1,504,200	(201,331)
Commodities	790,918	1,256,863	(465,945)
Capital outlay	9,775	64,000	(54,225)
Transfers	1,299,800	1,021,031	278,769
	<u>\$ 5,567,895</u>	<u>\$ 6,140,000</u>	<u>\$ (572,105)</u>
Total expenditures			
Receipts over (under) expenditures	18,320		
Unencumbered cash, beginning	<u>539,557</u>		
Unencumbered cash, ending	<u>\$ 557,877</u>		

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Special Revenue Fund - Special Alcohol**

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Special alcohol tax	\$ 24,594	\$ 35,000	\$ (10,406)
Total cash receipts	\$ 24,594	\$ 35,000	\$ (10,406)
Expenditures:			
Agencies	\$ 16,232	\$ 35,000	\$ (18,768)
Total expenditures	\$ 16,232	\$ 35,000	\$ (18,768)
Receipts over (under) expenditures	8,362		
Unencumbered cash, beginning	-		
Unencumbered cash, ending	\$ 8,362		

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Special Revenue Fund - Special Building**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 135,067	\$ 134,160	\$ 907
Delinquent tax	4,768	2,900	1,868
Motor vehicle tax	28,054	28,507	(453)
Miscellaneous	10,740	-	10,740
In lieu of tax	-	6	(6)
Total cash receipts	<u>\$ 178,629</u>	<u>\$ 165,573</u>	<u>\$ 13,056</u>
Expenditures:			
Contractual services	\$ 44,270	\$ 268,950	\$ (224,680)
Capital outlay	33,493	-	33,493
Total expenditures	<u>\$ 77,763</u>	<u>\$ 268,950</u>	<u>\$ (191,187)</u>
Receipts over (under) expenditures	100,866		
Unencumbered cash, beginning	<u>253,063</u>		
Unencumbered cash, ending	<u>\$ 353,929</u>		

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Special Revenue Fund - Special Liability**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 123,959	\$ 123,086	\$ 873
Delinquent tax	604	400	204
Motor vehicle tax	3,568	4,484	(916)
	<u>\$ 128,131</u>	<u>\$ 127,970</u>	<u>\$ 161</u>
Expenditures:			
Contractual services	\$ 66,042	\$ 165,000	\$ (98,958)
Transfers	75,000	75,000	-
Miscellaneous	-	10,000	(10,000)
	<u>\$ 141,042</u>	<u>\$ 250,000</u>	<u>\$ (108,958)</u>
Receipts over (under) expenditures	(12,911)		
Unencumbered cash, beginning	<u>220,025</u>		
Unencumbered cash, ending	<u>\$ 207,114</u>		

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Special Revenue Fund - Special Parks & Recreation**

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Special alcohol tax	\$ 15,710	\$ 15,472	\$ 238
Total cash receipts	<u>\$ 15,710</u>	<u>\$ 15,472</u>	<u>\$ 238</u>
Expenditures:			
Recreation facilities	\$ 11,335	\$ 118,222	\$ (106,887)
Capital outlay	4,978	-	4,978
Total expenditures	<u>\$ 16,313</u>	<u>\$ 118,222</u>	<u>\$ (101,909)</u>
Receipts over (under) expenditures	(603)		
Unencumbered cash, beginning	<u>110,712</u>		
Unencumbered cash, ending	<u>\$ 110,109</u>		

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Special Revenue Fund - Youth Services-Juvenile Detention**

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 1,410,291	\$ 1,397,685	\$ 12,606
Delinquent tax	22,316	15,000	7,316
Motor vehicle tax	114,902	112,161	2,741
In lieu of tax	-	24	(24)
Intergovernmental	163,350	77,520	85,830
Interest on idle funds	3,969	2,600	1,369
Reimbursements	156,720	65,000	91,720
Transfers	12,713	-	12,713
	<u>\$ 1,884,261</u>	<u>\$ 1,669,990</u>	<u>\$ 214,271</u>
 Expenditures:			
Personal services	\$ 1,371,573	\$ 1,438,411	\$ (66,838)
Contractual services	91,786	126,925	(35,139)
Commodities	86,692	87,800	(1,108)
Capital outlay	-	1,500	(1,500)
Debt payment	9,643	9,650	(7)
Transfers	60,000	-	60,000
Miscellaneous	-	5,704	(5,704)
	<u>\$ 1,619,694</u>	<u>\$ 1,669,990</u>	<u>\$ (50,296)</u>
 Receipts over (under) expenditures	 264,567		
 Unencumbered cash, beginning	 <u>206,339</u>		
 Unencumbered cash, ending	 <u>\$ 470,906</u>		

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2012

**Non-budgeted Special Revenue Funds**

	Ambulance Capital Reserve	Community Correction Plan	Donations	Equipment Reserve	Grants Programs	Prosecutor Training & Assistance	Register of Deeds Technology
Cash receipts:							
Charges for services	\$ -	\$ 2,840	\$ -	\$ -	\$ -	\$ 7,695	\$ 162,028
Licenses, permits, and fees	-	-	-	-	-	-	-
Intergovernmental	-	487,401	-	1,095,000	946,705	-	-
Miscellaneous	-	-	3,889	34,431	-	-	-
Interest income	2,086	-	326	41,860	-	-	710
Transfers	142,200	-	-	3,357,939	-	-	-
<b>Total cash receipts</b>	<b>144,286</b>	<b>490,241</b>	<b>4,215</b>	<b>4,529,230</b>	<b>946,705</b>	<b>7,695</b>	<b>162,738</b>
Expenditures:							
Personal services	-	503,138	6,511	-	208,988	-	-
Contractual services	-	(5,125)	69	347,101	719,716	7,448	34,289
Commodities	-	(5,551)	832	27,981	1,489	-	-
Capital outlay	116,968	-	(5,000)	1,917,906	106,306	-	8,233
Miscellaneous	685	-	288	-	3,410	-	-
Agencies and projects	-	-	-	198,785	-	-	-
Transfers	-	-	-	12,713	-	-	100,000
<b>Total expenditures</b>	<b>117,653</b>	<b>492,462</b>	<b>2,700</b>	<b>2,504,486</b>	<b>1,039,909</b>	<b>7,448</b>	<b>142,522</b>
Receipts over (under) expenditures	26,633	(2,221)	1,515	2,024,744	(93,204)	247	20,216
Unencumbered cash, beginning	443,487	4,537	80,218	8,665,472	298,878	31,331	182,202
Prior period adjustment	-	-	-	-	-	-	-
Unencumbered cash, beginning, as restated	443,487	4,537	80,218	8,665,472	298,878	31,331	182,202
Unencumbered cash, ending	<b>\$ 470,120</b>	<b>\$ 2,316</b>	<b>\$ 81,733</b>	<b>\$ 10,690,216</b>	<b>\$ 205,674</b>	<b>\$ 31,578</b>	<b>\$ 202,418</b>

(Continued)

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2012

	Sheriff Special Use	Spec Law Enforcement Trust	Spec Rd Br Machinery Equipment	Special Highway Improvement	Youth Services Grants	Valley View	Total
Cash receipts:							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,563
Licenses, permits, and fees	24,433	135,268	-	-	-	-	159,701
Intergovernmental	-	-	-	-	612,586	-	3,141,692
Miscellaneous	-	123,600	-	-	-	-	161,920
Interest income	-	1,201	-	-	-	734	46,917
Transfers	-	12,000	-	-	-	-	3,512,139
<b>Total cash receipts</b>	<b>24,433</b>	<b>272,069</b>	<b>-</b>	<b>-</b>	<b>612,586</b>	<b>734</b>	<b>7,194,932</b>
Expenditures:							
Personal services	-	-	-	-	274,271	-	992,908
Contractual services	-	75,591	-	-	205,655	82,536	1,467,280
Commodities	-	5,374	-	73,042	44,502	-	147,669
Capital outlay	5,158	5,315	-	-	-	-	2,154,886
Miscellaneous	-	29,346	-	-	-	-	33,729
Agencies and projects	-	-	-	-	-	-	198,785
Transfers	-	-	196,047	-	-	-	308,760
<b>Total expenditures</b>	<b>5,158</b>	<b>115,626</b>	<b>196,047</b>	<b>73,042</b>	<b>524,428</b>	<b>82,536</b>	<b>5,304,017</b>
Receipts over (under) expenditures	19,275	156,443	(196,047)	(73,042)	88,158	(81,802)	1,890,915
Unencumbered cash, beginning	(761)	226,453	196,047	556,314	486,294	191,028	11,361,500
Prior period adjustment	29,420	-	-	-	-	-	29,420
Unencumbered cash, beginning, as restated	28,659	226,453	196,047	556,314	486,294	191,028	11,390,920
<b>Unencumbered cash, ending</b>	<b>\$ 47,934</b>	<b>\$ 382,896</b>	<b>\$ -</b>	<b>\$ 483,272</b>	<b>\$ 574,452</b>	<b>\$ 109,226</b>	<b>\$ 13,281,835</b>

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2012

**Capital Project Funds**

	Capital Improvement Plan	Trafficway Construction	Juvenile Detention Center Construction	CIP Sales Tax	Total
Receipts and other sources:					
Lease proceeds	\$ 28,600	\$ -	\$ -	\$ -	\$ 28,600
Debt issuance	173,250				173,250
Interest on idle funds	70,054	-	9	5,258	75,321
Miscellaneous	1,853,679	-	-	-	1,853,679
Transfers	4,000,000	-	-	413,600	4,413,600
<b>Total receipts and other sources</b>	<b>6,125,583</b>	<b>-</b>	<b>9</b>	<b>418,858</b>	<b>6,544,450</b>
Expenditures:					
Contractual services	4,974,797	-	-	-	4,974,797
Commodities	3,059	-	-	-	3,059
Miscellaneous	436,450	-	-	-	436,450
Capital outlay	225,263	-	-	-	225,263
<b>Total expenditures</b>	<b>5,639,569</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,639,569</b>
Receipts and other sources over (under) expenditures	486,014	-	9	418,858	904,881
Unencumbered cash, beginning	15,376,218	44,721	1,783	1,088,419	16,511,141
Prior period adjustment	316,800	-	-	-	316,800
Unencumbered cash, beginning, as restated	15,693,018	44,721	1,783	1,088,419	16,827,941
<b>Unencumbered cash, ending</b>	<b>\$ 16,179,032</b>	<b>\$ 44,721</b>	<b>\$ 1,792</b>	<b>\$ 1,507,277</b>	<b>\$ 17,732,822</b>

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

**Debt Service Fund - Bond and Interest Fund**

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Taxes	\$ 597	\$ 1,000	\$ (403)
Special assessments	412,420	420,278	(7,858)
Interest	217	260	(43)
Miscellaneous	1,390	-	1,390
Debt issuance	12,795,000	-	12,795,000
	<u>\$ 13,209,624</u>	<u>\$ 421,538</u>	<u>\$ 12,788,086</u>
Total cash receipts			
Expenditures:			
Principal	\$ 351,000	\$ 296,000	\$ 55,000
Interest	136,001	149,132	(13,131)
Commission and postage	-	30,000	(30,000)
Miscellaneous	4,739	-	4,739
Future payments	-	352,495	(352,495)
Subtotal subject to budget	<u>491,740</u>	<u>827,627</u>	<u>(335,887)</u>
Refunded debt *	12,795,000	-	12,795,000
	<u>\$ 13,286,740</u>	<u>\$ 827,627</u>	<u>\$ 12,459,113</u>
Total expenditures			
Receipts over (under) expenditures	(77,116)		
Unencumbered cash, beginning	<u>453,949</u>		
Unencumbered cash, ending	<u>\$ 376,833</u>		

\* Not subjected to the County's certified budget

**Debt Service Fund - Local County Sales Tax**

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Transfer	\$ 2,037,670	\$ 2,037,576	\$ 94
Miscellaneous	3,978	-	3,978
	<u>\$ 2,041,648</u>	<u>\$ 2,037,576</u>	<u>\$ 4,072</u>
Total cash receipts			
Expenditures:			
Principal	\$ 2,110,000	\$ 2,045,000	\$ 65,000
Interest	451,761	648,618	(196,857)
Future payments	-	3,179,231	(3,179,231)
	<u>\$ 2,561,761</u>	<u>\$ 5,872,849</u>	<u>\$ (3,311,088)</u>
Total expenditures			
Receipts over (under) expenditures	(520,113)		
Unencumbered cash, beginning	<u>3,835,274</u>		
Unencumbered cash, ending	<u>\$ 3,315,161</u>		

**Douglas County, Kansas**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Internal Service Fund - Employee Benefits Trust**

	Actual
Cash Receipts:	
Charges for services	\$ 9,723,943
Interest earnings	3,642
Miscellaneous	236,867
Total cash receipts	9,964,452
Expenditures:	
Claims paid	5,716,130
Contractual services	596,505
Total expenditures	6,312,635
Receipts over expenditures	3,651,817
Unencumbered cash, beginning	2,900,788
Unencumbered cash, ending	\$ 6,552,605

**Internal Service Fund - Risk Management**

	Actual
Cash Receipts:	
Interest earnings	\$ 126
Miscellaneous	13,500
Transfers	325,000
Total cash receipts	338,626
Expenditures:	
Personal services	205,990
Contractual services	25,602
Total expenditures	231,592
Receipts over expenditures	107,034
Unencumbered cash, beginning	(109,739)
Unencumbered cash, ending	\$ (2,705)

**Douglas County, Kansas**  
 Summary of Receipts and Disbursements  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**Agency Funds**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Tax Accounts	\$ 73,902,695	\$ 110,856,996	\$ 114,924,450	\$ 69,835,241
Motor Vehicle Accounts	2,327,325	369,356	183,616	2,513,065
Total Distributable Funds	<u>76,230,020</u>	<u>111,226,352</u>	<u>115,108,066</u>	<u>72,348,306</u>
Other Agency Funds:				
Sheriff Seized Property	48,301	235	-	48,536
Sheriff Inmate Funds	5,087	169,775	161,102	13,760
Sheriff Reward Fund	12,013	7	-	12,020
Sheriff Bond Fund	12,432	704,003	708,754	7,681
District Attorney Funds	109,191	197,169	170,528	135,832
Employee Contribution	40,058	201,451	194,201	47,308
Kansas Commision Fees	-	35	-	35
Register of Deeds Holding	50	535	-	585
Payroll Holding	-	-	(75)	75
Employee Activities	4,469	4,432	4,746	4,155
Total Other Agency Funds	<u>231,601</u>	<u>1,277,642</u>	<u>1,239,256</u>	<u>269,987</u>
Total Agency Funds	<u>\$ 76,461,621</u>	<u>\$ 112,503,994</u>	<u>\$ 116,347,322</u>	<u>\$ 72,618,293</u>

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2012

**Related Municipal Entity - Douglas County Extension Council**

	<u>Actual</u>
Cash receipts:	
County appropriation	\$ 455,400
Charges for services	185,350
Miscellaneous	1,013
	<hr/>
Total cash receipts	641,763
	<hr/>
Expenditures:	
Personnel services	434,615
Contractual services	109,763
Commodities	56,298
Capital outlay	10,991
	<hr/>
Total expenditures	611,667
	<hr/>
Receipts over expenditures	30,096
Unencumbered cash, beginning	557,775
	<hr/>
Unencumbered cash, ending	\$ 587,871
	<hr/> <hr/>

**Related Municipal Entity - Lawrence/Douglas Co Health Dept.**

	<u>Actual</u>
Cash receipts:	
City/County appropriation	\$ 1,586,279
Grants	1,111,529
Fines, fees and permits	41,395
Charges for services	344,565
Interest	13,122
Miscellaneous	285,285
	<hr/>
Total cash receipts	3,382,175
	<hr/>
Expenditures:	
Personnel services	2,483,483
Contractual services	409,541
Commodities	385,646
Capital outlay	113,633
	<hr/>
Total expenditures	3,392,303
	<hr/>
Receipts over expenditures	(10,128)
Unencumbered cash, beginning	2,215,473
	<hr/>
Unencumbered cash, ending	\$ 2,205,345
	<hr/> <hr/>

**Douglas County, Kansas**  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2012

**Related Municipal Entity - Douglas County Free Fair**

	<u>Actual</u>
Cash receipts:	
Charges for services	\$ 288,056
Interest	237
	<hr/>
Total cash receipts	288,293
	<hr/>
Expenditures:	
Personnel services	27,639
Contractual services	45,449
Commodities	218,898
Capital outlay	9,606
	<hr/>
Total expenditures	301,592
	<hr/>
Receipts over expenditures	(13,299)
Unencumbered cash, beginning	<hr/> 67,962
Unencumbered cash, ending	<hr/> <hr/> \$ 54,663

REGULATORY – REQUIRED  
SUPPLEMENTARY INFORMATION

**DOUGLAS COUNTY, KANSAS**

**OTHER INFORMATION  
OTHER POST-EMPLOYMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS**

**December 31, 2012**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Unfunded AAL (b) – (a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as Percent of Payroll (b-a)/(c)</u>
10/01/2007	\$ --	\$ 62,294,659	\$ 62,294,659	0.0%	\$ 24,603,660	253.2%
01/01/2010	--	63,486,148	63,486,148	0.0%	25,766,105	246.4%
01/01/2012	--	67,122,488	67,122,488	0.0%	26,384,234	254.4%