
DOUGLAS COUNTY, KANSAS
FINANCIAL STATEMENTS
DECEMBER 31, 2009

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Independent Auditors' Report

Board of County Commissioners
Douglas County, Kansas

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Douglas County, Kansas, as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements 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 Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Douglas County, Kansas, at December 31, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The County has not presented management discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The budgetary comparison information and the schedule of funding progress, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2011, on our consideration of the County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

RubinBrown LLP

January 20, 2011

DOUGLAS COUNTY, KANSAS

STATEMENT OF NET ASSETS

December 31, 2009

	Primary Government	Component Units
Assets		
Cash and cash equivalents	\$ 37,523,031	\$ 1,343,106
Restricted cash and cash equivalents	—	898,513
Receivables:		
Taxes	37,214,787	—
Accounts and other	1,053,346	206,698
Intergovernmental	59,875	—
Notes	40,920	—
Prepaid expense	—	11,998
Restricted cash and cash equivalents	4,786,472	—
Bond issuance costs	49,852	—
Capital assets:		
Land	11,850,470	—
Depreciable capital assets, net	87,743,631	157,651
Total Assets	180,322,384	2,617,966
Liabilities		
Accounts payable	2,165,981	2,000
Accrued expenses	388,323	—
Claims payable	705,191	—
Accrued interest	357,829	—
Unearned revenue	36,793,865	61,118
Long-term liabilities		
Due within one year:		
Compensated absences	3,062,900	164,402
General obligation bonds	2,074,000	—
Due in more than one year:		
Other post employment benefits	14,113,141	—
General obligation bonds	21,440,249	—
Total Liabilities	81,101,479	227,520
Net Assets		
Invested in capital assets, net of related debt	76,079,852	157,651
Unrestricted	23,141,053	2,232,795
Total Net Assets	\$ 99,220,905	\$ 2,390,446

DOUGLAS COUNTY, KANSAS

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2009

	Program Revenues			Net (Expenses) Revenue And Changes In Net Assets	
	Expenses	Charges For Services	Operating Grants And Contributions	Primary	Component
				Governmental	Units
Governmental Activities				Total	
General government	\$ 37,543,273	\$ 6,288,970	\$ 4,200,795	\$ (27,053,508)	\$ —
Public safety	10,170,918	—	—	(10,170,918)	—
Health and environment	3,494,968	—	—	(3,494,968)	—
Highways and streets	5,066,904	—	—	(5,066,904)	—
Interest on long-term debt	1,305,501	—	—	(1,305,501)	—
Total	\$ 57,581,564	\$ 6,288,970	\$ 4,200,795	(47,091,799)	—
Component Units					
Health and environment	\$ 3,798,849	\$ 821,620	\$ 1,794,815	—	(1,182,414)
General Revenues:					
Property taxes levied for					
General purposes				40,793,056	1,627,901
Debt service				362,529	—
Sales tax				5,280,683	—
Investments earnings				729,736	5,142
Miscellaneous				480,368	25,155
Total general revenues				47,646,372	1,658,198
Change in net assets				554,573	475,784
Net assets - beginning of year, as previously stated				94,091,597	1,969,612
Prior period adjustment				4,574,735	(54,950)
Net assets - beginning of year, as restated				98,666,332	1,914,662
Net assets - end of year				\$ 99,220,905	\$ 2,390,446

DOUGLAS COUNTY, KANSAS

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2009

	General	Road And Bridge	Capital Improvement Plan	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,957,502	\$ 1,074,270	\$ 15,585,181	\$ 17,906,078	\$ 37,523,031
Receivables (net of allowance):					
Taxes	30,593,779	3,378,304	—	3,242,704	37,214,787
Accounts and other	559,887	18,447	—	475,012	1,053,346
Intergovernmental	59,875	—	—	—	59,875
Notes	40,920	—	—	—	40,920
Restricted cash and cash equivalents	4,786,472	—	—	—	4,786,472
Due from other funds	—	—	—	176,690	176,690
Total Assets	\$ 38,998,435	\$ 4,471,021	\$ 15,585,181	\$ 21,800,484	\$ 80,855,121
Liabilities					
Accounts payable	\$ 783,129	\$ 117,227	\$ 40,863	\$ 1,224,762	\$ 2,165,981
Accrued expense	302,842	41,731	—	43,750	388,323
Due to other funds	—	—	—	176,690	176,690
Claims payable	705,191	—	—	—	705,191
Deferred revenue	30,172,857	3,378,304	—	3,242,704	36,793,865
Total Liabilities	31,964,019	3,537,262	40,863	4,687,906	40,230,050
Fund Balances					
Reserved for health and workers' compensation claims	3,950,735	—	—	—	3,950,735
Unreserved, undesignated:					
General fund	3,083,681	—	—	—	3,083,681
Special revenue funds	—	933,759	—	11,055,069	11,988,828
Debt service fund	—	—	—	5,386,495	5,386,495
Capital project funds	—	—	15,544,318	671,014	16,215,332
Total Fund Balances	7,034,416	933,759	15,544,318	17,112,578	40,625,071
Total Liabilities And Fund Balances	\$ 38,998,435	\$ 4,471,021	\$ 15,585,181	\$ 21,800,484	\$ 80,855,121

DOUGLAS COUNTY, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS December 31, 2009

Total Fund Balance, Governmental Funds \$ 40,625,071

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital assets, at cost	169,527,226
Accumulated depreciation	(69,933,125)

The following liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

These liabilities at year end consist of:

Accrued interest	(357,829)
Other post employment benefits	(14,113,141)
Compensated absences	(3,062,900)
Bond issuance costs	49,852
Discounts	370,751
Bonds payable	<u>(23,885,000)</u>

Total Net Assets, Governmental Activities \$ 99,220,905

DOUGLAS COUNTY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2009

	General	Road And Bridge	Capital Improvement Plan	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 33,578,230	\$ 3,902,545	\$ —	\$ 3,674,810	\$ 41,155,585
Intergovernmental	5,311,323	2,500,689	—	1,669,466	9,481,478
Fees and permits	2,285,728	1,640	—	703,290	2,990,658
Charges for services	1,420,438	137,514	—	1,740,360	3,298,312
Investment revenue	503,562	—	148,885	77,289	729,736
Miscellaneous	157,454	121	74,090	248,703	480,368
Total Revenues	43,256,735	6,542,509	222,975	8,113,918	58,136,137
Expenditures					
General government	24,864,741	—	—	4,781,293	29,646,034
Public safety	9,489,703	—	—	17,995	9,507,698
Health and environment	—	—	—	3,494,968	3,494,968
Highways and streets	—	4,388,389	—	391,202	4,779,591
Capital outlay	—	—	3,155,880	—	3,155,880
Debt service					
Principal retirement	—	—	—	378,000	378,000
Interest and other charges	—	—	—	905,878	905,878
Bond issuance costs	—	—	50,453	—	50,453
Total Expenditures	34,354,444	4,388,389	3,206,333	9,969,336	51,918,502
Excess (Deficiency) Of Revenue Over (Under) Expenditures	8,902,291	2,154,120	(2,983,358)	(1,855,418)	6,217,635
Other Financing Sources (Uses)					
Issuance of debt	—	—	2,445,000	—	2,445,000
Transfers in	503,520	—	4,000,000	6,200,496	10,704,016
Transfers out	(8,050,259)	(2,075,000)	(37,721)	(541,036)	(10,704,016)
Total Other Financing Sources (Uses)	(7,546,739)	(2,075,000)	6,407,279	5,659,460	2,445,000
Net Change In Fund Balances	1,355,552	79,120	3,423,921	3,804,042	8,662,635
Fund Balances - Beginning Of Year, As Previously Stated	2,018,983	854,639	12,120,397	13,308,536	28,302,555
Prior Period Adjustment	3,659,881	—	—	—	3,659,881
Fund Balances - Beginning Of Year, As Restated	5,678,864	854,639	12,120,397	13,308,536	31,962,436
Fund Balances - End Of Year	\$ 7,034,416	\$ 933,759	\$ 15,544,318	\$ 17,112,578	\$ 40,625,071

DOUGLAS COUNTY, KANSAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2009

Total Net Change In Fund Balances - Governmental Funds \$ 8,662,635

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Loss on sale of assets	(94,260)
Capital outlays	5,039,516
Depreciation expense	(3,290,513)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest	(357,829)
Other post employment benefits	(7,240,647)
Compensated absences	(105,988)

Proceeds from the sale of general obligation bonds is a revenue in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities.

	(2,445,000)
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Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond issuance costs	49,852
Discounts	(41,193)

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.

	<u>378,000</u>
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Changes In Net Assets Of Governmental Activities

	<u><u>\$ 554,573</u></u>
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DOUGLAS COUNTY, KANSAS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUNDS December 31, 2009

Assets	
Cash	<u>\$ 68,056,694</u>
Liabilities	
Accounts payable	\$ 223,087
Due to other governments	66,701,161
Due to others	<u>1,132,446</u>
Total liabilities	<u>\$ 68,056,694</u>

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF NET ASSETS DISCRETELY PRESENTED COMPONENT UNITS December 31, 2009

	Douglas County Extension Council	Lawrence/ Douglas Co. Health Department	Douglas County Free Fair	Total Douglas County Component Units
Assets				
Current assets:				
Cash and cash equivalents	\$ 552,312	\$ 705,781	\$ 85,013	\$ 1,343,106
Restricted cash and cash equivalents	—	898,513	—	898,513
Receivables:				
Accounts	—	206,698	—	206,698
Prepaid expense	—	11,998	—	11,998
Total current assets	552,312	1,822,990	85,013	2,460,315
Noncurrent assets:				
Capital assets				
Depreciable capital assets, net	57,484	100,167	—	157,651
Total Assets	609,796	1,923,157	85,013	2,617,966
Liabilities				
Current liabilities				
Accounts payable	—	2,000	—	2,000
Compensated absences	—	164,402	—	164,402
Deferred revenue	—	61,118	—	61,118
Total Current Liabilities	—	227,520	—	227,520
Net Assets				
Invested in capital assets	57,484	100,167	—	157,651
Unrestricted	552,312	1,595,470	85,013	2,232,795
Total Net Assets	\$ 609,796	\$ 1,695,637	\$ 85,013	\$ 2,390,446

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF ACTIVITIES DISCRETELY PRESENTED COMPONENT UNITS For The Year Ended December 31, 2009

	Program Revenues			Net (Expenses) Revenue And Changes In Net Assets			
	Expenses	Charges For Services	Operating Grants And Contributions	Total Douglas County Extension Council	Total Lawrence Douglas County Health Department	Total Douglas County Free Fair	Total Douglas County Component Units
Governmental Activities							
Health and environment							
Extension Council	\$ 565,478	\$ 98,112	\$ 516,952	\$ 49,586	\$ —	\$ —	\$ 49,586
Health Department	3,020,828	519,712	1,269,799	—	(1,231,317)	—	(1,231,317)
Free Fair	212,543	203,796	8,064	—	—	(683)	(683)
Total	3,798,849	821,620	1,794,815	49,586	(1,231,317)	(683)	(1,182,414)
General Revenues:							
Property taxes levied for							
General purposes				—	1,617,901	10,000	1,627,901
Investments earnings				—	4,212	930	5,142
Miscellaneous				15,713	9,442	—	25,155
Total general revenues				15,713	1,631,555	10,930	1,658,198
Change in net assets				65,299	400,238	10,247	475,784
Net assets - beginning of year - as previously stated				544,497	1,350,349	74,766	1,969,612
Prior period adjustment				—	(54,950)	—	(54,950)
Net assets - beginning of year - as restated				544,497	1,295,399	74,766	1,914,662
Net assets - end of year				\$ 609,796	\$ 1,695,637	\$ 85,013	\$ 2,390,446

DOUGLAS COUNTY, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2009

1. Summary Of Significant Accounting Policies

Financial Reporting Entity

Douglas County is a municipal corporation governed by a three member commission. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the County. Each discretely presented component unit has a December 31 year end.

Discretely Presented Component Units

The Douglas County Extension Council (Council) provides services in such areas as agriculture, home economics and 4-H clubs to all persons in the County. The Council is governed by an elected four-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.

Condensed financial statements of each of the discretely presented component units are presented with the other basic financial statements. Separate financial statements are not available for each of the discretely presented component units.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

Government-Wide And Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The County does not have any business-type activities. Likewise, the County is reported separately from certain legally separate component units for which the County is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenue.

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund, Road and Bridge and Capital Improvement Plan are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds." The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balance for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

Fund Accounting

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures, or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition uses and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is on determination of and changes in financial position rather than upon net income.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

The following are the County's major governmental funds:

General Fund - This fund is the general operating fund of the County. It is used to account for all financial resources of the County except those required to be accounted for in another fund.

Road and Bridge Fund - This fund accounts for the receipts and expenditures of a portion of the mill levy that is used to maintain roads and bridges throughout the County.

Capital Improvement Plan Fund - this fund accounts for the monies held to internally fund capital projects.

The other governmental funds of the County are considered nonmajor funds. They include special revenue funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, and capital projects funds, which are used to account for financial resources used for the acquisition or construction of major capital facilities.

Fiduciary Fund Types

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

Measurement Focus And Basis Of Accounting

Measurement focus refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency fund financial statements are reported using the accrual basis of accounting, however, they do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term "available" is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the County, available is defined as expected to be received within sixty days of fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (i.e., matured).

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the County, available means expected to be received within 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: taxes, state-levied locally shared taxes, fees, fines, interest, grants and rentals.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Deferred And Unearned Revenues

The County reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized on the statement of revenues, expenditures and changes in fund balances.

In governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Cash And Investments

The County Treasurer maintains a cash and investment pool that is available for each fund to maximize investment opportunities. Investment income earned on pooled cash and investments is distributed to the appropriate funds based on the average daily balance of the cash and investments of each fund. In addition, cash and investments are separately maintained by other County officials, several of the County's departments, and third-party trustees and fiscal agents.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

Investments are reported either at amortized cost or fair value, depending on the length of the maturity of the security.

The County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Receivables And Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Accounts Receivable

The County records revenues when services are provided. Accounts receivable are considered fully collectible and no allowance for doubtful accounts is provided. The accounts considered uncollectible during each accounting period are eliminated by direct write-off of accounts receivable since write-offs are not frequent and generally not monetarily significant to the County.

Property Taxes

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the County. The County Appraiser annually determines assessed valuations on January 1 based on real property transactions as recorded by the Register of Deeds and personal property holdings reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date.

Payments are due November 1, becoming delinquent with penalty on December 21. Payments of 50% are accepted through December 20, with the second 50% becoming due on or before May 10 of the following year. This procedure eliminates the need for tax anticipation notes since funds will be on hand at the beginning of each fiscal year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the County, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

Inventories

Inventory items, for example supplies and materials, are recorded as expenditures in the year of purchase with the exception of certain such items in the Agency Funds.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

Capital Assets

Capital assets, which include buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the government-wide financial statements, net of accumulated depreciation. Capital assets are defined by the County as assets with an estimated useful life in excess of one year.

Capital assets are recorded at historical cost, or estimated historical cost if actual cost information is not available. Donated capital assets are recorded at their estimated fair market value at the date of donation. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000. General infrastructure assets currently reported as capital assets include sidewalks, roads, bridges and sewer lines. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. For retirements or other dispositions of assets, the asset and related accumulated depreciation are eliminated and the difference between the net carrying value and any proceeds received is included in income or expense.

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed using the straight-line method over the following estimated useful lives of the various classes of assets:

<u>Assets</u>	<u>Years</u>
Equipment	5 - 20
Buildings	5 - 50
Infrastructure	15 - 100

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

Compensated Absences

Under terms of the County and Officeholder's personnel policies, County employees are granted vacation and sick leave in varying amounts, based upon length of service. A liability for these amounts is reported in governmental funds only if the amounts due at year end have matured. Once expended, the amount is recorded as an expenditure in the fund to which it applies. For the government-wide statements, these accumulated benefits are recorded as expenses and liabilities in the year earned.

Budget And Budgetary Control

Kansas statutes require that an annual operating budget be legally adopted for the general fund and special revenue funds (unless specifically exempted by statute). The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2009 budget for the Road and Bridge Fund was amended.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for the General and Road and Bridge Funds showing actual revenues and expenditures compared to legally budgeted revenues and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the County for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations lapse at year end.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (Continued)

A legal operating budget is not required for capital projects funds, agency funds, and certain special revenue funds, including the Capital Improvement Plan and Local County Sales Tax Funds. Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Legal Debt Margin

The County is subject to the municipal finance law of the State of Kansas which limits the amount of general obligation debt that a County may have outstanding to three percent of the valuation of assessed tangible property as certified by the County Clerk on August 25 of the preceding year. The legal debt margin is computed as follows:

Assessed valuation at July 1, 2009		<u>\$ 1,121,717,385</u>
Debt limit - 3% assessed valuation (K.S.A. 10-306)		\$ 33,651,522
Bonded indebtedness	\$ 23,885,000	
Less: General obligation bonds subject to: K.S.A. 10-307	<u>23,885,000</u>	
Total amount applicable to debt limit		<u>—</u>
Legal debt margin		<u>\$ 33,651,522</u>

Interfund Transactions

In the fund financial statements, the County has the following types of transactions among funds:

Transfers

Legally required transfers are reported when incurred as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services provided and used because they would be treated as revenues and expenditures or expenses if they involved organizations external to the County.

Certain internal payments are treated as program revenues, such as internal services provided and used. Certain internal payments are treated as a reduction of expense, such as reimbursements.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

Net Assets

In the government-wide financial statements net assets are classified as follows:

Invested In Capital Assets, Net Of Related Debt - the component of net assets that reports the difference between capital assets less both accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted - the components of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Net assets restricted for debt service represent assets with constraints placed on their use by creditors.

Unrestricted - the component of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (Continued)

2. Deposits And Investments

A summary of cash and investments as of December 31, 2009 is as follows:

	Fair Value (Less Than One Year)	Rating	Concentration
Primary Government			
Governmental Funds			
Cash	\$ 5,983,787		
Certificates of deposit	40,250,000		
Repurchase agreements	63,789,000	Unrated	99.5%
Kansas Municipal Investment Pool	93,704	Unrated	0.1%
Money Market Funds	249,706	Unrated	0.4%
	<u>\$ 110,366,197</u>		
Component Units			
Cash	2,137,353		
Certificates of deposit	104,266		
	<u>\$ 2,241,619</u>		
Primary Government			
Governmental funds	\$ 42,309,503		
Agency funds	68,056,694		
	<u>\$ 110,366,197</u>		
Component Units			
Cash and cash equivalents	\$ 1,343,106		
Restricted cash and cash equivalents	898,513		
	<u>\$ 2,241,619</u>		

Investment Policy

General

The County does not have a formally adopted investment policy, however, they are required to manage and invest funds in accordance with Kansas State Statutes. The following are general provisions of these statutes:

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.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

The County's investments are considered to be idle funds by management and are invested according to KSA 12-1675.

The statute requires that the County invest its idle funds in only temporary notes of the County, certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bonds or notes, the Kansas Municipal Investment Pool (KMIP) and certain other investments if the municipality has extended investment authority. Maturities of the above investments may not exceed two years by statute.

KMIP 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 10 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.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. At December 31, 2009, \$25,880 of the County's bank balances was uninsured and uncollateralized, which is a violation of KSA 9-1402. The County has no policies beyond state statutes that would limit deposit and investment risks further.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (Continued)

3. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2009:

	Balance January 1, 2009	Restatement (See Note 11)	Additions	Retirements	Balance December 31, 2009
Primary Government					
Capital assets, not being depreciated:					
Land	\$ 12,583,910	\$ (733,440)	\$ —	\$ —	\$ 11,850,470
Capital assets, being depreciated:					
Buildings	33,961,011	3,291,014	—	—	37,252,025
Equipment	9,817,230	489,470	557,676	(159,109)	10,705,267
Infrastructure	105,447,212	(102,540)	4,481,840	(107,048)	109,719,464
Total capital assets being depreciated	149,225,453	3,677,944	5,039,516	(266,157)	157,676,756
Less accumulated depreciation for:					
Buildings	12,905,576	482,868	697,403	—	14,085,847
Equipment	5,561,561	346,893	1,008,802	(97,296)	6,819,960
Infrastructure	46,317,722	1,199,889	1,584,308	(74,601)	49,027,318
Total accumulated depreciation	64,784,859	2,029,650	3,290,513	(171,897)	69,933,125
Total capital assets being depreciated, net	84,440,594	1,648,294	1,749,003	(94,260)	87,743,631
Total capital assets, net	\$ 97,024,504	\$ 914,854	\$ 1,749,003	\$ (94,260)	\$ 99,594,101

Depreciation expense was charged to functions of the government as follows:

General government	\$ 550,604
Public safety	663,220
Highways and streets	<u>2,076,689</u>
	<u>\$ 3,290,513</u>

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (Continued)

The following is a summary of changes in capital assets for the discretely presented component units for the year ended December 31, 2009:

	Balance January 1, 2009	Additions	Retirements	Balance December 31, 2009
Component Units				
Capital assets, being depreciated:				
Equipment	\$ 656,721	\$ 28,016	\$ (8,450)	\$ 676,287
Less accumulated depreciation for:				
Equipment	457,781	68,586	(7,731)	518,636
Total capital assets being depreciated, net	\$ 198,940	\$ (40,570)	\$ (719)	\$ 157,651

4. Long-Term Obligations

A summary of changes in the long-term obligations of the County for the year ended December 31, 2009 consist of the following:

	Balance January 1, 2009	Additions	Reductions	Balance December 31, 2009
Primary Government				
General obligation bonds	\$ 21,818,000	\$ 2,445,000	\$ 378,000	\$ 23,885,000
Less: Unamortized Discounts	411,944	—	41,193	370,751
Total general obligation bonds	21,406,056	2,445,000	336,807	23,514,249
Compensated absences	2,956,912	105,988	—	3,062,900
Other post employment benefits	6,872,494	7,613,647	373,000	14,113,141
Total Long-Term Obligations	\$ 31,235,462	\$ 10,164,635	\$ 709,807	\$ 40,690,290
Component Units				
Compensated absences	\$ 150,636	\$ 13,766	\$ —	\$ 164,402

Compensated absences are generally liquidated by the General Fund.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (Continued)

The County's General Obligation Bonds consists of the following at December 31, 2009:

	<u>Date Issued</u>	<u>Date Of Final Maturity</u>	<u>Original Amount</u>	<u>Principal Balance 2009</u>	<u>Interest Rate</u>
General Obligation Bonds					
2001 Taxable G.O. Bonds, Series A	3/1/01	8/1/21	\$ 345,000	\$ 260,000	6.75% to 7.25%
Refunding Bonds, Series 2003A	5/1/03	8/1/16	8,175,000	6,330,000	2.20% to 3.75%
Refunding Bonds, Series 2003B	5/1/03	9/1/14	1,325,000	695,000	2.20% to 3.50%
Sales Tax Bonds, Series 2004A	5/1/04	8/1/19	13,650,000	13,210,000	2.13% to 5.00%
2005-A General Obligation Bonds	9/1/05	9/1/15	737,000	485,000	2.75% to 3.50%
2006-A General Obligation Bonds	8/15/06	9/1/16	255,000	190,000	3.80% to 4.75%
2008 General Obligation Bonds	9/15/08	9/1/28	280,000	270,000	4.00% to 4.75%
2009-A General Obligation Improvement Bonds	10/1/09	9/1/30	2,445,000	<u>2,445,000</u>	2.63% to 4.25%
				23,885,000	
Less: Unamortized Discounts			576,724	<u>370,751</u>	
Total				<u>\$ 23,514,249</u>	

A reconciliation for general obligation bonds payable to the statement of net assets is as follows:

General obligation bonds - due within one year	\$ 2,074,000
General obligation bonds - due in more than one year	<u>21,440,249</u>
	<u>\$ 23,514,249</u>

Annual debt service requirements to maturity are as follows:

<u>For The Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,074,000	\$ 847,184	\$ 2,921,184
2011	2,185,000	955,525	3,140,525
2012	2,341,000	797,749	3,138,749
2013	2,477,000	693,561	3,170,561
2014	2,678,000	581,055	3,259,055
2015-2019	10,210,000	1,582,434	11,792,434
2020-2024	815,000	335,500	1,150,500
2025-2029	915,000	159,100	1,074,100
2030	190,000	8,075	198,075
Total	<u>\$ 23,885,000</u>	<u>\$ 5,960,183</u>	<u>\$ 29,845,183</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.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (Continued)

5. Interfund Balances And Transfers

The \$176,690 due to the Youth Services fund from the Grant Programs fund represents borrowings that came about in the normal course of business and are due to either timing differences or to the elimination of negative cash balances.

A reconciliation of all transfers by fund type for 2009 is as follows:

	Transfers To								
	General Fund	Capital Improvement	Debt Service	Special Highway	Equipment Reserve	Youth Services	Ambulance	CIP Sales tax	Total
Transfers from:									
General fund	\$ —	\$ 4,000,000	\$ 2,089,500	\$ —	\$ 1,525,561	\$ 132,000	\$ 132,200	\$ 171,000	\$ 8,050,261
Employee benefit	—	—	—	—	—	—	—	—	—
Capital improvement	—	—	37,721	—	—	—	—	—	37,721
Road and bridge	379,000	—	—	865,000	831,000	—	—	—	2,075,000
Special building	—	—	—	—	114,514	—	—	—	114,514
Emergency telephone	—	—	—	—	180,000	—	—	—	180,000
Youth services grant	26,520	—	—	—	—	—	—	—	26,520
Emergency cell phone	—	—	—	—	120,000	—	—	—	120,000
Special auto fees	98,000	—	—	—	2,000	—	—	—	100,000
	\$ 503,520	\$ 4,000,000	\$ 2,127,221	\$ 865,000	\$ 2,773,075	\$ 132,000	\$ 132,200	\$ 171,000	\$ 10,704,016

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

6. 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 purchases commercial insurance for claims related to the above risks. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The County has established a limited risk management program for employees' health care insurance. The program includes a stop-loss provision for claims over \$85,000 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 general 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.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

Changes in self-insured claims liabilities during the past two years are as follows:

	<u>2009</u>	<u>2008</u>
Estimated unpaid claims, January 1	\$ 867,856	\$ 1,057,408
Incurred claims (including reported and unreported)	6,024,220	6,033,035
Claim payments	<u>(6,186,885)</u>	<u>(6,222,587)</u>
<u>Estimated unpaid claims, December 31</u>	<u>\$ 705,191</u>	<u>\$ 867,856</u>

Liabilities related to risks of loss are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The County has reserved \$3,950,735 of fund balance in the General Fund for future health and workers' compensation claims.

7. Commitments And Contingencies

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.

The County is a defendant to 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 these actions and pending claims will not have an adverse material effect on the County's financial position.

8. Pension And Other Benefits

Pension Plans

KPERS And KP&F

The County participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS 400 SW 8th Avenue, Suite 200, Topeka, Kansas 66603-3925 or by calling 1-800-228-0366.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Starting July 1, 2009, the contribution rate for new employees was at 6% of covered salary. 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 KPERS employer rate established for the year beginning January 1, 2009 was 6.54%. Douglas County's employer contributions to KPERS for the years ending December 31, 2009, 2008 and 2007 were \$749,561, \$761,664 and \$631,750 respectively, equal to the statutory required contributions for each year. The KP&F uniform participating employer rate established for the year beginning January 1, 2009 is 16.47%. 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 31, 2009, 2008, and 2007 were \$952,418, \$982,994 and \$940,361, respectively, equal to the statutory required contributions for each year.

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.

Vacation, Sick Pay And Compensated Time Off

The County's policies regarding vacation and sick pay permit employees, other than elected officials, to accumulate a maximum of 12 to 21 days of vacation depending on years of service. Accumulated vacation pay is payable upon employment termination. Sick leave may be accumulated to 130 days. However, on termination only 1/3 on a maximum of 720 hours is payable. Compensated time off may be accumulated in place of overtime up to a maximum of 240 hours. At December 31, 2009 accrued vacation and other compensated time off and related benefits on the statement of net assets totaled \$3,062,900.

Flexible Benefit Plan (I.R.C. Section 125)

The County Commission has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All County employees working more than 20 hours per week are eligible to participate in the Plan upon employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include various insurance and disability benefits.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

9. 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 (the 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 health care 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 \$373,000 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>2009</u>	<u>2008</u>
Annual required contribution	\$ 7,584,193	\$ 7,293,494
Interest on OPEB obligation	274,900	—
Adjustment to annual required contribution	(245,446)	—
Annual OPEB costs	7,613,647	7,293,494
Contributions made	(373,000)	(421,000)
Change in net OPEB obligation	7,240,647	6,872,494
Net OPEB obligation - beginning of year	6,872,494	—
Net OPEB obligation - end of year	<u>\$ 14,113,141</u>	<u>\$ 6,872,494</u>

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

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, 2009 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, 2008	\$ 7,293,494	6%	\$ 6,872,494
December 31, 2009	7,613,647	5%	14,113,141

The information for the year 2007 was not available.

As of December 31, 2009 the funded status of the Plan is as follows:

Actuarial accrued liability	\$ 63,486,148
Actuarial value of assets	<u>—</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 63,486,148</u>
Funded ratio	0%
Covered payroll	\$ 25,766,105
UAAL as a percentage of covered payroll	246%

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 multiyear trend information about whether the actuarial value of 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.

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

In the January 1, 2010, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, which is the rate of the employer's own investments as there are no plan assets, and an annual healthcare cost trend of 10%, reduced by decrements to an ultimate rate of 5% after seven years. The UAAL is being amortized as a level dollar over an open thirty-year period with 29 years remaining.

10. Cost Sharing Arrangements And Conduit Debt

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 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 the County to each pay half of the health facility maintenance and operating costs.

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

DOUGLAS COUNTY, KANSAS

Notes To Basic Financial Statements (*Continued*)

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, 2009; however, the original amount issued was \$2,725,000.

11. Prior Period Adjustments

The “restatement” column in Note 3 represents a prior period adjustment to correct errors in the amounts recorded in 2008 for land, buildings, equipment and infrastructure and the related accumulated depreciation for each in the net amount of \$914,854. An additional adjustment for \$3,659,881 was also needed to properly report the balance of health and workers’ compensation cash reserves and the claims payable due at the end of 2008. The effect of these adjustments was to increase net assets by \$4,574,735 and increase fund balance by \$3,659,881.

In 2009, the Lawrence Douglas County Health Department (discretely presented component unit) determined that it was not properly reporting an accrual for accrued vacation and sick time. The effect of this prior period adjustment was to decrease net assets by \$54,950.

DOUGLAS COUNTY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL GENERAL FUND For The Year Ended December 31, 2009

	Actual	Budgeted Amounts		Variance With
		Original	Final	Final Budget Positive (Negative)
Revenues				
Taxes	\$ 33,578,230	\$ 34,011,711	\$ 34,011,711	\$ (433,481)
Intergovernmental	5,311,323	5,268,329	5,268,329	42,994
Fees and permits	2,285,728	2,093,837	2,093,837	191,891
Charges for services	1,420,438	675,451	675,451	744,987
Investment revenue	503,562	1,189,757	1,189,757	(686,195)
Miscellaneous	157,454	140,450	140,450	17,004
Total Revenues	43,256,735	43,379,535	43,379,535	(122,800)
Expenditures				
General government	24,864,741	25,601,100	25,601,100	736,359
Public safety	9,489,703	10,607,896	10,607,896	1,118,193
Total Expenditures	34,354,444	36,208,996	36,208,996	1,854,552
Excess Of Revenue Over Expenditures	8,902,291	7,170,539	7,170,539	1,731,752
Other Financing Sources (Uses)				
Transfers in	503,520	529,000	529,000	(25,480)
Transfers out	(8,050,259)	(7,266,727)	(7,266,727)	(783,532)
Total Other Financing Sources (Uses)	(7,546,739)	(6,737,727)	(6,737,727)	(809,012)
Net Change In Fund Balance	1,355,552	\$ 432,812	\$ 432,812	\$ 922,740
Fund Balance - Beginning Of Year, As Restated	5,678,864			
Fund Balance - End Of Year	\$ 7,034,416			

DOUGLAS COUNTY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL ROAD AND BRIDGE FUND For The Year Ended December 31, 2009

	Actual	Budgeted Amounts		Variance with Final Budget
		Original	Final	Positive (Negative)
Revenues				
Taxes	\$ 3,902,545	\$ 3,967,034	\$ 3,902,541	\$ 4
Intergovernmental	2,500,689	1,540,000	2,500,688	1
Fees and permits	1,640	—	—	1,640
Charges for services	137,514	71,000	172,305	(34,791)
Miscellaneous	121	—	—	121
Total Revenues	6,542,509	5,578,034	6,575,534	(33,025)
Expenditures				
Highway and streets	4,388,389	5,056,000	4,570,000	181,611
Excess Of Revenues Over Expenditures	2,154,120	522,034	2,005,534	148,586
Other Financing Sources (Uses)				
Transfers (out)	(2,075,000)	(585,000)	(2,020,000)	(55,000)
Net Change In Fund Balance	79,120	\$ (62,966)	\$ (14,466)	\$ 93,586
Fund Balance - Beginning Of Year	854,639			
Fund Balance - End Of Year	\$ 933,759			

DOUGLAS COUNTY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION OTHER POST EMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS December 31, 2009

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As Percent Of Payroll (b-a)/(c)
10/1/2007	\$ —	\$ 62,294,659	\$ 62,294,659	0.0%	\$ 24,603,660	253.2%
1/1/2010	—	63,486,148	63,486,148	0.0%	25,766,105	246.4%

DOUGLAS COUNTY, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 11,848,569	\$ 5,386,495	\$ 671,014	\$ 17,906,078
Receivables (net of allowance)				
Accounts and other	475,012	—	—	475,012
Taxes	3,242,704	—	—	3,242,704
Due from other funds	176,690	—	—	176,690
Total Assets	\$ 15,742,975	\$ 5,386,495	\$ 671,014	\$ 21,800,484
Liabilities				
Accounts payable	\$ 1,224,762	\$ —	\$ —	\$ 1,224,762
Accrued expense	43,750	—	—	43,750
Due to other funds	176,690	—	—	176,690
Deferred revenue	3,242,704	—	—	3,242,704
Total Liabilities	4,687,906	—	—	4,687,906
Fund Balances				
Unreserved				
Undesignated	11,055,069	5,386,495	671,014	17,112,578
Total Liabilities And Fund Balances	\$ 15,742,975	\$ 5,386,495	\$ 671,014	\$ 21,800,484

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 3,312,281	\$ 362,529	\$ —	\$ 3,674,810
Intergovernmental	1,669,466	—	—	1,669,466
Licenses, fees, and permits	703,290	—	—	703,290
Charges for services	1,740,360	—	—	1,740,360
Investment income	71,215	547	5,527	77,289
Miscellaneous	248,448	255	—	248,703
Total Revenues	7,745,060	363,331	5,527	8,113,918
Expenditures				
General government	4,781,293	—	—	4,781,293
Public safety	17,995	—	—	17,995
Health and environment	3,494,968	—	—	3,494,968
Highway and streets	391,202	—	—	391,202
Debt service				
Principal retirement	—	378,000	—	378,000
Interest and other charges	—	905,878	—	905,878
Total Expenditures	8,685,458	1,283,878	—	9,969,336
Excess (deficiency) of revenues over (under) expenditures	(940,398)	(920,547)	5,527	(1,855,418)
Other Financing Sources (Uses)				
Transfers in	3,902,275	2,127,221	171,000	6,200,496
Transfers out	(541,036)	—	—	(541,036)
Total Other Financing Sources (Uses)	3,361,239	2,127,221	171,000	5,659,460
Net Change In Fund Balances	2,420,841	1,206,674	176,527	3,804,042
Fund Balances - Beginning Of Year	8,634,228	4,179,821	494,487	13,308,536
Fund Balances - End Of Year	\$ 11,055,069	\$ 5,386,495	\$ 671,014	\$ 17,112,578

DOUGLAS COUNTY, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
Page 1 Of 4
December 31, 2009

	Special Highway Improvement	Special Road, Bridge, Machinery And Equipment	Special Liability	Special Parks And Recreation	Special Alcohol	Special Building
Assets						
Cash and cash equivalents	\$ 1,161,109	\$ 196,047	\$ 288,443	\$ 92,683	\$ 13,361	\$ 104,719
Receivables (net of allowance):						
Accounts and other	—	—	—	—	—	—
Taxes	—	—	—	—	—	296,776
Due from other funds	—	—	—	—	—	—
Total Assets	\$ 1,161,109	\$ 196,047	\$ 288,443	\$ 92,683	\$ 13,361	\$ 401,495
Liabilities And Fund Balances						
Liabilities						
Accounts payable	\$ —	\$ —	\$ 40,362	\$ 4,054	\$ 13,361	\$ 9,436
Accrued expenses	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—
Deferred revenue	—	—	—	—	—	296,776
Total Liabilities	—	—	40,362	4,054	13,361	306,212
Fund Balances						
Unreserved						
Undesignated	1,161,109	196,047	248,081	88,629	—	95,283
Total Liabilities And Fund Balances	\$ 1,161,109	\$ 196,047	\$ 288,443	\$ 92,683	\$ 13,361	\$ 401,495

DOUGLAS COUNTY, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

**Page 2 Of 4
December 31, 2009**

	Economic Development	Equipment Reserve	Emergency Telephone	Youth Services	Youth Services Grant	Ambulance
Assets						
Cash and cash equivalents	\$ 2,575	\$ 7,190,871	\$ 63,690	\$ 58,557	\$ 490,679	\$ 707,679
Receivables (net of allowance):						
Accounts and other	—	—	94,310	3	—	377,227
Taxes	—	—	—	1,351,347	—	1,594,581
Due from other funds	—	—	—	176,690	—	—
Total Assets	\$ 2,575	\$ 7,190,871	\$ 158,000	\$ 1,586,597	\$ 490,679	\$ 2,679,487
Liabilities And Fund Balances						
Liabilities						
Accounts payable	\$ —	\$ 55,556	\$ 1,615	\$ 7,149	\$ 913	\$ 1,084,845
Accrued expenses	—	—	—	21,992	4,395	—
Due to other funds	—	—	—	—	—	—
Deferred revenue	—	—	—	1,351,347	—	1,594,581
Total Liabilities	—	55,556	1,615	1,380,488	5,308	2,679,426
Fund Balances						
Unreserved						
Undesignated	2,575	7,135,315	156,385	206,109	485,371	61
Total Liabilities And Fund Balances	\$ 2,575	\$ 7,190,871	\$ 158,000	\$ 1,586,597	\$ 490,679	\$ 2,679,487

DOUGLAS COUNTY, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
Page 3 Of 4
December 31, 2009

	Ambulance Capital Reserve	Ambulance Building	Prosecuting Training And Assistance	Special Auto Fees	Special Law Enforcement Trust	Community Correction Plan	Community Correction Benefit
Assets							
Cash and cash equivalents	\$ 251,314	\$ —	\$ 31,662	\$ 88,715	\$ 108,690	\$ 92,442	\$ 10,285
Receivables (net of allowance):							
Accounts receivable	—	—	—	—	—	—	—
Taxes receivable	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—
Total Assets	\$ 251,314	\$ —	\$ 31,662	\$ 88,715	\$ 108,690	\$ 92,442	\$ 10,285
Liabilities And Fund Balances							
Liabilities							
Accounts payable	\$ —	\$ —	\$ —	\$ 273	\$ 6,124	\$ 220	\$ —
Accrued expenses	—	—	—	8,476	—	6,359	—
Due to other funds	—	—	—	—	—	—	—
Deferred revenue	—	—	—	—	—	—	—
Total Liabilities	—	—	—	8,749	6,124	6,579	—
Fund Balances							
Unreserved							
Undesignated	251,314	—	31,662	79,966	102,566	85,863	10,285
Total Liabilities And Fund Balances	\$ 251,314	\$ —	\$ 31,662	\$ 88,715	\$ 108,690	\$ 92,442	\$ 10,285

DOUGLAS COUNTY, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

Page 4 Of 4
December 31, 2009

	Grant Programs	Donation Fund	Reward Fund	Emergency Cell Phone	Sheriff Special Purpose	Register Of Deeds Technology	Total
Assets							
Cash and cash equivalents	\$ 416,363	\$ 78,612	\$ —	\$ 91,309	\$ 9,855	\$ 298,909	\$ 11,848,569
Receivables (net of allowance):							
Accounts receivable	—	—	—	—	—	3,472	475,012
Taxes receivable	—	—	—	—	—	—	3,242,704
Due from other funds	—	—	—	—	—	—	176,690
Total Assets	\$ 416,363	\$ 78,612	\$ —	\$ 91,309	\$ 9,855	\$ 302,381	\$ 15,742,975
Liabilities And Fund Balances							
Liabilities							
Accounts payable	\$ 367	\$ 487	\$ —	\$ —	\$ —	\$ —	\$ 1,224,762
Accrued expenses	2,528	—	—	—	—	—	43,750
Due to other funds	176,690	—	—	—	—	—	176,690
Deferred revenue	—	—	—	—	—	—	3,242,704
Total Liabilities	179,585	487	—	—	—	—	4,687,906
Fund Balances							
Unreserved							
Undesignated	236,778	78,125	—	91,309	9,855	302,381	11,055,069
Total Liabilities And Fund Balances	\$ 416,363	\$ 78,612	\$ —	\$ 91,309	\$ 9,855	\$ 302,381	\$ 15,742,975

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

Page 1 Of 4

For The Year Ended December 31, 2009

	Special Highway Improvement	Special Road, Bridge, Machinery and Equipment	Special Liability	Special Parks and Recreation	Special Alcohol	Special Building
Revenues						
Taxes	\$ —	\$ —	\$ 4,906	\$ —	\$ —	\$ 335,704
Intergovernmental	—	—	—	15,071	25,821	—
Licenses, fees, and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Investment income	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	59,278
Total Revenues	—	—	4,906	15,071	25,821	394,982
Expenditures						
General government	—	—	(9,497)	—	—	190,506
Public safety	—	—	—	—	—	—
Health and environment	—	—	—	4,054	25,822	—
Highway and streets	391,202	—	—	—	—	—
Total Expenditures	391,202	—	(9,497)	4,054	25,822	190,506
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(391,202)	—	14,403	11,017	(1)	204,476
Other Financing Sources (Uses)						
Transfers in	865,000	—	—	—	—	—
Transfers out	—	—	—	—	—	(114,514)
Total Other Financing Sources (Uses)	865,000	—	—	—	—	(114,514)
Net Change In Fund Balances	473,798	—	14,403	11,017	(1)	89,962
Fund Balances, Beginning Of Year	687,311	196,047	233,678	77,612	1	5,321
Fund Balances, End Of Year	\$ 1,161,109	\$ 196,047	\$ 248,081	\$ 88,629	\$ —	\$ 95,283

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

Page 2 Of 4

For The Year Ended December 31, 2009

	Economic Development	Equipment Reserve	Emergency Telephone	Youth Services	Youth Services Grant	Ambulance
Revenues						
Taxes	\$ —	\$ —	\$ 335,734	\$ 1,048,507	\$ —	\$ 1,587,430
Intergovernmental	—	—	—	—	706,015	—
Licenses, fees, and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	1,567,746
Investment income	—	56,890	1,797	4,644	—	—
Miscellaneous	29,400	—	—	147,120	—	—
Total Revenues	29,400	56,890	337,531	1,200,271	706,015	3,155,176
Expenditures						
General government	27,819	993,024	—	1,505,791	615,958	—
Public safety	—	—	—	—	—	—
Health and environment	—	—	135,852	—	—	3,299,631
Highway and streets	—	—	—	—	—	—
Total Expenditures	27,819	993,024	135,852	1,505,791	615,958	3,299,631
Excess (Deficiency) Of Revenues Over (Under) Expenditures	1,581	(936,134)	201,679	(305,520)	90,057	(144,455)
Other Financing Sources (Uses)						
Transfers in	—	2,773,075	—	132,000	—	132,200
Transfers out	—	—	(180,000)	—	(26,522)	—
Total Other Financing Sources (Uses)	—	2,773,075	(180,000)	132,000	(26,522)	132,200
Net Change In Fund Balances	1,581	1,836,941	21,679	(173,520)	63,535	(12,255)
Fund Balances, Beginning Of Year	994	5,298,374	134,706	379,629	421,836	12,316
Fund Balances, End Of Year	\$ 2,575	\$ 7,135,315	\$ 156,385	\$ 206,109	\$ 485,371	\$ 61

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

Page 3 Of 4

For The Year Ended December 31, 2009

	Ambulance Capital Reserve	Ambulance Building	Prosecuting Training and Assistance	Special Auto Fees	Special Law Enforcement Trust	Community Correction Plan	Community Correction Benefit
Revenues							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	527,148	—
Licenses, fees, and permits	—	—	—	703,290	—	—	—
Charges for services	—	—	7,764	—	—	—	—
Investment income	3,125	—	—	—	—	—	—
Miscellaneous	—	—	—	—	10,682	—	—
Total Revenues	3,125	—	7,764	703,290	10,682	527,148	—
Expenditures							
General government	—	—	5,867	559,105	—	537,736	—
Public safety	—	—	—	—	—	—	—
Health and environment	10,331	—	—	—	19,278	—	—
Highway and streets	—	—	—	—	—	—	—
Total Expenditures	10,331	—	5,867	559,105	19,278	537,736	—
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(7,206)	—	1,897	144,185	(8,596)	(10,588)	—
Other Financing Sources (Uses)							
Transfers in	—	—	—	—	—	—	—
Transfers out	—	—	—	(100,000)	—	—	—
Total Other Financing Sources (Uses)	—	—	—	(100,000)	—	—	—
Net Change In Fund Balances	(7,206)	—	1,897	44,185	(8,596)	(10,588)	—
Fund Balances, Beginning Of Year	258,520	—	29,765	35,781	111,162	96,451	10,285
Fund Balances, End Of Year	\$ 251,314	\$ —	\$ 31,662	\$ 79,966	\$ 102,566	\$ 85,863	\$ 10,285

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

Page 4 Of 4

For The Year Ended December 31, 2009

	Grant Programs	Donation Fund	Reward Fund	Emergency Cell Phone	Sheriff Special Purpose	Register of Deeds Technology	Total
Revenues							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,312,281
Intergovernmental	175,725	—	—	219,686	—	—	1,669,466
Licenses, fees, and permits	—	—	—	—	—	—	703,290
Charges for services	—	—	—	—	8,400	156,450	1,740,360
Investment income	—	—	—	1,638	—	3,121	71,215
Miscellaneous	—	1,968	—	—	—	—	248,448
Total Revenues	175,725	1,968	—	221,324	8,400	159,571	7,745,060
Expenditures							
General government	182,081	2,466	—	81,792	—	88,645	4,781,293
Public safety	—	1,023	11,937	—	5,035	—	17,995
Health and environment	—	—	—	—	—	—	3,494,968
Highway and streets	—	—	—	—	—	—	391,202
Total Expenditures	182,081	3,489	11,937	81,792	5,035	88,645	8,685,458
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(6,356)	(1,521)	(11,937)	139,532	3,365	70,926	(940,398)
Other Financing Sources (Uses)							
Transfers in	—	—	—	—	—	—	3,902,275
Transfers out	—	—	—	(120,000)	—	—	(541,036)
Total Other Financing Sources (Uses)	—	—	—	(120,000)	—	—	3,361,239
Net Change In Fund Balances	(6,356)	(1,521)	(11,937)	19,532	3,365	70,926	2,420,841
Fund Balances, Beginning Of Year	243,134	79,646	11,937	71,777	6,490	231,455	8,634,228
Fund Balances, End Of Year	\$ 236,778	\$ 78,125	\$ —	\$ 91,309	\$ 9,855	\$ 302,381	\$ 11,055,069

DOUGLAS COUNTY, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2009**

	Trafficway Construction	Juvenile Detention Center Construction	CIP Sales Tax	Total Nonmajor Capital Project Funds
Assets				
Cash and cash equivalents	\$ 44,721	\$ 1,763	\$ 624,530	\$ 671,014
Fund Balances				
Unreserved				
Undesignated	\$ 44,721	\$ 1,763	\$ 624,530	\$ 671,014

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS For The Year Ended December 31, 2009

	Trafficway Construction	Juvenile Detention Center Construction	CIP Sales Tax	Total Nonmajor Capital Project Funds
Revenues				
Investment revenue	\$ —	\$ 21	\$ 5,506	\$ 5,527
Other Financing Sources (Uses)				
Transfers in	—	—	171,000	171,000
Net Change In Fund Balance	—	21	176,506	176,527
Fund Balance - Beginning Of Year	44,721	1,742	448,024	494,487
Fund Balance - End Of Year	\$ 44,721	\$ 1,763	\$ 624,530	\$ 671,014

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS

Page 1 Of 2
December 31, 2009

	County Sheriff	District Attorney Bad Checks	District Court	Law Library	Employee Contribution
Assets					
Cash and investments	\$ 8,644	\$ 79,706	\$ 886,707	\$ 245,739	\$ 32,157
Liabilities					
Accounts payable	\$ 8,644	\$ 79,706	\$ —	\$ —	\$ 32,157
Due to other governments	—	—	—	—	—
Due to others	—	—	886,707	245,739	—
Total Liabilities	\$ 8,644	\$ 79,706	\$ 886,707	\$ 245,739	\$ 32,157

DOUGLAS COUNTY, KANSAS

COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS

Page 2 Of 2
December 31, 2009

	Motor Vehicle Accounts	Taxation Accounts	Employee Activities	Reward Fund	Valley View	Totals
Assets						
Cash and investments	\$ 2,210,842	\$ 64,490,319	\$ 3,387	\$ 11,985	\$ 87,208	\$ 68,056,694
Liabilities						
Accounts payable	\$ —	\$ —	\$ 3,387	\$ 11,985	\$ 87,208	\$ 223,087
Due to other governments	2,210,842	64,490,319	—	—	—	66,701,161
Due to others	—	—	—	—	—	1,132,446
Total Liabilities	\$ 2,210,842	\$ 64,490,319	\$ 3,387	\$ 11,985	\$ 87,208	\$ 68,056,694