

## *Appendix*

---

# Glossary of Terms

<b>Accrual Basis of Accounting</b>	The method of accounting under which debits and credits are recorded at the time they are incurred. The accrual basis of accounting is used for Enterprise Funds such as the Water and Sewer Fund.
<b>Ad Valorem</b>	Latin term meaning “from the value”. It is used to refer to property taxes.
<b>Ad Valorem Taxes—Current</b>	Taxes on real and personal property, except motor vehicles. Calculated by multiplying the assessed value by the mill levy.
<b>Ad Valorem Taxes—Delinquent</b>	Property taxes that are not paid by either December 20th or June 20th. Kansas statutes allow property owners the right to pay half their tax on December 20th and the second half on June 20th.
<b>Appraised Value</b>	An amount determined by the County Appraiser’s office as to what a property is worth. In Kansas, property is appraised at 100% of market value.
<b>Aquatic Programs</b>	All fees collected for programs conducted at the outdoor and indoor aquatic centers in Fund 211, the Recreation Fund.
<b>Assessed Valuation</b>	A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying ad valorem property taxes. In Kansas, the percentages are: Residential (11.5%); Commercial (30%); and Personal (20%).
<b>Balanced Budget</b>	An operating budget in which the operating revenues plus beginning fund balance are equal to, or exceed, operating expenditures.
<b>Bonds</b>	Debt instruments representing a promise to pay a specified amount of money at a specified time and at a specified periodic interest rate. Bonds are used to finance major capital projects or adverse judgments.
<b>Budget</b>	A financial plan for a specified period of time of the governmental operation that matches all planned revenues and expenditures with the services provided to the residents of the city.
<b>Budget Message</b>	A general outline of the proposed budget, which includes comments regarding the financial status of the government at the time of the message and recommendations regarding the financial policy for the coming period.

# Glossary of Terms

<b>Building Rental</b>	All fees collected for the use of community centers and outdoor park shelters in Fund 211, the Recreation Fund.
<b>Capital Improvement Program (CIP)</b>	A multi-year plan for capital expenditures needed to maintain and expand the public infrastructure. It projects the infrastructure needs for a set number of years and is updated annually to reflect the latest priorities, cost estimates, or changing financial strategies.
<b>Capital Improvements</b>	Expenditures related to the acquisition, expansion or rehabilitation of an element of the City's infrastructure.
<b>Capital Outlay</b>	Equipment valued at more than \$1,000 and having a useful life of more than one year.
<b>Cash Basis Reserve</b>	An amount of funds set aside to ensure that sufficient cash is available to pay principal and interest payments in case the receipt of property taxes is delayed in Fund 301, the Bond and Interest Fund.
<b>Class Enrollment</b>	Revenue collected for providing class instruction in Fund 211, the Recreation Fund.
<b>Commission/Postage</b>	Expenses related to bond issuance including attorney fees, printing fees, and financial advising in Fund 301, the Bond and Interest Fund.
<b>Commodities</b>	Consumable goods, such as office supplies, that are used by the City.
<b>Concessions</b>	Revenues generated from the sale of concession products at parks and recreation facilities in Fund 211, the Recreation Fund.
<b>Contractual Services</b>	Services provided to the City by firms, individuals, or other City departments.
<b>Debt Service</b>	Payment of interest and principal on an obligation resulting from the issuance of bonds.

# Glossary of Terms

<b>Development Charges</b>	Charges levied at the time building permits are required, to help offset the costs for increased capacity in the water and/or wastewater systems in Fund 501, the Water and Wastewater Fund.
<b>Encumbrance</b>	A transaction designed to set aside money for a specific future use. Funds can be encumbered by a purchase order or contract.
<b>Encumbrance Accounting</b>	Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities under generally accepted accounting principles.
<b>Enterprise Fund</b>	A type of Fund, which is accounted for in a manner similar to a private business enterprise. Usually the governmental entity intends for enterprise funds to fully recover their costs through user fees.
<b>Expenditures</b>	Current cash operating expenses and encumbrances.
<b>Extra Pickups, Miscellaneous</b>	Fees for service to the University of Kansas, polycart rental fees, and revenue from the sale of collected newspaper and cardboard in Fund 502, the Solid Waste Fund.
<b>Fare Box Receipts</b>	Fares collected from transit system users placed in Fund 210, the Public Transportation Fund.
<b>Fees</b>	Revenues collected for Adult and Youth Sports Programs as well as fees for programs and classes at the Nature Center in Fund 211, the Recreation Fund.
<b>Field Rent</b>	Fees collected from rental of ball diamonds, soccer fields, and multipurpose fields to the public in Fund 211, the Recreation Fund.
<b>Fiscal Year</b>	A twelve-month period to which the operating budget applies. In the City of Lawrence, this period is from January 1 to December 31.
<b>Franchise Fees</b>	An amount charged to a utility in exchange for the rights to provide utility services within the City and to operate within the public right-of-way.

# Glossary of Terms

<b>Fund</b>	An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities, and fund balances.
<b>Fund Balance</b>	The excess of fund's assets over its liabilities and reserves.
<b>General Operating Fund</b>	Often referred to as the General Fund, this Fund accounts for the revenues and expenditures associated with all services traditionally associated with local governments, except for those services that are required to be accounted for in some other fund. Examples include police and fire services, park maintenance, planning, and building inspection/code enforcement services.
<b>General Obligation Bond</b>	Long-term debt payable from the full faith and credit of the City. Typically such bonds are payable from property taxes.
<b>General Obligation Bond-Principal</b>	The money owed as long-term debt payable from the full faith and credit of the City.
<b>General Obligation Bond-Interest</b>	The charge for issuing long-term debt payable from the full faith and credit of the City.
<b>Goal</b>	A statement of broad direction, purpose, or intent based on the needs of the community.
<b>Government Fund</b>	A fund used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities (except those that account for proprietary or fiduciary funds). There are four types of governmental funds: general, special revenue, debt service, and capital projects.
<b>Grant</b>	Contributions or gifts of cash or other assets from another governmental unit (typically state or federal) to be used or expended for a specified purpose, activity, or facility.
<b>Infrastructure</b>	The physical assets of the City (e.g. streets, water/sewer lines, public buildings, and parks).

# Glossary of Terms

<b>Interest on Investments</b>	Revenue received from the purchase of securities including certificates of deposit, treasury notes and federal agency notes.
<b>Interfund Transfer</b>	Transfer of resources between funds that are not recorded as revenues to the fund receiving or expenditures to the fund providing.
<b>Intergovernmental Revenue</b>	Grants or distributions received from other governments including distributions from the countywide sales tax as well as statutory transfers from the State.
<b>LAVTR</b>	“Local Ad Valorem Tax Reduction”. Revenues received from the State to help reduce local property taxes.
<b>Line Item</b>	An individual expenditure category listing in the budget (personal services, commodities, contractual services, etc.)
<b>Mill Levy</b>	The tax rate to apply when calculating property taxes. A mill represents 1/10 of 1 cent. The mill levy is typically expressed as an amount per \$1000 of assessed valuation, (i.e., a mill levy of 1.00 would result in a tax of \$1.00 per each \$1,000 in assessed valuation.)
<b>Modified Accrual Basis of Accounting</b>	Under this method of accounting, revenues are recognized when they are both measurable and available within a certain time period. Expenditures, other than interest on long-term debt, are recorded as liabilities when incurred. The General Fund and Special Revenue Funds follow this method of accounting.
<b>Operating Budget</b>	The budget that applies to all expenditures except capital improvement projects.
<b>Payment-in-lieu-of-taxes</b>	An amount charged to enterprise operations, equivalent to the City property taxes, that would be due on a plant or equipment if the enterprise operations were for profit companies.
<b>Personal Services</b>	Cost of wages, salaries, retirement, and other fringe benefits for City employees.
<b>Program</b>	A group of related activities performed by one or more organizational unit for the purpose of accomplishing a function for which the City is responsible.

# Glossary of Terms

<b>Reserves</b>	An account used to indicate that a portion of a fund balance is restricted or set aside for emergencies or unforeseen expenditures not otherwise budgeted for.
<b>Revenue</b>	Income for the fiscal year. The major categories of revenue include taxes, state shared revenues, fees and charges, interest on investments, and fines and forfeits.
<b>Revenue Bonds</b>	Long-term debt payable from a designated revenue source such as water revenue or sales tax revenue.
<b>Roll-off</b>	Fees for roll-off services including container charges, delivery and pick up fees, as well as landfill charges in Fund 502, the Solid Waste Fund.
<b>Sanitation Service Charge</b>	Normal solid waste collection fees for industrial and commercial dumpster services and residential solid waste collection in Fund 502, the Solid Waste.
<b>Special Assessments</b>	Property taxes incurred by property owners within a designated area for improvements that benefit the area. A majority of the affected property owners must approve the formation of the benefit district.
<b>Special Populations</b>	Fees collected for recreation programs provided for special needs populations in Fund 211, the Recreation Fund.
<b>Special Revenue Funds</b>	A type of Fund used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.
<b>State Grants</b>	Moneys received through the Kansas Department of Health and Environment Solid Waste Implementation Grant awarded on a project specific basis in Fund 502, the Solid Waste Fund.
<b>State-Shared Revenues</b>	Revenues levied and collected by the State but shared on a predetermined basis with local governments.
<b>Tax Levy</b>	The total amount to be raised by general property taxes for the purposes specified in the approved City budget.
<b>Tax Rate</b>	The amount of tax levied for each \$1,000 of assessed valuation.

## Glossary of Terms

<b>User Fees</b>	The payment of a fee for direct receipt of a public service by the party benefiting from the service.
<b>Water and Sewer Charges</b>	The charge to customers receiving water and sewer services provided by the City's treatment, distribution, and collection systems, which pay for operational and capital costs in Fund 501, the Water and Wastewater Fund.
<b>Water Taps</b>	Charges paid, according to size of connection, by developers / property owners for connection to the City's existing water mains in Fund 501, the Water and Wastewater Fund.
<b>Water Main Extensions</b>	Charges for materials, labor, and equipment related to the extension of the City's water distribution system (up to and including twelve inch water mains), typically paid by developers and/or property owners in Fund 501, the Water and Wastewater Fund.

## List of Acronyms

<b>BTBC</b>	Bioscience Technology Business Center
<b>CASA</b>	Court Appointed Special Advocate
<b>CC</b>	City Commission
<b>CIP</b>	Capital Improvement Plan
<b>CVB</b>	Lawrence Convention and Visitors Bureau
<b>DCCCA</b>	Douglas County Citizens Committee on Alcoholism
<b>DOT</b>	Department of Transportation
<b>DMI</b>	Destination Management Inc.
<b>EECBG</b>	Energy Efficiency & Conservation Block Grant Program
<b>ERC</b>	Employee Relations Committee
<b>ERU</b>	Equivalent Residential Unit
<b>FAA</b>	Federal Airport Administration
<b>FEMA</b>	Federal Emergency Management Agency
<b>FTE</b>	Full Time Equivalent
<b>GASB</b>	Government Accounting Standards Board
<b>GFOA</b>	Government Finance Officers Association
<b>GIS</b>	Geographic Information System
<b>GO Bonds</b>	General Obligation Bonds
<b>GPS</b>	Global Positioning System
<b>HHW</b>	Household Hazardous Waste
<b>HUD</b>	Housing and Urban Development
<b>IAFF</b>	International Association of Fire Fighters
<b>ITC</b>	Investigative Training Center
<b>KDOT</b>	Kansas Department of Transportation
<b>KU</b>	University of Kansas
<b>LDCBA</b>	Lawrence Douglas County Biosciences Authority
<b>LDCHD</b>	Lawrence Douglas County Health Department
<b>LEAP</b>	Lawrence Excellence Award Program
<b>LEC</b>	Lawrence Douglas County Law Enforcement Center
<b>LHBA</b>	Lawrence Home Builders Association
<b>LKPD</b>	Lawrence, Kansas Police Department
<b>LPOA</b>	Lawrence Police Officers Association
<b>NELAP</b>	National Environmental Laboratory Accreditation Program
<b>NPDES</b>	National Pollutant Discharge Elimination System
<b>PILOT</b>	Payment In Lieu of Taxes
<b>PIRC</b>	Public Incentives Review Committee
<b>RCPRC</b>	Rock Chalk Park Recreation Center
<b>RFP</b>	Request For Proposals
<b>ROW</b>	Right of Way
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SLT</b>	South Lawrence Trafficway
<b>SWAN</b>	Solid Waste Annex North

## List of Acronyms

<b>TDD</b>	Transportation Development District
<b>T2025</b>	Transportation 2025
<b>T2030</b>	Transportation 2030
<b>TIF</b>	Tax Increment Financing
<b>USD497</b>	Unified School District 497
<b>WWTP</b>	Wastewater Treatment Plant

## State Budget Form

The chart below shows a portion of the state budget form. This form represents the legally adopted budget; meaning the City has the authority to spend \$240,779,935 in 2017 with a mill levy that shall not exceed 32.018 mills. This authority level (\$240,779,935) includes the operating budget that has been outlined throughout this book plus the fund balance of each fund. Please note the state budget forms do not include every fund budgeted by the City. There are additional funds the City budgets for that are not included in this portion of the state budget form. This will be further explained on the next two pages.

Proposed 2017 Budget			
Fund Name	Budget Authority for Expenditures	Amount of Ad Valorem Tax	Estimated Tax Rate*
General	87,909,380	18,091,243	19.475
Debt Service	20,014,425	7,899,315	8.504
Library	4,033,737	3,752,392	4.039
Special Highway	3,935,552		
Airport Improvement	121,289		
Guest Tax	3,188,664		
Public Transportation	16,034,605		
Recreation Fund	6,385,893		
Special Alcohol	885,472		
Special Recreation	990,022		
TDD/TIF/NRA	1,850,829		
City Parks Memorial	23,502		
Farmland Remediation	5,079,289		
Cemetery Perpetual	18,010		
Cemetery Mausoleum	4,247		
Housing Trust	300,154		
Law Enforcement trust	109,055		
Water and Sewer	64,527,994		
Solid Waste	16,258,503		
Public Parking	1,911,560		
Storm Water	6,037,061		
Golf Course	1,160,692		
<b>TOTAL</b>	<b>240,779,935</b>	<b>29,742,950</b>	<b>32.018</b>



## Reconciliation Between State Budget Form and Operating Budget

The chart below shows the reconciliation process between the state form (which includes fund balance AND the net operational expenditures combined) and the net operational expenditures that have been outlined throughout this budget book in the department pages and the fund summary pages. Please note that the funds shown below are only the funds required on the state budget form. The City budgets additional funds which can be found on the following page.

Fund	2015 Audited Expenditures	2016 Revised Expenditures	2017 Authorized Budget (State Form Number)	Less: 12/31 Fund Balance	Net Operational Expenditures	2017 Over (Under) 2016 Revised
General	\$ 76,376,469	\$ 69,075,078	<b>\$ 87,909,380</b>	\$ 15,683,117	\$ 72,226,263	\$ 3,151,185
Debt Service	10,865,034	10,959,248	<b>20,014,425</b>	7,819,425	12,195,000	1,235,752
Library	3,550,000	3,750,000	<b>4,033,737</b>	-	4,033,737	283,737
Special Highway	2,447,748	2,682,430	<b>3,935,552</b>	933,872	3,001,680	319,250
Airport Improvement	138,633	24,000	<b>121,289</b>	40,289	81,000	57,000
Guest Tax	949,159	1,597,501	<b>3,188,664</b>	1,031,102	2,157,562	560,061
Transit	2,780,971	3,999,000	<b>16,034,605</b>	10,214,398	5,820,207	1,821,207
Recreation	5,093,827	5,420,055	<b>6,385,893</b>	709,063	5,676,830	256,775
Special Alcohol	710,623	751,100	<b>885,472</b>	135,472	750,000	(1,100)
Special Recreation	665,973	730,500	<b>990,022</b>	220,892	769,130	38,630
TDD/TIF/NRA Funds	704,835	2,161,229	<b>1,850,829</b>	-	1,850,829	(310,400)
City Parks Memorial	8,019	99,000	<b>23,502</b>	23,502	-	(99,000)
Farmland Remediation	1,341,422	539,493	<b>5,079,289</b>	4,581,489	497,800	(41,693)
Cemetery Perpetual	3,254	70,000	<b>18,010</b>	13,010	5,000	(65,000)
Cemetery Mausoleum	-	-	<b>4,247</b>	4,247	-	-
Housing Trust	-	280,069	<b>300,154</b>	154	300,000	19,931
Law Enforcement Trust	106,813	90,000	<b>109,055</b>	29,055	80,000	(10,000)
Water and Wastewater	34,696,428	39,884,000	<b>64,527,994</b>	20,908,998	43,618,996	3,734,996
Solid Waste	12,607,638	12,755,963	<b>16,258,503</b>	3,841,553	12,416,950	(339,013)
Public Parking	1,274,144	1,249,915	<b>1,911,560</b>	328,583	1,582,977	333,062
Storm Water	2,689,548	2,860,491	<b>6,037,061</b>	2,245,944	3,791,117	930,626
Golf Course	766,188	799,980	<b>1,160,692</b>	214,507	946,185	146,205
<b>Total Authorized Budget</b>	<b>\$ 157,776,726</b>	<b>\$ 159,779,052</b>	<b>\$ 240,779,935</b>	<b>\$ 68,978,672</b>	<b>\$ 171,801,263</b>	<b>\$ 12,022,211</b>

## Other City Budgeted Funds

The chart below shows the additional funds that are not required to be budgeted by the State of Kansas; however, the City of Lawrence still provides budgets to increase transparency. The 2017 Authorized Budget column represents the net operational expenditures plus the fund balance—this would be the number presented in the state budget form, if these funds were required to be budgeted by the State.

Fund	2015 Audited Expenditures	2016 Revised Expenditures	2017 Authorized Budget	Less: 12/31 Fund Balance	Net Operational Expenditures	2017 Over (Under) 2016 Revised
Capital Improvement	\$ 9,351,105	\$ 10,969,897	<b>\$ 9,013,438</b>	\$ 513,438	\$ 8,500,000	\$ (2,469,897)
Equipment Reserve	847,922	5,101,007	<b>900,198</b>	700,698	199,500	(4,901,507)
Outside Agency Grants	4,245,816	3,578,394	<b>4,023,924</b>	8,670	4,015,254	436,860
Wee Folks Scholarship	29,531	30,000	<b>191,530</b>	141,530	50,000	20,000
Fair Housing Grant	12,695	11,408	<b>197,059</b>	185,259	11,800	392
Community Development	826,687	800,000	<b>1,164,175</b>	247,098	917,077	117,077
Home Program	385,147	300,000	<b>714,962</b>	182,053	532,909	232,909
Transportation Planning	209,259	148,385	<b>279,119</b>	16,219	262,900	114,515
Water & Wastewater Construction	-	1,500,000	<b>5,692,579</b>	3,192,579	2,500,000	1,000,000
Solid Waste Construction	-	141,250	<b>2,704,139</b>	4,139	2,700,000	2,558,750
<b>Total Other City Budget</b>	15,908,162	22,580,341	<b>24,881,123</b>	5,191,683	19,689,440	(2,890,901)
<b>Grand Total City Budget</b>	<b>\$173,684,888</b>	<b>\$182,359,393</b>	<b>\$265,661,058</b>	<b>\$ 74,170,355</b>	<b>\$191,490,703</b>	<b>\$ 9,131,310</b>



*City of Lawrence*