

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2022

AND

INDEPENDENT AUDITOR'S REPORT

DOUGLAS COUNTY, KANSAS

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DOUGLAS COUNTY, KANSAS

**REGULATORY BASIS
FINANCIAL STATEMENTS**

Year Ended December 31, 2022

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DOUGLAS COUNTY, KANSAS

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Douglas County, Kansas

Report of the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Douglas County, Kansas and the related municipal entities of the Douglas County Extension Council, Lawrence/Douglas County Health Department and Douglas County Free Fair (collectively, Douglas County, Kansas Financial Reporting Entity), as of and for the year ended December 31, 2022, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Douglas County, Kansas Financial Reporting Entity as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Douglas County, Kansas Financial Reporting Entity as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note IB.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Douglas County, Kansas Financial Reporting Entity, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note IB of the financial statement, the financial statement is prepared by the Douglas County, Kansas Financial Reporting Entity on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note IB and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note IB; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Douglas County, Kansas Financial Reporting Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Douglas County, Kansas Financial Reporting Entity's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Douglas County, Kansas Financial Reporting Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statement, however, is required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note IB.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2023 on our consideration of the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and compliance.

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

Wichita, KS
September 1, 2023

DOUGLAS COUNTY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash Regulatory Basis

For the Year Ended December 31, 2022

	Beginning Unencumbered Cash Balance 1/1/2022	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2022	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2022
GOVERNMENTAL TYPE FUNDS:						
GENERAL FUND	\$ 14,796,601	\$ 69,089,118	\$ 67,710,752	\$ 16,174,967	\$ 1,257,676	\$ 17,432,643
SPECIAL PURPOSE FUNDS:						
Ambulance	915,865	8,589,993	7,648,955	1,856,903	2,297,289	4,154,192
Emergency Telephone Service	231,640	641,729	616,544	256,825	-	256,825
Employee Benefits	2,890,095	13,959,192	13,021,530	3,827,757	4,765,562	8,593,319
Motor Vehicle Operations	250,467	806,739	770,953	286,253	12,634	298,887
Road & Bridge	2,680,516	6,196,201	6,512,775	2,363,942	85,138	2,449,080
Special Alcohol	68,581	48,700	29,147	88,134	-	88,134
Special Building	1,151,264	180,342	250,185	1,081,421	21,194	1,102,615
Special Liability	353,935	652,764	649,434	357,265	-	357,265
Special Parks & Recreation	159,355	41,055	2,379	198,031	-	198,031
Consolidated Fire District #1	379,201	1,269,628	1,074,930	573,899	24,930	598,829
Ambulance Capital Reserve	193,052	776,334	-	969,386	633,486	1,602,872
Community Correction Plan	8,858	659,924	600,064	68,718	11,246	79,964
Donations	34,352	8,081	7,917	34,516	-	34,516
Equipment Reserve	8,307,198	3,114,139	3,593,883	7,827,454	1,534,962	9,362,416
Grants Programs	12,150,122	12,471,282	14,446,374	10,175,030	3,668,602	13,843,632
Prosecutor Training & Assistance	2,078	4,936	3,734	3,280	-	3,280
Register of Deeds Technology	511,187	189,987	189,670	511,504	13,995	525,499
Sheriff Special Use	5,353	114,763	113,063	7,053	431	7,484
Special Law Enforcement Trust	622,844	50,149	395,747	277,246	28,673	305,919
Special Highway Improvement	1,042,202	32,972	-	1,075,174	-	1,075,174
Youth Services Grants	141,363	539,007	522,405	157,965	8,077	166,042
TOTAL SPECIAL PURPOSE FUNDS	32,099,528	50,347,917	50,449,689	31,997,756	13,106,219	45,103,975
CAPITAL PROJECT FUNDS:						
Mental Health Sales Tax	13,264,319	6,800,778	5,180,172	14,884,925	391,653	15,276,578
Capital Improvement Plan	29,814,455	10,236,177	6,656,890	33,393,742	5,806,032	39,199,774
TOTAL CAPITAL PROJECTS FUND	43,078,774	17,036,955	11,837,062	48,278,667	6,197,685	54,476,352
DEBT SERVICE FUNDS:						
Bond and Interest	565,243	246,097	241,188	570,152	-	570,152
Local County Sales Tax	20,587,164	4,681,010	1,471,464	23,796,710	-	23,796,710
TOTAL DEBT SERVICE FUNDS	21,152,407	4,927,107	1,712,652	24,366,862	-	24,366,862
BUSINESS FUNDS:						
Employee Benefit Trust	3,164,997	12,508,627	10,669,950	5,003,674	1,123,546	6,127,220
Workers' Compensation	1,081,572	627,980	296,256	1,413,296	262,947	1,676,243
TOTAL BUSINESS FUNDS:	4,246,569	13,136,607	10,966,206	6,416,970	1,386,493	7,803,463
TOTAL COUNTY	\$ 115,373,879	\$ 154,537,704	\$ 142,676,361	\$ 127,235,222	\$ 21,948,073	\$ 149,183,295

(Continued)

The accompanying notes are an
integral part of this financial statement.

Douglas County, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash Regulatory Basis

For the Year Ended December 31, 2022

	Beginning Unencumbered Cash Balance 1/1/2022	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2022	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2022
RELATED MUNICIPAL ENTITIES:						
Douglas County Extension Council	\$ 542,769	\$ 792,162	\$ 717,105	\$ 617,826	\$ -	\$ 617,826
Lawrence/Douglas County Health Dept	4,488,859	5,783,771	4,795,775	5,476,855	198,826	5,675,681
Douglas County Free Fair	49,032	432,418	401,573	79,877	-	79,877
TOTAL RELATED MUNICIPAL ENTITIES	5,080,660	7,008,351	5,914,453	6,174,558	198,826	6,373,384
TOTAL REPORTING ENTITY (Excluding Agency Funds)	\$ 120,454,539	\$ 161,546,055	\$ 148,590,814	\$ 133,409,780	\$ 22,146,899	\$ 155,556,679

Composition of Cash:	Petty Cash - County	\$ 2,500
	Petty Cash - Health Department	546
	Checking Account - US Bank	33,388,645
	Lockbox/Holding/Transfer - UMB Bank	4,844
	Investment Account - Kansas Municipal Investment Pool	64,979
	Certificates of Deposit - Commerce Bank	15,500,178
	Certificates of Deposit - Capitol Federal	22,000,000
	Certificates of Deposit - Central National Bank	117,884,644
	Certificates of Deposit - Health Department - Central Bank of the Midwest	2,330,000
	Certificates of Deposit - Mid America Bank	5,000,010
	Checking Account - Employee Benefits Trust - US Bank	3,265,995
	Checking Account - Workers Comp- US Bank	100,409
	Insured Cash Sweep - US Bank	74,500,043
	Insured Cash Sweep - Employee Benefits Trust - US Bank	2,861,226
	Inmate Funds - US Bank	33,188
	Checking Account - District Attorney - INTRUST Bank	103,024
	Checking Account - Sheriff Bond Fund - US Bank	2,874
	Health Department - Central Bank of the Midwest	3,345,135
	Extension Council - Central Bank of the Midwest	617,826
	Free Fair Board - Central Bank of the Midwest	79,877
	2013 Crossover Escrow Funds - BOK Financial	10,356,877
	Total Cash	291,442,820
	Less Agency Funds per Schedule 4	(135,886,141)
	Total Reporting Entity (Excluding Agency Funds)	\$ 155,556,679

The accompanying notes are an
integral part of this financial statement.

Douglas County, Kansas

Notes to the Financial Statements

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Douglas County, Kansas

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Municipal Financial Reporting Entity

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

Related Municipal Entities

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

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

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

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

B. Fund Types and Basis of Accounting

1. *Regulatory Basis Fund Types*

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

Governmental Fund Types

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

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

Douglas County, Kansas

Notes to the Financial Statements

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

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

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

Business Fund Types

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

Fiduciary Fund Types

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

2. Regulatory Basis of Accounting

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

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

C. Deposits and Investments

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

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

Douglas County, Kansas

Notes to the Financial Statements

Earnings from the investments, except those held in escrow, are allocated to the general fund. Investments for the County as of December 31, 2022 consisted of certificates of deposit, investments in the Kansas Municipal Investment Pool, U.S. Treasury Note and State and Local Obligations held in escrow, which are recorded at cost.

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

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

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

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

Douglas County, Kansas

Notes to the Financial Statements

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue neutral rate hearing for this year.

The County has the following levels of budget control:

- * The legal level of control is established at the fund level by Kansas statutes.
- * As allowed by Kansas statute, the governing body can increase the fund level expenditures from the originally adopted budget by amending the budget. An amendment may only be made for previously unbudgeted increases in regulatory receipts other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after the publication, the hearing may be held, and the governing body may amend the budget at that time. The following funds had budget amendments in 2022: Ambulance fund and Special Alcohol fund.

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

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

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

Ambulance Capital Reserve	Register of Deeds Technology
Community Correction Plan	Sheriff Special Use
Donations	Special Law Enforcement Trust
Equipment Reserve	Special Highway Improvement
Grants Program	Youth Services Grants
Prosecutor Training & Assistance	

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

Douglas County, Kansas

Notes to the Financial Statements

III. DETAILED NOTES ON THE FUNDS AND ACCOUNTS

A. Deposits and Investments

Deposits - At year-end, the carrying amount of deposits for the County was \$278,020,786 and the bank balance was \$280,573,533.

Investments - As of December 31, 2022, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity (at cost)		Percentage of Investments	Rating
		Less than 1 Year	1-5 Years		
Kansas Municipal Investment Pool	\$ 68,554	\$ 64,979	\$ -	0.5%	N/A
U.S. Treasury	989,759	-	1,000,000	7.4%	N/A
U.S. Treasury Strip	1,997,616	-	2,000,178	14.8%	N/A
State and Local Government Obligations (SLGS)	10,356,877	-	10,356,877	77.3%	N/A
Total Fair Value	<u>\$13,412,806</u>	<u>\$ 64,979</u>	<u>\$13,357,055</u>		

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a bank failure, or failure of the counterparty, the County will not recover the value of its investments or deposits that are in possession of an outside party. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. As of December 31, 2022, the County's deposits were fully covered and not exposed to custodial credit risk. At December 31, 2022, the County had invested \$64,979, \$1,000,000, \$2,000,178 and \$10,356,877 in the State's municipal investment pool, US Treasury, US Treasury Strip and SLGS, respectively. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The investment in SLGS consists of multiple securities with interest rates from 0.17% to 0.19% and maturities ranging from 2/28/2023 to 07/31/2023 to correspond with crossover bond refunding payments.

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

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

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

Douglas County, Kansas

Notes to the Financial Statements

B. Long-Term Debt

Changes in long-term debt were as follows:

Douglas County, Kansas
Statement of Changes in Long-Term Debt
Regulatory Basis
For the Year Ended December 31, 2022

Issue	Interest Rates	Date of Issue/ Implementation	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions / Payments	Balance End of Year	Interest Paid
Douglas County:									
General Obligation Bonds :									
Series 2008 General Obligation Bonds	4.00 - 4.75%	09/15/08	\$ 280,000	09/01/28	\$ 125,000	\$ -	\$ 15,000	\$ 110,000	\$ 5,863
Series 2009A GO Improvement Bonds	2.63 - 4.25%	10/01/09	2,445,000	09/01/30	1,450,000	-	135,000	1,315,000	60,562
Series 2012E General Obligation Bonds	2.625 - 4.00%	09/05/12	175,000	08/01/32	110,000	-	10,000	100,000	4,262
Series 2013 GO Refunding and Sales Tax Bonds	2.00 - 4.50%	07/22/13	14,315,000	08/01/23	11,780,000	-	780,000	11,000,000	496,419
Series 2020A GO Sales Tax Improvement Bonds	1.00 - 3.00%	12/10/20	8,445,000	09/01/40	8,070,000	-	335,000	7,735,000	166,203
Series 2020B GO Refunding Bonds	1.50 - 2.00%	12/10/20	10,315,000	09/01/33	10,315,000	-	-	10,315,000	191,465
Total Bonded Indebtedness					<u>31,850,000</u>	<u>-</u>	<u>1,275,000</u>	<u>30,575,000</u>	<u>924,774</u>
Finance Leases:									
Axon Body Camera	0.69%	3/1/2022	578,169	02/28/27	-	578,169	95,271	482,898	2,729
Truck	4.08%	1/15/2022	247,222	01/15/29	-	247,222	27,426	219,796	8,730
Copier	6.95%	1/1/2022	179,347	02/28/25	-	179,347	53,272	126,075	9,716
Ground lease 1	1.59%	1/1/2022	378,905	02/28/43	-	378,905	15,666	363,239	5,394
Ground lease 2	1.75%	1/1/2022	1,128,945	08/31/58	-	1,128,945	23,771	1,105,174	17,917
Ground lease 3	1.62%	1/1/2022	513,125	07/31/43	-	513,125	20,682	492,443	7,470
Building lease 1	0.69%	1/1/2022	98,030	07/31/26	-	98,030	21,170	76,860	550
Building lease 2	0.33%	1/1/2022	311,034	05/31/24	-	311,034	128,456	182,578	748
Total Finance Lease Indebtedness					<u>-</u>	<u>3,434,777</u>	<u>385,714</u>	<u>3,049,063</u>	<u>53,254</u>
Total Indebtedness					<u>\$ 31,850,000</u>	<u>\$ 3,434,777</u>	<u>\$ 1,660,714</u>	<u>\$ 33,624,063</u>	<u>\$ 978,028</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, portions of the health department, communications system improvements, and a public works facility.

In accordance with the KMAAG change regarding the disclosure of leases involving the right to use another entities asset, the County has included leases that were previously considered operating leases and not disclosed in prior years. Two new finance leases were entered into in the current year to purchase equipment, which are also recorded as a finance lease in the above schedule. Finance leases are for equipment for operations, ground leases for antennae placements and building leases for office space.

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Douglas County, Kansas

Notes to the Financial Statements

Maturities of long-term debt are as follows:

	YEARS												Total	
	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2052	2053-2057	2058-2062		
PRINCIPAL:														
Douglas County:														
General Obligation Bonds:														
Series 2008 General Obligation Bonds	\$ 15,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,000
Series 2009A GO Improvement Bonds	140,000	150,000	155,000	160,000	165,000	545,000	-	-	-	-	-	-	-	1,315,000
Series 2012E General Obligation Bonds	10,000	10,000	10,000	10,000	10,000	50,000	-	-	-	-	-	-	-	100,000
Series 2013 GO Refunding and Sales Tax Bonds	11,000,000	-	-	-	-	-	-	-	-	-	-	-	-	11,000,000
Series 2020A GO Sales Tax Improvement Bonds	345,000	360,000	370,000	380,000	390,000	2,125,000	2,305,000	1,460,000	-	-	-	-	-	7,735,000
Series 2020B GO Refunding Refunding Bonds	-	945,000	960,000	985,000	1,000,000	5,310,000	1,115,000	-	-	-	-	-	-	10,315,000
TOTAL GENERAL OBLIGATION BONDS	11,510,000	1,480,000	1,515,000	1,555,000	1,585,000	8,050,000	3,420,000	1,460,000	-	-	-	-	-	30,575,000
Finance Leases:														
Axon Body Camera	114,648	115,434	116,231	117,030	19,555	-	-	-	-	-	-	-	-	482,898
Truck	27,693	28,845	30,047	31,296	32,599	69,316	-	-	-	-	-	-	-	219,796
Copier	55,985	60,004	10,086	-	-	-	-	-	-	-	-	-	-	125,075
Ground lease 1	15,407	15,653	15,903	16,158	16,416	86,103	93,218	100,901	3,480	-	-	-	-	363,239
Ground lease 2	22,516	22,914	23,318	23,730	24,150	127,287	138,928	151,633	165,489	180,623	197,137	27,449	-	1,105,174
Ground lease 3	20,315	20,646	20,985	21,327	21,676	113,812	123,417	133,844	16,421	-	-	-	-	492,443
Building lease 1	21,258	21,402	21,555	12,645	-	-	-	-	-	-	-	-	-	76,860
Building lease 2	128,796	53,782	-	-	-	-	-	-	-	-	-	-	-	182,578
TOTAL FINANCE LEASE	406,618	338,680	238,125	222,186	114,396	396,518	355,563	386,378	185,390	180,623	197,137	27,449	-	3,049,063
TOTAL PRINCIPAL	11,916,618	1,818,680	1,753,125	1,777,186	1,699,396	8,446,518	3,775,563	1,846,378	185,390	180,623	197,137	27,449	-	33,624,063
INTEREST:														
General Obligation Bonds:														
Series 2008 General Obligation Bonds	5,188	4,513	3,800	2,850	1,900	950	-	-	-	-	-	-	-	19,201
Series 2009A GO Improvement Bonds	55,163	49,563	43,563	36,975	30,175	46,963	-	-	-	-	-	-	-	262,402
Series 2012E General Obligation Bonds	4,000	3,600	3,200	2,800	2,400	6,000	-	-	-	-	-	-	-	22,000
Series 2013 GO Refunding and Sales Tax Bonds	465,219	-	-	-	-	-	-	-	-	-	-	-	-	465,219
Series 2020A GO Sales Tax Improvement Bonds	156,153	145,803	135,003	123,903	112,503	388,763	214,613	47,463	-	-	-	-	-	1,324,204
Series 2020B GO Refunding Refunding Bonds	191,465	191,465	172,965	153,365	133,665	365,450	17,840	-	-	-	-	-	-	1,225,815
TOTAL GENERAL OBLIGATION BONDS	877,188	394,944	358,131	319,893	280,643	808,126	232,453	47,463	-	-	-	-	-	3,318,841
Finance Leases:														
Axon Body Camera	2,952	2,166	1,369	570	45	-	-	-	-	-	-	-	-	7,102
Truck	8,463	7,311	6,109	4,860	3,557	2,996	-	-	-	-	-	-	-	33,296
Copier	7,003	2,984	412	-	-	-	-	-	-	-	-	-	-	10,399
Ground lease 1	5,653	5,407	5,157	4,902	4,644	19,197	12,082	4,399	30	-	-	-	-	61,471
Ground lease 2	19,172	18,774	18,370	17,958	17,538	81,153	69,512	56,807	42,951	27,817	11,303	343	-	381,698
Ground lease 3	7,837	7,506	7,167	6,825	6,476	26,948	17,343	6,916	1	-	-	-	-	87,019
Building lease 1	462	318	165	25	-	-	-	-	-	-	-	-	-	970
Building lease 2	408	53	-	-	-	-	-	-	-	-	-	-	-	461
TOTAL FINANCE LEASE	51,950	44,519	38,749	35,140	32,260	130,294	98,937	68,122	42,982	27,817	11,303	343	-	582,416
TOTAL INTEREST	929,138	439,463	396,880	355,033	312,903	938,420	331,390	115,585	42,982	27,817	11,303	343	-	3,901,257
TOTAL PRINCIPAL AND INTEREST	\$ 12,845,756	\$ 2,258,143	\$ 2,150,005	\$ 2,132,219	\$ 2,012,299	\$ 9,384,938	\$ 4,106,953	\$ 1,961,963	\$ 228,372	\$ 208,440	\$ 208,440	\$ 27,792	\$ -	\$ 37,525,320

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 enterprises. 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, 2022; however, the aggregate principal amount issued (to AGNL Plastics, L.L.C.) was \$20,815,385

Arbitrage Liability - In 1986, federal law changed, making it illegal for an entity to issue tax-exempt debt, reinvest those proceeds in a tax-deductible instrument, and make an arbitrage profit on the differential in interest rates. A calculation was created which established the methodology for determining if the tax-exempt debt proceeds were invested to yield a profit. If a profit exists, all of that profit must be paid to the U.S. Treasury. The County has bonds subject to arbitrage but does not have an arbitrage liability as of December 31, 2022. Actual payments could differ from the estimate.

C. Other Long-Term Obligations From Operations

1. Compensated Absences

County policy - It is the County's policy to permit employees to accumulate vacation to a maximum of 320 hours for full-time employees and 145 hours for part-time employees. Accumulated vacation pay is payable upon termination or resignation from service from the County. During the first 4 years of employment, employees earn vacation at the rate of 4.5 hours per pay period; 5-9 years, employees

Douglas County, Kansas

Notes to the Financial Statements

earn 5.0 hours per pay period; 10-14 years, employees earn 6.0 hours per pay period; and after 15 years, 7.0 hours per pay period of vacation is earned each year.

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

Health Department policy - The Health Department provides for vacation leave for full-time and part-time employees based on their length of service. During the first 4 years of employment, employees earn vacation at the rate of 4.53 hours per pay period; 5-9 years, employees earn 5.52 hours per pay period; 10-14 years, employees earn 6.41 hours per pay period; and after 15 years, 7.33 hours per pay period of vacation is earned each year. The maximum vacation that may be accumulated and paid out upon separation ranges from 155 to 245 hours depending on length of service. Full-time employees also earn sick leave credits at a rate of 3.75 hours per pay period. Upon retirement, employees shall be compensated for 20-40% of unused sick leave, with a cap ranging from 225 to 450 hours depending on length of service.

At December 31, 2022, the liability for compensated absences included:

Douglas County	\$ 4,327,084
Lawrence/Douglas County Health Department	132,150
	<u>\$ 4,459,234</u>

2. **Other Post-Employment Benefits**

Other Post-Employment Benefits, County Plan - The County sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents to age 65. The Douglas County Retiree Healthcare Plan (Plan) provides medical benefits to eligible retirees and their spouses. KSA 12-5040 requires all local governmental entities in the state that provide a group healthcare plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years.

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 pays 45% of the full premium for retiree coverage for eligible participants and qualified dependents, with the participants contributing the remainder. While retirees pay a portion of the applicable premium, conceptually, the County is subsidizing retirees because premiums for participants are charged at a level rate, regardless of age. The cost of this subsidy has not been quantified in this financial statement.

Death and Disability Other Post-Employment Benefits - As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2022.

3. **Risk Management & Self-Insurance Claims**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries

Douglas County, Kansas

Notes to the Financial Statements

commercial coverage for buildings and personal property, general liability, automobile fleet, inland marine, public official and employee errors and omissions, workers' compensation, medical professional liability, boiler and machinery, lawyers professional liability, and law enforcement liability. Claims have not exceeded commercial coverage in any of the last three years, and coverage has not been reduced substantially from the prior year.

The County has established a limited risk management program for employees' health care insurance. The program includes a stop-loss provision for claims over \$150,000 per individual. Beginning June 1, 2016, the stop-loss provision was increased to \$175,000 per individual. The County is also self-insured with respect to its obligations to provide workers' compensation for its employees. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims for both programs are recorded in the Employee Benefit Trust Internal Service Fund. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amounts of payouts, and other economic and social factors.

Changes in self-insured claims liabilities are as follows:

	<u>2022</u>
Estimated unpaid claims, January 1	\$ 1,733,550
Incurred claims (including reported and unreported)	6,066,936
Claim payments	<u>(6,426,516)</u>
Estimated unpaid claims, December 31	<u>\$ 1,373,970</u>

Liabilities related to risks of loss are reported when it is probable that a loss has occurred, and the amount of loss can be reasonably estimated. The County has reserved \$6,416,970 of unencumbered cash in the Workers' Compensation Fund and the Employee Benefits Trust for future health and workers' compensation claims.

4. Defined Benefit Pension Plan

General Information about the Pension Plan

Plan description. The County participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publically available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs' website at www.kpers.org or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. KPERs has multiple benefit structures and contribution rates depending on whether the employee is a KPERs 1, KPERs 2 or KPERs 3 member. KPERs 1 members are active and contributing members hired before July 1, 2009. KPERs 2 members were first employed in a covered position on or after July 1, 2009, and KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate at 6% of covered salary for KPERs 1, KPERs 2 and

Douglas County, Kansas

Notes to the Financial Statements

KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for KPERS and 25.49% for KP&F for the fiscal year ended December 31, 2022. Contributions to the pension plan from the County were \$2,039,197 for KPERS and \$1,892,473 for KP&F the year ended December 31, 2022.

Net Pension Liability

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability is determined separately for each group of the plan. The County participates in the local (KPERS) group and the Police and Firemen (KP&F) group. The Extension Council and Health Department also participate in the local (KPERS) group.

At December 31, 2022, the County's proportionate share of the collective net pension liability reported by KPERS was as follows:

	<u>Net pension liability</u>
Douglas County - KPERS	\$ 21,939,799
Douglas County - KP&F	17,758,158
Health Department	2,620,600
Extension Council	<u>158,527</u>
Total	<u>\$ 42,477,084</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The County's proportion of the net pension liability was based on the ratio of the County's contributions to KPERS and KP&F, relative to the total employer and non-employer contributions of the local and KP&F subgroups within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Douglas County, Kansas

Notes to the Financial Statements

D. Interfund Transfers

A summary of interfund transfers is as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Capital Improvement Plan	K.S.A. 19-120	\$ 9,621,209
General Fund	Equipment Reserve	K.S.A. 19-119	1,240,061
General Fund	Local County Sales Tax	K.S.A. 12-197	4,661,173
General Fund	Ambulance	K.S.A. 12-110d	2,844,062
Road & Bridge	Equipment Reserve	K.S.A. 19-119	675,000
Special Liability	Workers' Compensation	K.S.A. 12-2615	575,000
Ambulance	Ambulance Capital Reserve	K.S.A. 19-119	750,000
Motor Vehicle Operations	Equipment Reserve	K.S.A. 8-145	1,000
Register of Deeds Technology	Equipment Reserve	K.S.A. 19-119	100,000
			<u>\$ 20,467,505</u>

The County uses interfund transfers to share administrative cost between funds, to set aside funds for capital improvement projects and equipment needs, and to allocate sales tax proceeds to certain special revenue funds.

IV. OTHER INFORMATION

A. Litigation

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

B. Grants

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

C. Deferred Compensation Plan

The County offers its employees a deferred compensation plan (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.

Douglas County, Kansas

Notes to the Financial Statements

D. Cost Sharing Arrangements

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

Emergency Communications Services. 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.

Emergency Medical Services. 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. During 2021, additional modifications were made to this agreement, effective January 1, 2022, which will bill the County for any net expenditures owed to the City quarterly.

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

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

Lawrence-Douglas County Bioscience Authority. In 2006, the County participated in the creation of the Lawrence-Douglas County Bioscience Authority (LDCBA), along with the City of Lawrence, the University of Kansas, and the Lawrence Chamber of Commerce. In December 2009, the City and County jointly acquired a building to be used by the LDCBA as a business incubator for life sciences companies. The acquisition was financed by general obligation bonds issued by the City. Debt service for the bonds is funded by rental revenue generated from leasing the building space. Should the rents received be insufficient to pay all the debt service on the bonds, the County has an agreement to pay the City 50% of such shortfall. Additionally, the County pays \$200,000 annually to help fund the LDCBA, an agreement which continues through 2022.

Peaslee Center. In 2014, a combined initiative of the City, County and Economic Development Corporation of Lawrence-Douglas County created the Dwayne Peaslee Technical Training Center (Center). The City and County each committed to pay \$500,000 in 2015 to support renovations at the Center facility, along with each paying another \$100,000 in 2015 to support the Center's operations.

In August 2015, the County also agreed to loan the Center the principal amount of \$143,295 for additional renovations at the facility. The loan carries an interest rate of 2.035%, and is to be repaid in 120 monthly payments of \$1,322 through August 2025. The County may, though is not obligated to, provide additional funding in support of the Center's operations in future years. Additional funding is anticipated to be provided in 2023.

Douglas County, Kansas

Notes to the Financial Statements

Fire Station No. 1. In 2016, the City and County entered into an agreement to share in the cost of reconstruction of a fire station. The County agreed to pay 25.64% of the actual total cost for the part of the reconstruction to be occupied and used by the Lawrence Douglas County Fire and Medical Department. During 2020, the agreement was modified so that it is now estimated that the County's portion would be approximately \$1,091,800, plus interest and costs of issuance. Additionally, the County will pay 32% of the actual total cost for the part of the reconstruction to be occupied and used by the Douglas County Senior Services, Inc. The County's share is estimated to be approximately \$922,900, plus interest and costs of issuance. As part of the agreement, the County paid \$520,000 to the City prior to December 31, 2016. The remaining balance of the County's portion of the actual total cost of the project is to be made in annual installments of at least \$100,000 until such time as the balance is paid in full, the first annual payment commenced in 2018 and continued in 2022.

E. Commitments

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

In August 2012, the County approved an agreement with Motorola for long-term services, maintenance and system updates in connection with the emergency communications system. The County's commitment is for \$3,104,583, to be paid over a 10 year period with payments beginning in 2014 of \$279,573, gradually increasing to \$380,474 in 2023.

In fiscal 2015, the County approved a project to renovate the fairgrounds. The total approved project budget was \$7,944,909. The fairgrounds renovation project was formally closed at the end of 2020 and remaining funds of \$326,619 were reallocated to a new project at the fairgrounds in 2021 to further improve existing infrastructure. As of December 31, 2022, all the reallocated funds have been expended.

REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION

Schedule of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

	<u>Certified Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over(Under)</u>
GOVERNMENTAL TYPE FUNDS:			
GENERAL FUND	\$ 74,492,357	\$ 67,710,752	\$ (6,781,605)
SPECIAL PURPOSE FUNDS:			
Ambulance	8,615,794	7,648,955	(966,839)
Emergency Telephone Service	818,226	616,544	(201,682)
Employee Benefits	15,664,401	13,021,530	(2,642,871)
Motor Vehicle Operations	1,027,949	770,953	(256,996)
Road & Bridge	8,306,717	6,512,775	(1,793,942)
Special Alcohol	109,419	29,147	(80,272)
Special Building	936,023	250,185	(685,838)
Special Liability	1,029,418	649,434	(379,984)
Special Parks & Recreation	125,597	2,379	(123,218)
Consolidated Fire District No. 1	1,265,497	1,074,930	(190,567)
CAPITAL PROJECT FUND:			
Mental Health Sales Tax	19,887,932	5,180,172	(14,707,760)
DEBT SERVICE FUNDS:			
Bond and Interest	772,201	241,188	(531,013)
Local County Sales Tax	13,054,971	1,471,464	(11,583,507)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

General Fund

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Taxes:			
Ad valorem property tax	\$ 51,546,660	\$ 51,281,588	\$ 265,072
Delinquent tax	536,683	360,000	176,683
Motor vehicle tax	4,331,920	4,170,007	161,913
Local county sales tax	9,322,346	7,400,000	1,922,346
Interest and penalties	700,879	100,000	600,879
Total taxes	<u>66,438,488</u>	<u>63,311,595</u>	<u>3,126,893</u>
Licenses, fees, and permits:			
Licenses, permits & fees	1,332,642	1,340,000	(7,358)
Charges for services	71,109	339,913	(268,804)
District court fees	355,334	415,000	(59,666)
Total licenses, fees, and permits	<u>1,759,085</u>	<u>2,094,913</u>	<u>(335,828)</u>
Use of money and property:			
Interest on idle funds	352,032	235,000	117,032
Total interest	<u>352,032</u>	<u>235,000</u>	<u>117,032</u>
Other:			
Rental income	152,116	118,000	34,116
Sale of chemicals	111,997	75,000	36,997
Intergovernmental	143,861	18,800	125,061
Sale of commodities	2,200	1,000	1,200
Miscellaneous income	129,339	55,000	74,339
Total other	<u>539,513</u>	<u>267,800</u>	<u>271,713</u>
Total cash receipts	<u>\$ 69,089,118</u>	<u>\$ 65,909,308</u>	<u>\$ 3,179,810</u>
Expenditures:			
Administration:			
Personnel services	\$ 1,384,761	\$ 1,412,170	\$ (27,409)
Contractual services	972,495	700,704	271,791
Commodities	129	5,000	(4,871)
Miscellaneous	880	60,000	(59,120)
Reimbursements	(68,271)	(40,000)	(28,271)
Total administration	<u>2,289,994</u>	<u>2,137,874</u>	<u>152,120</u>
Agencies county funded:			
Contractual services	7,925,209	8,200,264	(275,055)
Total agency county funded	<u>7,925,209</u>	<u>8,200,264</u>	<u>(275,055)</u>
Appraiser:			
Personnel services	808,257	830,492	(22,235)
Contractual services	16,675	42,130	(25,455)
Capital outlay	-	4,000	(4,000)
Total appraiser	<u>824,932</u>	<u>876,622</u>	<u>(51,690)</u>

(Continued)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

General Fund

	Actual	Budget	Variance- Over (Under)
Behavioral health projects:			
Miscellaneous	1,960,944	2,356,436	(395,492)
Total behavioral health projects	<u>1,960,944</u>	<u>2,356,436</u>	<u>(395,492)</u>
CIP projects - capital improvements:			
Transfers to CIP	4,621,209	4,621,209	-
Total CIP projects	<u>4,621,209</u>	<u>4,621,209</u>	<u>-</u>
Commissioners:			
Personnel services	122,617	123,663	(1,046)
Contractual services	436,524	412,500	24,024
Miscellaneous	88,462	1,132,003	(1,043,541)
Total commissioners	<u>647,603</u>	<u>1,668,166</u>	<u>(1,020,563)</u>
Coroner:			
Contractual services	298,119	474,000	(175,881)
Commodities	763	2,200	(1,437)
Capital outlay	-	3,500	(3,500)
Total coroner	<u>298,882</u>	<u>479,700</u>	<u>(180,818)</u>
County Clerk:			
Personnel services	532,592	530,839	1,753
Contractual services	329	1,300	(971)
Commodities	433	450	(17)
Miscellaneous	-	200	(200)
Total county clerk	<u>533,354</u>	<u>532,789</u>	<u>565</u>
Countywide:			
Contractual services	932,110	1,067,700	(135,590)
Commodities	139,783	150,000	(10,217)
Miscellaneous	20,684	14,000	6,684
Reimbursements	(34,019)	(500)	(33,519)
Total countywide	<u>1,058,558</u>	<u>1,231,200</u>	<u>(172,642)</u>
Court operating:			
Personnel services	505,046	516,068	(11,022)
Contractual services	797,240	990,200	(192,960)
Commodities	20,986	33,000	(12,014)
Capital outlay	9,645	13,000	(3,355)
Miscellaneous	4,456	10,000	(5,544)
Reimbursements	(48,331)	(68,000)	19,669
Total court operating	<u>1,289,042</u>	<u>1,494,268</u>	<u>(205,226)</u>

(Continued)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

General Fund

	Actual	Budget	Variance- Over (Under)
Court trustee:			
Personnel services	498,070	513,729	(15,659)
Contractual services	4,108	3,825	283
Commodities	-	1,900	(1,900)
Capital outlay	1,100	1,900	(800)
Miscellaneous	2,239	2,700	(461)
Total court trustee	<u>505,517</u>	<u>524,054</u>	<u>(18,537)</u>
Criminal justice services:			
Personnel services	2,343,035	2,341,006	2,029
Contractual services	281,999	523,130	(241,131)
Commodities	102,981	172,385	(69,404)
Capital Outlay	-	9,800	(9,800)
Miscellaneous	368,441	469,418	(100,977)
Reimbursements	(342,214)	(186,540)	(155,674)
Total criminal justice services	<u>2,754,242</u>	<u>3,329,199</u>	<u>(574,957)</u>
DA criminal justice coordination:			
Personnel services	11,802	47,549	(35,747)
Total DA criminal justice coordination	<u>11,802</u>	<u>47,549</u>	<u>(35,747)</u>
District Attorney:			
Personnel services	2,357,927	2,610,073	(252,146)
Contractual services	144,259	238,287	(94,028)
Capital outlay	1,868	41,100	(39,232)
Miscellaneous	23,525	25,000	(1,475)
Reimbursements	(108,489)	(114,600)	6,111
Total district attorney	<u>2,419,090</u>	<u>2,799,860</u>	<u>(380,770)</u>
Elections:			
Personnel services	250,918	235,184	15,734
Contractual services	397,855	313,525	84,330
Commodities	112,918	80,000	32,918
Miscellaneous	255	200	55
Reimbursements	(22,380)	-	(22,380)
Total elections	<u>739,566</u>	<u>628,909</u>	<u>110,657</u>
Emergency communication center:			
Personnel services	1,922,439	1,971,413	(48,974)
Contractual services	355,105	360,990	(5,885)
Commodities	25,861	29,500	(3,639)
Capital outlay	127,525	174,000	(46,475)
Miscellaneous	585	1,000	(415)
Reimbursements	(1,546,826)	(1,722,655)	175,829
Transfers	50,000	50,000	-
Total emergency communication center	<u>934,689</u>	<u>864,248</u>	<u>70,441</u>

(Continued)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

General Fund

	Actual	Budget	Variance- Over (Under)
Emergency management:			
Personnel services	203,031	203,767	(736)
Contractual services	47,814	53,285	(5,471)
Commodities	1,689	4,600	(2,911)
Capital outlay	4,620	5,000	(380)
Miscellaneous	4,008	4,500	(492)
Transfers	48,000	48,000	-
Total emergency management	<u>309,162</u>	<u>319,152</u>	<u>(9,990)</u>
Fairgrounds:			
Contractual services	36,087	40,000	(3,913)
Commodities	54,152	50,000	4,152
Transfers	50,000	50,000	-
Total fairgrounds	<u>140,239</u>	<u>140,000</u>	<u>239</u>
First Responders:			
Personnel services	10,155	10,400	(245)
Contractual services	63,089	95,900	(32,811)
Commodities	-	17,050	(17,050)
Capital outlay	-	2,400	(2,400)
Transfers	20,750	5,750	15,000
Total first responders	<u>93,994</u>	<u>131,500</u>	<u>(37,506)</u>
Fleet operations:			
Personnel services	318,651	344,686	(26,035)
Contractual services	131,883	99,900	31,983
Commodities	1,066,208	938,800	127,408
Capital outlay	11,359	16,000	(4,641)
Reimbursements	(44,551)	-	(44,551)
Transfers	25,000	25,000	-
Total fleet operations	<u>1,508,550</u>	<u>1,424,386</u>	<u>84,164</u>
Geographic information system:			
Personnel services	203,442	209,533	(6,091)
Contractual services	1,670	6,000	(4,330)
Commodities	260	1,200	(940)
Total geographic information system	<u>205,372</u>	<u>216,733</u>	<u>(11,361)</u>
Heritage Conservation Fund:			
Personnel services	61,608	39,140	22,468
Contractual services	9,160	-	9,160
Miscellaneous	87,093	245,860	(158,767)
Transfers	114,130	-	114,130
Total heritage conservation fund	<u>271,991</u>	<u>285,000</u>	<u>(13,009)</u>
Information technology:			
Personnel services	789,328	931,658	(142,330)
Contractual services	621,863	666,825	(44,962)
Commodities	11,508	13,500	(1,992)
Capital outlay	160,278	191,000	(30,722)
Miscellaneous	645	500	145
Transfers	50,000	50,000	-
Total information technology	<u>1,633,622</u>	<u>1,853,483</u>	<u>(219,861)</u>

(Continued)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

General Fund

	Actual	Budget	Variance- Over (Under)
Maintenance:			
Personnel services	1,081,192	1,068,819	12,373
Contractual services	157,866	222,200	(64,334)
Commodities	205,643	144,500	61,143
Reimbursements	(161,161)	(16,375)	(144,786)
Transfers	20,000	20,000	-
Total maintenance	<u>1,303,540</u>	<u>1,439,144</u>	<u>(135,604)</u>
Parks and Vegetation:			
Personnel services	369,834	381,793	(11,959)
Contractual services	35,216	36,500	(1,284)
Commodities	163,277	168,350	(5,073)
Transfers	45,000	45,000	-
Total parks and vegetation	<u>613,327</u>	<u>631,643</u>	<u>(18,316)</u>
Register of Deeds:			
Personnel services	390,821	395,881	(5,060)
Miscellaneous	30,000	30,000	-
Transfers	1,000	1,000	-
Total register of deeds	<u>421,821</u>	<u>426,881</u>	<u>(5,060)</u>
Shared costs & transfers:			
Personnel services	133,146	128,008	5,138
Agencies and projects	1,409,897	-	1,409,897
Miscellaneous	48,876	1,595,079	(1,546,203)
Reimbursements	(108,129)	(143,908)	35,779
Transfers	13,057,416	14,897,161	(1,839,745)
Total shared costs & transfers	<u>14,541,206</u>	<u>16,476,340</u>	<u>(1,935,134)</u>
Sheriff:			
Personnel services	5,571,740	5,657,803	(86,063)
Contractual services	577,120	618,099	(40,979)
Commodities	265,530	247,200	18,330
Capital outlay	158,712	-	158,712
Reimbursements	(88,846)	(70,000)	(18,846)
Transfers	217,000	217,000	-
Total sheriff	<u>6,701,256</u>	<u>6,670,102</u>	<u>31,154</u>
Sheriff jail:			
Personnel services	6,162,409	6,527,643	(365,234)
Contractual services	2,002,369	3,086,328	(1,083,959)
Commodities	829,045	853,500	(24,455)
Capital Outlay	112,430	-	112,430
Reimbursements	(356,714)	(471,000)	114,286
Transfers	40,000	40,000	-
Total sheriff jail	<u>8,789,539</u>	<u>10,036,471</u>	<u>(1,246,932)</u>

(Continued)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

General Fund

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Sustainability management:			
Personnel services	121,605	198,120	(76,515)
Contractual services	134,918	251,680	(116,762)
Commodities	156	-	156
Miscellaneous	28,422	6,800	21,622
Reimbursements	(20,365)	(45,862)	25,497
Total sustainability management	<u>264,736</u>	<u>410,738</u>	<u>(146,002)</u>
Treasurer:			
Personnel services	337,475	308,989	28,486
Contractual services	14,074	25,700	(11,626)
Commodities	19,293	17,000	2,293
Transfers	1,000	1,000	-
Total treasurer	<u>371,842</u>	<u>352,689</u>	<u>19,153</u>
Utility communication equipment maintenance:			
Contractual services	22,390	73,000	(50,610)
Total utility communication equipment maintenance	<u>22,390</u>	<u>73,000</u>	<u>(50,610)</u>
Utilities:			
Contractual services	1,198,414	1,260,800	(62,386)
Commodities	-	2,000	(2,000)
Capital outlay	533	18,000	(17,467)
Reimbursements	(25,023)	(20,550)	(4,473)
Total utilities	<u>1,173,924</u>	<u>1,260,250</u>	<u>(86,326)</u>
Zoning:			
Personnel services	512,454	533,848	(21,394)
Contractual services	6,031	6,550	(519)
Commodities	1,577	2,500	(923)
Miscellaneous	3,546	3,600	(54)
Transfers	6,000	6,000	-
Total zoning	<u>529,608</u>	<u>552,498</u>	<u>(22,890)</u>
Total expenditures	<u>67,710,752</u>	<u>\$ 74,492,357</u>	<u>\$ (6,781,605)</u>
Receipts over (under) expenditures	1,378,366		
Unencumbered cash, beginning	14,796,601		
Unencumbered cash, ending	<u>\$ 16,174,967</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Ambulance

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 4,605,229	\$ 4,605,229	\$ -
Motor vehicle tax	404,565	404,562	3
Delinquent tax	53,399	53,402	(3)
Charges for services	682,738	682,738	-
Transfers	<u>2,844,062</u>	<u>2,844,062</u>	<u>-</u>
Total cash receipts	<u>8,589,993</u>	<u>\$ 8,589,993</u>	<u>\$ -</u>
Expenditures:			
Contractual services	6,897,961	\$ 7,865,794	\$ (967,833)
Capital outlay	994	-	994
Transfers	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Total expenditures	<u>7,648,955</u>	<u>\$ 8,615,794</u>	<u>\$ (966,839)</u>
Receipts over (under) expenditures	941,038		
Unencumbered cash, beginning	<u>915,865</u>		
Unencumbered cash, ending	<u>\$ 1,856,903</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Emergency Telephone Service

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
911 emergency telephone service tax	\$ 641,153	\$ 620,000	\$ 21,153
Interest income	576	500	76
	641,729	\$ 620,500	\$ 21,229
Expenditures:			
Contractual services	616,544	\$ 565,000	\$ 51,544
Miscellaneous	-	253,226	(253,226)
	616,544	\$ 818,226	\$ (201,682)
Receipts over (under) expenditures	25,185		
Unencumbered cash, beginning	231,640		
Unencumbered cash, ending	\$ 256,825		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Employee Benefits

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 11,758,006	\$ 11,698,016	\$ 59,990
Motor vehicle tax	1,047,261	1,006,139	41,122
Delinquent tax	127,101	80,000	47,101
Intergovernmental	941,547	540,000	401,547
Miscellaneous	<u>85,277</u>	<u>50,000</u>	<u>35,277</u>
Total cash receipts	<u>13,959,192</u>	<u>\$ 13,374,155</u>	<u>\$ 585,037</u>
Expenditures:			
Contractual services	\$ -	\$ 2,457,057	\$ (2,457,057)
Personnel services	13,021,505	13,207,344	(185,839)
Miscellaneous	<u>25</u>	<u>-</u>	<u>25</u>
Total expenditures	<u>13,021,530</u>	<u>\$ 15,664,401</u>	<u>\$ (2,642,871)</u>
Receipts over (under) expenditures	937,662		
Unencumbered cash, beginning	<u>2,890,095</u>		
Unencumbered cash, ending	<u>\$ 3,827,757</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Motor Vehicle Operations

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Charges for services	\$ 806,739	\$ 815,000	\$ (8,261)
Total cash receipts	<u>806,739</u>	<u>\$ 815,000</u>	<u>\$ (8,261)</u>
Expenditures:			
Personnel services	724,666	\$ 813,800	\$ (89,134)
Contractual services	38,304	46,200	(7,896)
Commodities	6,983	7,750	(767)
Miscellaneous	-	159,199	(159,199)
Transfers	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total expenditures	<u>770,953</u>	<u>\$ 1,027,949</u>	<u>\$ (256,996)</u>
Receipts over (under) expenditures	35,786		
Unencumbered cash, beginning	<u>250,467</u>		
Unencumbered cash, ending	<u>\$ 286,253</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Road and Bridge

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 4,176,802	\$ 4,155,242	\$ 21,560
Motor vehicle tax	387,817	378,139	9,678
Delinquent tax	46,712	-	46,712
Intergovernmental	1,437,601	1,700,000	(262,399)
Licenses, permits & fees	-	10,000	(10,000)
Sale of commodities	-	125,000	(125,000)
Charges for services	2,688	20,000	(17,312)
Miscellaneous	144,581	15,000	129,581
	<u>6,196,201</u>	<u>\$ 6,403,381</u>	<u>\$ (207,180)</u>
Expenditures:			
Personnel services	2,838,623	\$ 2,934,774	\$ (96,151)
Contractual services	1,580,557	1,601,600	(21,043)
Commodities	1,408,774	1,479,600	(70,826)
Miscellaneous	-	1,607,743	(1,607,743)
Capital outlay	9,821	8,000	1,821
Transfers	675,000	675,000	-
	<u>6,512,775</u>	<u>\$ 8,306,717</u>	<u>\$ (1,793,942)</u>
Receipts over (under) expenditures	(316,574)		
Unencumbered cash, beginning	<u>2,680,516</u>		
Unencumbered cash, ending	<u>\$ 2,363,942</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Special Alcohol

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Special alcohol tax	\$ 48,700	\$ 40,838	\$ 7,862
Total cash receipts	48,700	\$ 40,838	\$ 7,862
Expenditures:			
Miscellaneous	29,147	\$ -	\$ 29,147
Agencies and projects	-	109,419	(109,419)
Total expenditures	29,147	\$ 109,419	\$ (80,272)
Receipts over (under) expenditures	19,553		
Unencumbered cash, beginning	68,581		
Unencumbered cash, ending	\$ 88,134		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Special Building

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 144,346	\$ 143,548	\$ 798
Motor vehicle tax	31,021	25,426	5,595
Delinquent tax	4,975	4,000	975
Total cash receipts	180,342	\$ 172,974	\$ 7,368
Expenditures:			
Contractual services	102,180	\$ 400,000	\$ (297,820)
Miscellaneous	-	53,978	(53,978)
Capital outlay	148,005	482,045	(334,040)
Total expenditures	250,185	\$ 936,023	\$ (685,838)
Receipts over (under) expenditures	(69,843)		
Unencumbered cash, beginning	1,151,264		
Unencumbered cash, ending	\$ 1,081,421		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Special Liability

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 585,059	\$ 582,614	\$ 2,445
Motor vehicle tax	60,184	58,012	2,172
Delinquent tax	7,521	3,000	4,521
Total cash receipts	652,764	\$ 643,626	\$ 9,138
Expenditures:			
Contractual services	72,561	\$ 100,000	\$ (27,439)
Miscellaneous	1,873	354,418	(352,545)
Transfers	575,000	575,000	-
Total expenditures	649,434	\$ 1,029,418	\$ (379,984)
Receipts over (under) expenditures	3,330		
Unencumbered cash, beginning	353,935		
Unencumbered cash, ending	\$ 357,265		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Special Parks and Recreation

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Special alcohol tax	\$ 33,273	\$ 18,800	\$ 14,473
Miscellaneous	7,782	-	7,782
	41,055	\$ 18,800	\$ 22,255
Total cash receipts			
Expenditures:			
Capital outlay	2,379	\$ -	\$ 2,379
Recreation facilities	-	125,597	(125,597)
	2,379	\$ 125,597	\$ (123,218)
Total expenditures			
Receipts over (under) expenditures	38,676		
Unencumbered cash, beginning	159,355		
Unencumbered cash, ending	\$ 198,031		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Special Purpose Fund - Consolidated Fire District No. 1

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 1,110,706	\$ 1,094,301	\$ 16,405
Motor vehicle tax	75,669	32,800	42,869
Delinquent tax	6,450	2,000	4,450
Intergovernmental	4,479	-	4,479
Reimbursements	70,872	-	70,872
Interest income	1,452	-	1,452
	<u>1,269,628</u>	<u>\$ 1,129,101</u>	<u>\$ 140,527</u>
Expenditures:			
Contractual services	300,120	\$ 319,795	\$ (19,675)
Commodities	116,667	96,500	20,167
Personnel services	578,441	553,497	24,944
Miscellaneous	23,536	222,705	(199,169)
Capital outlay	56,166	23,000	33,166
Transfer	-	50,000	(50,000)
	<u>1,074,930</u>	<u>\$ 1,265,497</u>	<u>\$ (190,567)</u>
Receipts over (under) expenditures	194,698		
Unencumbered cash, beginning	<u>379,201</u>		
Unencumbered cash, ending	<u>\$ 573,899</u>		

DOUGLAS COUNTY, KANSAS

Schedule 2-12

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2022

Non-budgeted Special Purpose Funds

	Ambulance Capital Reserve	Community Correction Plan	Donations	Equipment Reserve	Grants Program	Prosecutor Training & Assistance
Cash receipts:						
Intergovernmental	\$ -	\$ 646,931	\$ -	\$ 644,667	\$ 12,467,116	\$ -
Reimbursements	-	-	6,481	12,619	3,500	-
Licenses, permits & fees	-	-	-	-	-	-
Sale of property	-	-	-	259,763	-	-
Charges for services	-	-	-	-	-	4,936
Interest income	1,690	-	-	15,929	-	-
Miscellaneous	24,644	12,993	1,600	165,100	666	-
Transfers	750,000	-	-	2,016,061	-	-
Total cash receipts	776,334	659,924	8,081	3,114,139	12,471,282	4,936
Expenditures:						
Personnel services	-	586,430	-	-	244,278	-
Contractual services	-	6,762	-	168,199	12,671,174	3,734
Commodities	-	6,033	1,159	136,624	35,892	-
Miscellaneous	-	839	6,758	143,619	712,567	-
Capital outlay	-	-	-	3,145,441	782,463	-
Transfers	-	-	-	-	-	-
Total expenditures	-	600,064	7,917	3,593,883	14,446,374	3,734
Receipts over (under) expenditures	776,334	59,860	164	(479,744)	(1,975,092)	1,202
Unencumbered cash, beginning	193,052	8,858	34,352	8,307,198	12,150,122	2,078
Unencumbered cash, ending	\$ 969,386	\$ 68,718	\$ 34,516	\$ 7,827,454	\$ 10,175,030	\$ 3,280

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule 2-12

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2022

Non-budgeted Special Purpose Funds

	Register of Deeds Technology	Sheriff Special Use	Special Law Enforcement Trust	Special Highway Improvement	Youth Services Grants	Total
Cash receipts:						
Intergovernmental	\$ -	\$ -	\$ 47,526	\$ 32,972	\$ 539,007	\$ 14,378,219
Reimbursements	-	-	-	-	-	22,600
Licenses, permits & fees	-	114,763	1,956	-	-	116,719
Sale of property	-	-	-	-	-	259,763
Charges for services	188,733	-	-	-	-	193,669
Interest income	1,254	-	667	-	-	19,540
Miscellaneous	-	-	-	-	-	205,003
Transfers	-	-	-	-	-	2,766,061
Total cash receipts	<u>189,987</u>	<u>114,763</u>	<u>50,149</u>	<u>32,972</u>	<u>539,007</u>	<u>17,961,574</u>
Expenditures:						
Personnel services	2,963	22,360	-	-	443,393	1,299,424
Contractual services	60,819	1,877	25,041	-	76,978	13,014,584
Commodities	-	88,826	3,733	-	1,016	273,283
Miscellaneous	-	-	291,905	-	1,018	1,156,706
Capital outlay	25,888	-	75,068	-	-	4,028,860
Transfers	100,000	-	-	-	-	100,000
Total expenditures	<u>189,670</u>	<u>113,063</u>	<u>395,747</u>	<u>-</u>	<u>522,405</u>	<u>19,872,857</u>
Receipts over (under) expenditures	317	1,700	(345,598)	32,972	16,602	(1,911,283)
Unencumbered cash, beginning	<u>511,187</u>	<u>5,353</u>	<u>622,844</u>	<u>1,042,202</u>	<u>141,363</u>	<u>23,018,609</u>
Unencumbered cash, ending	<u>\$ 511,504</u>	<u>\$ 7,053</u>	<u>\$ 277,246</u>	<u>\$ 1,075,174</u>	<u>\$ 157,965</u>	<u>\$ 21,107,326</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Capital Project Fund - Mental Health Sales Tax

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Local county sales tax	\$ 6,340,778	\$ 5,000,000	\$ 1,340,778
Miscellaneous	460,000	750,000	(290,000)
Total cash receipts	6,800,778	\$ 5,750,000	\$ 1,050,778
Expenditures:			
Miscellaneous	-	\$ 13,161,189	\$ (13,161,189)
Capital outlay	4,673,639	6,033,540	(1,359,901)
Principal	335,000	335,000	-
Interest	166,203	192,000	(25,797)
Bond process fees	5,330	166,203	(160,873)
Total expenditures	5,180,172	\$ 19,887,932	\$ (14,707,760)
Receipts over (under) expenditures	1,620,606		
Unencumbered cash, beginning	13,264,319		
Unencumbered cash, ending	\$ 14,884,925		

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2022

Capital Project Fund - Capital Improvement Fund

	Actual
Cash receipts:	
Intergovernmental	\$ 417,342
Reimbursements	96,879
Lease proceeds	42,037
Interest income	58,710
Miscellaneous	-
Transfers	9,621,209
Total cash receipts	10,236,177
Expenditures:	
Contractual services	5,154,716
Miscellaneous	175,676
Capital outlay	1,326,498
Total expenditures	6,656,890
Receipts over (under) expenditures	3,579,287
Unencumbered cash, beginning	29,814,455
Unencumbered cash, ending	\$ 33,393,742

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

Debt Service Fund - Bond and Interest Fund

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Special assessments	\$ 246,097	\$ 275,636	\$ (29,539)
Total cash receipts	<u>246,097</u>	<u>\$ 275,636</u>	<u>\$ (29,539)</u>
Expenditures:			
Payment to State	-	38,800	(38,800)
Principal	160,000	160,000	-
Interest	70,688	70,688	-
Future payments	-	472,713	(472,713)
Bond process fees	10,500	30,000	(19,500)
Total expenditures	<u>241,188</u>	<u>\$ 772,201</u>	<u>\$ (531,013)</u>
Receipts over (under) expenditures	4,909		
Unencumbered cash, beginning	<u>565,243</u>		
Unencumbered cash, ending	<u>\$ 570,152</u>		

Debt Service Fund - Local County Sales Tax

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Interest income	\$ 19,837	\$ -	\$ 19,837
Transfers	4,661,173	3,700,000	961,173
Total cash receipts	<u>4,681,010</u>	<u>\$ 3,700,000</u>	<u>\$ 981,010</u>
Expenditures:			
Principal	780,000	\$ 780,000	\$ -
Interest	687,884	971,465	(283,581)
Bond process fees	3,580	-	3,580
Future payments	-	11,303,506	(11,303,506)
Total expenditures	<u>1,471,464</u>	<u>\$ 13,054,971</u>	<u>\$ (11,583,507)</u>
Receipts over (under) expenditures	3,209,546		
Unencumbered cash, beginning	<u>20,587,164</u>		
Unencumbered cash, ending	<u>\$ 23,796,710</u>		

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2022

Internal Service Fund - Employee Benefits Trust

	Actual
Cash receipts:	
Charges for services	\$ 10,943,392
Interest income	857
Miscellaneous	1,564,378
Total cash receipts	12,508,627
Expenditures:	
Claims paid	9,228,371
Contractual services	1,441,579
Total expenditures	10,669,950
Receipts over expenditures	1,838,677
Unencumbered cash, beginning	3,164,997
Unencumbered cash, ending	\$ 5,003,674

Internal Service Fund - Workers' Compensation

	Actual
Cash receipts:	
Intergovernmental	\$ 2,556
Interest income	2,045
Miscellaneous	48,379
Transfers	575,000
Total cash receipts	627,980
Expenditures:	
Personnel services	139,300
Contractual services	156,956
Total expenditures	296,256
Receipts over expenditures	331,724
Unencumbered cash, beginning	1,081,572
Unencumbered cash, ending	\$ 1,413,296

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2022

Related Municipal Entity - Douglas County Extension Council

	Actual
Cash receipts:	
County appropriation	\$ 511,240
Charges for services	272,880
Miscellaneous	8,042
Total cash receipts	792,162
Expenditures:	
Personnel services	462,310
Contractual services	180,690
Commodities	73,940
Capital outlay	165
Total expenditures	717,105
Receipts over expenditures	75,057
Unencumbered cash, beginning	542,769
Unencumbered cash, ending	\$ 617,826

Related Municipal Entity - Lawrence/Douglas Co Health Dept.

	Actual
Cash receipts:	
City/County appropriation	\$ 1,677,116
Grants	2,716,839
Charges for services	1,384,714
Interest	3,889
Miscellaneous	1,213
Total cash receipts	5,783,771
Expenditures:	
Personnel services	3,217,661
Contractual services	698,633
Commodities	515,297
Capital outlay	364,184
Total expenditures	4,795,775
Receipts over expenditures	987,996
Unencumbered cash, beginning	4,488,859
Unencumbered cash, ending	\$ 5,476,855

(Continued)

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2022

Related Municipal Entity - Douglas County Free Fair

	Actual
Cash receipts:	
County appropriation	\$ 14,250
Charges for services	418,033
Interest income	135
	432,418
Total cash receipts	432,418
Expenditures:	
Personnel services	28,717
Contractual services	14,236
Commodities	345,325
Capital outlay	13,295
	401,573
Total expenditures	401,573
Receipts over expenditures	30,845
Unencumbered cash, beginning	49,032
Unencumbered cash, ending	\$ 79,877

Summary of Receipts and Disbursements
Regulatory Basis

For the Year Ended December 31, 2022

Agency Funds

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Distributable funds:				
Tax accounts	\$ 120,041,299	\$ 387,616,556	\$ 375,351,840	\$ 132,306,015
Motor vehicle accounts	3,437,794	15,919,234	15,943,680	3,413,348
Total distributable funds	<u>123,479,093</u>	<u>403,535,790</u>	<u>391,295,520</u>	<u>135,719,363</u>
Other agency funds:				
Sheriff seized property	2,908	6	-	2,914
Sheriff inmate funds	16,696	186,618	170,126	33,188
Sheriff bond fund	2,402	283,344	282,872	2,874
District attorney funds	101,428	30,643	16,646	115,425
Payroll clearing	1,870	10,507	-	12,377
Total other agency funds	<u>125,304</u>	<u>511,118</u>	<u>469,644</u>	<u>166,778</u>
Total agency funds	<u>\$ 123,604,397</u>	<u>\$ 404,046,908</u>	<u>\$ 391,765,164</u>	<u>\$ 135,886,141</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of County Commissioners
Douglas County, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Douglas County, Kansas and the related municipal entities of the Douglas County Extension Council, the Lawrence/Douglas County Health Department, and the Douglas County Free Fair (collectively, County) as of and for the year ended December 31, 2022, and the related notes to the financial statement, and have issued our report thereon dated September 1, 2023. The County prepared the regulatory basis financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion of the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Wichita, KS
September 1, 2023