

***DOUGLAS COUNTY, KANSAS***

REGULATORY BASIS  
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2020

AND

INDEPENDENT AUDITOR'S REPORT



DOUGLAS COUNTY, KANSAS  
REGULATORY BASIS  
FINANCIAL STATEMENT  
YEAR ENDED DECEMBER 31, 2020  
AND  
INDEPENDENT AUDITOR'S REPORT

**DOUGLAS COUNTY, KANSAS**

**REGULATORY BASIS  
FINANCIAL STATEMENTS**

Year Ended December 31, 2020

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**DOUGLAS COUNTY, KANSAS**

**REGULATORY BASIS  
FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of 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, 2020, and the related notes to the financial statement.

#### *Management's Responsibility 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.

#### *Auditor's Responsibility*

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Douglas County, Kansas Financial Reporting Entity as of December 31, 2020, 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 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, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note IB.

**Other Matters**

*Supplementary 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 analysis and are not a required part of the basic financial statement, however, are 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 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 July 19, 2021 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

July 19, 2021  
Wichita, Kansas

# DOUGLAS COUNTY, KANSAS

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

For the Year Ended December 31, 2020

	Beginning Unencumbered Cash Balance 1/1/2020	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2020	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2020
<b>GOVERNMENTAL TYPE FUNDS:</b>						
<b>GENERAL FUND</b>	\$ 6,650,319	\$ 62,137,592	\$ 58,774,761	\$ 10,013,150	\$ 1,659,457	\$ 11,672,607
<b>SPECIAL PURPOSE FUNDS:</b>						
Ambulance	134,755	8,269,499	8,043,155	361,099	879,002	1,240,101
Emergency Telephone Service	157,439	984,175	883,188	258,426	-	258,426
Employee Benefits	1,181,757	12,821,186	11,718,492	2,284,451	2,861,375	5,145,826
Motor Vehicle Operations	304,012	7,117,895	802,110	219,797	11,397	231,194
Road & Bridge	1,181,340	6,241,653	5,580,494	1,842,499	49,590	1,892,089
Special Alcohol	45,880	33,327	-	79,207	-	79,207
Special Building	1,240,772	624,348	914,668	950,452	-	950,452
Special Liability	180,025	705,318	627,129	258,214	-	258,214
Special Parks & Recreation	70,431	33,134	21,168	82,397	-	82,397
Ambulance Capital Reserve	1,169,644	712,524	567,029	1,315,139	-	1,315,139
Community Correction Plan	44,786	506,810	536,920	14,676	6,794	21,470
Donations	41,560	3,700	12,597	32,663	351	33,014
Equipment Reserve	9,046,473	3,712,370	3,350,217	9,408,626	1,012,044	10,420,670
Grants Programs	360,124	25,549,186	22,331,857	3,577,453	330,075	3,907,528
Prosecutor Training & Assistance	511	5,356	4,414	1,453	-	1,453
Register of Deeds Technology	473,614	280,725	325,497	428,842	-	428,842
Sheriff Special Use	12,236	95,029	100,473	6,792	3,313	10,105
Special Law Enforcement Trust	695,748	29,998	24,779	700,967	166	701,133
Special Highway Improvement	749,005	81,895	243,173	587,727	-	587,727
Youth Services Grants	165,155	488,013	523,724	129,444	4,268	133,712
Valley View	86,698	3,231	17,904	72,025	-	72,025
<b>TOTAL SPECIAL PURPOSE FUNDS</b>	<b>17,341,965</b>	<b>61,899,372</b>	<b>56,628,988</b>	<b>22,612,349</b>	<b>5,158,375</b>	<b>27,770,724</b>
<b>CAPITAL PROJECT FUNDS:</b>						
Mental Health Sales Tax	2,861,016	16,042,690	5,183,284	13,720,422	797,617	14,518,039
Capital Improvement Plan	27,778,193	7,423,775	5,462,917	29,739,051	943,212	30,682,263
<b>TOTAL CAPITAL PROJECTS FUND</b>	<b>30,639,209</b>	<b>23,466,465</b>	<b>10,646,201</b>	<b>43,459,473</b>	<b>1,740,829</b>	<b>45,200,302</b>
<b>DEBT SERVICE FUNDS:</b>						
Bond and Interest	500,717	292,242	301,690	491,269	-	491,269
Local County Sales Tax	4,671,686	14,511,050	1,391,697	17,791,039	34,835	17,825,874
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>5,172,403</b>	<b>14,803,292</b>	<b>1,693,387</b>	<b>18,282,308</b>	<b>34,835</b>	<b>18,317,143</b>
<b>BUSINESS FUNDS:</b>						
Employee Benefit Trust	4,202,944	11,953,944	10,380,925	5,775,963	772,940	6,548,903
Workers' Compensation	521,499	951,384	491,072	981,811	301,323	1,283,134
<b>TOTAL BUSINESS FUNDS:</b>	<b>4,724,443</b>	<b>12,905,328</b>	<b>10,871,997</b>	<b>6,757,774</b>	<b>1,074,263</b>	<b>7,832,037</b>
<b>TOTAL COUNTY</b>	<b>\$ 64,528,339</b>	<b>\$ 175,212,049</b>	<b>\$ 138,615,334</b>	<b>\$ 101,125,054</b>	<b>\$ 9,667,759</b>	<b>\$ 110,792,813</b>

## Douglas County, Kansas

### Summary Statement of Receipts, Expenditures, and Unencumbered Cash Regulatory Basis (Continued)

For the Year Ended December 31, 2020

	Beginning Unencumbered Cash Balance 1/1/2020	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2020	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2020
RELATED MUNICIPAL ENTITIES:						
Douglas County Extension Council	\$ 527,123	\$ 792,676	\$ 821,611	\$ 498,188	\$ -	\$ 498,188
Lawrence/Douglas County Health Dept	3,019,931	5,958,391	5,577,534	3,400,788	179,770	3,580,558
Douglas County Free Fair	55,478	133,935	164,199	25,214	-	25,214
TOTAL RELATED MUNICIPAL ENTITIES	<u>3,602,532</u>	<u>6,885,002</u>	<u>6,563,344</u>	<u>3,924,190</u>	<u>179,770</u>	<u>4,103,960</u>
TOTAL REPORTING ENTITY						
(Excluding Agency Funds)	<u>\$ 68,130,871</u>	<u>\$ 182,097,051</u>	<u>\$ 145,178,678</u>	<u>\$ 105,049,244</u>	<u>\$ 9,847,529</u>	<u>\$ 114,896,773</u>

Composition of Cash:	Petty Cash - County	\$ 2,500
	Petty Cash - Health Department	587
	Checking Account - US Bank	14,079,932
	Investment Account - Kansas Municipal Investment Pool	4,021,622
	Certificates of Deposit - Commerce Bank	3,500,000
	Certificates of Deposit - Capitol Federal	19,500,000
	Certificates of Deposit - Central National Bank	74,884,644
	Certificates of Deposit - Health Department - Central National Bank	636,917
	Certificates of Deposit - Health Department - US Bank	381,310
	Certificates of Deposit - Mid America Bank	6,000,010
	Checking Account - Employee Benefits Trust - US Bank	3,688,155
	Checking Account - Workers Comp- US Bank	100,633
	Insured Cash Sweep - US Bank	81,500,043
	Insured Cash Sweep - Employee Benefits Trust - US Bank	2,860,749
	Inmate Funds - US Bank	24,927
	Checking Account - District Attorney - INTRUST Bank	95,558
	Checking Account - Sheriff Bond Fund - US Bank	1,659
	Health Department - CBMW	2,321,505
	Health Department - Central National Bank	240,239
	Extension Council - Central Bank of the Midwest	498,188
	Free Fair Board - Central Bank of the Midwest	25,214
	2013 Crossover Escrow Funds - BOK Financial	<u>10,654,476</u>
	Total Cash	225,018,868
	Less Agency Funds per Schedule 4	<u>(110,122,095)</u>
	Total Reporting Entity (Excluding Agency Funds)	<u>\$ 114,896,773</u>

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, 2020 consisted of certificates of deposit, investments in the Kansas Municipal Investment Pool 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 1<sup>st</sup>.
- \* Publication of the proposed budget and notice of public hearing in the local newspaper on or before August 5<sup>th</sup>.
- \* Public hearing on or before August 15<sup>th</sup>, but at least 10 days after publication of notice of hearing.
- \* Adoption of the final budget on or before August 25<sup>th</sup>.

# Douglas County, Kansas

## Notes to the Financial Statements

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 2020: General fund, Ambulance fund, and Mental Health Sales Tax.

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	Valley View

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 \$210,342,770 and the bank balance was \$212,922,333.

*Investments* - As of December 31, 2020, 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	\$ 4,025,036	\$ 4,021,622	\$ -	27%	N/A
State and Local Government Obligations (SLGS)	10,654,476	125,971	10,528,505	73%	N/A
Total Fair Value	<u>\$ 14,679,512</u>	<u>\$ 4,147,593</u>	<u>\$ 10,528,505</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, 2020, the County’s deposits were fully covered and not exposed to custodial credit risk. At December 31, 2020, the County had invested \$4,021,622 and \$10,654,476 in the State’s municipal investment pool 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 0.07% to 0.19% and maturities ranging from 2/26/2021 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, 2020

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions / Payments	Balance End of Year	Interest Paid
<b>Douglas County:</b>									
General Obligation Bonds - Governmental Funds:									
Series 2008 General Obligation Bonds	4.00 - 4.75%	09/15/08	\$ 280,000	09/01/28	\$ 155,000	\$ -	\$ 15,000	\$ 140,000	\$ 7,213
Series 2009A GO Improvement Bonds	2.63 - 4.25%	10/01/09	2,445,000	09/01/30	1,705,000	-	125,000	1,580,000	69,488
Series 2012D Taxable GO Bonds	1.45 - 2.55%	06/04/12	240,000	08/01/21	55,000	-	30,000	25,000	1,403
Series 2012E General Obligation Bonds	2.625 - 4.00%	09/05/12	175,000	08/01/32	130,000	-	10,000	120,000	4,788
Series 2013 GO Refunding and Sales Tax Bonds	2.00 - 4.50%	07/22/13	14,315,000	08/01/23	13,255,000	-	725,000	12,530,000	555,417
Series 2020A GO Sales Tax Improvement Bonds	1.00 - 3.00%	12/10/20	8,445,000	09/01/40	-	8,445,000	-	8,445,000	-
Series 2020B GO Refunding Bonds	1.50 - 2.00%	12/10/20	10,315,000	09/01/33	-	10,315,000	-	10,315,000	-
Total Bonded Indebtedness					<u>\$15,300,000</u>	<u>\$18,760,000</u>	<u>\$ 905,000</u>	<u>\$33,155,000</u>	<u>\$638,309</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.

Maturities of long-term debt are as follows:

	YEARS								
	2021	2022	2023	2024	2025	2026-2030	2031-2035	2036-2040	Total
<b>PRINCIPAL:</b>									
<b>Douglas County:</b>									
General Obligation Bonds - Governmental Funds:									
Series 2008 General Obligation Bonds	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 20,000	\$ 60,000	\$ -	\$ -	\$ 140,000
Series 2009A GO Improvement Bonds	130,000	135,000	140,000	150,000	155,000	870,000	-	-	1,580,000
Series 2012D Taxable GO Bonds	25,000	-	-	-	-	-	-	-	25,000
Series 2012E General Obligation Bonds	10,000	10,000	10,000	10,000	10,000	50,000	20,000	-	120,000
Series 2013 GO Refunding and Sales Tax Bonds	750,000	780,000	11,000,000	-	-	-	-	-	12,530,000
Series 2020A GO Sales Tax Improvement Bonds	375,000	335,000	345,000	360,000	370,000	2,010,000	2,250,000	2,400,000	8,445,000
Series 2020B GO Refunding Refunding Bonds	-	-	-	945,000	960,000	5,110,000	3,300,000	-	10,315,000
TOTAL PRINCIPAL	<u>1,305,000</u>	<u>1,275,000</u>	<u>11,510,000</u>	<u>1,480,000</u>	<u>1,515,000</u>	<u>8,100,000</u>	<u>5,570,000</u>	<u>2,400,000</u>	<u>33,155,000</u>
<b>INTEREST:</b>									
General Obligation Bonds - Governmental Funds:									
Series 2008 General Obligation Bonds	6,538	5,863	5,188	4,513	3,800	5,700	-	-	31,602
Series 2009A GO Improvement Bonds	65,113	60,563	55,163	49,563	43,563	114,113	-	-	388,078
Series 2012D Taxable GO Bonds	638	-	-	-	-	-	-	-	638
Series 2012E General Obligation Bonds	4,525	4,263	4,000	3,600	3,200	10,000	1,200	-	30,788
Series 2013 GO Refunding and Sales Tax Bonds	526,419	496,419	465,219	-	-	-	-	-	1,488,057
Series 2020A GO Sales Tax Improvement Bonds	128,653	166,203	156,153	145,803	135,003	502,363	269,690	115,190	1,619,058
Series 2020B GO Refunding Refunding Bonds	138,812	191,465	191,465	191,465	172,565	566,425	103,895	-	1,556,092
TOTAL INTEREST	<u>870,698</u>	<u>924,776</u>	<u>877,188</u>	<u>394,944</u>	<u>358,131</u>	<u>1,198,601</u>	<u>374,785</u>	<u>115,190</u>	<u>5,114,313</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 2,175,698</u>	<u>\$ 2,199,776</u>	<u>\$ 12,387,188</u>	<u>\$ 1,874,944</u>	<u>\$ 1,873,131</u>	<u>\$ 9,298,601</u>	<u>\$ 5,944,785</u>	<u>\$ 2,515,190</u>	<u>\$38,269,313</u>

On December 10, 2020, the County issued \$10,315,000 in Taxable General Obligation Refunding Bonds, Series 2020B with interest rates with an average yield of 1.80% due September 1, 2033. The bond proceeds were used to crossover advance refund \$10,185,000 of the Series 2013 bonds. The net proceeds related to the crossover refunding of the Series 2013 bonds of \$10,654,476 were placed into an escrow account to be used temporarily to meet debt service requirements on the new refunding bonds. At a later date, known as the "crossover date," resources in the escrow account will be dedicated exclusively to payment of principal and interest on the refunded bonds. Therefore, crossover refundings do not result in the defeasance of debt until the crossover date. The County has disclosed both the refunding and refunded bonds in the long-term debt disclosure, as well as record the balance of funds held in escrow for their repayment, which totals \$10,654,476 as of December 31, 2020. The crossover date for this refunding is August 1, 2023. The crossover advance refunding was done to obtain an economic gain of \$1,417,281 with a present value savings of \$1,294,535.

## Douglas County, Kansas

### Notes to the Financial Statements

*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, 2020; however, the aggregate principal amount issued (to AGNL Plastics, L.L.C.) was \$21,000,000.

*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, 2020. 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 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.

Annual rollover limits were temporarily lifted due to the COVID 19 pandemic.

*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.



## Douglas County, Kansas

### Notes to the Financial Statements

At December 31, 2020, the liability for compensated absences included:

Douglas County	\$ 4,608,628
Lawrence/Douglas County Health Department	156,456
	<u>\$ 4,765,084</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 was set at 1% for the year ended December 31, 2020.

#### **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 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.

**Douglas County, Kansas**

Notes to the Financial Statements

Changes in self-insured claims liabilities are as follows:

	<u>2020</u>
Estimated unpaid claims, January 1	\$ 1,294,184
Incurred claims (including reported and unreported)	6,228,022
Claim payments	<u>(6,458,415)</u>
Estimated unpaid claims, December 31	<u>\$ 1,063,791</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 \$6,757,774 of unencumbered cash in the Workers' Compensation Fund and the Employee Benefits Trust for future health and workers' compensation claims.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended worldwide mitigation measures. The extent of COVID-19's effect on the County's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the County's operation.

**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](http://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 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.

## Douglas County, Kansas

### Notes to the Financial Statements

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 8.61% for KPERS and 24.58% for KP&F for the fiscal year ended December 31, 2020. Contributions to the pension plan from the County were \$1,883,230 for KPERS and \$1,680,323 for KP&F the year ended December 31, 2020.

#### 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, 2020, 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	\$ 18,888,871
Douglas County - KP&F	14,853,110
Health Department	1,919,675
Extension Council	<u>140,045</u>
Total	<u>\$ 35,801,701</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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, 2020. 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](http://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:

From	To	Authority	Amount
General Fund	Capital Improvement Plan	K.S.A. 19-120	\$ 6,491,977
General Fund	Local County Sales Tax	K.S.A. 12-197	3,723,235
General Fund	Equipment Reserve	K.S.A. 19-119	2,546,508
General Fund	Workers Compensation	K.S.A. 12-2615	330,000
General Fund	Ambulance Fund	K.S.A. 12-110d	417,390
Special Liability	Workers Compensation	K.S.A. 12-2615	581,441
Special Building	General Fund	K.S.A. 19-119	400,000
Road & Bridge	Equipment Reserve	K.S.A. 19-119	625,000
Road & Bridge	Special Highway Improvement	K.S.A. 68-590	23,013
Equipment Reserve	Emergency Telephone Service	K.S.A. 19-119	342,162
Motor Vehicle Operations	Equipment Reserve	K.S.A. 19-119	1,000
Ambulance	Ambulance Capital Reserve	K.S.A. 19-119	707,879
Register of Deeds Technology	Equipment Reserve	K.S.A. 19-119	300,000
			<u>\$ 16,489,605</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.

In the current year, the County received 5 payments from the City, which included the 4<sup>th</sup> quarter payment from 2019. The County made all 4 payments to the City, per the agreement.

*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 1/6<sup>th</sup> 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 2020.

*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

## Douglas County, Kansas

### Notes to the Financial Statements

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 2021.

*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 2020.

#### **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. As of December 31, 2020, \$7,618,290 had been expended, leaving \$326,619 in construction and other project commitments remaining as of December 31, 2020. The fairgrounds renovation project was formally closed at the end of 2020 and funds were subsequently reallocated to a new project at the fairgrounds in 2021 to further improve existing infrastructure.

#### **F. Subsequent Events**

On June 17<sup>th</sup>, the County received the first half allocation of the Federal funding from the American Rescue Plan Act of \$11,873,689. The remaining payment is expected to be received within the next 12 months.

REGULATORY - REQUIRED  
SUPPLEMENTARY INFORMATION

Schedule of Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

	<u>Certified Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over(Under)</u>
GOVERNMENTAL TYPE FUNDS:			
GENERAL FUND	\$ 66,402,345	\$ 58,774,761	\$ (7,627,584)
SPECIAL PURPOSE FUNDS:			
Ambulance	8,528,836	8,043,155	(485,681)
Emergency Telephone Service	1,117,753	883,188	(234,565)
Employee Benefits	13,000,028	11,718,492	(1,281,536)
Motor Vehicle Operations	1,091,915	802,110	(289,805)
Road & Bridge	6,803,330	5,580,494	(1,222,836)
Special Alcohol	66,887	-	(66,887)
Special Building	1,540,120	914,668	(625,452)
Special Liability	818,441	627,129	(191,312)
Special Parks & Recreation	36,870	21,168	(15,702)
CAPITAL PROJECT FUND:			
Mental Health Sales Tax	6,000,000	5,183,284	(816,716)
DEBT SERVICE FUNDS:			
Bond and Interest	808,916	301,690	(507,226)
Local County Sales Tax	8,133,365	1,391,697	(6,741,668)



Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**General Fund**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>Cash receipts:</b>			
Taxes:			
Ad valorem property tax	\$ 45,714,390	\$ 45,714,391	\$ (1)
Delinquent tax	489,402	489,498	(96)
Motor vehicle tax	4,005,854	4,116,177	(110,323)
Local county sales tax	7,446,470	7,400,000	46,470
Interest and penalties	614,585	250,000	364,585
Total taxes	<u>58,270,701</u>	<u>57,970,066</u>	<u>300,635</u>
Licenses, fees, and permits:			
Licenses, permits & fees	1,757,758	1,575,000	182,758
Charges for services	83,675	132,400	(48,725)
District court fees	398,224	460,000	(61,776)
Total licenses, fees, and permits	<u>2,239,657</u>	<u>2,167,400</u>	<u>72,257</u>
Use of money and property:			
Interest on idle funds	951,874	427,149	524,725
Total interest	<u>951,874</u>	<u>427,149</u>	<u>524,725</u>
Other:			
Rental income	81,657	78,700	2,957
Sale of chemicals	79,153	50,000	29,153
Intergovernmental	27,116	30,000	(2,884)
Sale of commodities	900	1,000	(100)
Miscellaneous income	86,534	100,000	(13,466)
Transfers	400,000	88,697	311,303
Total other	<u>675,360</u>	<u>348,397</u>	<u>326,963</u>
Total cash receipts	<u>\$ 62,137,592</u>	<u>\$ 60,913,012</u>	<u>\$ 1,224,580</u>
<b>Expenditures:</b>			
Administration:			
Personnel services	\$ 787,458	\$ 758,096	\$ 29,362
Contractual services	110,810	126,750	(15,940)
Commodities	657	5,000	(4,343)
Capital outlay	59	-	59
Total administration	<u>898,984</u>	<u>889,846</u>	<u>9,138</u>
Administrative services:			
Personnel services	477,668	495,192	(17,524)
Contractual services	540,602	491,172	49,430
Reimbursements	(39,514)	(13,227)	(26,287)
Total administrative services	<u>978,756</u>	<u>973,137</u>	<u>5,619</u>
Agencies county funded:			
Contractual services	7,618,648	7,618,659	(11)
Total agency county funded	<u>7,618,648</u>	<u>7,618,659</u>	<u>(11)</u>

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**General Fund**

	Actual	Budget	Variance- Over (Under)
Appraiser:			
Personnel services	748,610	781,788	(33,178)
Contractual services	9,909	39,200	(29,291)
Capital outlay	1,627	5,300	(3,673)
Total appraiser	<u>760,146</u>	<u>826,288</u>	<u>(66,142)</u>
Behavioral health projects:			
Contractual services	-	155,000	(155,000)
Commodities	263	10,000	(9,737)
Miscellaneous	2,129,164	2,079,633	49,531
Total behavioral health projects	<u>2,129,427</u>	<u>2,244,633</u>	<u>(115,206)</u>
CIP projects - capital improvements:			
Transfers to CIP	6,491,977	6,491,977	-
Total CIP projects	<u>6,491,977</u>	<u>6,491,977</u>	<u>-</u>
Commissioners:			
Personnel services	116,382	99,261	17,121
Contractual services	367,016	243,858	123,158
Miscellaneous	3,442	221,380	(217,938)
Total commissioners	<u>486,840</u>	<u>564,499</u>	<u>(77,659)</u>
Coroner:			
Contractual services	303,961	251,550	52,411
Commodities	3,337	2,000	1,337
Capital outlay	1,000	3,500	(2,500)
Miscellaneous	-	107,179	(107,179)
Total coroner	<u>308,298</u>	<u>364,229</u>	<u>(55,931)</u>
County Clerk:			
Personnel services	457,548	355,002	102,546
Contractual services	1,160	1,225	(65)
Commodities	-	450	(450)
Miscellaneous	16	200	(184)
Total county clerk	<u>458,724</u>	<u>356,877</u>	<u>101,847</u>
Countywide:			
Contractual services	848,184	916,800	(68,616)
Commodities	154,386	150,000	4,386
Miscellaneous	26,037	12,500	13,537
Reimbursements	(382)	(500)	118
Total countywide	<u>1,028,225</u>	<u>1,078,800</u>	<u>(50,575)</u>

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**General Fund**

	Actual	Budget	Variance- Over (Under)
Court operating:			
Personnel services	389,537	456,299	(66,762)
Contractual services	679,761	1,007,940	(328,179)
Commodities	29,371	20,770	8,601
Capital outlay	55,220	8,105	47,115
Miscellaneous	7,749	15,197	(7,448)
Reimbursements	(77,306)	(89,158)	11,852
Total court operating	<u>1,084,332</u>	<u>1,419,153</u>	<u>(334,821)</u>
Court trustee:			
Personnel services	455,032	455,846	(814)
Contractual services	2,703	4,250	(1,547)
Commodities	578	1,500	(922)
Capital outlay	1,245	2,100	(855)
Miscellaneous	5,602	7,400	(1,798)
Total court trustee	<u>465,160</u>	<u>471,096</u>	<u>(5,936)</u>
Criminal justice services:			
Personnel services	2,184,641	2,215,229	(30,588)
Contractual services	344,485	504,528	(160,043)
Commodities	84,888	143,136	(58,248)
Capital Outlay	9,625	9,470	155
Miscellaneous	322,633	736,871	(414,238)
Reimbursements	(199,598)	(122,234)	(77,364)
Total criminal justice services	<u>2,746,674</u>	<u>\$3,487,000</u>	<u>(740,326)</u>
DA criminal justice coordination:			
Personnel services	43,501	43,345	156
Total DA criminal justice coordination	<u>43,501</u>	<u>43,345</u>	<u>156</u>
District Attorney:			
Personnel services	2,255,794	2,368,418	(112,624)
Contractual services	128,378	226,487	(98,109)
Capital outlay	27,896	41,100	(13,204)
Miscellaneous	13,077	25,000	(11,923)
Reimbursements	(114,446)	(113,487)	(959)
Transfers	3,000	-	3,000
Total district attorney	<u>2,313,699</u>	<u>2,547,518</u>	<u>(233,819)</u>
Elections:			
Personnel services	192,784	219,984	(27,200)
Contractual services	384,855	293,910	90,945
Commodities	108,882	71,467	37,415
Miscellaneous	-	217	(217)
Reimbursements	(121,609)	-	(121,609)
Total elections	<u>564,912</u>	<u>585,578</u>	<u>(20,666)</u>
Emergency communication center:			
Personnel services	1,522,901	1,879,313	(356,412)
Contractual services	102,791	68,543	34,248
Commodities	20,270	30,000	(9,730)
Capital outlay	51,331	25,000	26,331
Miscellaneous	404	1,500	(1,096)
Reimbursements	(1,058,301)	(1,383,365)	325,064
Total emergency communication center	<u>639,396</u>	<u>620,991</u>	<u>18,405</u>

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**General Fund**

	Actual	Budget	Variance- Over (Under)
Emergency management:			
Personnel services	194,546	186,798	7,748
Contractual services	41,384	47,655	(6,271)
Commodities	1,327	4,600	(3,273)
Capital outlay	-	5,000	(5,000)
Miscellaneous	8,353	4,500	3,853
Transfers	48,000	48,000	-
Total emergency management	<u>293,610</u>	<u>296,553</u>	<u>(2,943)</u>
Fairgrounds:			
Personnel services	269,200	296,727	(27,527)
Contractual services	39,355	45,000	(5,645)
Commodities	42,600	45,000	(2,400)
Transfers	50,000	50,000	-
Total fairgrounds	<u>401,155</u>	<u>436,727</u>	<u>(35,572)</u>
First Responders:			
Personnel services	4,043	5,200	(1,157)
Contractual services	62,323	121,900	(59,577)
Commodities	61,694	75,050	(13,356)
Capital outlay	38,241	48,400	(10,159)
Miscellaneous	26,331	27,121	(790)
Transfers	11,155	5,750	5,405
Total first responders	<u>203,787</u>	<u>283,421</u>	<u>(79,634)</u>
Fleet operations:			
Personnel services	282,364	262,191	20,173
Contractual services	79,338	79,826	(488)
Commodities	546,792	829,457	(282,665)
Capital outlay	13,981	14,572	(591)
Transfers	25,000	22,769	2,231
Total fleet operations	<u>947,475</u>	<u>1,208,815</u>	<u>(261,340)</u>
Geographic information system:			
Personnel services	185,797	210,716	(24,919)
Contractual services	1,029	6,000	(4,971)
Commodities	983	1,200	(217)
Total geographic information system	<u>187,809</u>	<u>217,916</u>	<u>(30,107)</u>
Heritage Conservation Fund:			
Personnel services	38,380	36,628	1,752
Miscellaneous	130,067	248,372	(118,305)
Reimbursements	(1,000)	-	(1,000)
Transfers	116,553	-	116,553
Total heritage conservation fund	<u>284,000</u>	<u>285,000</u>	<u>(1,000)</u>
Information technology:			
Personnel services	855,022	869,285	(14,263)
Contractual services	555,774	639,390	(83,616)
Commodities	7,730	12,500	(4,770)
Capital outlay	129,172	170,500	(41,328)
Miscellaneous	164	500	(336)
Transfers	50,000	50,000	-
Total information technology	<u>1,597,862</u>	<u>1,742,175</u>	<u>(144,313)</u>

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**General Fund**

	Actual	Budget	Variance- Over (Under)
Maintenance:			
Personnel services	686,317	683,119	3,198
Contractual services	179,564	195,596	(16,032)
Commodities	119,946	136,500	(16,554)
Reimbursements	(204,546)	(29,765)	(174,781)
Transfers	20,000	20,000	-
Total maintenance	<u>801,281</u>	<u>1,005,450</u>	<u>(204,169)</u>
Parks and Vegetation:			
Personnel services	326,209	367,936	(41,727)
Contractual services	33,122	35,755	(2,633)
Commodities	138,894	167,610	(28,716)
Transfers	45,000	45,000	-
Total parks and vegetation	<u>543,225</u>	<u>616,301</u>	<u>(73,076)</u>
Register of Deeds:			
Personnel services	367,755	368,633	(878)
Miscellaneous	30,000	30,000	-
Transfers	1,000	1,000	-
Total register of deeds	<u>398,755</u>	<u>399,633</u>	<u>(878)</u>
Shared costs & transfers:			
Personnel services	127,773	90,000	37,773
Agencies and projects	1,561,053	-	1,561,053
Miscellaneous	35,393	1,581,763	(1,546,370)
Reimbursements	(134,213)	(105,900)	(28,313)
Transfers	5,836,425	9,990,373	(4,153,948)
Total shared costs & transfers	<u>7,426,431</u>	<u>11,556,236</u>	<u>(4,129,805)</u>
Sheriff:			
Personnel services	4,806,374	5,321,847	(515,473)
Contractual services	378,524	498,908	(120,384)
Commodities	254,493	245,935	8,558
Reimbursements	(71,887)	(127,587)	55,700
Transfers	574,000	577,370	(3,370)
Total sheriff	<u>5,941,504</u>	<u>6,516,473</u>	<u>(574,969)</u>
Sheriff jail:			
Personnel services	6,092,065	5,964,652	127,413
Contractual services	1,990,732	2,963,960	(973,228)
Commodities	734,726	726,710	8,016
Capital Outlay	64,770	49,350	15,420
Reimbursements	(381,481)	(867,601)	486,120
Transfers	230,000	222,561	7,439
Total sheriff jail	<u>8,730,812</u>	<u>9,059,632</u>	<u>(328,820)</u>

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**General Fund**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Sustainability management:			
Personnel services	150,504	155,397	(4,893)
Contractual services	99,045	109,528	(10,483)
Commodities	144	-	144
Miscellaneous	6,800	6,800	-
Reimbursements	(35,192)	(39,418)	4,226
Total sustainability management	<u>221,301</u>	<u>232,307</u>	<u>(11,006)</u>
Treasurer:			
Personnel services	298,952	295,663	3,289
Contractual services	4,913	13,150	(8,237)
Commodities	12,980	17,000	(4,020)
Capital outlay	-	1,000	(1,000)
Transfers	1,000	1,000	-
Total treasurer	<u>317,845</u>	<u>327,813</u>	<u>(9,968)</u>
Utility communication equipment maintenance:			
Contractual services	23,903	73,000	(49,097)
Total utility communication equipment maintenance	<u>23,903</u>	<u>73,000</u>	<u>(49,097)</u>
Utilities:			
Contractual services	994,812	1,118,600	(123,788)
Commodities	3,082	2,000	1,082
Capital outlay	6,918	20,000	(13,082)
Reimbursements	(37,862)	(42,225)	4,363
Total utilities	<u>966,950</u>	<u>1,098,375</u>	<u>(131,425)</u>
Zoning:			
Personnel services	454,817	449,042	5,775
Contractual services	5,423	5,350	73
Commodities	3,067	2,500	567
Miscellaneous	50	-	50
Transfers	6,000	6,000	-
Total zoning	<u>469,357</u>	<u>462,892</u>	<u>6,465</u>
Total expenditures	<u>58,774,761</u>	<u>\$ 66,402,345</u>	<u>\$ (7,627,584)</u>
Receipts over (under) expenditures	3,362,831		
Unencumbered cash, beginning	6,650,319		
Unencumbered cash, ending	<u>\$ 10,013,150</u>		

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Special Purpose Fund - Ambulance**

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 4,271,449	\$ 4,428,000	\$ (156,551)
Motor vehicle tax	481,316	492,690	(11,374)
Delinquent tax	55,121	56,000	(879)
Charges for services	3,044,223	3,361,099	(316,876)
Transfers	417,390	417,390	-
Total cash receipts	8,269,499	\$ 8,755,179	\$ (485,680)
Expenditures:			
Contractual services	7,004,179	\$ 7,053,237	\$ (49,058)
Commodities	301,614	230,000	71,614
Miscellaneous	57	-	57
Capital outlay	29,426	110,000	(80,574)
Transfers	707,879	1,135,599	(427,720)
Total expenditures	8,043,155	\$ 8,528,836	\$ (485,681)
Receipts over (under) expenditures	226,344		
Unencumbered cash, beginning	134,755		
Unencumbered cash, ending	\$ 361,099		

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Special Purpose Fund - Emergency Telephone Service**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
911 emergency telephone service tax	\$ 640,032	\$ 575,000	\$ 65,032
Interest income	1,981	5,000	(3,019)
Transfers	342,162	-	342,162
	<u>984,175</u>	<u>\$ 580,000</u>	<u>\$ 404,175</u>
Expenditures:			
Contractual services	848,753	\$ 971,478	\$ (122,725)
Miscellaneous	-	111,775	(111,775)
Capital outlay	34,435	34,500	(65)
	<u>883,188</u>	<u>\$ 1,117,753</u>	<u>\$ (234,565)</u>
Receipts over (under) expenditures	100,987		
Unencumbered cash, beginning	<u>157,439</u>		
Unencumbered cash, ending	<u>\$ 258,426</u>		



Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Special Purpose Fund - Employee Benefits**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 11,058,715	\$ 11,012,630	\$ 46,085
Motor vehicle tax	895,908	911,114	(15,206)
Delinquent tax	113,903	80,150	33,753
Intergovernmental	705,972	440,000	265,972
Miscellaneous	46,688	50,000	(3,312)
Total cash receipts	<u>12,821,186</u>	<u>\$ 12,493,894</u>	<u>\$ 327,292</u>
Expenditures:			
Personnel services	11,716,245	\$ 12,484,099	\$ (767,854)
Miscellaneous	2,247	515,929	(513,682)
Total expenditures	<u>11,718,492</u>	<u>\$ 13,000,028</u>	<u>\$ (1,281,536)</u>
Receipts over (under) expenditures	1,102,694		
Unencumbered cash, beginning	<u>1,181,757</u>		
Unencumbered cash, ending	<u>\$ 2,284,451</u>		

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Special Purpose Fund - Motor Vehicle Operations**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Charges for services	\$ 717,895	\$ 876,600	\$ (158,705)
Total cash receipts	<u>717,895</u>	<u>\$ 876,600</u>	<u>\$ (158,705)</u>
Expenditures:			
Personnel services	759,390	\$ 784,215	\$ (24,825)
Contractual services	41,032	42,000	(968)
Commodities	688	6,850	(6,162)
Miscellaneous	-	117,367	(117,367)
Transfers	<u>1,000</u>	<u>141,483</u>	<u>(140,483)</u>
Total expenditures	<u>802,110</u>	<u>\$ 1,091,915</u>	<u>\$ (289,805)</u>
Receipts over (under) expenditures	(84,215)		
Unencumbered cash, beginning	<u>304,012</u>		
Unencumbered cash, ending	<u>\$ 219,797</u>		

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Special Purpose Fund - Road and Bridge**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 3,874,183	\$ 3,857,321	\$ 16,862
Motor vehicle tax	327,726	335,980	(8,254)
Delinquent tax	42,290	30,000	12,290
Intergovernmental	1,847,387	1,800,000	47,387
Licenses, permits & fees	-	5,000	(5,000)
Sale of commodities	-	150,000	(150,000)
Charges for services	28,194	23,545	4,649
Miscellaneous	<u>121,873</u>	<u>19,000</u>	<u>102,873</u>
 Total cash receipts	 <u>6,241,653</u>	 <u>\$ 6,220,846</u>	 <u>\$ 20,807</u>
 Expenditures:			
Personnel services	2,818,388	\$ 2,936,630	\$ (118,242)
Contractual services	997,220	1,694,600	(697,380)
Commodities	1,110,750	1,489,100	(378,350)
Capital outlay	6,123	8,000	(1,877)
Transfers	<u>648,013</u>	<u>675,000</u>	<u>(26,987)</u>
 Total expenditures	 <u>5,580,494</u>	 <u>\$ 6,803,330</u>	 <u>\$ (1,222,836)</u>
 Receipts over (under) expenditures	 661,159		
 Unencumbered cash, beginning	 <u>1,181,340</u>		
 Unencumbered cash, ending	 <u>\$ 1,842,499</u>		

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Special Purpose Fund - Special Alcohol**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Special alcohol tax	<u>\$ 33,327</u>	<u>\$ 28,547</u>	<u>\$ 4,780</u>
Total cash receipts	<u>33,327</u>	<u>\$ 28,547</u>	<u>\$ 4,780</u>
Expenditures:			
Agencies and projects	<u>-</u>	<u>\$ 66,887</u>	<u>\$ (66,887)</u>
Total expenditures	<u>-</u>	<u>\$ 66,887</u>	<u>\$ (66,887)</u>
Receipts over (under) expenditures	33,327		
Unencumbered cash, beginning	<u>45,880</u>		
Unencumbered cash, ending	<u>\$ 79,207</u>		

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Special Purpose Fund - Special Building**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 552,438	\$ 550,000	\$ 2,438
Motor vehicle tax	64,321	65,471	(1,150)
Delinquent tax	<u>7,589</u>	<u>2,500</u>	<u>5,089</u>
Total cash receipts	<u>624,348</u>	<u>\$ 617,971</u>	<u>\$ 6,377</u>
Expenditures:			
Contractual services	122,545	\$ 400,000	\$ (277,455)
Commodities	6,557	-	6,557
Capital outlay	385,566	740,120	(354,554)
Transfers	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total expenditures	<u>914,668</u>	<u>\$ 1,540,120</u>	<u>\$ (625,452)</u>
Receipts over (under) expenditures	(290,320)		
Unencumbered cash, beginning	<u>1,240,772</u>		
Unencumbered cash, ending	<u>\$ 950,452</u>		

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Special Purpose Fund - Special Liability**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 636,443	\$ 633,968	\$ 2,475
Motor vehicle tax	62,192	65,171	(2,979)
Delinquent tax	<u>6,683</u>	<u>2,000</u>	<u>4,683</u>
Total cash receipts	<u>705,318</u>	<u>\$ 701,139</u>	<u>\$ 4,179</u>
Expenditures:			
Contractual services	39,656	\$ 237,000	\$ (197,344)
Miscellaneous	6,032	-	6,032
Transfers	<u>581,441</u>	<u>581,441</u>	<u>-</u>
Total expenditures	<u>627,129</u>	<u>\$ 818,441</u>	<u>\$ (191,312)</u>
Receipts over (under) expenditures	78,189		
Unencumbered cash, beginning	<u>180,025</u>		
Unencumbered cash, ending	<u>\$ 258,214</u>		

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Special Purpose Fund - Special Parks and Recreation**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Special alcohol tax	\$ 25,352	\$ 20,578	\$ 4,774
Miscellaneous	7,782	-	7,782
	<u>33,134</u>	<u>\$ 20,578</u>	<u>\$ 12,556</u>
Expenditures:			
Capital outlay	21,168	\$ -	\$ 21,168
Recreation facilities	-	36,870	(36,870)
	<u>21,168</u>	<u>\$ 36,870</u>	<u>\$ (15,702)</u>
Receipts over (under) expenditures	11,966		
Unencumbered cash, beginning	<u>70,431</u>		
Unencumbered cash, ending	<u>\$ 82,397</u>		

DOUGLAS COUNTY, KANSAS

Schedule 2-11

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2020

**Non-budgeted Special Purpose Funds**

	Ambulance Capital Reserve	Community Correction Plan	Donations	Equipment Reserve	Grants Program	Prosecutor Training & Assistance
Cash receipts:						
Intergovernmental	\$ -	\$ 494,894	\$ -	\$ 57,610	\$ 25,549,186	\$ -
Licenses, permits & fees	-	-	-	-	-	-
Sale of property	-	-	-	49,360	-	-
Charges for services	-	-	-	-	-	5,356
Interest income	4,645	-	-	60,032	-	-
Miscellaneous	-	11,916	3,700	72,860	-	-
Transfers	707,879	-	-	3,472,508	-	-
Total cash receipts	712,524	506,810	3,700	3,712,370	25,549,186	5,356
Expenditures:						
Personnel services	-	526,557	-	-	137,223	-
Contractual services	-	3,605	-	621,383	21,556,823	4,414
Commodities	-	6,342	2,533	272,672	289,049	-
Miscellaneous	-	416	564	159,078	47,651	-
Capital outlay	567,029	-	9,500	1,790,117	301,111	-
Agencies and projects	-	-	-	164,805	-	-
Transfers	-	-	-	342,162	-	-
Total expenditures	567,029	536,920	12,597	3,350,217	22,331,857	4,414
Receipts over (under) expenditures	145,495	(30,110)	(8,897)	362,153	3,217,329	942
Unencumbered cash, beginning	1,169,644	44,786	41,560	9,046,473	360,124	511
Unencumbered cash, ending	\$ 1,315,139	\$ 14,676	\$ 32,663	\$ 9,408,626	\$ 3,577,453	\$ 1,453

(Continued)



DOUGLAS COUNTY, KANSAS

Schedule 2-11

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2020

**Non-budgeted Special Purpose Funds**

	Register of Deeds Technology	Sheriff Special Use	Special Law Enforcement Trust	Special Highway Improvement	Youth Services Grants	Valley View	Total
Cash receipts:							
Intergovernmental	\$ -	\$ -	\$ -	\$ 58,882	\$ 488,013	\$ -	\$ 26,648,585
Licenses, permits & fees	-	95,029	24,634	-	-	-	119,663
Sale of property	-	-	-	-	-	-	49,360
Charges for services	276,772	-	-	-	-	2,640	284,768
Interest income	3,953	-	5,364	-	-	591	74,585
Miscellaneous	-	-	-	-	-	-	88,476
Transfers	-	-	-	23,013	-	-	4,203,400
Total cash receipts	<u>280,725</u>	<u>95,029</u>	<u>29,998</u>	<u>81,895</u>	<u>488,013</u>	<u>3,231</u>	<u>31,468,837</u>
Expenditures:							
Personnel services	-	41,224	-	-	449,405	-	1,154,409
Contractual services	4,286	3,681	4,807	240,183	64,709	-	22,503,891
Commodities	-	55,568	16,771	2,990	8,706	17,904	672,535
Miscellaneous	-	-	-	-	904	-	208,613
Capital outlay	21,211	-	3,201	-	-	-	2,692,169
Agencies and projects	-	-	-	-	-	-	164,805
Transfers	300,000	-	-	-	-	-	642,162
Total expenditures	<u>325,497</u>	<u>100,473</u>	<u>24,779</u>	<u>243,173</u>	<u>523,724</u>	<u>17,904</u>	<u>28,038,584</u>
Receipts over (under) expenditures	(44,772)	(5,444)	5,219	(161,278)	(35,711)	(14,673)	3,430,253
Unencumbered cash, beginning	<u>473,614</u>	<u>12,236</u>	<u>695,748</u>	<u>749,005</u>	<u>165,155</u>	<u>86,698</u>	<u>12,845,554</u>
Unencumbered cash, ending	<u>\$ 428,842</u>	<u>\$ 6,792</u>	<u>\$ 700,967</u>	<u>\$ 587,727</u>	<u>\$ 129,444</u>	<u>\$ 72,025</u>	<u>\$ 16,275,807</u>

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

**Capital Project Fund - Mental Health Sales Tax**

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Local county sales tax	\$ 5,100,331	\$ 4,700,000	\$ 400,331
Miscellaneous	2,014,002	-	2,014,002
Bond proceeds	8,445,000	-	8,445,000
Bond premium proceeds	483,357	-	483,357
	<u>16,042,690</u>	<u>\$ 4,700,000</u>	<u>\$ 11,342,690</u>
Expenditures:			
Commodities	329,916	\$ -	\$ 329,916
Capital outlay	4,724,974	6,000,000	(1,275,026)
Bond process fees	128,394	-	128,394
	<u>5,183,284</u>	<u>\$ 6,000,000</u>	<u>\$ (816,716)</u>
Receipts over (under) expenditures	10,859,406		
Unencumbered cash, beginning	<u>2,861,016</u>		
Unencumbered cash, ending	<u>\$ 13,720,422</u>		

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2020

**Capital Project Fund - Capital Improvement Fund**

	<u>Actual</u>
Cash receipts:	
Intergovernmental	\$ 418,791
Lease proceeds	31,200
Interest income	196,635
Miscellaneous	285,172
Transfers	<u>6,491,977</u>
Total cash receipts	<u>7,423,775</u>
Expenditures:	
Contractual services	4,764,086
Miscellaneous	158,881
Capital outlay	<u>539,950</u>
Total expenditures	<u>5,462,917</u>
Receipts over (under) expenditures	1,960,858
Unencumbered cash, beginning	<u>27,778,193</u>
Unencumbered cash, ending	<u><u>\$ 29,739,051</u></u>

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Delinquent tax	\$ 2	\$ -	\$ 2
Special assessments	<u>292,240</u>	<u>301,055</u>	<u>(8,815)</u>
Total cash receipts	<u>292,242</u>	<u>\$ 301,055</u>	<u>\$ (8,813)</u>
Expenditures:			
Miscellaneous	38,800	\$ 30,000	\$ 8,800
Payment to State	-	38,800	(38,800)
Principal	180,000	180,000	-
Interest	82,890	82,890	-
Future payments	<u>-</u>	<u>477,226</u>	<u>(477,226)</u>
Total expenditures	<u>301,690</u>	<u>\$ 808,916</u>	<u>\$ (507,226)</u>
Receipts over (under) expenditures	(9,448)		
Unencumbered cash, beginning	<u>500,717</u>		
Unencumbered cash, ending	<u>\$ 491,269</u>		

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Bond proceeds	\$ 10,315,000	\$ -	\$ 10,315,000
Bond premium proceeds	472,815	-	472,815
Transfers	<u>3,723,235</u>	<u>3,600,000</u>	<u>123,235</u>
Total cash receipts	<u>14,511,050</u>	<u>\$ 3,600,000</u>	<u>\$ 10,911,050</u>
Expenditures:			
Principal	725,000	\$ 725,000	\$ -
Interest	555,419	555,419	-
Bond process fees	111,278	-	111,278
Future payments	<u>-</u>	<u>6,852,946</u>	<u>(6,852,946)</u>
Total expenditures	<u>1,391,697</u>	<u>\$ 8,133,365</u>	<u>\$ (6,741,668)</u>
Receipts over (under) expenditures	13,119,353		
Unencumbered cash, beginning	<u>4,671,686</u>		
Unencumbered cash, ending	<u>\$ 17,791,039</u>		

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2020

**Internal Service Fund - Employee Benefits Trust**

	Actual
Cash receipts:	
Charges for services	\$ 10,952,283
Interest income	6,721
Miscellaneous	994,940
Total cash receipts	11,953,944
Expenditures:	
Claims paid	8,811,306
Contractual services	1,569,619
Total expenditures	10,380,925
Receipts over expenditures	1,573,019
Unencumbered cash, beginning	4,202,944
Unencumbered cash, ending	\$ 5,775,963

**Internal Service Fund - Workers' Compensation**

	Actual
Cash receipts:	
Intergovernmental	\$ 2,160
Interest income	2,122
Miscellaneous	35,661
Transfers	911,441
Total cash receipts	951,384
Expenditures:	
Personnel services	331,419
Contractual services	159,653
Total expenditures	491,072
Receipts over expenditures	460,312
Unencumbered cash, beginning	521,499
Unencumbered cash, ending	\$ 981,811

**DOUGLAS COUNTY, KANSAS**

Schedule 3

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2020

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

	<u>Actual</u>
Cash receipts:	
County appropriation	\$ 510,874
Charges for services	269,263
Miscellaneous	<u>12,539</u>
Total cash receipts	<u>792,676</u>
Expenditures:	
Personnel services	587,751
Contractual services	163,696
Commodities	35,262
Capital outlay	<u>34,902</u>
Total expenditures	<u>821,611</u>
Receipts over expenditures	(28,935)
Unencumbered cash, beginning	<u>527,123</u>
Unencumbered cash, ending	<u><u>\$ 498,188</u></u>

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

	<u>Actual</u>
Cash receipts:	
City/County appropriation	\$ 1,594,356
Grants	3,863,911
Charges for services	491,064
Interest	3,652
Miscellaneous	<u>5,408</u>
Total cash receipts	<u>5,958,391</u>
Expenditures:	
Personnel services	3,182,867
Contractual services	840,024
Commodities	449,446
Capital outlay	<u>1,105,197</u>
Total expenditures	<u>5,577,534</u>
Receipts over expenditures	380,857
Unencumbered cash, beginning	<u>3,019,931</u>
Unencumbered cash, ending	<u><u>\$ 3,400,788</u></u>

**DOUGLAS COUNTY, KANSAS**

Schedule 3

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2020

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

	<u>Actual</u>
Cash receipts:	
County appropriation	\$ 12,000
Charges for services	121,880
Interest income	<u>55</u>
Total cash receipts	<u>133,935</u>
Expenditures:	
Personnel services	29,573
Contractual services	5,895
Commodities	120,740
Capital outlay	<u>7,991</u>
Total expenditures	<u>164,199</u>
Receipts over expenditures	(30,264)
Unencumbered cash, beginning	<u>55,478</u>
Unencumbered cash, ending	<u><u>\$ 25,214</u></u>

Summary of Receipts and Disbursements  
Regulatory Basis

For the Year Ended December 31, 2020

**Agency Funds**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Tax Accounts	\$ 99,988,349	353,688,968	\$ 347,565,846	\$ 106,111,471
Motor Vehicle Accounts	3,583,574	15,385,787	15,099,192	3,870,169
Total Distributable Funds	<u>103,571,923</u>	<u>369,074,755</u>	<u>362,665,038</u>	<u>109,981,640</u>
Other Agency Funds:				
Sheriff Seized Property	2,872	22	-	2,894
Sheriff Inmate Funds	15,405	179,522	170,000	24,927
Sheriff Bond Fund	2,842	199,566	200,749	1,659
District Attorney Funds	131,814	28,606	52,528	107,892
Payroll Clearing	381	2,702	-	3,083
Total Other Agency Funds	<u>153,314</u>	<u>410,418</u>	<u>423,277</u>	<u>140,455</u>
Total Agency Funds	<u>\$ 103,725,237</u>	<u>\$ 369,485,173</u>	<u>\$ 363,088,315</u>	<u>\$ 110,122,095</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

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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, 2020, and the related notes to the financial statement, and have issued our report thereon dated July 19, 2021. 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.

### **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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency in internal control that we consider to be a significant deficiency, described below.

### **Finding 2020-001 Significant Deficiency - Prior Reference Number: 2019-001**

**Condition** - Purchase orders under \$20,000 can be created and approved by the same person.

**Cause** - The new ERP system implemented in 2015 allows for the same person to both enter and approve the purchase orders they have entered, primarily in those departments that are small, though all purchase orders over \$20,000 require an additional approval from at least the department making the purchase.

**Effect** - A lack of controls and procedures could result in a misstatement to the financial statement.

**Recommendation** - There should be a separation between the entry function and the approval function to ensure that no fraudulent purchase orders are entered. Accounts payable is responsible for reviewing and approving setup of all new vendors in the system.

### **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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The County's Response to Finding**

The County's response to the finding identified in our audit is described below. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

#### ***Finding 2020-001: Management's Response/Corrective Action Plan (Unaudited)***

##### Management's Response:

It is important to note that some departments are small enough that the department head does enter and approve the Purchase Orders. However, no vendors can be added without the approval of Accounts Payable. Also, when the invoice is presented for payment Accounts Payable reviews every invoice regardless of the dollar amount.

### **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

July 19, 2021  
Wichita, Kansas