

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2023

AND

INDEPENDENT AUDITOR'S REPORT

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

DOUGLAS COUNTY, KANSAS

**REGULATORY BASIS
FINANCIAL STATEMENTS**

Year Ended December 31, 2023

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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, 2023, 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, 2023, 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, 2023, 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 Statement 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 statement, 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 July 26, 2024 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, Kansas
July 26, 2024

DOUGLAS COUNTY, KANSAS

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

For the Year Ended December 31, 2023

| | Beginning Unencumbered Cash Balance 1/1/2023 | Cash Receipts | Expenditures | Ending Unencumbered Cash Balance 12/31/2023 | Add Outstanding Encumbrances and Accounts Payable | Ending Cash Balance 12/31/2023 |
|------------------------------------|---|-----------------------|-----------------------|---|---|---|
| GOVERNMENTAL TYPE FUNDS: | | | | | | |
| GENERAL FUND | \$ 16,174,967 | \$ 77,545,498 | \$ 71,874,925 | \$ 21,845,540 | \$ 1,920,590 | \$ 23,766,130 |
| SPECIAL PURPOSE FUNDS: | | | | | | |
| Ambulance | 1,856,903 | 8,568,495 | 8,618,983 | 1,806,415 | - | 1,806,415 |
| Emergency Telephone Service | 256,825 | 665,069 | 556,148 | 365,746 | - | 365,746 |
| Employee Benefits | 3,827,757 | 15,691,205 | 13,766,908 | 5,752,054 | 3,547,022 | 9,299,076 |
| Motor Vehicle Operations | 286,253 | 820,500 | 815,675 | 291,078 | 16,103 | 307,181 |
| Road & Bridge | 2,363,942 | 7,095,119 | 6,850,887 | 2,608,174 | 78,832 | 2,687,006 |
| Special Alcohol | 88,134 | 62,412 | - | 150,546 | - | 150,546 |
| Special Building | 1,081,421 | 181,340 | 460,639 | 802,122 | - | 802,122 |
| Special Liability | 357,265 | 719,276 | 859,001 | 217,540 | - | 217,540 |
| Special Parks & Recreation | 198,031 | 52,667 | 24,594 | 226,104 | - | 226,104 |
| Consolidated Fire District #1 | 573,899 | 1,383,974 | 1,349,349 | 608,524 | 9,115 | 617,639 |
| Ambulance Capital Reserve | 969,386 | 1,063,115 | 1,044,244 | 988,257 | - | 988,257 |
| Community Correction Plan | 68,718 | 744,565 | 733,998 | 79,285 | 13,994 | 93,279 |
| Donations | 34,516 | 4,385 | 4,825 | 34,076 | - | 34,076 |
| Equipment Reserve | 7,827,454 | 3,337,482 | 2,593,054 | 8,571,882 | 1,204,132 | 9,776,014 |
| Grants Programs | 10,175,030 | 1,568,925 | 2,208,268 | 9,535,687 | 1,997,609 | 11,533,296 |
| Prosecutor Training & Assistance | 3,280 | 4,450 | 2,504 | 5,226 | - | 5,226 |
| Register of Deeds Technology | 511,504 | 155,642 | 151,247 | 515,899 | 388 | 516,287 |
| Sheriff Special Use | 7,053 | 117,564 | 103,659 | 20,958 | 4,916 | 25,874 |
| Special Law Enforcement Trust | 277,246 | 59,385 | 18,582 | 318,049 | - | 318,049 |
| Special Highway Improvement | 1,075,174 | 5,064 | 91,896 | 988,342 | 64,720 | 1,053,062 |
| Youth Services Grants | 157,965 | 781,759 | 643,563 | 296,161 | 7,221 | 303,382 |
| Fire District Equipment Reserve | - | 150,000 | - | 150,000 | - | 150,000 |
| TOTAL SPECIAL PURPOSE FUNDS | 31,997,756 | 43,232,393 | 40,898,024 | 34,332,125 | 6,944,052 | 41,276,177 |
| CAPITAL PROJECT FUNDS: | | | | | | |
| Mental Health Sales Tax | 14,884,925 | 9,689,123 | 8,564,580 | 16,009,468 | 739,809 | 16,749,277 |
| Capital Improvement Plan | 33,393,742 | 11,466,509 | 9,947,367 | 34,912,884 | 5,763,567 | 40,676,451 |
| TOTAL CAPITAL PROJECTS FUND | 48,278,667 | 21,155,632 | 18,511,947 | 50,922,352 | 6,503,376 | 57,425,728 |
| DEBT SERVICE FUNDS: | | | | | | |
| Bond and Interest | 570,152 | 206,721 | 229,350 | 547,523 | - | 547,523 |
| Local County Sales Tax | 23,796,710 | 4,865,252 | 11,656,683 | 17,005,279 | - | 17,005,279 |
| TOTAL DEBT SERVICE FUNDS | 24,366,862 | 5,071,973 | 11,886,033 | 17,552,802 | - | 17,552,802 |
| BUSINESS FUNDS: | | | | | | |
| Employee Benefit Trust | 5,003,674 | 11,907,844 | 11,367,743 | 5,543,775 | 1,067,221 | 6,610,996 |
| Workers' Compensation | 1,413,296 | 566,997 | 188,256 | 1,792,037 | 209,571 | 2,001,608 |
| TOTAL BUSINESS FUNDS: | 6,416,970 | 12,474,841 | 11,555,999 | 7,335,812 | 1,276,792 | 8,612,604 |
| TOTAL COUNTY | \$ 127,235,222 | \$ 159,480,337 | \$ 154,726,928 | \$ 131,988,631 | \$ 16,644,810 | \$ 148,633,441 |

Douglas County, Kansas

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

For the Year Ended December 31, 2023

| | Beginning Unencumbered Cash Balance 1/1/2023 | Cash Receipts | Expenditures | Ending Unencumbered Cash Balance 12/31/2023 | Add Outstanding Encumbrances and Accounts Payable | Ending Cash Balance 12/31/2023 |
|-------------------------------------|---|-----------------------|-----------------------|---|---|---|
| RELATED MUNICIPAL ENTITIES: | | | | | | |
| Douglas County Extension Council | \$ 617,826 | \$ 861,094 | \$ 808,546 | \$ 670,374 | \$ - | \$ 670,374 |
| Lawrence/Douglas County Health Dept | 5,476,855 | 4,086,113 | 3,782,213 | 5,780,755 | 183,135 | 5,963,890 |
| Douglas County Free Fair | 79,877 | 333,928 | 301,836 | 111,969 | - | 111,969 |
| TOTAL RELATED MUNICIPAL ENTITIES | <u>6,174,558</u> | <u>5,281,135</u> | <u>4,892,595</u> | <u>6,563,098</u> | <u>183,135</u> | <u>6,746,233</u> |
| TOTAL REPORTING ENTITY | | | | | | |
| (Excluding Agency Funds) | <u>\$ 133,409,780</u> | <u>\$ 164,761,472</u> | <u>\$ 159,619,523</u> | <u>\$ 138,551,729</u> | <u>\$ 16,827,945</u> | <u>\$ 155,379,674</u> |

| | | |
|----------------------|---|-----------------------|
| Composition of Cash: | Petty Cash - County | \$ 2,500 |
| | Petty Cash - Health Department | 437 |
| | Checking Account - US Bank | 48,536,274 |
| | Lockbox/Holding/Transfer - UMB Bank | 5,700 |
| | Investment Account - Kansas Municipal Investment Pool | 64,979 |
| | Certificates of Deposit - Commerce Bank | 119,499,748 |
| | Certificates of Deposit - Central Trust Company | 15,000,000 |
| | Certificates of Deposit - Capitol Federal | 9,000,000 |
| | Certificates of Deposit - Central National Bank | 92,884,644 |
| | Certificates of Deposit - Health Department - Central Bank of the Midwest | 2,330,000 |
| | Certificates of Deposit - Mid America Bank | 10 |
| | Checking Account - Employee Benefits Trust - US Bank | 3,716,767 |
| | Checking Account - Workers Comp- US Bank | 127,872 |
| | Insured Cash Sweep - US Bank | 3,500,043 |
| | Insured Cash Sweep - Employee Benefits Trust - US Bank | 2,894,229 |
| | Inmate Funds - US Bank | 16,507 |
| | Checking Account - District Attorney - INTRUST Bank | 96,859 |
| | Checking Account - Sheriff Bond Fund - US Bank | 11,709 |
| | Health Department - Central Bank of the Midwest | 3,633,453 |
| | Extension Council - Central Bank of the Midwest | 670,374 |
| | Free Fair Board - Central Bank of the Midwest | 111,969 |
| | Total Cash | 302,104,074 |
| | Less Agency Funds per Schedule 4 | <u>(146,724,400)</u> |
| | Total Reporting Entity (Excluding Agency Funds) | <u>\$ 155,379,674</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, 2023 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. There were no budget amendments in 2023.

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 | Fire District Equipment Reserve |

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.

B. Transfers Without Adopted Resolution

During the year ended December 31, 2023, the County transferred \$92,103 and \$2,005 from the Equipment Reserve Fund to the General Fund and Emergency Telephone Services Fund, respectively. Under K.S.A. 19-119, if the board of county commissioners determines money credited to the equipment reserve fund is no longer needed, the board may, by adopting a resolution, transfer the moneys back to the fund from which it came. No resolution was adopted for this transfer.

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 \$292,539,833 and the bank balance was \$295,474,349.

Investments - As of December 31, 2023, 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 | \$ 71,126 | \$ 64,979 | \$ - | 0.7% | N/A |
| U.S. Treasury | 2,573,688 | 2,499,641 | - | 26.5% | N/A |
| U.S. Treasury Strip | 7,079,307 | 2,000,178 | 4,999,443 | 72.8% | N/A |
| Total Fair Value | <u>\$ 9,724,121</u> | <u>\$ 4,564,798</u> | <u>\$ 4,999,443</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, 2023, the County’s deposits were fully covered and not exposed to custodial credit risk. At December 31, 2023, the County had invested \$64,979, \$2,499,641, and \$6,999,621 in the State’s municipal investment pool, U.S. Treasury, and U.S. Treasury Strip, 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 10% of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

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

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

Interest Rate Risk. State law limits investments in U.S. Treasury bills or notes and agency securities to those with maturities not exceeding two or four years, respectively, as discussed in Note 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, 2023

| 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 | \$ 110,000 | \$ - | \$ 15,000 | \$ 95,000 | \$ 5,188 |
| Series 2009A GO Improvement Bonds | 2.63 - 4.25% | 10/01/09 | 2,445,000 | 09/01/30 | 1,315,000 | - | 140,000 | 1,175,000 | 55,163 |
| Series 2012E General Obligation Bonds | 2.625 - 4.00% | 09/05/12 | 175,000 | 08/01/32 | 100,000 | - | 10,000 | 90,000 | 4,000 |
| Series 2013 GO Refunding and Sales Tax Bonds | 2.00 - 4.50% | 07/22/13 | 14,315,000 | 08/01/23 | 11,000,000 | - | 11,000,000 | - | 465,216 |
| Series 2020A GO Sales Tax Improvement Bonds | 1.00 - 3.00% | 12/10/20 | 8,445,000 | 09/01/40 | 7,735,000 | - | 345,000 | 7,390,000 | 156,153 |
| 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>30,575,000</u> | <u>-</u> | <u>11,510,000</u> | <u>19,065,000</u> | <u>877,185</u> |
| Finance Leases: | | | | | | | | | |
| Axon Body Camera | 0.69% | 3/1/2022 | 578,169 | 02/28/27 | 482,898 | - | 114,648 | 368,250 | 2,952 |
| Axon Taser | 2.68% | 4/1/2023 | 302,550 | 03/31/28 | - | 302,550 | 43,421 | 259,129 | 5,017 |
| Axon Vehicle Camera | 3.21% | 10/1/2023 | 128,482 | 10/31/26 | - | 128,482 | 51,445 | 77,037 | 3,243 |
| Truck | 4.08% | 1/15/2022 | 247,222 | 01/15/29 | 219,796 | - | 27,693 | 192,103 | 8,463 |
| Copier | 6.95% | 1/1/2022 | 179,347 | 02/28/25 | 126,075 | - | 55,985 | 70,090 | 7,003 |
| Ground lease 1 | 1.59% | 1/1/2022 | 378,905 | 02/28/43 | 363,239 | - | 15,407 | 347,832 | 5,653 |
| Ground lease 2 | 1.75% | 1/1/2022 | 1,128,945 | 08/31/58 | 1,105,174 | - | 22,516 | 1,082,658 | 19,172 |
| Ground lease 3 | 1.62% | 1/1/2022 | 513,125 | 07/31/43 | 492,443 | - | 76,870 | 415,573 | 6,314 |
| Building lease 1 | 0.69% | 1/1/2022 | 98,030 | 07/31/26 | 76,860 | - | 21,258 | 55,602 | 462 |
| Building lease 2 | 0.33% | 1/1/2022 | 311,034 | 05/31/24 | 182,578 | - | 128,796 | 53,782 | 408 |
| Total Finance Lease Indebtedness | | | | | <u>3,049,063</u> | <u>431,032</u> | <u>558,039</u> | <u>2,922,056</u> | <u>58,687</u> |
| Total Indebtedness | | | | | <u>\$ 33,624,063</u> | <u>\$ 431,032</u> | <u>\$ 12,068,039</u> | <u>\$ 21,987,056</u> | <u>\$ 935,872</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.

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 | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------|----------------------|
| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029-2033 | 2024-2038 | 2039-2043 | 2044-2048 | 2049-2053 | 2054-2059 | | 2059-2063 |
| PRINCIPAL: | | | | | | | | | | | | | |
| Douglas County: | | | | | | | | | | | | | |
| General Obligation Bonds: | | | | | | | | | | | | | |
| Series 2008 General Obligation Bonds | \$ 15,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 95,000 |
| Series 2009A GO Improvement Bonds | 150,000 | 155,000 | 160,000 | 165,000 | 175,000 | 370,000 | - | - | - | - | - | - | 1,175,000 |
| Series 2012E General Obligation Bonds | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 40,000 | - | - | - | - | - | - | 90,000 |
| Series 2020A GO Sales Tax Improvement Bonds | 360,000 | 370,000 | 380,000 | 390,000 | 400,000 | 2,175,000 | 2,335,000 | 980,000 | - | - | - | - | 7,990,000 |
| Series 2020B GO Refunding Refunding Bonds | 945,000 | 960,000 | 985,000 | 1,000,000 | 1,020,000 | 5,405,000 | - | - | - | - | - | - | 10,315,000 |
| TOTAL GENERAL OBLIGATION BONDS | 1,480,000 | 1,515,000 | 1,555,000 | 1,585,000 | 1,625,000 | 7,990,000 | 2,335,000 | 980,000 | - | - | - | - | 19,065,000 |
| Finance Leases: | | | | | | | | | | | | | |
| Axon Body Camera | 115,434 | 116,231 | 117,030 | 19,555 | - | - | - | - | - | - | - | - | 368,250 |
| Axon Taser | 58,347 | 59,832 | 61,561 | 63,230 | 16,059 | - | - | - | - | - | - | - | 259,129 |
| Axon Vehicle Camera | 24,873 | 25,671 | 26,493 | - | - | - | - | - | - | - | - | - | 77,037 |
| Truck | 28,845 | 30,047 | 31,296 | 32,599 | 33,957 | 35,359 | - | - | - | - | - | - | 192,103 |
| Copier | 60,004 | 10,086 | - | - | - | - | - | - | - | - | - | - | 70,090 |
| Ground lease 1 | 15,653 | 15,903 | 16,158 | 16,416 | 16,678 | 87,485 | 94,703 | 84,836 | - | - | - | - | 347,832 |
| Ground lease 2 | 22,914 | 23,318 | 23,730 | 24,150 | 24,572 | 129,538 | 141,380 | 154,308 | 168,411 | 183,811 | 186,526 | - | 1,082,698 |
| Ground lease 3 | 18,174 | 18,471 | 18,773 | 19,079 | 19,391 | 101,814 | 110,409 | 109,462 | - | - | - | - | 415,573 |
| Building lease 1 | 21,402 | 21,555 | 12,645 | - | - | - | - | - | - | - | - | - | 55,602 |
| Building lease 2 | 53,782 | - | - | - | - | - | - | - | - | - | - | - | 53,782 |
| TOTAL FINANCE LEASE | 419,428 | 321,214 | 307,686 | 175,029 | 110,657 | 354,196 | 346,492 | 348,606 | 168,411 | 183,811 | 186,526 | - | 2,922,056 |
| TOTAL PRINCIPAL | 1,899,428 | 1,836,214 | 1,862,686 | 1,760,029 | 1,735,657 | 8,344,196 | 2,681,492 | 1,328,606 | 168,411 | 183,811 | 186,526 | - | 21,987,056 |
| INTEREST: | | | | | | | | | | | | | |
| General Obligation Bonds: | | | | | | | | | | | | | |
| Series 2008 General Obligation Bonds | 4,513 | 3,800 | 2,850 | 1,900 | 950 | - | - | - | - | - | - | - | 14,013 |
| Series 2009A GO Improvement Bonds | 49,563 | 43,563 | 36,975 | 30,175 | 23,163 | 23,800 | - | - | - | - | - | - | 207,239 |
| Series 2012E General Obligation Bonds | 3,600 | 3,200 | 2,800 | 2,400 | 2,000 | 4,000 | - | - | - | - | - | - | 18,000 |
| Series 2013 GO Refunding and Sales Tax Bonds | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Series 2020A GO Sales Tax Improvement Bonds | 145,803 | 135,003 | 123,903 | 112,503 | 100,803 | 342,268 | 183,673 | 24,095 | - | - | - | - | 1,168,051 |
| Series 2020B GO Refunding Refunding Bonds | 191,465 | 172,565 | 153,365 | 133,865 | 113,865 | 269,625 | - | - | - | - | - | - | 1,034,350 |
| TOTAL GENERAL OBLIGATION BONDS | 394,944 | 358,131 | 319,893 | 280,643 | 240,581 | 639,693 | 183,673 | 24,095 | - | - | - | - | 2,441,653 |
| Finance Leases: | | | | | | | | | | | | | |
| Axon Body Camera | 2,166 | 1,369 | 570 | 45 | - | - | - | - | - | - | - | - | 4,150 |
| Axon Taser | 6,237 | 4,652 | 3,023 | 1,354 | 87 | - | - | - | - | - | - | - | 15,353 |
| Axon Vehicle Camera | 2,471 | 1,673 | 850 | - | - | - | - | - | - | - | - | - | 4,994 |
| Truck | 7,311 | 6,109 | 4,860 | 3,557 | 2,199 | 797 | - | - | - | - | - | - | 24,833 |
| Copier | 2,984 | 412 | - | - | - | - | - | - | - | - | - | - | 3,396 |
| Ground lease 1 | 5,407 | 5,157 | 4,902 | 4,644 | 4,382 | 17,815 | 10,597 | 2,914 | - | - | - | - | 55,818 |
| Ground lease 2 | 18,744 | 18,370 | 17,958 | 17,538 | 17,116 | 78,902 | 67,060 | 54,132 | 40,029 | 24,629 | 8,018 | - | 362,496 |
| Ground lease 3 | 6,606 | 6,309 | 6,007 | 5,701 | 5,389 | 22,086 | 13,491 | 4,113 | - | - | - | - | 69,702 |
| Building lease 1 | 318 | 165 | 25 | - | - | - | - | - | - | - | - | - | 508 |
| Building lease 2 | 53 | - | - | - | - | - | - | - | - | - | - | - | 53 |
| TOTAL FINANCE LEASE | 52,297 | 44,216 | 38,195 | 32,839 | 29,173 | 119,600 | 91,148 | 61,159 | 40,029 | 24,629 | 8,018 | - | 541,303 |
| TOTAL INTEREST | 447,241 | 402,347 | 358,088 | 313,482 | 269,754 | 759,293 | 274,821 | 85,254 | 40,029 | 24,629 | 8,018 | - | 2,982,956 |
| TOTAL PRINCIPAL AND INTEREST | \$ 2,346,669 | \$ 2,238,561 | \$ 2,220,774 | \$ 2,073,511 | \$ 2,005,411 | \$ 9,103,489 | \$ 2,956,313 | \$ 1,413,860 | \$ 208,440 | \$ 208,440 | \$ 194,544 | \$ - | \$ 24,970,012 |

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. During the current year, a resolution was approved for the redemption and payment of the bonds issued to AGNL Plastics, L.L.C. Upon cancellation of the bonds and recording of certain documents, the County no longer has title of the property or any interest in the project.

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, 2023. 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 hours per pay period; 10-14 years, employees earn 6 hours per pay period; and after 15 years, 7 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 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 4.22 hours per pay period; 5-9 years, employees earn 5.16 hours per pay period; 10-14 years, employees earn 6.09 hours per pay period; and after 15 years, 7.03 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, 2023, the liability for compensated absences included:

| | | |
|---|----|------------------|
| Douglas County | \$ | 4,691,974 |
| Lawrence/Douglas County Health Department | | <u>87,280</u> |
| | \$ | <u>4,779,254</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, 2023.

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>2023</u> |
|---|---------------------|
| Estimated unpaid claims, January 1 | \$ 1,373,970 |
| Incurred claims (including reported and unreported) | 7,152,014 |
| Claim payments | <u>(7,262,182)</u> |
| Estimated unpaid claims, December 31 | <u>\$ 1,263,802</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 \$7,335,812 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

Douglas County, Kansas

Notes to the Financial Statements

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.

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 8.43% for KPERS and 25.13% for KP&F for the fiscal year ended December 31, 2023. Contributions to the pension plan from the County were \$2,141,116 for KPERS and \$2,001,399 for KP&F the year ended December 31, 2023.

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, 2023, 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 | \$ 24,533,047 |
| Douglas County - KP&F | 19,022,053 |
| Health Department | 1,930,849 |
| Extension Council | <u>109,490</u> |
| Total | <u>\$ 45,595,439</u> |

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. 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, 2023. 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:

| From | To | Authority | Amount |
|------------------------------|---------------------------------|----------------|----------------------|
| General Fund | Capital Improvements Plan | K.S.A. 19-120 | \$ 10,396,540 |
| General Fund | Equipment Reserve | K.S.A. 19-119 | 2,157,994 |
| General Fund | Local County Sale Tax | K.S.A. 12-197 | 4,845,664 |
| General Fund | Ambulance Fund | K.S.A. 12-110d | 2,919,141 |
| General Fund | Mental Health Sales Tax | K.S.A. 12-197 | 42,930 |
| Road & Bridge | Equipment Reserve | K.S.A. 19-119 | 675,000 |
| Special Liability | Workers Compensation | K.S.A. 12-2615 | 475,000 |
| Ambulance Fund | Ambulance Capital Reserve | K.S.A. 19-119 | 1,040,000 |
| Motor Vehicle Operations | Equipment Reserve | K.S.A 8-145 | 1,000 |
| Register of Deeds Technology | Equipment Reserve | K.S.A. 19-119 | 75,000 |
| Equipment Reserve | General Fund | K.S.A. 19-119 | 92,103 |
| Equipment Reserve | Emergency Telephone Service | K.S.A. 19-119 | 2,005 |
| Fire District | Fire District Equipment Reserve | K.S.A. 19-119 | 150,000 |
| | | | <u>\$ 22,872,377</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 (Bert Nash) 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.

Mental Health Facilities. In 2023, the County and Bert Nash entered into a service agreement where Bert Nash has agreed to provide services for the new Crisis Intervention Center (CIC) to address treatment, recovery, mental health and substance use disorder services. The terms of the service agreement is from April 6, 2023 through December 31, 2023 with a presumptive additional year extending through December 31, 2024. The agreement has an option of two additional one-year terms. Bert Nash will be required to ensure that the CIC operates and provides services to stay in compliance with the Crisis Intervention Center Grant Agreement entered into by the County and the Kansas Department of Aging and Disability Services (KDADS). Bert Nash will seek reimbursement for services from applicable third-party reimbursement programs and as applicable patient/client for amounts not covered by reimbursement programs based on the patient/client's financial hardship review. The County will provide funding to Bert Nash based on the agreement and will distribute KDADS grant money to Bert Nash under the terms and conditions of that funding. The agreement does establish a cap for County only funding to Bert Nash for each applicable period. Bert Nash will be required to submit both financial and performance data to the County monthly.

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

Douglas County, Kansas

Notes to the Financial Statements

the City 50% of such shortfall. Additionally, the County pays \$200,000 annually to help fund the LDCBA, an agreement which continues through 2023.

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.

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 2023.

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.

REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION

DOUGLAS COUNTY, KANSAS

Schedule 1

Schedule of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

| | <u>Certified Budget</u> | <u>Expenditures Chargeable to Current Year</u> | <u>Variance - Over(Under)</u> |
|----------------------------------|-----------------------------|--|-----------------------------------|
| GOVERNMENTAL TYPE FUNDS: | | | |
| GENERAL FUND | \$ 71,874,925 | \$ 71,874,925 | \$ - |
| SPECIAL PURPOSE FUNDS: | | | |
| Ambulance | 9,060,459 | 8,618,983 | (441,476) |
| Emergency Telephone Service | 907,640 | 556,148 | (351,492) |
| Employee Benefits | 13,974,596 | 13,766,908 | (207,688) |
| Motor Vehicle Operations | 1,095,096 | 815,675 | (279,421) |
| Road & Bridge | 7,064,232 | 6,850,887 | (213,345) |
| Special Alcohol | 61,814 | - | (61,814) |
| Special Building | 881,745 | 460,639 | (421,106) |
| Special Liability | 997,246 | 859,001 | (138,245) |
| Special Parks & Recreation | 179,770 | 24,594 | (155,176) |
| Consolidated Fire District No. 1 | 1,349,349 | 1,349,349 | - |
| CAPITAL PROJECT FUND: | | | |
| Mental Health Sales Tax | 8,564,580 | 8,564,580 | - |
| DEBT SERVICE FUNDS: | | | |
| Bond and Interest | 229,350 | 229,350 | - |
| Local County Sales Tax | 11,656,683 | 11,656,683 | - |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

General Fund

| | Actual | Budget | Variance- Over (Under) |
|-----------------------------------|----------------------|----------------------|------------------------------|
| Cash receipts: | | | |
| Taxes: | | | |
| Ad valorem property tax | \$ 56,128,952 | \$ 55,735,472 | \$ 393,480 |
| Delinquent tax | 522,428 | 400,000 | 122,428 |
| Motor vehicle tax | 4,575,971 | 4,658,911 | (82,940) |
| Local county sales tax | 9,691,327 | 8,000,000 | 1,691,327 |
| Interest and penalties | 591,701 | 100,000 | 491,701 |
| Total taxes | <u>71,510,379</u> | <u>68,894,383</u> | <u>2,615,996</u> |
| Licenses, fees, and permits: | | | |
| Licenses, permits & fees | 1,089,031 | 1,455,000 | (365,969) |
| Charges for services | 65,301 | 112,000 | (46,699) |
| District court fees | 350,333 | 330,000 | 20,333 |
| Total licenses, fees, and permits | <u>1,504,665</u> | <u>1,897,000</u> | <u>(392,335)</u> |
| Use of money and property: | | | |
| Interest on idle funds | 3,787,356 | 565,000 | 3,222,356 |
| Total interest | <u>3,787,356</u> | <u>565,000</u> | <u>3,222,356</u> |
| Other: | | | |
| Rental income | 136,515 | 123,000 | 13,515 |
| Sale of chemicals | 127,942 | 75,000 | 52,942 |
| Intergovernmental | 281,350 | 22,900 | 258,450 |
| Sale of commodities | 16,913 | 1,500 | 15,413 |
| Miscellaneous income | 88,275 | 55,000 | 33,275 |
| Transfers | 92,103 | - | 92,103 |
| Total other | <u>743,098</u> | <u>277,400</u> | <u>465,698</u> |
| Total cash receipts | <u>\$ 77,545,498</u> | <u>\$ 71,633,783</u> | <u>\$ 5,911,715</u> |
| Expenditures: | | | |
| Administration: | | | |
| Personnel services | 1,492,171 | \$ 1,584,296 | \$ (92,125) |
| Contractual services | 1,190,305 | 1,173,352 | 16,953 |
| Commodities | - | 2,500 | (2,500) |
| Miscellaneous | 2,390 | 225,000 | (222,610) |
| Reimbursements | (497,002) | (40,000) | (457,002) |
| Total administration | <u>2,187,864</u> | <u>2,945,148</u> | <u>(757,284)</u> |
| Agencies county funded: | | | |
| Contractual services | 8,970,128 | 8,965,625 | 4,503 |
| Total agency county funded | <u>8,970,128</u> | <u>8,965,625</u> | <u>4,503</u> |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

General Fund

| | Actual | Budget | Variance- Over (Under) |
|--------------------------------------|------------------|------------------|------------------------------|
| Appraiser: | | | |
| Personnel services | 904,604 | 930,179 | (25,575) |
| Contractual services | 26,186 | 42,130 | (15,944) |
| Capital outlay | - | 4,000 | (4,000) |
| Total appraiser | <u>930,790</u> | <u>976,309</u> | <u>(45,519)</u> |
| Behavioral health projects: | | | |
| Miscellaneous | 1,775,514 | 2,356,436 | (580,922) |
| Total behavioral health projects | <u>1,775,514</u> | <u>2,356,436</u> | <u>(580,922)</u> |
| CIP projects - capital improvements: | | | |
| Transfers to CIP | 5,352,269 | 4,852,269 | 500,000 |
| Total CIP projects | <u>5,352,269</u> | <u>4,852,269</u> | <u>500,000</u> |
| Commissioners: | | | |
| Personnel services | 131,221 | 132,875 | (1,654) |
| Contractual services | 451,476 | 467,500 | (16,024) |
| Miscellaneous | 128,070 | 305,000 | (176,930) |
| Total commissioners | <u>710,767</u> | <u>905,375</u> | <u>(194,608)</u> |
| Coroner: | | | |
| Contractual services | 198,630 | 274,000 | (75,370) |
| Commodities | - | 2,200 | (2,200) |
| Total coroner | <u>198,630</u> | <u>276,200</u> | <u>(77,570)</u> |
| County Clerk: | | | |
| Personnel services | 599,872 | 602,046 | (2,174) |
| Contractual services | 326 | 1,100 | (774) |
| Commodities | 194 | 100 | 94 |
| Miscellaneous | - | 50 | (50) |
| Total county clerk | <u>600,392</u> | <u>603,296</u> | <u>(2,904)</u> |
| Countywide: | | | |
| Contractual services | 856,468 | 892,500 | (36,032) |
| Commodities | 124,482 | 150,000 | (25,518) |
| Miscellaneous | 21,259 | 21,000 | 259 |
| Reimbursements | (33,981) | - | (33,981) |
| Total countywide | <u>968,228</u> | <u>1,063,500</u> | <u>(95,272)</u> |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

General Fund

| | Actual | Budget | Variance- Over (Under) |
|--------------------------------------|------------------|------------------|------------------------------|
| Court operating: | | | |
| Personnel services | 677,380 | 717,521 | (40,141) |
| Contractual services | 617,568 | 799,200 | (181,632) |
| Commodities | 23,871 | 35,500 | (11,629) |
| Capital outlay | 15,026 | 25,000 | (9,974) |
| Miscellaneous | 5,218 | 35,854 | (30,636) |
| Reimbursements | (48,748) | (68,000) | 19,252 |
| Total court operating | <u>1,290,315</u> | <u>1,545,075</u> | <u>(254,760)</u> |
| Court trustee: | | | |
| Personnel services | 526,455 | 547,110 | (20,655) |
| Contractual services | 3,029 | 3,825 | (796) |
| Commodities | 34 | 1,900 | (1,866) |
| Capital outlay | 740 | 1,900 | (1,160) |
| Miscellaneous | 2,261 | 2,700 | (439) |
| Total court trustee | <u>532,519</u> | <u>557,435</u> | <u>(24,916)</u> |
| Criminal justice services: | | | |
| Personnel services | 2,556,518 | 2,577,252 | (20,734) |
| Contractual services | 360,314 | 604,890 | (244,576) |
| Commodities | 106,129 | 168,085 | (61,956) |
| Capital Outlay | 277 | 9,800 | (9,523) |
| Miscellaneous | 454,085 | 869,418 | (415,333) |
| Reimbursements | (478,642) | (186,540) | (292,102) |
| Total criminal justice services | <u>2,998,681</u> | <u>4,042,905</u> | <u>(1,044,224)</u> |
| District Attorney: | | | |
| Personnel services | 2,640,773 | 2,722,261 | (81,488) |
| Contractual services | 144,586 | 246,487 | (101,901) |
| Capital outlay | 2,154 | 41,100 | (38,946) |
| Miscellaneous | 17,687 | 25,000 | (7,313) |
| Reimbursements | (159,365) | (114,600) | (44,765) |
| Transfers | 20,000 | - | 20,000 |
| Total district attorney | <u>2,665,835</u> | <u>2,920,248</u> | <u>(254,413)</u> |
| Elections: | | | |
| Personnel services | 277,372 | 282,527 | (5,155) |
| Contractual services | 459,866 | 463,313 | (3,447) |
| Commodities | 51,441 | 80,000 | (28,559) |
| Miscellaneous | 21 | 100 | (79) |
| Reimbursements | (86,234) | - | (86,234) |
| Total elections | <u>702,466</u> | <u>825,940</u> | <u>(123,474)</u> |
| Emergency communication center: | | | |
| Personnel services | 2,137,806 | 2,125,654 | 12,152 |
| Contractual services | 348,724 | 362,000 | (13,276) |
| Commodities | 32,575 | 34,500 | (1,925) |
| Capital outlay | 10,432 | 24,500 | (14,068) |
| Miscellaneous | 742 | 1,000 | (258) |
| Reimbursements | (1,862,421) | (1,729,752) | (132,669) |
| Transfers | 50,000 | 50,000 | - |
| Total emergency communication center | <u>717,858</u> | <u>867,902</u> | <u>(150,044)</u> |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

General Fund

| | Actual | Budget | Variance- Over (Under) |
|-------------------------------------|------------------|------------------|------------------------------|
| Emergency management: | | | |
| Personnel services | 213,917 | 225,738 | (11,821) |
| Contractual services | 49,407 | 76,651 | (27,244) |
| Commodities | 3,100 | 4,600 | (1,500) |
| Capital outlay | - | 5,000 | (5,000) |
| Miscellaneous | 3,044 | 4,500 | (1,456) |
| Transfers | 150,000 | 53,000 | 97,000 |
| Total emergency management | <u>419,468</u> | <u>369,489</u> | <u>49,979</u> |
| Fairgrounds: | | | |
| Contractual services | 43,456 | 50,000 | (6,544) |
| Commodities | 70,569 | 62,000 | 8,569 |
| Transfers | 50,000 | 50,000 | - |
| Total fairgrounds | <u>164,025</u> | <u>162,000</u> | <u>2,025</u> |
| First Responders: | | | |
| Personnel services | 17,550 | - | 17,550 |
| Contractual services | 44,330 | 110,000 | (65,670) |
| Commodities | - | 5,000 | (5,000) |
| Miscellaneous | 14,423 | - | 14,423 |
| Transfers | 6,327 | 5,750 | 577 |
| Total first responders | <u>82,630</u> | <u>120,750</u> | <u>(38,120)</u> |
| Fleet operations: | | | |
| Personnel services | 328,751 | 367,485 | (38,734) |
| Contractual services | 110,878 | 150,400 | (39,522) |
| Commodities | 925,318 | 1,060,000 | (134,682) |
| Capital outlay | 16,000 | 16,000 | - |
| Reimbursements | (110,917) | (22,000) | (88,917) |
| Transfers | 30,000 | 30,000 | - |
| Total fleet operations | <u>1,300,030</u> | <u>1,601,885</u> | <u>(301,855)</u> |
| Geographic information system: | | | |
| Personnel services | 157,270 | 232,523 | (75,253) |
| Contractual services | 205 | 6,000 | (5,795) |
| Commodities | 137 | 1,200 | (1,063) |
| Total geographic information system | <u>157,612</u> | <u>239,723</u> | <u>(82,111)</u> |
| Heritage Conservation Fund: | | | |
| Personnel services | 49,461 | 53,560 | (4,099) |
| Contractual services | 17,888 | 44,830 | (26,942) |
| Miscellaneous | 88,033 | 210,000 | (121,967) |
| Transfers | 123,567 | - | 123,567 |
| Total heritage conservation fund | <u>278,949</u> | <u>308,390</u> | <u>(29,441)</u> |
| Information technology: | | | |
| Personnel services | 905,816 | 961,535 | (55,719) |
| Contractual services | 845,309 | 810,141 | 35,168 |
| Commodities | 11,941 | 12,500 | (559) |
| Capital outlay | 157,763 | 230,700 | (72,937) |
| Miscellaneous | 121 | 500 | (379) |
| Transfers | 75,000 | 50,000 | 25,000 |
| Total information technology | <u>1,995,950</u> | <u>2,065,376</u> | <u>(69,426)</u> |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

General Fund

| | Actual | Budget | Variance- Over (Under) |
|--------------------------------|-------------------|-------------------|------------------------------|
| Maintenance: | | | |
| Personnel services | 1,200,914 | 1,169,600 | 31,314 |
| Contractual services | 186,437 | 263,900 | (77,463) |
| Commodities | 190,788 | 169,000 | 21,788 |
| Reimbursements | (117,847) | (85,000) | (32,847) |
| Transfers | 20,000 | 20,000 | - |
| Total maintenance | <u>1,480,292</u> | <u>1,537,500</u> | <u>(57,208)</u> |
| Parks and Vegetation: | | | |
| Personnel services | 409,860 | 436,486 | (26,626) |
| Contractual services | 32,831 | 39,500 | (6,669) |
| Commodities | 174,441 | 173,000 | 1,441 |
| Transfers | 95,000 | 95,000 | - |
| Total parks and vegetation | <u>712,132</u> | <u>743,986</u> | <u>(31,854)</u> |
| Register of Deeds: | | | |
| Personnel services | 422,968 | 431,326 | (8,358) |
| Miscellaneous | 30,000 | 30,000 | - |
| Transfers | 1,000 | 1,000 | - |
| Total register of deeds | <u>453,968</u> | <u>462,326</u> | <u>(8,358)</u> |
| Shared costs & transfers: | | | |
| Personnel services | 132,764 | 128,008 | 4,756 |
| Agencies and projects | 1,456,338 | - | 1,456,338 |
| Miscellaneous | 53,685 | 1,604,229 | (1,550,544) |
| Reimbursements | (126,052) | (143,908) | 17,856 |
| Transfers | 13,639,006 | 7,272,663 | 6,366,343 |
| Total shared costs & transfers | <u>15,155,741</u> | <u>8,860,992</u> | <u>6,294,749</u> |
| Sheriff: | | | |
| Personnel services | 6,175,953 | 6,228,551 | (52,598) |
| Contractual services | 839,078 | 742,749 | 96,329 |
| Commodities | 306,997 | 298,000 | 8,997 |
| Capital outlay | 5,530 | 46,000 | (40,470) |
| Reimbursements | (69,201) | (46,500) | (22,701) |
| Transfers | 327,000 | 327,000 | - |
| Total sheriff | <u>7,585,357</u> | <u>7,595,800</u> | <u>(10,443)</u> |
| Sheriff jail: | | | |
| Personnel services | 6,867,691 | 7,179,115 | (311,424) |
| Contractual services | 1,866,792 | 2,955,628 | (1,088,836) |
| Commodities | 833,060 | 846,100 | (13,040) |
| Capital Outlay | 42,135 | 47,000 | (4,865) |
| Reimbursements | (1,103,832) | (449,600) | (654,232) |
| Transfers | 421,000 | 421,000 | - |
| Total sheriff jail | <u>8,926,846</u> | <u>10,999,243</u> | <u>(2,072,397)</u> |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

General Fund

| | <u>Actual</u> | <u>Budget</u> | <u>Variance- Over (Under)</u> |
|---|----------------------|----------------------|---------------------------------------|
| Sustainability management: | | | |
| Personnel services | 178,259 | 180,667 | (2,408) |
| Contractual services | 204,318 | 196,300 | 8,018 |
| Commodities | 234 | - | 234 |
| Miscellaneous | 12,181 | 16,800 | (4,619) |
| Reimbursements | (3,613) | - | (3,613) |
| Total sustainability management | <u>391,379</u> | <u>393,767</u> | <u>(2,388)</u> |
| Treasurer: | | | |
| Personnel services | 419,330 | 449,525 | (30,195) |
| Contractual services | 34,005 | 71,900 | (37,895) |
| Commodities | 119 | 17,000 | (16,881) |
| Capital outlay | - | 6,000 | (6,000) |
| Transfers | 1,000 | 1,000 | - |
| Total treasurer | <u>454,454</u> | <u>545,425</u> | <u>(90,971)</u> |
| Utility communication equipment maintenance: | | | |
| Contractual services | 28,061 | 73,000 | (44,939) |
| Total utility communication equipment maintenance | <u>28,061</u> | <u>73,000</u> | <u>(44,939)</u> |
| Utilities: | | | |
| Contractual services | 1,215,392 | 1,479,800 | (264,408) |
| Commodities | - | 2,000 | (2,000) |
| Capital outlay | - | 18,000 | (18,000) |
| Total utilities | <u>1,215,392</u> | <u>1,499,800</u> | <u>(284,408)</u> |
| Zoning: | | | |
| Personnel services | 465,357 | 573,160 | (107,803) |
| Contractual services | 2,499 | 6,550 | (4,051) |
| Commodities | 199 | 2,500 | (2,301) |
| Miscellaneous | 1,228 | 3,600 | (2,372) |
| Transfers | 1,100 | 6,000 | (4,900) |
| Total zoning | <u>470,383</u> | <u>591,810</u> | <u>(121,427)</u> |
| Total expenditures | <u>71,874,925</u> | <u>\$ 71,874,925</u> | <u>\$ -</u> |
| Receipts over (under) expenditures | 5,670,573 | | |
| Unencumbered cash, beginning | 16,174,967 | | |
| Unencumbered cash, ending | <u>\$ 21,845,540</u> | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Ambulance

| | Actual | Budget | Variance-Over (Under) |
|------------------------------------|--------------|--------------|--------------------------|
| Cash receipts: | | | |
| Ad valorem property tax | \$ 5,187,853 | \$ 5,152,000 | \$ 35,853 |
| Motor vehicle tax | 412,765 | 418,376 | (5,611) |
| Delinquent tax | 48,736 | 40,000 | 8,736 |
| Transfers | 2,919,141 | 2,919,141 | - |
| Total cash receipts | 8,568,495 | \$ 8,529,517 | \$ 38,978 |
| Expenditures: | | | |
| Contractual services | 7,578,983 | \$ 7,989,186 | \$ (410,203) |
| Miscellaneous | - | 31,273 | (31,273) |
| Transfers | 1,040,000 | 1,040,000 | - |
| Total expenditures | 8,618,983 | \$ 9,060,459 | \$ (441,476) |
| Receipts over (under) expenditures | (50,488) | | |
| Unencumbered cash, beginning | 1,856,903 | | |
| Unencumbered cash, ending | \$ 1,806,415 | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Emergency Telephone Service

| | <u>Actual</u> | <u>Budget</u> | <u>Variance- Over (Under)</u> |
|-------------------------------------|-------------------|-------------------|-----------------------------------|
| Cash receipts: | | | |
| 911 emergency telephone service tax | \$ 656,620 | \$ 620,000 | \$ 36,620 |
| Interest income | 6,444 | - | 6,444 |
| Transfers | <u>2,005</u> | <u>-</u> | <u>2,005</u> |
| Total cash receipts | <u>665,069</u> | <u>\$ 620,000</u> | <u>\$ 45,069</u> |
| Expenditures: | | | |
| Contractual services | 556,148 | \$ 565,000 | \$ (8,852) |
| Miscellaneous | <u>-</u> | <u>342,640</u> | <u>(342,640)</u> |
| Total expenditures | <u>556,148</u> | <u>\$ 907,640</u> | <u>\$ (351,492)</u> |
| Receipts over (under) expenditures | 108,921 | | |
| Unencumbered cash, beginning | <u>256,825</u> | | |
| Unencumbered cash, ending | <u>\$ 365,746</u> | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Employee Benefits

| | <u>Actual</u> | <u>Budget</u> | <u>Variance- Over (Under)</u> |
|------------------------------------|---------------------|----------------------|-----------------------------------|
| Cash receipts: | | | |
| Ad valorem property tax | \$ 13,359,498 | \$ 13,265,150 | \$ 94,348 |
| Motor vehicle tax | 1,057,062 | 1,068,990 | (11,928) |
| Delinquent tax | 121,321 | 80,000 | 41,321 |
| Intergovernmental | 1,055,226 | 540,000 | 515,226 |
| Miscellaneous | <u>98,098</u> | <u>50,000</u> | <u>48,098</u> |
| Total cash receipts | <u>15,691,205</u> | <u>\$ 15,004,140</u> | <u>\$ 687,065</u> |
| Expenditures: | | | |
| Personnel services | <u>13,766,908</u> | <u>\$ 13,974,596</u> | <u>\$ (207,688)</u> |
| Total expenditures | <u>13,766,908</u> | <u>\$ 13,974,596</u> | <u>\$ (207,688)</u> |
| Receipts over (under) expenditures | 1,924,297 | | |
| Unencumbered cash, beginning | <u>3,827,757</u> | | |
| Unencumbered cash, ending | <u>\$ 5,752,054</u> | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Motor Vehicle Operations

| | <u>Actual</u> | <u>Budget</u> | <u>Variance- Over (Under)</u> |
|------------------------------------|-------------------|---------------------|-----------------------------------|
| Cash receipts: | | | |
| Charges for services | \$ 820,500 | \$ 815,000 | \$ 5,500 |
| Total cash receipts | <u>820,500</u> | <u>\$ 815,000</u> | <u>\$ 5,500</u> |
| Expenditures: | | | |
| Personnel services | 777,316 | \$ 851,474 | \$ (74,158) |
| Contractual services | 34,994 | 86,200 | (51,206) |
| Commodities | 2,365 | 11,500 | (9,135) |
| Miscellaneous | - | 144,922 | (144,922) |
| Transfers | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| Total expenditures | <u>815,675</u> | <u>\$ 1,095,096</u> | <u>\$ (279,421)</u> |
| Receipts over (under) expenditures | 4,825 | | |
| Unencumbered cash, beginning | <u>286,253</u> | | |
| Unencumbered cash, ending | <u>\$ 291,078</u> | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Road and Bridge

| | <u>Actual</u> | <u>Budget</u> | <u>Variance- Over (Under)</u> |
|------------------------------------|---------------------|---------------------|-----------------------------------|
| Cash receipts: | | | |
| Ad valorem property tax | \$ 4,588,319 | \$ 4,670,641 | \$ (82,322) |
| Motor vehicle tax | 380,027 | 377,849 | 2,178 |
| Delinquent tax | 43,445 | 30,000 | 13,445 |
| Intergovernmental | 1,900,277 | 1,800,000 | 100,277 |
| Licenses, permits & fees | - | 10,000 | (10,000) |
| Sale of commodities | - | 125,000 | (125,000) |
| Charges for services | 2,420 | - | 2,420 |
| Miscellaneous | 180,631 | 15,000 | 165,631 |
| | <u>7,095,119</u> | <u>\$ 7,028,490</u> | <u>\$ 66,629</u> |
| Total cash receipts | | | |
| Expenditures: | | | |
| Personnel services | 3,093,023 | \$ 3,174,432 | \$ (81,409) |
| Contractual services | 1,579,081 | 1,632,600 | (53,519) |
| Commodities | 1,501,501 | 1,579,200 | (77,699) |
| Capital outlay | 2,282 | 3,000 | (718) |
| Transfers | 675,000 | 675,000 | - |
| | <u>6,850,887</u> | <u>\$ 7,064,232</u> | <u>\$ (213,345)</u> |
| Total expenditures | | | |
| Receipts over (under) expenditures | 244,232 | | |
| Unencumbered cash, beginning | <u>2,363,942</u> | | |
| Unencumbered cash, ending | <u>\$ 2,608,174</u> | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Special Alcohol

| | <u>Actual</u> | <u>Budget</u> | <u>Variance- Over (Under)</u> |
|------------------------------------|-------------------|------------------|-----------------------------------|
| Cash receipts: | | | |
| Special alcohol tax | <u>\$ 62,412</u> | <u>\$ 31,200</u> | <u>\$ 31,212</u> |
| Total cash receipts | <u>62,412</u> | <u>\$ 31,200</u> | <u>\$ 31,212</u> |
| Expenditures: | | | |
| Agencies and projects | <u>-</u> | <u>61,814</u> | <u>(61,814)</u> |
| Total expenditures | <u>-</u> | <u>\$ 61,814</u> | <u>\$ (61,814)</u> |
| Receipts over (under) expenditures | 62,412 | | |
| Unencumbered cash, beginning | <u>88,134</u> | | |
| Unencumbered cash, ending | <u>\$ 150,546</u> | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Special Building

| | <u>Actual</u> | <u>Budget</u> | <u>Variance- Over (Under)</u> |
|------------------------------------|-------------------|-------------------|-----------------------------------|
| Cash receipts: | | | |
| Ad valorem property tax | \$ 162,879 | \$ 161,412 | \$ 1,467 |
| Motor vehicle tax | 15,648 | 14,774 | 874 |
| Delinquent tax | <u>2,813</u> | <u>5,000</u> | <u>(2,187)</u> |
| Total cash receipts | <u>181,340</u> | <u>\$ 181,186</u> | <u>\$ 154</u> |
| Expenditures: | | | |
| Contractual services | 36,420 | \$ 400,000 | \$ (363,580) |
| Capital outlay | <u>424,219</u> | <u>481,745</u> | <u>(57,526)</u> |
| Total expenditures | <u>460,639</u> | <u>\$ 881,745</u> | <u>\$ (421,106)</u> |
| Receipts over (under) expenditures | (279,299) | | |
| Unencumbered cash, beginning | <u>1,081,421</u> | | |
| Unencumbered cash, ending | <u>\$ 802,122</u> | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Special Liability

| | <u>Actual</u> | <u>Budget</u> | <u>Variance- Over (Under)</u> |
|------------------------------------|-------------------|---------------------|-----------------------------------|
| Cash receipts: | | | |
| Ad valorem property tax | \$ 658,443 | \$ 1,048,198 | \$ (389,755) |
| Motor vehicle tax | 54,337 | 53,593 | 744 |
| Delinquent tax | 6,496 | 3,000 | 3,496 |
| | <u>719,276</u> | <u>\$ 1,104,791</u> | <u>\$ (385,515)</u> |
| | | | |
| Expenditures: | | | |
| Contractual services | 286,272 | \$ 115,000 | \$ 171,272 |
| Miscellaneous | 97,729 | 407,246 | (309,517) |
| Transfers | 475,000 | 475,000 | - |
| | <u>859,001</u> | <u>\$ 997,246</u> | <u>\$ (138,245)</u> |
| | | | |
| Receipts over (under) expenditures | (139,725) | | |
| | | | |
| Unencumbered cash, beginning | <u>357,265</u> | | |
| | | | |
| Unencumbered cash, ending | <u>\$ 217,540</u> | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Special Parks and Recreation

| | <u>Actual</u> | <u>Budget</u> | <u>Variance- Over (Under)</u> |
|------------------------------------|-------------------|-------------------|-----------------------------------|
| Cash receipts: | | | |
| Special alcohol tax | \$ 44,885 | \$ 22,900 | \$ 21,985 |
| Miscellaneous | 7,782 | - | 7,782 |
| | <u>52,667</u> | <u>\$ 22,900</u> | <u>\$ 29,767</u> |
| Expenditures: | | | |
| Capital outlay | 24,594 | \$ - | \$ 24,594 |
| Recreation facilities | - | 179,770 | (179,770) |
| | <u>24,594</u> | <u>\$ 179,770</u> | <u>\$ (155,176)</u> |
| Receipts over (under) expenditures | 28,073 | | |
| Unencumbered cash, beginning | <u>198,031</u> | | |
| Unencumbered cash, ending | <u>\$ 226,104</u> | | |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

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 | \$ 1,228,933 | \$ 1,212,511 | \$ 16,422 |
| Motor vehicle tax | 88,917 | 85,361 | 3,556 |
| Delinquent tax | 7,795 | 2,000 | 5,795 |
| Intergovernmental | 20,300 | - | 20,300 |
| Reimbursements | 21,178 | - | 21,178 |
| Interest income | 16,851 | - | 16,851 |
| | <u>1,383,974</u> | <u>\$ 1,299,872</u> | <u>\$ 84,102</u> |
| Total cash receipts | | | |
| Expenditures: | | | |
| Contractual services | 300,884 | \$ 378,995 | \$ (78,111) |
| Commodities | 129,046 | 165,500 | (36,454) |
| Personnel services | 636,987 | 622,125 | 14,862 |
| Miscellaneous | 48,789 | 9,729 | 39,060 |
| Capital outlay | 83,643 | 23,000 | 60,643 |
| Transfer | 150,000 | 150,000 | - |
| | <u>1,349,349</u> | <u>\$ 1,349,349</u> | <u>\$ -</u> |
| Total expenditures | | | |
| Receipts over (under) expenditures | 34,625 | | |
| Unencumbered cash, beginning | <u>573,899</u> | | |
| Unencumbered cash, ending | <u>\$ 608,524</u> | | |

DOUGLAS COUNTY, KANSAS

Schedule 2-12

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2023

Non-budgeted Special Purpose Funds

| | Ambulance Capital Reserve | Community Correction Plan | Donations | Equipment Reserve | Grants Program | Prosecutor Training & Assistance |
|------------------------------------|---------------------------------|---------------------------------|-----------|----------------------|-------------------|--|
| Cash receipts: | | | | | | |
| Intergovernmental | \$ - | \$ 730,040 | \$ - | \$ 4,100 | \$ 1,366,050 | \$ - |
| Reimbursements | - | - | 1,110 | 28,000 | 8,245 | - |
| Licenses, permits & fees | - | - | - | - | - | - |
| Sale of property | - | - | - | 198,330 | - | - |
| Charges for services | - | - | - | - | - | 4,450 |
| Interest income | 23,115 | - | - | 146,507 | - | - |
| Miscellaneous | - | 14,525 | 3,275 | 51,551 | 194,630 | - |
| Transfers | 1,040,000 | - | - | 2,908,994 | - | - |
| Total cash receipts | 1,063,115 | 744,565 | 4,385 | 3,337,482 | 1,568,925 | 4,450 |
| Expenditures: | | | | | | |
| Personnel services | - | 703,114 | - | - | 259,884 | - |
| Contractual services | - | 9,667 | 4,695 | 448,216 | 586,120 | 2,504 |
| Commodities | - | 11,340 | - | 315,410 | 57,301 | - |
| Miscellaneous | - | 9,877 | 130 | 121,547 | 197,057 | - |
| Capital outlay | 1,044,244 | - | - | 1,613,773 | 1,107,906 | - |
| Transfers | - | - | - | 94,108 | - | - |
| Total expenditures | 1,044,244 | 733,998 | 4,825 | 2,593,054 | 2,208,268 | 2,504 |
| Receipts over (under) expenditures | 18,871 | 10,567 | (440) | 744,428 | (639,343) | 1,946 |
| Unencumbered cash, beginning | 969,386 | 68,718 | 34,516 | 7,827,454 | 10,175,030 | 3,280 |
| Unencumbered cash, ending | \$ 988,257 | \$ 79,285 | \$ 34,076 | \$ 8,571,882 | \$ 9,535,687 | \$ 5,226 |

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule 2-12

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2023

Non-budgeted Special Purpose Funds

| | Register of Deeds Technology | Sheriff Special Use | Special Law Enforcement Trust | Special Highway Improvement | Youth Services Grants | Fire District Equipment Reserve | Total |
|------------------------------------|------------------------------------|------------------------|-------------------------------------|-----------------------------------|-----------------------------|---------------------------------------|----------------------|
| Cash receipts: | | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ 52,772 | \$ 5,064 | \$ 781,759 | \$ - | \$ 2,939,785 |
| Reimbursements | - | - | - | - | - | - | 37,355 |
| Licenses, permits & fees | - | 117,564 | 598 | - | - | - | 118,162 |
| Sale of property | - | - | - | - | - | - | 198,330 |
| Charges for services | 144,544 | - | - | - | - | - | 148,994 |
| Interest income | 11,098 | - | 6,015 | - | - | - | 186,735 |
| Miscellaneous | - | - | - | - | - | - | 263,981 |
| Transfers | - | - | - | - | - | 150,000 | 4,098,994 |
| Total cash receipts | <u>155,642</u> | <u>117,564</u> | <u>59,385</u> | <u>5,064</u> | <u>781,759</u> | <u>150,000</u> | <u>7,992,336</u> |
| Expenditures: | | | | | | | |
| Personnel services | 18,989 | 24,919 | - | - | 492,586 | - | 1,499,492 |
| Contractual services | 11,367 | 2,296 | - | 91,896 | 98,084 | - | 1,254,845 |
| Commodities | 240 | 76,444 | - | - | 1,611 | - | 462,346 |
| Miscellaneous | - | - | - | - | 51,282 | - | 379,893 |
| Capital outlay | 45,651 | - | 18,582 | - | - | - | 3,830,156 |
| Transfers | 75,000 | - | - | - | - | - | 169,108 |
| Total expenditures | <u>151,247</u> | <u>103,659</u> | <u>18,582</u> | <u>91,896</u> | <u>643,563</u> | <u>-</u> | <u>7,595,840</u> |
| Receipts over (under) expenditures | 4,395 | 13,905 | 40,803 | (86,832) | 138,196 | 150,000 | 396,496 |
| Unencumbered cash, beginning | <u>511,504</u> | <u>7,053</u> | <u>277,246</u> | <u>1,075,174</u> | <u>157,965</u> | <u>-</u> | <u>21,107,326</u> |
| Unencumbered cash, ending | <u>\$ 515,899</u> | <u>\$ 20,958</u> | <u>\$ 318,049</u> | <u>\$ 988,342</u> | <u>\$ 296,161</u> | <u>\$ 150,000</u> | <u>\$ 21,503,822</u> |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Capital Project Fund - Mental Health Sales Tax

| | <u>Actual</u> | <u>Budget</u> | <u>Variance-Over (Under)</u> |
|------------------------------------|----------------------|---------------------|----------------------------------|
| Cash receipts: | | | |
| Local county sales tax | \$ 6,620,337 | \$ 5,300,000 | \$ 1,320,337 |
| Intergovernmental | 2,486,856 | - | 2,486,856 |
| Miscellaneous | 539,000 | 625,000 | (86,000) |
| Transfers | <u>42,930</u> | <u>-</u> | <u>42,930</u> |
| Total cash receipts | <u>9,689,123</u> | <u>\$ 5,925,000</u> | <u>\$ 3,764,123</u> |
| Expenditures: | | | |
| Capital outlay | 8,063,428 | 8,063,427 | 1 |
| Principal | 345,000 | 345,000 | - |
| Interest | <u>156,152</u> | <u>156,153</u> | <u>(1)</u> |
| Total expenditures | <u>8,564,580</u> | <u>\$ 8,564,580</u> | <u>\$ -</u> |
| Receipts over (under) expenditures | 1,124,543 | | |
| Unencumbered cash, beginning | <u>14,884,925</u> | | |
| Unencumbered cash, ending | <u>\$ 16,009,468</u> | | |

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2023

Capital Project Fund - Capital Improvement Fund

| | <u>Actual</u> |
|------------------------------------|-----------------------------|
| Cash receipts: | |
| Intergovernmental | \$ 398,899 |
| Reimbursements | 51,330 |
| Lease proceeds | 33,287 |
| Interest income | 586,453 |
| Transfers | <u>10,396,540</u> |
| Total cash receipts | <u>11,466,509</u> |
| Expenditures: | |
| Contractual services | 6,822,288 |
| Commodities | 305,219 |
| Miscellaneous | 7,362 |
| Capital outlay | <u>2,812,498</u> |
| Total expenditures | <u>9,947,367</u> |
| Receipts over (under) expenditures | 1,519,142 |
| Unencumbered cash, beginning | <u>33,393,742</u> |
| Unencumbered cash, ending | <u><u>\$ 34,912,884</u></u> |

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Debt Service Fund - Bond and Interest Fund

| | <u>Actual</u> | <u>Budget</u> | Variance-Over (Under) |
|------------------------------------|-------------------|-------------------|--------------------------|
| Cash receipts: | | | |
| Special assessments | \$ 206,720 | \$ 260,000 | \$ (53,280) |
| Total cash receipts | <u>206,721</u> | <u>\$ 260,000</u> | <u>\$ (53,279)</u> |
| Expenditures: | | | |
| Principal | 165,000 | 165,000 | - |
| Interest | <u>64,350</u> | <u>64,350</u> | <u>-</u> |
| Total expenditures | <u>229,350</u> | <u>\$ 229,350</u> | <u>\$ -</u> |
| Receipts over (under) expenditures | (22,629) | | |
| Unencumbered cash, beginning | <u>570,152</u> | | |
| Unencumbered cash, ending | <u>\$ 547,523</u> | | |

Debt Service Fund - Local County Sales Tax

| | <u>Actual</u> | <u>Budget</u> | Variance-Over (Under) |
|------------------------------------|----------------------|----------------------|--------------------------|
| Cash receipts: | | | |
| Interest income | \$ 19,588 | \$ - | \$ 19,588 |
| Transfers | <u>4,845,664</u> | <u>4,000,000</u> | <u>845,664</u> |
| Total cash receipts | <u>4,865,252</u> | <u>\$ 4,000,000</u> | <u>\$ 865,252</u> |
| Expenditures: | | | |
| Principal | 11,000,000 | \$ 11,000,000 | \$ - |
| Interest | <u>656,683</u> | <u>656,683</u> | <u>-</u> |
| Total expenditures | <u>11,656,683</u> | <u>\$ 11,656,683</u> | <u>\$ -</u> |
| Receipts over (under) expenditures | (6,791,431) | | |
| Unencumbered cash, beginning | <u>23,796,710</u> | | |
| Unencumbered cash, ending | <u>\$ 17,005,279</u> | | |

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2023

Internal Service Fund - Employee Benefits Trust

| | Actual |
|------------------------------|---------------|
| Cash receipts: | |
| Charges for services | \$ 10,292,563 |
| Interest income | 36,135 |
| Miscellaneous | 1,579,146 |
| Total cash receipts | 11,907,844 |
| Expenditures: | |
| Claims paid | 10,360,613 |
| Contractual services | 1,007,130 |
| Total expenditures | 11,367,743 |
| Receipts over expenditures | 540,101 |
| Unencumbered cash, beginning | 5,003,674 |
| Unencumbered cash, ending | \$ 5,543,775 |

Internal Service Fund - Workers' Compensation

| | Actual |
|------------------------------|--------------|
| Cash receipts: | |
| Intergovernmental | \$ 2,492 |
| Interest income | 27,528 |
| Miscellaneous | 61,977 |
| Transfers | 475,000 |
| Total cash receipts | 566,997 |
| Expenditures: | |
| Personnel services | 146,624 |
| Contractual services | 41,632 |
| Total expenditures | 188,256 |
| Receipts over expenditures | 378,741 |
| Unencumbered cash, beginning | 1,413,296 |
| Unencumbered cash, ending | \$ 1,792,037 |

DOUGLAS COUNTY, KANSAS

Schedule 3

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2023

Related Municipal Entity - Douglas County Extension Council

| | <u>Actual</u> |
|------------------------------|--------------------------|
| Cash receipts: | |
| County appropriation | \$ 510,874 |
| Charges for services | 329,421 |
| Miscellaneous | <u>20,799</u> |
| Total cash receipts | <u>861,094</u> |
| Expenditures: | |
| Personnel services | 522,727 |
| Contractual services | 210,210 |
| Commodities | 73,648 |
| Capital outlay | <u>1,961</u> |
| Total expenditures | <u>808,546</u> |
| Receipts over expenditures | 52,548 |
| Unencumbered cash, beginning | <u>617,826</u> |
| Unencumbered cash, ending | <u><u>\$ 670,374</u></u> |

Related Municipal Entity - Lawrence/Douglas Co Health Dept.

| | <u>Actual</u> |
|------------------------------|----------------------------|
| Cash receipts: | |
| City/County appropriation | \$ 1,712,116 |
| Grants | 1,579,943 |
| Charges for services | 791,211 |
| Interest | 234 |
| Miscellaneous | <u>2,609</u> |
| Total cash receipts | <u>4,086,113</u> |
| Expenditures: | |
| Personnel services | 2,591,486 |
| Contractual services | 767,920 |
| Commodities | <u>422,807</u> |
| Total expenditures | <u>3,782,213</u> |
| Receipts over expenditures | 303,900 |
| Unencumbered cash, beginning | <u>5,476,855</u> |
| Unencumbered cash, ending | <u><u>\$ 5,780,755</u></u> |

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2023

Related Municipal Entity - Douglas County Free Fair

| | <u>Actual</u> |
|------------------------------|--------------------------|
| Cash receipts: | |
| County appropriation | \$ 12,000 |
| Charges for services | 321,751 |
| Interest income | <u>177</u> |
| Total cash receipts | <u>333,928</u> |
| Expenditures: | |
| Personnel services | 33,569 |
| Contractual services | 17,407 |
| Commodities | 239,422 |
| Capital outlay | <u>11,438</u> |
| Total expenditures | <u>301,836</u> |
| Receipts over expenditures | 32,092 |
| Unencumbered cash, beginning | <u>79,877</u> |
| Unencumbered cash, ending | <u><u>\$ 111,969</u></u> |

Summary of Receipts and Disbursements
Regulatory Basis

For the Year Ended December 31, 2023

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 | \$ 132,306,015 | 416,047,635 | \$ 405,426,623 | \$ 142,927,027 |
| Motor Vehicle Accounts | 3,413,348 | 16,554,650 | 16,320,017 | 3,647,981 |
| Total Distributable Funds | <u>135,719,363</u> | <u>432,602,285</u> | <u>421,746,640</u> | <u>146,575,008</u> |
| Other Agency Funds: | | | | |
| Sheriff Seized Property | 2,914 | 56 | - | 2,970 |
| Sheriff Inmate Funds | 33,188 | 240,144 | 256,825 | 16,507 |
| Sheriff Bond Fund | 2,874 | 294,665 | 285,830 | 11,709 |
| District Attorney Funds | 115,425 | 44,181 | 50,346 | 109,260 |
| Payroll Clearing | 12,377 | - | 3,431 | 8,946 |
| Total Other Agency Funds | <u>166,778</u> | <u>579,046</u> | <u>596,432</u> | <u>149,392</u> |
| Total Agency Funds | <u>\$ 135,886,141</u> | <u>\$ 433,181,331</u> | <u>\$ 422,343,072</u> | <u>\$ 146,724,400</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, 2023, and the related notes to the financial statement, and have issued our report thereon dated July 26, 2024. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described below.

Finding 2023-001 Significant Deficiency

Condition - There is a lack of adequate segregation of duties in the payroll function.

Cause - The payroll clerk has access to add employees, modify master file information, process payroll and post to the general ledger. The clerk also has access to blank checks and the signature stamp software. Additionally, there is no reconciliation currently performed between the data in the payroll system and what is posted to the general ledger.

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

Recommendation - Beginning in July 2018, the County implemented an internal control to address this significant deficiency. The internal control consisted of an individual outside of the payroll department reviewing audit tables and any changes made by payroll personnel against supporting documentation quarterly. With personnel turnover, this control was not completed for the last two quarters for fiscal year 2023. We recommend that management re-implement this internal control.

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 statement. 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*.

County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the county's response to the finding identified in our audit and described previously. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly we express no opinion on the response.

Finding 2023-001: Management's Response/Corrective Action Plan (Unaudited)

Management's Response:

The County noted that review of payroll changes did not occur for the last two quarters of fiscal year 2023. The County will get this internal control re-established in 2024 by assigning the responsibility to a staff member outside of the payroll department.

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.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Wichita, Kansas
July 26, 2024