DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2023

AND

INDEPENDENT AUDITOR'S REPORT

AGH
CPAs & ADVISORS

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2023

AND

INDEPENDENT AUDITOR'S REPORT

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENTS

Year Ended December 31, 2023

TABLE OF CONTENTS

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENTS

Year Ended December 31, 2023

TABLE OF CONTENTS (Continued)

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AGH CPAs & ADVISORS

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, Kanas 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	6,174,558	5,281,135	4,892,595	6,563,098	183,135	6,746,233
TOTAL REPORTING ENTITY (Excluding Agency Funds)	$ 133,409,780	$ 164,761,472	$ 159,619,523	$ 138,551,729	$ 16,827,945	$ 155,379,674

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	(146,724,400)
	Total Reporting Entity (Excluding Agency Funds)	$ 155,379,674

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

Douglas County, Kansas

Notes to the Financial Statements

Index

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.

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.

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.

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.

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 Maturity (at cost)			
Investment Type	Fair Value	Less than 1 Year	1-5 Years	Percentage of Investments	Rating
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	$ 9,724,121	$ 4,564,798	$ 4,999,443		

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.

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					30,575,000	-	11,510,000	19,065,000	877,185
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					3,049,063	431,032	558,039	2,922,056	58,687
Total Indebtedness					$ 33,624,063	$ 431,032	$ 12,068,039	$ 21,987,056	$ 935,872

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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Maturities of long-term debt are as follows:

	YEARS												
	2024	2025	2026	2027	2028	2029-2033	2024-2038	2039-2043	2044-2048	2049-2053	2054-2059	2059-2063	Total
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	-	-	-	-	7,390,000
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	59,932	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	-	1,082,658
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	133,665	113,665	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 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		87,280
	$	4,779,254

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 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:

	2023
Estimated unpaid claims, January 1	$ 1,373,970
Incurred claims (including reported and unreported)	7,152,014
Claim payments	(7,262,182)
Estimated unpaid claims, December 31	$ 1,263,802

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 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:

	Net pension liability
Douglas County - KPERS	$ 24,533,047
Douglas County - KP&F	19,022,053
Health Department	1,930,849
Extension Council	109,490
Total	$ 45,595,439

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.

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 Captial 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
			$ 22,872,377

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.

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 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 of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

	Certified Budget	Expenditures Chargeable to Current Year	Variance - Over(Under)
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	-

DOUGLAS COUNTY, KANSAS

Schedule of Reciepts 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	71,510,379	68,894,383	2,615,996
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	1,504,665	1,897,000	(392,335)
Use of money and property:			
Interest on idle funds	3,787,356	565,000	3,222,356
Total interest	3,787,356	565,000	3,222,356
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	743,098	277,400	465,698
Total cash receipts	$ 77,545,498	$ 71,633,783	$ 5,911,715
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	2,187,864	2,945,148	(757,284)
Agencies county funded:			
Contractual services	8,970,128	8,965,625	4,503
Total agency county funded	8,970,128	8,965,625	4,503

Schedule of Reciepts 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	930,790	976,309	(45,519)
Behavioral health projects:			
Miscellaneous	1,775,514	2,356,436	(580,922)
Total behavioral health projects	1,775,514	2,356,436	(580,922)
CIP projects - capital improvements:			
Transfers to CIP	5,352,269	4,852,269	500,000
Total CIP projects	5,352,269	4,852,269	500,000
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	710,767	905,375	(194,608)
Coroner:			
Contractual services	198,630	274,000	(75,370)
Commodities	-	2,200	(2,200)
Total coroner	198,630	276,200	(77,570)
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	600,392	603,296	(2,904)
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	968,228	1,063,500	(95,272)

Schedule of Reciepts 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	1,290,315	1,545,075	(254,760)
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	532,519	557,435	(24,916)
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	2,998,681	4,042,905	(1,044,224)
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	2,665,835	2,920,248	(254,413)
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	702,466	825,940	(123,474)
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	717,858	867,902	(150,044)

DOUGLAS COUNTY, KANSAS

Schedule of Reciepts 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	419,468	369,489	49,979
Fairgrounds:			
Contractual services	43,456	50,000	(6,544)
Commodities	70,569	62,000	8,569
Transfers	50,000	50,000	-
Total fairgrounds	164,025	162,000	2,025
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	82,630	120,750	(38,120)
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	1,300,030	1,601,885	(301,855)
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	157,612	239,723	(82,111)
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	278,949	308,390	(29,441)
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	1,995,950	2,065,376	(69,426)

DOUGLAS COUNTY, KANSAS

Schedule of Reciepts 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	1,480,292	1,537,500	(57,208)
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 vegitation	712,132	743,986	(31,854)
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	453,968	462,326	(8,358)
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	15,155,741	8,860,992	6,294,749
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	7,585,357	7,595,800	(10,443)
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	8,926,846	10,999,243	(2,072,397)

DOUGLAS COUNTY, KANSAS

Schedule of Reciepts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

General Fund

	Actual	Budget	Variance- Over (Under)
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	391,379	393,767	(2,388)
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	454,454	545,425	(90,971)
Utility communication equipment maintenance:			
Contractual services	28,061	73,000	(44,939)
Total utility communication equipement maintenance	28,061	73,000	(44,939)
Utilities:			
Contractual services	1,215,392	1,479,800	(264,408)
Commodities	-	2,000	(2,000)
Capital outlay	-	18,000	(18,000)
Total utilities	1,215,392	1,499,800	(284,408)
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	470,383	591,810	(121,427)
Total expenditures	71,874,925	$ 71,874,925	$ -
Receipts over (under) expenditures	5,670,573		
Unencumbered cash, beginning	16,174,967		
Unencumbered cash, ending	$ 21,845,540		

DOUGLAS COUNTY, KANSAS

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		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Emergency Telephone Service

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

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Employee Benefits

	Actual	Budget	Variance- Over (Under)
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	98,098	50,000	48,098
Total cash receipts	15,691,205	$ 15,004,140	$ 687,065
Expenditures:			
Personnel services	13,766,908	$ 13,974,596	$ (207,688)
Total expenditures	13,766,908	$ 13,974,596	$ (207,688)
Receipts over (under) expenditures	1,924,297		
Unencumbered cash, beginning	3,827,757		
Unencumbered cash, ending	$ 5,752,054		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Motor Vehicle Operations

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Charges for services	$ 820,500	$ 815,000	$ 5,500
Total cash receipts	820,500	$ 815,000	$ 5,500
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	1,000	1,000	-
Total expenditures	815,675	$ 1,095,096	$ (279,421)
Receipts over (under) expenditures	4,825		
Unencumbered cash, beginning	286,253		
Unencumbered cash, ending	$ 291,078		

DOUGLAS COUNTY, KANSAS

Schedule 2-6

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Road and Bridge

	Actual	Budget	Variance-Over (Under)
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
Total cash receipts	7,095,119	$ 7,028,490	$ 66,629
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	-
Total expenditures	6,850,887	$ 7,064,232	$ (213,345)
Receipts over (under) expenditures	244,232		
Unencumbered cash, beginning	2,363,942		
Unencumbered cash, ending	$ 2,608,174		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Special Alcohol

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

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Special Building

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

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Special Liability

	Actual	Budget	Variance- Over (Under)
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
Total cash receipts	719,276	$ 1,104,791	$ (385,515)
Expenditures:			
Contractual services	286,272	$ 115,000	$ 171,272
Miscellaneous	97,729	407,246	(309,517)
Transfers	475,000	475,000	-
Total expenditures	859,001	$ 997,246	$ (138,245)
Receipts over (under) expenditures	(139,725)		
Unencumbered cash, beginning	357,265		
Unencumbered cash, ending	$ 217,540		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Special Purpose Fund - Special Parks and Recreation

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

DOUGLAS COUNTY, KANSAS

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

	Actual	Budget	Variance- Over (Under)
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
Total cash receipts	1,383,974	$ 1,299,872	$ 84,102
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	-
Total expenditures	1,349,349	$ 1,349,349	$ -
Receipts over (under) expenditures	34,625		
Unencumbered cash, beginning	573,899		
Unencumbered cash, ending	$ 608,524		

DOUGLAS COUNTY, KANSAS

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 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	155,642	117,564	59,385	5,064	781,759	150,000	7,992,336
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	151,247	103,659	18,582	91,896	643,563	-	7,595,840
Receipts over (under) expenditures	4,395	13,905	40,803	(86,832)	138,196	150,000	396,496
Unencumbered cash, beginning	511,504	7,053	277,246	1,075,174	157,965	-	21,107,326
Unencumbered cash, ending	$ 515,899	$ 20,958	$ 318,049	$ 988,342	$ 296,161	$ 150,000	$ 21,503,822

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Capital Project Fund - Mental Health Sales Tax

	Actual	Budget	Variance-Over (Under)
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	42,930	-	42,930
Total cash receipts	9,689,123	$ 5,925,000	$ 3,764,123
Expenditures:			
Capital outlay	8,063,428	8,063,427	1
Principal	345,000	345,000	-
Interest	156,152	156,153	(1)
Total expenditures	8,564,580	$ 8,564,580	$ -
Receipts over (under) expenditures	1,124,543		
Unencumbered cash, beginning	14,884,925		
Unencumbered cash, ending	$ 16,009,468		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2023

Capital Project Fund - Capital Improvement Fund

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

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2023

Debt Service Fund - Bond and Interest Fund

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

Debt Service Fund - Local County Sales Tax

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

DOUGLAS COUNTY, KANSAS

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 of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2023

Related Municipal Entity - Douglas County Extension Council

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

Related Municipal Entity - Lawrence/Douglas Co Health Dept.

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

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2023

Related Municipal Entity - Douglas County Free Fair

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

DOUGLAS COUNTY, KANSAS

Summary of Receipts and Disbursements
Regulatory Basis

For the Year Ended December 31, 2023

Agency Funds

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
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	135,719,363	432,602,285	421,746,640	146,575,008
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	166,778	579,046	596,432	149,392
Total Agency Funds	$ 135,886,141	$ 433,181,331	$ 422,343,072	$ 146,724,400

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)*

<u>Management's Response:</u>

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.C.
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, Kansas
July 26, 2024

BT&Co. P.A.

Certified Public Accountants

DOUGLAS COUNTY, KANSAS

SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2023

DOUGLAS COUNTY, KANSAS
SINGLE AUDIT REPORT
Year Ended December 31, 2023

TABLE OF CONTENTS

BT&Co. P.A.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

County Commissioners
Douglas County, Kansas

Opinions

We have audited the schedule of expenditures of federal awards of Douglas County, Kansas and the related municipal entity of Lawrence/Douglas County Health Department (collectively, "the County") for the year ended December 31, 2023, and the related notes (the schedule).

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying schedule presents fairly, in all material respects, the expenditures of federal awards of the County for the year ended December 31, 2023, in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Opinions section of our report, the schedule does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the expenditures of federal awards of the County for the year ended December 31, 2023.

Basis for 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the County 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 audit opinion.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 2 of the schedule, the schedule is prepared by the County 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 schedule of the variances between the regulatory basis of accounting described in Note 2 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 Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* as described in Note 2; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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, *Government Auditing Standards*, and the Uniform Guidance 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 schedule.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the schedule, 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 schedule.
- 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 County'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 schedule.

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.

BT&Co., P.A.

December 13, 2024
Topeka, Kansas

BT&Co. P.A.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

County Commissioners
Douglas County, Kansas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Douglas County, Kansas and the related municipal entity of Lawrence/Douglas County Health Department's (collectively, "the County's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2023. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance 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* issued by the Comptroller General of the United States *(Government Auditing Standards)*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of its major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matter - Noncompliance

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2023-002. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2023-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BT & Co., P.A.

December 13, 2024
Topeka, Kansas

DOUGLAS COUNTY, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture:				
Common Ground Conservation Agriculture	10.902	NR216215XXXXC012	$ 96,405	$ -
Passed through Kansas Department of Health and Environment:				
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	264310 / 264736	521,208	-
Total U.S. Department of Agriculture			617,613	-
U.S. Department of Housing and Urban Development:				
Passed through City of Lawrence, Kansas:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant CDBG-CV	14.218	B-20-MW-20-0005	6,620	-
Total U.S. Department of Housing and Urban Development			6,620	-
U.S. Department of the Interior:				
Passed through Kansas Historical Society:				
Douglas County Preservation Plan	15.904	HPF 2021-10032	13,250	-
Nomination Support for Rural Properties	15.904	HPF 2021-10035	7,250	-
Baldwin City Business & Arts District Intensive	15.904	HPF 2022-10029	9,000	-
Total U.S. Department of the Interior			29,500	-
U.S. Department of Justice:				
Passed through Kansas Office of the Governor:				
Crime Victim Assistance	16.575	23-VOCA-13	59,627	-
Violence Against Women Formula Grants	16.588	23-VAWA-02	66,139	-
Violence Against Women Formula Grants	16.588	23-VAWA-03	16,590	-
Subtotal Violence Against Women Formula Grants program			82,729	-
Total U.S. Department of Justice			142,356	-
U.S. Department of Transportation:				
Passed through Kansas Department of Transportation:				
Safety Improvements in Douglas County	20.205	C-5065-01 017221064	30,973	-
Highway Safety Cluster:				
Special Traffic Enforcement Program	20.600	SP-1300-23	434	-
Special Traffic Enforcement Program	20.600	SP-1300-24	957	-
Total Highway Safety Cluster			1,391	-
Passed through Kansas Adjutant General's Department:				
Hazardous Materials Emergency Preparedness	20.703	693JK32240057HMEP	30,000	-
Total U.S. Department of Transportation			62,364	-
U.S. Department of the Treasury:				
COVID-19 State and Local Fiscal Recovery Funds	21.027	-	2,330,954	1,197,445
Passed through Kansas Adjutant General's Department:				
COVID-19 Local Safety and Security Equipment Program	21.027	LSSE-45	16,983	-
Total U.S. Department of the Treasury			2,347,937	1,197,445

(Continued)

DOUGLAS COUNTY, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services:				
Passed through Kansas Department of Health and Environment:				
Public Health Emergency Preparedness	93.069	264678B	26,913	-
Public Health Emergency Preparedness	93.069	264678C	43,590	-
Subtotal Public Health Emergency Preparedness program			70,503	-
Family Planning	93.217	264FPFFY23	796	-
Implementation of Zero Suicide in Health Systems	93.243	H79SM083465	44,783	-
Immunization & Vaccines for Children	93.268	264IMM24PPHF	7,857	-
COVID-19 Immunization Action Plan Supplemental 3 - Vaccine Access	93.268	264IMM_COVID3	46,398	-
COVID-19 Immunization Action Plan Supplemental 4 - Vaccine Equity	93.268	264IMM_COVIDR4S	87,694	-
Subtotal Immunization & Vaccines for Children program			141,949	-
COVID-19 CLC Care Resource Coordination	93.323	-	16,397	-
COVID-19 Detection & Mitigation of COVID-19 in Confinement Facilities	93.323	-	64,920	-
Subtotal Epidemiology and Laboratory Capacity for Infectious Diseases program			81,317	-
Chronic Disease Risk Reduction	93.387	264TOB23	10,000	-
CCDF Cluster:				
Child Care Licensing	93.575	2643450P	115,042	-
Total CCDF Cluster			115,042	-
Medicaid Cluster:				
Teen Pregnancy Targeted Case Management Grant	93.778	2642043	38,912	-
Outreach, Prevention and Early Intervention Services	93.778	264MEDICAIDADM	294,589	-
Total Medicaid Cluster			333,501	-
Collaborative Application for Chronic Disease - Tobacco	93.991	264277R	38,563	-
Preventive Health & Health Services Block Grant	93.991	1NB01OT009256-01-01	3,700	-
Subtotal Preventive Health and Health Services Block Grant program			42,263	-
Maternal & Child Health - Block Grant	93.994	264329U	45,886	-
Maternal & Child Health - Block Grant	93.994	264230T	10,000	-
Subtotal Maternal & Child Health Block Grant program			55,886	-
Passed through Kansas Children's Cabinet and Trust Fund:				
COVID-19 Community-Based Child Abuse Program	93.590	2001KSBCC6	150,591	-
Total U.S. Department of Health and Human Services			1,046,631	-
U.S. Department of Homeland Security:				
Passed through Kansas Adjutant General's Department:				
Emergency Management Performance Grant	97.042	DHS-23-GPD-042-07-01	99,312	-
Total U.S. Department of Homeland Security			99,312	-
Total expenditures of federal awards			$ 4,352,333	$ 1,197,445

See accompanying notes to schedule of expenditures of federal awards.

DOUGLAS COUNTY, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Douglas County, Kansas and the related municipal entity of Lawrence/Douglas County Health Department (collectively, "the County") under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements of the County. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position of the County.

2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on a regulatory basis of accounting. This basis is designed to follow 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 expenditures on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3 - De Minimus Indirect Cost Rate

The County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

DOUGLAS COUNTY, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2023

Section I - Summary of Independent Auditors' Results

Financial Statement

Type of auditors' report issued on whether the financial statement audited was prepared in accordance with GAAP:	Adverse
Type of auditors' report issued on the basis of accounting used by the County:	Unmodified – Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies identified:	2023-001
Noncompliance material to the financial statement noted:	None

Federal Awards

Type of auditors' report issued on compliance for major federal programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified:	None
Significant deficiencies identified:	2023-002
Any audit findings that are required to be reported in accordance with Section 2 CFR 200.516(a):	2023-002

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee:	No

Section II – Financial Statement Findings

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.

Management's Response/Corrective Action Plan (Unaudited) - 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.

Section III – Federal Award Findings and Questioned Costs

Finding 2023-002 – Significant Deficiency

Type of Finding - Significant Deficiency in Internal Control Over Compliance; Other Matters.

Grant Program/Award – U.S Department of the Treasury, ALN 21.027, COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Repeat Finding – No

Compliance Requirement – Suspension and Debarment

Criteria – The County's internal controls should be designed to ensure that a verification check is performed on vendors and subrecipients.

Condition – In fiscal year 2023, our testing revealed that 4 of 5 vendors and/or subrecipients tested, showed that the County failed to conduct the required SAM.gov inquiry or obtain certification for debarment, suspension, and other responsibility matters for primary covered transactions.

Questioned Costs – None

Context – For four vendors and one subrecipient tested, all four vendors showed that the County failed to conduct the required Sam.gov inquiry or obtain certification for debarment, suspension, and other responsibility matters for primary covered transactions.

Cause – The County staff did not follow the required procedures for suspension and debarment.

Effect – Federal funds could be provided to entities that are suspended or debarred.

Recommendation – We recommend that the County implement controls and processes that ensure that vendors and subrecipients have a verification check completed, by checking SAM.gov, collecting a certification, or adding a clause / condition to the covered transaction.

Management's Response/Corrective Action Plan (Unaudited) – In response to the identified issue, County staff have implemented additional internal controls and developed a certification form for vendors lacking an active SAM.gov registration. Furthermore, staff conducted queries on SAM.gov. For vendors without an active registration, they were contacted and requested to complete the certification form in August 2024. All inquiries were made retroactively to the inception of the program. Additionally, the County is vigilant in maintaining compliance with grant requirements and reporting. A full-time staff member will be added in 2025, dedicated to this functional area.

Contact Name – Brooke Sauer, Finance Manager, Douglas County

Expected Completion Date – August 22, 2024

DOUGLAS COUNTY KANSAS

DOUGLAS COUNTY ADMINISTRATION
1100 Massachusetts Street
Lawrence, KS 66044-3064
(785) 330-2863 Fax (785) 832-5106
bsauer@douglascountyks.org

Brooke Sauer
Finance Manager

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2023

To whom it may concern:

Please see management's response for the findings indicated below.

Financial Statement Findings

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.

Management's Response/Corrective Action Plan (Unaudited) - 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.

Federal Award Findings and Questioned Costs

Finding 2023-002 – Significant Deficiency

Type of Finding - Significant Deficiency in Internal Control Over Compliance; Other Matters.

Grant Program/Award – U.S Department of the Treasury, ALN 21.027, COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Repeat Finding – No

Compliance Requirements – Suspension and Debarment

Criteria – The County's internal controls should be designed to ensure that a verification check is performed on vendors and subrecipients.

Condition – In fiscal year 2023, our testing revealed that 4 of 5 vendors and/or subrecipients tested, showed that the County failed to conduct the required SAM.gov inquiry or obtain certification for debarment, suspension, and other responsibility matters for primary covered transactions.

Questioned Costs – None

Context – For four vendors and one subrecipient tested, all four vendors showed that the County failed to conduct the required Sam.gov inquiry or obtain certification for debarment, suspension, and other responsibility matters for primary covered transactions.

Cause – The County staff did not follow the required procedures for suspension and debarment.

Effect – Federal funds could be provided to entities that are suspended or debarred.

Recommendation – We recommend that the County implement controls and processes that ensure that vendors and subrecipients have a verification check completed, by checking SAM.gov, collecting a certification, or adding a clause / condition to the covered transaction.

Management's Response/Corrective Action Plan (Unaudited) – In response to the identified issue, County staff have implemented additional internal controls and developed a certification form for vendors lacking an active SAM.gov registration. Furthermore, staff conducted queries on SAM.gov. For vendors without an active registration, they were contacted and requested to complete the certification form in August 2024. All inquiries were made retroactively to the inception of the program. Additionally, the County is vigilant in maintaining compliance with grant requirements and reporting. A full-time staff member will be added in 2025, dedicated to this functional area.

Contact Name – Brooke Sauer, Finance Manager, Douglas County

Expected Completion Date – August 22, 2024

DOUGLAS COUNTY, KANSAS

Brooke Sauer

Brooke Sauer, Finance Manager
County Administration

Date Signed 12/17/2024

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

Finding 2022-001 – Material Weakness

Grant Program/Award – U.S. Department of Health and Human Services, ALN 93.323, COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Prior Reference Number – 2021-002

Compliance Requirements – Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Condition – Our expense testing revealed that 45 of 60 expenditures tested, all related to salaries and benefits expenditures, showed no evidence of time and effort to support how the salaries and benefits allocation was determined, with 6 of the same 45 expenditures lacking evidence of payroll documentation for the amounts charged to the grant. Further, 47 of 60 expenses tested showed no evidence of review by a person knowledgeable of the grant. As the finding was not identified until fiscal year 2022, the condition was present in fiscal year 2022.

Criteria – The County's internal controls should be designed to ensure proper recordkeeping of expenses charged to the federal program and review of the documentation that supports expenses.

Questioned Costs – None for fiscal year 2022. Known questioned costs in fiscal year 2021 – $ 4,513. Likely questioned costs in fiscal year 2021 - $ 23,792.

Effect – Unallowed costs could be charged to the federal program.

Recommendation – We recommend that the County implement controls and processes that ensure that expenditures charged to the program are reviewed and documented to ensure costs are allowable and properly supported.

Management's Response/Corrective Action Plan (Unaudited) – The County's financial analysist allocated salaries and benefits in accordance with reports derived from the County's payroll software after payroll hours were reviewed and approved by County Department supervisors. Those allocations were discussed and reviewed during finance meetings, but documentation of the meetings was not available as a result of staff turnover. The County formalized and memorialized a process to document discussion, review and approval of activities allowed or unallowed as well as allowable costs for grants. The County implemented a review and approval process requiring the Health Department Executive Director to sign and approve Financial Status Reports (FSR) prior to submission. The signed FSRs are scanned and saved in the respective grant documentation. In fiscal year 2023, the electronic FSR filing system was updated to allow for electronic approval prior to filing.

Contact Name – Jonathan Smith, Director, Lawrence/Douglas County Health Department

Expected Completion Date – The County has subsequently implemented the above procedures.

Corrective Action Taken – The County implemented a review and approval process requiring the Health Department Executive Director to sign and approve Financial Status Reports (FSR) prior to submission. The signed FSRs are scanned and saved in the respective grant documentation. In 2023, the electronic FSR filing system was updated to allow for electronic approval prior to filing.