

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2024

AND

INDEPENDENT AUDITOR'S REPORT

DOUGLAS COUNTY, KANSAS

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DOUGLAS COUNTY, KANSAS

**REGULATORY BASIS
FINANCIAL STATEMENTS**

Year Ended December 31, 2024

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DOUGLAS COUNTY, KANSAS

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Douglas County, Kansas

Report of the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Douglas County, Kansas and the related municipal entities of the Douglas County Extension Council, Lawrence/Douglas County Health Department and Douglas County Free Fair (collectively, Douglas County, Kansas Financial Reporting Entity), as of and for the year ended December 31, 2024, 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, 2024, 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, 2024, 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*), 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 12 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, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note IB.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2025 on our consideration of the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS
September 17, 2025

Douglas County, Kansas

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

For the Year Ended December 31, 2024

	Beginning Unencumbered Cash Balance 1/1/2024	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2024	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2024
GOVERNMENTAL TYPE FUNDS:						
GENERAL FUND	\$ 21,845,540	\$ 93,467,426	\$ 93,288,711	\$ 22,024,255	\$ 1,842,295	\$ 23,866,550
SPECIAL PURPOSE FUNDS:						
Ambulance	1,806,415	-	1,806,415	-	-	-
Emergency Telephone Service	365,746	702,759	560,334	508,171	-	508,171
Employee Benefits	5,752,054	17,219,452	14,469,805	8,501,701	3,714,189	12,215,890
Motor Vehicle Operations	291,078	854,971	874,738	271,311	25,562	296,873
Municipalities Fight Addition	-	465,382	29,972	435,410	-	435,410
Road & Bridge	2,608,174	7,690,632	7,623,857	2,674,949	110,330	2,785,279
Special Alcohol	150,546	71,271	-	221,817	-	221,817
Special Building	802,122	-	802,122	-	-	-
Special Liability	217,540	-	217,540	-	-	-
Special Parks & Recreation	226,104	57,729	21,590	262,243	-	262,243
Consolidated Fire District #1	608,524	1,741,137	1,789,067	560,594	17,057	577,651
Ambulance Capital Reserve	988,257	4,326,321	-	5,314,578	-	5,314,578
Community Correction Plan	79,285	759,774	763,539	75,520	22,920	98,440
Donations	34,076	5,685	5,687	34,074	58	34,132
Equipment Reserve	8,571,882	4,167,349	3,779,163	8,960,068	949,041	9,909,109
Grants Programs	9,535,687	1,837,955	10,764,210	609,432	3,621,426	4,230,858
Prosecutor Training & Assistance	5,226	4,509	2,281	7,454	-	7,454
Register of Deeds Technology	515,899	175,500	83,527	607,872	557	608,429
Sheriff Special Use	20,958	104,119	78,853	46,224	724	46,948
Special Law Enforcement Trust	318,049	13,747	160	331,636	-	331,636
Special Highway Improvement	988,342	-	-	988,342	-	988,342
Youth JDC Behavioral Health Grant	-	91,900	-	91,900	-	91,900
Youth Program Grants	-	317,610	155,862	161,748	1,399	163,147
Youth Services Grants	296,161	551,226	801,292	46,095	10,887	56,982
Fire District Equipment Reserve	150,000	579,552	-	729,552	-	729,552
TOTAL SPECIAL PURPOSE FUNDS	34,332,125	41,738,580	44,630,014	31,440,691	8,474,150	39,914,841
CAPITAL PROJECT FUNDS:						
Mental Health Sales Tax	16,009,468	15,924,901	11,160,322	20,774,047	694,427	21,468,474
Capital Improvement Plan	34,912,884	17,336,090	9,503,891	42,745,083	4,451,013	47,196,096
TOTAL CAPITAL PROJECTS FUND	50,922,352	33,260,991	20,664,213	63,519,130	5,145,440	68,664,570
DEBT SERVICE FUNDS:						
Bond and Interest	547,523	207,525	232,675	522,373	-	522,373
Local County Sales Tax	17,005,279	4,750,000	1,136,465	20,618,814	-	20,618,814
TOTAL DEBT SERVICE FUNDS	17,552,802	4,957,525	1,369,140	21,141,187	-	21,141,187
BUSINESS FUNDS:						
Employee Benefit Trust	5,543,775	11,117,067	10,818,414	5,842,428	515,428	6,357,856
Workers' Compensation	1,792,037	763,916	656,305	1,899,648	299,910	2,199,558
TOTAL BUSINESS FUNDS:	7,335,812	11,880,983	11,474,719	7,742,076	815,338	8,557,414
TOTAL COUNTY	\$ 131,988,631	\$ 185,305,505	\$ 171,426,797	\$ 145,867,339	\$ 16,277,223	\$ 162,144,562

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

Douglas County, Kansas

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

For the Year Ended December 31, 2024

	Beginning Unencumbered Cash Balance 1/1/2024	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2024	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2024
RELATED MUNICIPAL ENTITIES:						
Douglas County Extension Council	\$ 670,374	\$ 922,275	\$ 898,031	\$ 694,618	\$ -	\$ 694,618
Lawrence/Douglas County Health Dept	5,780,755	4,301,128	4,097,449	5,984,434	170,333	6,154,767
Douglas County Free Fair	111,969	460,047	446,925	125,091	-	125,091
TOTAL RELATED MUNICIPAL ENTITIES	6,563,098	5,683,450	5,442,405	6,804,143	170,333	6,974,476
TOTAL REPORTING ENTITY (Excluding Agency Funds)	\$ 138,551,729	\$ 190,988,955	\$ 176,869,202	\$ 152,671,482	\$ 16,447,556	\$ 169,119,038

Composition of Cash:	Petty Cash - County	\$ 2,500
	Petty Cash - Health Department	737
	Checking Account - US Bank	40,672,828
	Lockbox/Holding/Transfer - UMB Bank	3,675
	Investment Account - Kansas Municipal Investment Pool	64,979
	Investment account - Commerce Bank	140,369,313
	Certificates of Deposit - Central Trust Company	15,000,000
	Certificates of Deposit - Capitol Federal	7,500,000
	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	6,500,010
	Checking Account - Employee Benefits Trust - US Bank	3,349,999
	Checking Account - Workers Comp- US Bank	55,068
	Insured Cash Sweep - US Bank	4,500,043
	Insured Cash Sweep - Employee Benefits Trust - US Bank	3,007,858
	Inmate Funds - US Bank	19,085
	Checking Account - District Attorney - INTRUST Bank	99,044
	Checking Account - Sheriff Bond Fund - US Bank	5,793
	Health Department - Central Bank of the Midwest	3,824,030
	Extension Council - Central Bank of the Midwest	694,618
	Free Fair Board - Central Bank of the Midwest	125,091
	Total Cash	321,009,315
	Less Agency Funds per Schedule 4	(151,890,277)
	Total Reporting Entity (Excluding Agency Funds)	\$ 169,119,038

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

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DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Municipal Financial Reporting Entity

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

Related Municipal Entities

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

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

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

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

B. Fund Types and Basis of Accounting

1. Regulatory Basis Fund Types

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

Governmental Fund Types

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

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

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

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

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

Business Fund Types

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

Fiduciary Fund Types

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

2. Regulatory Basis of Accounting

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

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

C. Deposits and Investments

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

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

Earnings from the investments, except those held in escrow, are allocated to the general fund. Investments for the County as of December 31, 2024 consisted of certificates of deposit, investments in the Kansas Municipal Investment Pool, U.S. Treasury Note and U.S. Treasury Strip, 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 that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

If the municipality is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The municipality did hold a revenue neutral rate hearing for this year.

The County has the following levels of budget control:

- * The legal level of control is established at the fund level by Kansas statutes.
- * As allowed by Kansas statute, the governing body can increase the fund level expenditures from the originally adopted budget by amending the budget. An amendment may only be made for previously unbudgeted increases in regulatory receipts other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after the publication, the hearing may be held, and the governing body may amend the budget at that time. The following funds had budget amendments in 2024: Ambulance fund, Municipalities Fight Addiction fund, Special Building fund and Special Liability fund.

Budget comparison schedules 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. For the 2024 reporting year, the County made the decision to include the cash forward line in these schedules as allowed by budget law. This cash forward balance represents the estimated ending cash balance that under cash basis law can be spent in the current year.

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	Sheriff Special Use
Community Correction Plan	Special Law Enforcement Trust
Donations	Special Highway Improvement
Equipment Reserve	Youth JDC Behavioral Health Grant
Grants Program	Youth Programs Grants
Prosecutor Training & Assistance	Youth Services Grants
Register of Deeds Technology	Fire District Equipment Reserve

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

III. DETAILED NOTES ON THE FUNDS AND ACCOUNTS

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.

A. Deposits and Investments

Deposits - At year-end, the carrying amount of deposits for the County was \$180,575,023 and the bank balance was \$180,494,823.

Investments - As of December 31, 2024, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity (at cost)		Percentage of Investments	Rating
		Less than 1 Year	1-5 Years		
Kansas Municipal Investment Pool	\$ 73,926	\$ 64,979	\$ -	0.1%	N/A
U.S. Treasury	126,110,930	125,871,685	-	89.4%	N/A
U.S. Treasury Strip	14,774,207	7,498,286	6,999,342	10.5%	N/A
Total Fair Value	<u>\$ 140,959,063</u>	<u>\$ 133,434,950</u>	<u>\$ 6,999,342</u>		

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a bank failure, or failure of the counterparty, the County will not recover the value of its investments or deposits that are in possession of an outside party. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. As of December 31, 2024, the County's deposits were fully covered and not exposed to custodial credit risk. At December 31, 2024, the County had invested \$64,979, \$125,871,685, and \$14,497,628 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 ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

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

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

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

B. Long-Term Debt

Changes in long-term debt were as follows:

Douglas County, Kansas
Statement of Changes in Long-Term Debt
Regulatory Basis
For the Year Ended December 31, 2024

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	\$ 95,000	\$ -	\$ 15,000	\$ 80,000	\$ 4,513
Series 2009A GO Improvement Bonds	2.63 - 4.25%	10/01/09	2,445,000	09/01/30	1,175,000	-	150,000	1,025,000	49,562
Series 2012E General Obligation Bonds	2.625 - 4.00%	09/05/12	175,000	08/01/32	90,000	-	10,000	80,000	3,600
Series 2020A GO Sales Tax Improvement Bonds	1.00 - 3.00%	12/10/20	8,445,000	09/01/40	7,390,000	-	360,000	7,030,000	145,803
Series 2020B GO Refunding Bonds	1.50 - 2.00%	12/10/20	10,315,000	09/01/33	10,315,000	-	945,000	9,370,000	191,465
Total Bonded Indebtedness					19,065,000	-	1,480,000	17,585,000	394,943
Finance Leases:									
Axon Body Camera	0.69%	3/1/2022	578,169	02/28/27	368,250	-	115,434	252,816	2,166
Axon Taser	2.68%	4/1/2023	302,550	03/31/28	259,129	-	58,347	200,782	6,237
Axon Vehicle Camera	3.21%	10/1/2023	128,482	10/31/26	77,037	-	24,873	52,164	2,471
Truck	4.08%	1/15/2022	247,222	01/15/29	192,103	-	28,845	163,258	7,311
Copier	6.95%	1/1/2022	179,347	02/28/25	70,090	-	60,004	10,086	2,984
Ground lease 1	1.59%	1/1/2022	378,905	02/28/43	347,832	-	15,653	332,179	5,407
Ground lease 2	1.75%	1/1/2022	1,128,945	08/31/58	1,082,658	-	22,914	1,059,744	18,774
Ground lease 3	1.62%	1/1/2022	513,125	07/31/43	415,573	-	18,174	397,399	6,606
Building lease 1	0.69%	1/1/2022	98,030	07/31/26	55,602	-	21,402	34,200	318
Building lease 2*	2.64%	6/1/2024	648,289	05/31/29	53,782	648,289	126,356	575,715	8,112
Building lease 3	2.43%	1/1/2024	69,515	12/31/26	-	69,515	22,708	46,807	1,292
Total Finance Lease Indebtedness**					2,922,056	717,804	514,710	3,125,150	61,678
Total Indebtedness					\$ 21,987,056	717,804	\$ 1,994,710	\$ 20,710,150	\$ 456,621

* This lease was extended during fiscal year 2024. Information shown reflects the updated terms of the extension. The original lease expired in May of 2024.

** Principal and interest for finance leases are recorded within contractual expenditures on the supplemental schedules.

Funding received from the various bonds issuances was used to provide financing for improvements to certain roadways, sewers, the juvenile detention facility, judicial center, courthouse, spillway, fairground facilities, portions of the health department, communications system improvements, and a public works facility.

Finance leases are for equipment for operations, ground leases for antennae placements and building leases for office space.

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DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

Maturities of long-term debt are as follows:

	YEARS											
	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	2045-2049	2050-2054	2055-2059	Total
PRINCIPAL:												
Douglas County:												
General Obligation Bonds:												
Series 2008 General Obligation Bonds	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
Series 2009A GO Improvement Bonds	155,000	160,000	165,000	175,000	180,000	190,000	-	-	-	-	-	1,025,000
Series 2012E General Obligation Bonds	10,000	10,000	10,000	10,000	10,000	30,000	-	-	-	-	-	80,000
Series 2020A GO Sales Tax Improvement Bonds	370,000	380,000	390,000	400,000	415,000	2,215,000	2,365,000	495,000	-	-	-	7,030,000
Series 2020B GO Refunding Refunding Bonds	960,000	985,000	1,000,000	1,020,000	1,040,000	4,365,000	-	-	-	-	-	9,370,000
TOTAL GENERAL OBLIGATION BONDS	1,515,000	1,555,000	1,585,000	1,625,000	1,645,000	6,800,000	2,365,000	495,000	-	-	-	17,585,000
Finance Leases:												
Axon Body Camera	116,231	117,030	19,555	-	-	-	-	-	-	-	-	252,816
Axon Taser	59,932	61,561	63,230	16,059	-	-	-	-	-	-	-	200,782
Axon Vehicle Camera	25,671	26,493	-	-	-	-	-	-	-	-	-	52,164
Truck	30,047	31,296	32,599	33,957	35,359	-	-	-	-	-	-	163,258
Copier	10,086	-	-	-	-	-	-	-	-	-	-	10,086
Ground lease 1	15,903	16,158	16,416	16,678	16,946	88,887	96,213	64,978	-	-	-	332,179
Ground lease 2	23,318	23,730	24,150	24,572	25,009	131,825	143,876	157,030	171,384	187,056	147,794	1,059,744
Ground lease 3	18,471	18,773	19,079	19,391	19,708	103,478	112,213	86,286	-	-	-	397,399
Building lease 1	21,555	12,645	-	-	-	-	-	-	-	-	-	34,200
Building lease 2	124,549	127,863	131,276	134,770	57,257	-	-	-	-	-	-	575,715
Building lease 3	23,120	23,687	-	-	-	-	-	-	-	-	-	46,807
TOTAL FINANCE LEASE	468,883	459,236	306,305	245,427	154,279	324,190	352,302	308,294	171,384	187,056	147,794	3,125,150
TOTAL PRINCIPAL	1,983,883	2,014,236	1,891,305	1,870,427	1,799,279	7,124,190	2,717,302	803,294	171,384	187,056	147,794	20,710,150
INTEREST:												
General Obligation Bonds:												
Series 2008 General Obligation Bonds	3,800	2,850	1,900	950	-	-	-	-	-	-	-	9,500
Series 2009A GO Improvement Bonds	43,563	36,975	30,175	23,163	15,725	8,075	-	-	-	-	-	157,676
Series 2012E General Obligation Bonds	3,200	2,800	2,400	2,000	1,600	2,400	-	-	-	-	-	14,400
Series 2020A GO Sales Tax Improvement Bonds	135,003	123,903	112,503	100,803	88,803	302,598	150,468	8,167	-	-	-	1,022,248
Series 2020B GO Refunding Refunding Bonds	172,565	153,365	133,665	113,665	93,265	176,360	-	-	-	-	-	842,885
TOTAL GENERAL OBLIGATION BONDS	358,131	319,893	280,643	240,581	199,393	489,433	150,468	8,167	-	-	-	2,046,709
Finance Leases:												
Axon Body Camera	1,369	570	45	-	-	-	-	-	-	-	-	1,984
Axon Taser	4,652	3,023	1,354	87	-	-	-	-	-	-	-	9,116
Axon Vehicle Camera	1,673	850	-	-	-	-	-	-	-	-	-	2,523
Truck	6,109	4,860	3,557	2,199	797	-	-	-	-	-	-	17,522
Copier	412	-	-	-	-	-	-	-	-	-	-	412
Ground lease 1	5,157	4,902	4,644	4,382	4,114	17,815	10,597	2,914	-	-	-	54,525
Ground lease 2	18,370	17,958	17,538	17,116	16,679	76,615	64,564	51,410	37,056	21,384	5,062	343,752
Ground lease 3	6,309	6,007	5,701	5,389	5,072	20,422	11,687	2,509	-	-	-	63,096
Building lease 1	165	25	-	-	-	-	-	-	-	-	-	190
Building lease 2	13,679	10,365	6,952	3,458	379	-	-	-	-	-	-	34,833
Building lease 3	880	313	-	-	-	-	-	-	-	-	-	1,193
TOTAL FINANCE LEASE	58,775	48,873	39,791	32,631	27,041	114,852	86,848	56,833	37,056	21,384	5,062	529,146
TOTAL INTEREST	416,906	368,766	320,434	273,212	226,434	604,285	237,316	65,000	37,056	21,384	5,062	2,575,855
TOTAL PRINCIPAL AND INTEREST	\$ 2,400,789	\$ 2,383,002	\$ 2,211,739	\$ 2,143,639	\$ 2,025,713	\$ 7,728,475	\$ 2,954,618	\$ 868,294	\$ 208,440	\$ 208,440	\$ 152,856	\$ 23,286,005

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, 2024. 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 for vacation leave for full-time and part-time employees based on their length of service. During the first 4 years of employment, employees

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

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, 2024, the liability for compensated absences included:

Douglas County	\$	5,438,763
Lawrence/Douglas County Health Department		101,404
	\$	<u>5,540,167</u>

2. Other Post-Employment Benefits

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

The contribution requirements of plan participants and the County are established and amended by the County. The required contribution is based on projected pay-as-you-go financing requirements. The County pays 45% of the full premium for retiree coverage for eligible participants and qualified dependents, with the participants contributing the remainder. While retirees pay a portion of the applicable premium, conceptually, the County is subsidizing retirees because premiums for participants are charged at a level rate, regardless of age. The cost of this subsidy has not been quantified in this financial statement.

Death and Disability Other Post-Employment Benefits - As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2024.

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.

DOUGLAS COUNTY, KANSAS

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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:

	2024
Estimated unpaid claims, January 1	\$ 1,263,802
Incurred claims (including reported and unreported)	6,073,331
Claim payments	(6,541,329)
Estimated unpaid claims, December 31	<u>\$ 795,804</u>

Liabilities related to risks of loss are reported when it is probable that a loss has occurred, and the amount of loss can be reasonably estimated. The County has reserved \$7,742,076 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 publicly 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 9.26% for KPERS and 23.10% for KP&F for the fiscal year ended December 31, 2024. Contributions to the pension plan from the County were \$2,646,676 for KPERS and \$1,979,623 for KP&F the year ended December 31, 2024.

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Notes to the Financial Statements

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, 2024, the County's proportionate share of the collective net pension liability reported by KPERS was as follows:

	Net pension liability
Douglas County - KPERS	\$ 25,070,284
Douglas County - KP&F	18,382,697
Health Department	1,761,836
Extension Council	161,293
Total	<u>\$ 45,376,110</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. 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, 2024. 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	Workers' Compensation	K.S.A. 12-2615	\$ 692,540
General Fund	Capital Improvement Plan	K.S.A. 19-120	15,798,671
General Fund	Ambulance Capital Reserve	K.S.A. 19-119	4,289,919
General Fund	Mental Health Sales Tax	K.S.A. 12-197	5,195,687
General Fund	Local County Sale Tax	K.S.A. 12-197	4,750,000
General Fund	Equipment Reserve	K.S.A. 19-119	2,519,164
Ambulance Fund	General Fund	K.S.A. 79-2958	1,806,415
Special Buildings	General Fund	K.S.A. 79-2958	802,122
Special Liability	General Fund	K.S.A. 79-2958	217,540
Road & Bridge	Equipment Reserve	K.S.A. 19-119	1,062,485
Motor Vehicle Operations	Equipment Reserve	K.S.A. 8-145	1,000
Consolidated Fire District No. 1	Fire District Equipment Reserve	K.S.A. 19-119	554,939
Youth Programs Grant	Youth JDC Behavioral Health Grant	Non-budgeted Fund	91,900
Grant Programs	Municipalities Fight Addiction	Non-budgeted Fund	234,383
Youth Services Grant	Youth Programs Grant	Non-budgeted Fund	225,710
			<u>\$ 38,242,475</u>

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

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.

The non-budgeted fund transfers were to establish separate funds to track specific grant activity more effectively.

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. In 2024, this agreement was modified to include the City of Baldwin City and the City of Eudora. The cost share arrangement is as follows: City 60%, County 33.33%, City of Eudora 3.67% and City of Baldwin City 3%.

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Notes to the Financial Statements

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. In 2024, the Bert Nash Mental Healthcare Center was the sole recipient of KDADS CIC funding. Douglas County did not work as a pass-through. 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 2024.

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.

DOUGLAS COUNTY, KANSAS

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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.

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 2024.

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.

F. Subsequent Events

On June 11, 2025, the County issued General Obligation Sales Tax Improvement Bonds, Series 2025 A for \$51,550,000.

REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION

Schedule of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

	Certified Budget	Expenditures Chargeable to Current Year	Variance - Over(Under)
GOVERNMENTAL TYPE FUNDS:			
GENERAL FUND	\$ 98,306,105	\$ 93,288,711	\$ (5,017,394)
SPECIAL PURPOSE FUNDS:			
Ambulance	1,806,415	1,806,415	-
Emergency Telephone Service	941,825	560,334	(381,491)
Employee Benefits	20,880,757	14,469,805	(6,410,952)
Motor Vehicle Operations	978,860	874,738	(104,122)
Municipalities Fights Addition	299,383	29,972	(269,411)
Road & Bridge	9,248,023	7,623,857	(1,624,166)
Special Alcohol	73,034	-	(73,034)
Special Building	802,122	802,122	-
Special Liability	217,541	217,540	(1)
Special Parks & Recreation	242,867	21,590	(221,277)
Consolidated Fire District No. 1	2,028,429	1,789,067	(239,362)
CAPITAL PROJECT FUND:			
Mental Health Sales Tax	32,145,573	11,160,322	(20,985,251)
DEBT SERVICE FUNDS:			
Bond and Interest	727,427	232,675	(494,752)
Local County Sales Tax	20,744,800	1,136,465	(19,608,335)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

General Fund

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Taxes:			
Ad valorem property tax	\$ 64,882,848	\$ 64,545,000	\$ 337,848
Delinquent tax	588,552	498,000	90,552
Motor vehicle tax	5,203,119	4,650,066	553,053
Local county sales tax	9,753,282	9,000,000	753,282
Interest and penalties	587,363	500,000	87,363
Total taxes	<u>81,015,164</u>	<u>79,193,066</u>	<u>1,822,098</u>
Licenses, fees, and permits:			
Licenses, permits & fees	1,134,025	1,160,000	(25,975)
Charges for services	67,506	349,000	(281,494)
District court fees	346,590	330,000	16,590
Total licenses, fees, and permits	<u>1,548,121</u>	<u>1,839,000</u>	<u>(290,879)</u>
Use of money and property:			
Interest on idle funds	7,462,235	2,660,000	4,802,235
Total interest	<u>7,462,235</u>	<u>2,660,000</u>	<u>4,802,235</u>
Other:			
Rental income	158,215	143,000	15,215
Sale of chemicals	107,334	85,000	22,334
Intergovernmental	270,949	28,000	242,949
Sale of commodities	700	1,500	(800)
Miscellaneous income	78,631	55,000	23,631
Transfers	2,826,077	-	2,826,077
Total other	<u>3,441,906</u>	<u>312,500</u>	<u>3,129,406</u>
Total cash receipts	<u>\$ 93,467,426</u>	<u>\$ 84,004,566</u>	<u>\$ 9,462,860</u>
Expenditures:			
Administration:			
Personnel services	\$ 1,720,762	\$ 1,786,834	\$ (66,072)
Contractual services	1,418,293	1,501,785	(83,492)
Commodities	-	2,500	(2,500)
Miscellaneous	9,703	-	9,703
Reimbursements	(20,615)	(40,000)	19,385
Total administration	<u>3,128,143</u>	<u>3,251,119</u>	<u>(122,976)</u>
Appraiser:			
Personnel services	1,030,574	1,059,317	(28,743)
Contractual services	42,707	42,630	77
Capital outlay	-	4,000	(4,000)
Transfers	7,200	-	7,200
Total appraiser	<u>1,080,481</u>	<u>1,105,947</u>	<u>(25,466)</u>
CIP projects - capital improvements:			
Transfers to CIP	14,996,548	5,121,314	9,875,234
Total CIP projects	<u>14,996,548</u>	<u>5,121,314</u>	<u>9,875,234</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

General Fund

	Actual	Budget	Variance- Over (Under)
Commissioners:			
Personnel services	142,366	143,961	(1,595)
Contractual services	608,965	547,500	61,465
Miscellaneous	-	475,000	(475,000)
Total commissioners	<u>751,331</u>	<u>1,166,461</u>	<u>(415,130)</u>
Coroner:			
Contractual services	220,950	266,000	(45,050)
Total coroner	<u>220,950</u>	<u>266,000</u>	<u>(45,050)</u>
County Clerk:			
Personnel services	632,497	665,649	(33,152)
Contractual services	743	1,150	(407)
Commodities	346	200	146
Total county clerk	<u>633,586</u>	<u>666,999</u>	<u>(33,413)</u>
Countywide:			
Contractual services	1,254,116	997,800	256,316
Commodities	93,063	150,000	(56,937)
Miscellaneous	29,808	25,000	4,808
Capital outlay	173,621	-	173,621
Reimbursements	(37,138)	-	(37,138)
Total countywide	<u>1,513,470</u>	<u>1,172,800</u>	<u>340,670</u>
Court operating:			
Personnel services	529,820	796,321	(266,501)
Contractual services	843,607	1,044,500	(200,893)
Commodities	33,122	30,500	2,622
Capital outlay	7,458	20,000	(12,542)
Miscellaneous	3,196	20,000	(16,804)
Reimbursements	(55,177)	(58,000)	2,823
Total court operating	<u>1,362,026</u>	<u>1,853,321</u>	<u>(491,295)</u>
Court trustee:			
Personnel services	575,774	526,166	49,608
Contractual services	1,265	3,825	(2,560)
Commodities	668	1,700	(1,032)
Capital outlay	740	1,900	(1,160)
Miscellaneous	2,284	2,700	(416)
Total court trustee	<u>580,731</u>	<u>536,291</u>	<u>44,440</u>
Criminal justice services:			
Personnel services	3,026,725	2,808,832	217,893
Contractual services	382,869	581,260	(198,391)
Commodities	98,801	167,507	(68,706)
Capital Outlay	2,332	9,800	(7,468)
Miscellaneous	449,735	568,918	(119,183)
Reimbursements	(309,742)	(201,100)	(108,642)
Total criminal justice services	<u>3,650,720</u>	<u>3,935,217</u>	<u>(284,497)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

General Fund

	Actual	Budget	Variance- Over (Under)
District Attorney:			
Personnel services	2,779,948	2,906,810	(126,862)
Contractual services	249,706	246,487	3,219
Capital outlay	1,597	41,100	(39,503)
Miscellaneous	8,779	25,000	(16,221)
Reimbursements	(110,703)	(110,000)	(703)
Transfers	50,000	50,000	-
Total district attorney	<u>2,979,327</u>	<u>3,159,397</u>	<u>(180,070)</u>
Economic Development:			
Contractual services	1,207,919	1,131,096	76,823
Total economic development	<u>1,207,919</u>	<u>1,131,096</u>	<u>76,823</u>
Elections:			
Personnel services	299,014	315,083	(16,069)
Contractual services	627,475	603,400	24,075
Commodities	127,296	133,000	(5,704)
Miscellaneous	238	250	(12)
Reimbursements	(81,365)	(200,000)	118,635
Total elections	<u>972,658</u>	<u>851,733</u>	<u>120,925</u>
Emergency communication center:			
Personnel services	2,268,376	2,278,425	(10,049)
Contractual services	303,883	369,336	(65,453)
Commodities	37,539	34,950	2,589
Capital outlay	20,417	24,500	(4,083)
Miscellaneous	728	1,000	(272)
Reimbursements	(1,775,856)	(1,787,377)	11,521
Transfers	70,000	70,000	-
Total emergency communication center	<u>925,087</u>	<u>990,834</u>	<u>(65,747)</u>
Emergency management:			
Personnel services	253,245	245,893	7,352
Contractual services	68,356	81,473	(13,117)
Commodities	2,674	4,600	(1,926)
Capital outlay	4,491	5,000	(509)
Miscellaneous	2,674	4,500	(1,826)
Transfers	40,000	40,000	-
Total emergency management	<u>371,440</u>	<u>381,466</u>	<u>(10,026)</u>
Fairgrounds:			
Contractual services	18,438	54,000	(35,562)
Commodities	70,888	66,500	4,388
Transfers	50,000	50,000	-
Total fairgrounds	<u>139,326</u>	<u>170,500</u>	<u>(31,174)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

General Fund

	Actual	Budget	Variance- Over (Under)
First Responders:			
Personnel services	9,031	-	9,031
Contractual services	29,622	110,000	(80,378)
Commodities	52	5,000	(4,948)
Transfers	35,673	5,750	29,923
Total first responders	<u>74,378</u>	<u>120,750</u>	<u>(46,372)</u>
Fleet operations:			
Personnel services	355,983	395,665	(39,682)
Contractual services	178,838	170,400	8,438
Commodities	964,817	1,160,000	(195,183)
Capital outlay	19,036	16,000	3,036
Reimbursements	(112,130)	(75,000)	(37,130)
Transfers	30,000	30,000	-
Total fleet operations	<u>1,436,544</u>	<u>1,697,065</u>	<u>(260,521)</u>
Geographic information system:			
Personnel services	217,597	201,971	15,626
Contractual services	82,983	8,500	74,483
Total geographic information system	<u>300,580</u>	<u>210,471</u>	<u>90,109</u>
Health & Human Services			
Contractual services	1,683,915	2,078,138	(394,223)
Total health & human services	<u>1,683,915</u>	<u>2,078,138</u>	<u>(394,223)</u>
Heritage Conservation Fund:			
Personnel services	59,776	53,972	5,804
Contractual services	300	44,830	(44,530)
Miscellaneous	1,389	210,000	(208,611)
Transfers	221,550	-	221,550
Total heritage conservation fund	<u>283,015</u>	<u>308,802</u>	<u>(25,787)</u>
Heritage & Land Management			
Contractual services	1,145,699	1,144,889	810
Total heritage & land management	<u>1,145,699</u>	<u>1,144,889</u>	<u>810</u>
Information technology:			
Personnel services	1,063,843	1,136,315	(72,472)
Contractual services	964,437	872,000	92,437
Commodities	7,975	17,500	(9,525)
Capital outlay	293,383	272,809	20,574
Miscellaneous	541	500	41
Transfers	80,000	80,000	-
Total information technology	<u>2,410,179</u>	<u>2,379,124</u>	<u>31,055</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

General Fund

	Actual	Budget	Variance- Over (Under)
Maintenance:			
Personnel services	1,313,369	1,195,920	117,449
Contractual services	243,854	289,700	(45,846)
Commodities	202,897	195,800	7,097
Reimbursements	(113,167)	(94,000)	(19,167)
Transfers	25,000	25,000	-
Total maintenance	1,671,953	1,612,420	59,533
Parks and Vegetation:			
Personnel services	456,002	457,229	(1,227)
Contractual services	33,252	39,500	(6,248)
Commodities	194,909	178,000	16,909
Transfers	95,000	95,000	-
Total parks and vegetation	779,163	769,729	9,434
Register of Deeds:			
Personnel services	462,061	467,685	(5,624)
Miscellaneous	30,000	30,000	-
Transfers	1,000	1,000	-
Total register of deeds	493,061	498,685	(5,624)
Shared costs & transfers:			
Personnel services	151,278	135,464	15,814
Contractual services	6,139,449	-	6,139,449
Agencies and projects	614,964	-	614,964
Miscellaneous	99,235	9,958,933	(9,859,698)
Reimbursements	(212,096)	(151,364)	(60,732)
Transfers	16,136,910	11,454,487	4,682,423
Use of cash carry forward balance	-	12,333,824	(12,333,824)
Total shared costs & transfers	22,929,740	33,731,344	(10,801,604)
Sheriff:			
Personnel services	6,820,367	6,821,244	(877)
Contractual services	693,996	679,649	14,347
Commodities	345,775	377,500	(31,725)
Reimbursements	(73,838)	(46,500)	(27,338)
Transfers	713,000	713,000	-
Total sheriff	8,499,300	8,544,893	(45,593)
Sheriff jail:			
Personnel services	8,025,198	8,567,429	(542,231)
Contractual services	2,444,613	2,887,500	(442,887)
Commodities	825,474	911,600	(86,126)
Capital Outlay	121,735	-	121,735
Reimbursements	(1,376,195)	(449,600)	(926,595)
Transfers	693,000	693,000	-
Total sheriff jail	10,733,825	12,609,929	(1,876,104)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

General Fund

	Actual	Budget	Variance- Over (Under)
Sustainability management:			
Personnel services	220,276	222,305	(2,029)
Contractual services	142,322	226,300	(83,978)
Commodities	274	-	274
Miscellaneous	10,585	16,800	(6,215)
Reimbursements	(4,241)	-	(4,241)
Total sustainability management	369,216	465,405	(96,189)
Targeted Populations			
Contractual services	3,505,368	3,512,695	(7,327)
Total targeted populations	3,505,368	3,512,695	(7,327)
Treasurer:			
Personnel services	493,721	556,520	(62,799)
Contractual services	40,736	28,500	12,236
Capital outlay	15,600	6,000	9,600
Total treasurer	550,057	591,020	(40,963)
Utility communication equipment maintenance:			
Contractual services	32,624	73,000	(40,376)
Total utility communication equipment maintenance	32,624	73,000	(40,376)
Utilities:			
Contractual services	1,307,263	1,579,700	(272,437)
Total utilities	1,307,263	1,579,700	(272,437)
Zoning:			
Personnel services	551,167	588,901	(37,734)
Contractual services	16,317	16,550	(233)
Commodities	109	2,500	(2,391)
Miscellaneous	395	3,600	(3,205)
Transfers	1,100	6,000	(4,900)
Total zoning	569,088	617,551	(48,463)
Total expenditures	93,288,711	\$ 98,306,105	\$ (5,017,394)
Receipts over (under) expenditures	178,715		
Unencumbered cash, beginning	21,845,540		
Unencumbered cash, ending	\$ 22,024,255		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Ambulance

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ -	\$ -	\$ -
Total cash receipts	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Transfers	<u>1,806,415</u>	<u>\$ 1,806,415</u>	<u>-</u>
Total expenditures	<u>1,806,415</u>	<u>\$ 1,806,415</u>	<u>\$ -</u>
Receipts over (under) expenditures	(1,806,415)		
Unencumbered cash, beginning	<u>1,806,415</u>		
Unencumbered cash, ending	<u>\$ -</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Emergency Telephone Service

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
911 emergency telephone service tax	\$ 685,386	\$ 630,000	\$ 55,386
Interest income	<u>17,373</u>	<u>-</u>	<u>17,373</u>
Total cash receipts	<u>702,759</u>	<u>\$ 630,000</u>	<u>\$ 72,759</u>
Expenditures:			
Contractual services	560,334	\$ 575,000	\$ (14,666)
Use of cash forward balance	<u>-</u>	<u>366,825</u>	<u>(366,825)</u>
Total expenditures	<u>560,334</u>	<u>\$ 941,825</u>	<u>\$ (381,491)</u>
Receipts over (under) expenditures	142,425		
Unencumbered cash, beginning	<u>365,746</u>		
Unencumbered cash, ending	<u>\$ 508,171</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Employee Benefits

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 14,799,425	\$ 14,722,594	\$ 76,831
Motor vehicle tax	1,109,990	1,001,005	108,985
Delinquent tax	126,735	80,000	46,735
Intergovernmental	1,084,162	650,000	434,162
Miscellaneous	99,140	80,000	19,140
	<u>17,219,452</u>	<u>\$ 16,533,599</u>	<u>\$ 685,853</u>
Expenditures:			
Contractual services	-	\$ 56,000	\$ (56,000)
Personnel services	14,468,735	14,391,448	77,287
Miscellaneous	1,070	-	1,070
Cash forward balance	<u>-</u>	<u>6,433,309</u>	<u>(6,433,309)</u>
	<u>14,469,805</u>	<u>\$ 20,880,757</u>	<u>\$ (6,410,952)</u>
Receipts over (under) expenditures	2,749,647		
Unencumbered cash, beginning	<u>5,752,054</u>		
Unencumbered cash, ending	<u>\$ 8,501,701</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Motor Vehicle Operations

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Charges for services	\$ 854,971	\$ 768,000	\$ 86,971
Total cash receipts	<u>854,971</u>	<u>\$ 768,000</u>	<u>\$ 86,971</u>
Expenditures:			
Personnel services	827,751	\$ 842,051	\$ (14,300)
Contractual services	31,467	8,600	22,867
Commodities	14,500	11,500	3,000
Miscellaneous	20	-	20
Transfers	1,000	1,000	-
Use of cash forward balance	<u>-</u>	<u>115,709</u>	<u>(115,709)</u>
Total expenditures	<u>874,738</u>	<u>\$ 978,860</u>	<u>\$ (104,122)</u>
Receipts over (under) expenditures	(19,767)		
Unencumbered cash, beginning	<u>291,078</u>		
Unencumbered cash, ending	<u>\$ 271,311</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Municipalities Fight Addiction

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Reimbursements	\$ 230,999	\$ 65,000	\$ 165,999
Transfers	<u>234,383</u>	<u>-</u>	<u>234,383</u>
Total cash receipts	<u><u>\$ 465,382</u></u>	<u><u>\$ 65,000</u></u>	<u><u>\$ 400,382</u></u>
Expenditures:			
Contractual services	\$ 29,972	\$ 60,000	\$ (30,028)
Capital outlay	<u>-</u>	<u>239,383</u>	<u>(239,383)</u>
Total expenditures	<u><u>\$ 29,972</u></u>	<u><u>\$ 299,383</u></u>	<u><u>\$ (269,411)</u></u>
Receipts over (under) expenditures	435,410		
Unencumbered cash, beginning	<u>-</u>		
Unencumbered cash, ending	<u><u>\$ 435,410</u></u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Road and Bridge

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 5,199,383	\$ 5,171,507	\$ 27,876
Motor vehicle tax	384,080	344,200	39,880
Delinquent tax	44,262	30,000	14,262
Intergovernmental	1,863,814	1,800,000	63,814
Licenses, permits & fees	-	5,000	(5,000)
Sale of commodities	-	125,000	(125,000)
Charges for services	9,861	-	9,861
Miscellaneous	189,232	15,000	174,232
	<u>7,690,632</u>	<u>\$ 7,490,707</u>	<u>\$ 199,925</u>
Total cash receipts			
Expenditures:			
Personnel services	3,372,359	\$ 3,632,777	\$ (260,418)
Contractual services	1,483,644	1,633,600	(149,956)
Commodities	1,703,740	1,752,000	(48,260)
Capital outlay	1,629	3,000	(1,371)
Transfers	1,062,485	675,000	387,485
Use of cash forward balance	-	1,551,646	(1,551,646)
	<u>7,623,857</u>	<u>\$ 9,248,023</u>	<u>\$ (1,624,166)</u>
Total expenditures			
Receipts over (under) expenditures	66,775		
Unencumbered cash, beginning	<u>2,608,174</u>		
Unencumbered cash, ending	<u>\$ 2,674,949</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Special Alcohol

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Special alcohol tax	\$ 71,271	\$ 34,000	\$ 37,271
Total cash receipts	<u>71,271</u>	<u>\$ 34,000</u>	<u>\$ 37,271</u>
Expenditures:			
Agencies and projects	<u>-</u>	<u>\$ 73,034</u>	<u>\$ (73,034)</u>
Total expenditures	<u>-</u>	<u>\$ 73,034</u>	<u>\$ (73,034)</u>
Receipts over (under) expenditures	71,271		
Unencumbered cash, beginning	<u>150,546</u>		
Unencumbered cash, ending	<u>\$ 221,817</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Special Building

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ -	\$ -	\$ -
Total cash receipts	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Transfers	<u>802,122</u>	<u>\$ 802,122</u>	<u>\$ -</u>
Total expenditures	<u>802,122</u>	<u>\$ 802,122</u>	<u>\$ -</u>
Receipts over (under) expenditures	(802,122)		
Unencumbered cash, beginning	<u>802,122</u>		
Unencumbered cash, ending	<u>\$ -</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Special Liability

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ -	\$ -	\$ -
Total cash receipts	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Transfers	<u>217,540</u>	<u>\$ 217,541</u>	<u>\$ (1)</u>
Total expenditures	<u>217,540</u>	<u>\$ 217,541</u>	<u>\$ (1)</u>
Receipts over (under) expenditures	(217,540)		
Unencumbered cash, beginning	<u>217,540</u>		
Unencumbered cash, ending	<u>\$ -</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Special Parks and Recreation

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Special alcohol tax	\$ 49,948	\$ 32,000	\$ 17,948
Miscellaneous	<u>7,781</u>	<u>-</u>	<u>7,781</u>
Total cash receipts	<u>57,729</u>	<u>\$ 32,000</u>	<u>\$ 25,729</u>
Expenditures:			
Capital outlay	21,590	\$ -	\$ 21,590
Recreation facilities	<u>-</u>	<u>242,867</u>	<u>(242,867)</u>
Total expenditures	<u>21,590</u>	<u>\$ 242,867</u>	<u>\$ (221,277)</u>
Receipts over (under) expenditures	36,139		
Unencumbered cash, beginning	<u>226,104</u>		
Unencumbered cash, ending	<u>\$ 262,243</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Special Purpose Fund - Consolidated Fire District No. 1

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 1,586,981	\$ 1,602,397	\$ (15,416)
Motor vehicle tax	96,529	81,987	14,542
Delinquent tax	9,943	2,000	7,943
Intergovernmental	1,813	-	1,813
Interest income	45,871	2,000	43,871
	<u>1,741,137</u>	<u>\$ 1,688,384</u>	<u>\$ 52,753</u>
Total cash receipts			
Expenditures:			
Contractual services	319,521	\$ 428,500	\$ (108,979)
Commodities	94,599	160,000	(65,401)
Personnel services	754,939	743,938	11,001
Capital outlay	65,069	155,000	(89,931)
Transfer	554,939	150,000	404,939
Use of cash forward balance	-	390,991	(390,991)
	<u>1,789,067</u>	<u>\$ 2,028,429</u>	<u>\$ (239,362)</u>
Total expenditures			
Receipts over (under) expenditures	(47,930)		
Unencumbered cash, beginning	<u>608,524</u>		
Unencumbered cash, ending	<u>\$ 560,594</u>		

DOUGLAS COUNTY, KANSAS

Schedule 2-13

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2024

Non-Budgeted Special Purpose Funds

	Ambulance Capital Reserve	Community Correction Plan	Donations	Equipment Reserve	Grants Program	Prosecutor Training & Assistance	Register of Deeds Technology
Cash receipts:							
Intergovernmental	\$ -	\$ 752,799	\$ -	\$ -	\$ 1,743,256	\$ -	\$ -
Reimbursements	-	-	500	147,495	94,699	-	-
Licenses, permits & fees	-	-	-	-	-	-	-
Sale of property	-	-	-	73,990	-	-	-
Charges for services	-	-	-	-	-	4,509	154,032
Interest income	36,402	-	-	290,400	-	-	21,468
Miscellaneous	-	6,975	5,185	72,815	-	-	-
Transfers	4,289,919	-	-	3,582,649	-	-	-
Total cash receipts	4,326,321	759,774	5,685	4,167,349	1,837,955	4,509	175,500
Expenditures:							
Personnel services	-	731,359	-	-	476,651	-	19,041
Contractual services	-	18,268	4,225	322,449	6,961,030	2,281	4,162
Commodities	-	8,912	1,420	292,827	98,493	-	-
Miscellaneous	-	-	42	303,137	274,818	-	-
Capital outlay	-	5,000	-	2,860,750	2,718,835	-	60,324
Transfers	-	-	-	-	234,383	-	-
Total expenditures	-	763,539	5,687	3,779,163	10,764,210	2,281	83,527
Receipts over (under) expenditures	4,326,321	(3,765)	(2)	388,186	(8,926,255)	2,228	91,973
Unencumbered cash, beginning	988,257	79,285	34,076	8,571,882	9,535,687	5,226	515,899
Unencumbered cash, ending	\$ 5,314,578	\$ 75,520	\$ 34,074	\$ 8,960,068	\$ 609,432	\$ 7,454	\$ 607,872

DOUGLAS COUNTY, KANSAS

Schedule 2-13

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2024

Non-Budgeted Special Purpose Funds

	Sheriff Special Use	Special Law Enforcement Trust	Special Highway Improvement	Youth JDC Behavioral Health Grant	Youth Programs Grant	Youth Services Grants	Fire District Equipment Reserve	Total
Cash receipts:								
Intergovernmental	\$ -	\$ 110	\$ -	\$ -	\$ 91,900	\$ 551,226	\$ -	\$ 3,139,291
Reimbursements	-	-	-	-	-	-	-	242,694
Licenses, permits & fees	104,119	1,857	-	-	-	-	-	105,976
Sale of property	-	-	-	-	-	-	18,410	92,400
Charges for services	-	-	-	-	-	-	-	158,541
Interest income	-	11,780	-	-	-	-	6,203	366,253
Miscellaneous	-	-	-	-	-	-	-	84,975
Transfers	-	-	-	91,900	225,710	-	554,939	8,745,117
Total cash receipts	104,119	13,747	-	91,900	317,610	551,226	579,552	12,935,247
Expenditures:								
Personnel services	18,659	-	-	-	-	541,859	-	1,787,569
Contractual services	871	160	-	-	61,957	33,370	-	7,408,773
Commodities	59,323	-	-	-	2,005	22	-	463,002
Miscellaneous	-	-	-	-	-	331	-	578,328
Capital outlay	-	-	-	-	-	-	-	5,644,909
Transfers	-	-	-	-	91,900	225,710	-	551,993
Total expenditures	78,853	160	-	-	155,862	801,292	-	16,434,574
Receipts over (under) expenditures	25,266	13,587	-	91,900	161,748	(250,066)	579,552	(3,499,327)
Unencumbered cash, beginning	20,958	318,049	988,342	-	-	296,161	150,000	21,503,822
Unencumbered cash, ending	\$ 46,224	\$ 331,636	\$ 988,342	\$ 91,900	\$ 161,748	\$ 46,095	\$ 729,552	\$ 18,004,495

(Continued)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Capital Project Fund - Mental Health Sales Tax

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Local county sales tax	\$ 6,702,414	\$ 6,100,000	\$ 602,414
Intergovernmental	3,100,000	840,000	2,260,000
Miscellaneous	926,800	1,550,000	(623,200)
Transfers	5,195,687	5,195,687	-
Total cash receipts	<u>15,924,901</u>	<u>\$ 13,685,687</u>	<u>\$ 2,239,214</u>
Expenditures:			
Contractual services	10,594,979	\$ 11,808,455	\$ (1,213,476)
Capital outlay	59,540	1,670,610	(1,611,070)
Principal	360,000	360,000	-
Interest	145,803	145,803	-
Use of cash forward balance	<u>-</u>	<u>18,160,705</u>	<u>(18,160,705)</u>
Total expenditures	<u>11,160,322</u>	<u>\$ 32,145,573</u>	<u>\$ (20,985,251)</u>
Receipts over (under) expenditures	4,764,579		
Unencumbered cash, beginning	<u>16,009,468</u>		
Unencumbered cash, ending	<u>\$ 20,774,047</u>		

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2024

Capital Project Fund - Capital Improvement Fund

	<u>Actual</u>
Cash receipts:	
Intergovernmental	\$ 343,752
Reimbursements	92,061
Lease proceeds	34,283
Interest income	1,067,323
Transfers	<u>15,798,671</u>
Total cash receipts	<u>17,336,090</u>
Expenditures:	
Contractual services	6,905,239
Commodities	275,795
Miscellaneous	27,326
Capital outlay	<u>2,295,531</u>
Total expenditures	<u>9,503,891</u>
Receipts over (under) expenditures	7,832,199
Unencumbered cash, beginning	<u>34,912,884</u>
Unencumbered cash, ending	<u><u>\$ 42,745,083</u></u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2024

Debt Service Fund - Bond and Interest Fund

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Delinquent tax	\$ 25	\$ -	\$ 25
Special assessments	207,500	200,000	7,500
Total cash receipts	<u>207,525</u>	<u>\$ 200,000</u>	<u>\$ 7,525</u>
Expenditures:			
Principal	175,000	\$ 175,000	-
Interest	57,675	57,675	-
Use of cash forward balance	-	494,752	(494,752)
Total expenditures	<u>232,675</u>	<u>\$ 727,427</u>	<u>\$ (494,752)</u>
Receipts over (under) expenditures	(25,150)		
Unencumbered cash, beginning	<u>547,523</u>		
Unencumbered cash, ending	<u>\$ 522,373</u>		

Debt Service Fund - Local County Sales Tax

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Transfers	\$ 4,750,000	\$ 4,500,000	250,000
Total cash receipts	<u>4,750,000</u>	<u>\$ 4,500,000</u>	<u>\$ 250,000</u>
Expenditures:			
Principal	945,000	\$ 945,000	\$ -
Interest	191,465	191,465	-
Use of cash forward balance	-	19,608,335	(19,608,335)
Total expenditures	<u>1,136,465</u>	<u>\$ 20,744,800</u>	<u>\$ (19,608,335)</u>
Receipts over (under) expenditures	3,613,535		
Unencumbered cash, beginning	<u>17,005,279</u>		
Unencumbered cash, ending	<u>\$ 20,618,814</u>		

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2024

Internal Service Fund - Employee Benefits Trust

	<u>Actual</u>
Cash receipts:	
Charges for services	\$ 8,772,627
Interest income	113,627
Miscellaneous	<u>2,230,813</u>
Total cash receipts	<u>11,117,067</u>
Expenditures:	
Claims paid	9,547,492
Contractual services	<u>1,270,922</u>
Total expenditures	<u>10,818,414</u>
Receipts over expenditures	298,653
Unencumbered cash, beginning	<u>5,543,775</u>
Unencumbered cash, ending	<u><u>\$ 5,842,428</u></u>

Internal Service Fund - Workers' Compensation

	<u>Actual</u>
Cash receipts:	
Intergovernmental	\$ 2,267
Interest income	51,376
Miscellaneous	17,733
Transfers	<u>692,540</u>
Total cash receipts	<u>763,916</u>
Expenditures:	
Personnel services	390,339
Contractual services	<u>265,966</u>
Total expenditures	<u>656,305</u>
Receipts over expenditures	107,611
Unencumbered cash, beginning	<u>1,792,037</u>
Unencumbered cash, ending	<u><u>\$ 1,899,648</u></u>

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2024

Related Municipal Entity - Douglas County Extension Council

	Actual
Cash receipts:	
County appropriation	\$ 549,354
Charges for services	332,541
Miscellaneous	40,380
Total cash receipts	922,275
Expenditures:	
Personnel services	571,155
Contractual services	246,754
Commodities	79,302
Capital outlay	820
Total expenditures	898,031
Receipts over expenditures	24,244
Unencumbered cash, beginning	670,374
Unencumbered cash, ending	\$ 694,618

Related Municipal Entity - Lawrence/Douglas Co Health Dept.

	Actual
Cash receipts:	
City/County appropriation	\$ 1,695,116
Grants	1,845,615
Charges for services	759,513
Interest	384
Miscellaneous	500
Total cash receipts	4,301,128
Expenditures:	
Personnel services	2,710,254
Contractual services	783,235
Commodities	603,960
Total expenditures	4,097,449
Receipts over expenditures	203,679
Unencumbered cash, beginning	5,780,755
Unencumbered cash, ending	\$ 5,984,434

DOUGLAS COUNTY, KANSAS

Schedule 3

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2024

Related Municipal Entity - Douglas County Free Fair

	Actual
Cash receipts:	
County appropriation	\$ 17,000
Charges for services	442,876
Interest income	171
Total cash receipts	460,047
Expenditures:	
Personnel services	39,025
Contractual services	13,031
Commodities	373,372
Capital outlay	21,497
Total expenditures	446,925
Receipts over expenditures	13,122
Unencumbered cash, beginning	111,969
Unencumbered cash, ending	\$ 125,091

Summary of Receipts and Disbursements
Regulatory Basis

For the Year Ended December 31, 2024

Agency Funds

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Distributable Funds:				
Tax Accounts	\$ 142,927,027	450,190,818	\$ 445,068,135	\$ 148,049,710
Motor Vehicle Accounts	3,647,981	16,754,811	16,701,629	3,701,163
Total Distributable Funds	146,575,008	466,945,629	461,769,764	151,750,873
Other Agency Funds:				
Sheriff Seized Property	2,970	110	-	3,080
Sheriff Inmate Funds	16,507	191,095	188,517	19,085
Sheriff Bond Fund	11,709	343,080	348,996	5,793
District Attorney Funds	109,260	68,160	65,974	111,446
Payroll Clearing	8,946	-	8,946	-
Total Other Agency Funds	149,392	602,445	612,433	139,404
Total Agency Funds	<u>\$ 146,724,400</u>	<u>\$ 467,548,074</u>	<u>\$ 462,382,197</u>	<u>\$ 151,890,277</u>

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

Board of County Commissioners
Douglas County, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2024, and the related notes to the financial statement, and have issued our report thereon dated September 17, 2025. The County prepared the regulatory basis financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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*.

Purpose of this Report

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

Allen, Gibbs & Houlik, L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS
September 17, 2025

DOUGLAS COUNTY, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2024

Finding 2023-001: Segregation of Duties (Significant Deficiency)

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

Corrective Plan: 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.

Status: Complete