DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2025

AND

INDEPENDENT AUDITOR'S REPORT

CPAs & ADVISORS

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2025

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DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

Year Ended December 31, 2025

TABLE OF CONTENTS

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

Year Ended December 31, 2025

TABLE OF CONTENTS (Continued)

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AGH CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Douglas County, Kansas

Report of the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Douglas County, Kansas and the related municipal entities of the Douglas County Extension Council, Lawrence/Douglas County Health Department and Douglas County Free Fair (collectively, Douglas County, Kansas Financial Reporting Entity), as of and for the year ended December 31, 2025, 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, 2025, 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, 2025, 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, is required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note IB.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2026 on our consideration of the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and compliance.

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

Overland Park, KS
August 7, 2026

DOUGLAS COUNTY, KANSAS

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

For the Year Ended December 31, 2025

	Beginning Unencumbered Cash Balance 1/1/2025	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2025	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2025
GOVERNMENTAL TYPE FUNDS:						
GENERAL FUND	$ 22,024,255	$ 91,749,803	$ 88,107,248	$ 25,666,810	$ 4,299,764	$ 29,966,574
SPECIAL PURPOSE FUNDS:						
Emergency Telephone Service	508,171	728,383	740,603	495,951	-	495,951
Employee Benefits	8,501,701	14,200,146	15,913,688	6,788,159	1,098,202	7,886,361
Motor Vehicle Operations	271,311	877,762	820,988	328,085	25,047	353,132
Municipalities Fight Addition	435,410	142,460	-	577,870	-	577,870
Road & Bridge	2,674,949	7,719,862	7,529,719	2,865,092	123,394	2,988,486
Special Alcohol	221,817	32,603	-	254,420	-	254,420
Special Parks & Recreation	262,243	21,194	6,826	276,611	-	276,611
Consolidated Fire District #1	560,594	1,778,342	1,677,318	661,618	29,909	691,527
Ambulance Capital Reserve	5,314,578	1,889,228	-	7,203,806	-	7,203,806
Community Correction Plan	75,520	847,765	795,991	127,294	20,254	147,548
Donations	34,074	3,446	8,128	29,392	732	30,124
Equipment Reserve	8,960,068	3,780,071	2,802,272	9,937,867	848,067	10,785,934
Grants Programs	609,432	882,935	778,553	713,814	559,044	1,272,858
Prosecutor Training & Assistance	7,454	4,758	2,114	10,098	-	10,098
Register of Deeds Technology	607,872	197,030	151,483	653,419	-	653,419
Sheriff Special Use	46,224	88,725	130,564	4,385	9,937	14,322
Special Law Enforcement Trust	331,636	12,078	-	343,714	-	343,714
Special Highway Improvement	988,342	1,142	54,403	935,081	-	935,081
Youth JDC Behavioral Health Grant	91,900	22,975	30,587	84,288	-	84,288
Youth Program Grants	161,748	24,587	66,153	120,182	-	120,182
Youth Services Grants	46,095	570,461	585,929	30,627	12,985	43,612
Fire District Equipment Reserve	729,552	270,694	44,043	956,203	-	956,203
TOTAL SPECIAL PURPOSE FUNDS	31,440,691	34,096,647	32,139,362	33,397,976	2,727,571	36,125,547
CAPITAL PROJECT FUNDS:						
Mental Health Sales Tax	20,774,047	12,828,350	11,338,644	22,263,753	980,577	23,244,330
Capital Improvement Plan	42,745,083	85,241,600	85,818,952	42,167,731	48,716,294	90,884,025
TOTAL CAPITAL PROJECT FUNDS	63,519,130	98,069,950	97,157,596	64,431,484	49,696,871	114,128,355
DEBT SERVICE FUNDS:						
Bond and Interest	522,373	209,899	235,563	496,709	-	496,709
Local County Sales Tax	20,618,814	4,750,000	21,341,411	4,027,403	-	4,027,403
TOTAL DEBT SERVICE FUNDS	21,141,187	4,959,899	21,576,974	4,524,112	-	4,524,112
BUSINESS FUNDS:						
Employee Benefit Trust	5,842,428	13,382,064	15,283,338	3,941,154	1,088,310	5,029,464
Workers' Compensation	1,899,648	559,509	487,088	1,972,069	271,460	2,243,529
TOTAL BUSINESS FUNDS:	7,742,076	13,941,573	15,770,426	5,913,223	1,359,770	7,272,993
TOTAL COUNTY	$ 145,867,339	$ 242,817,872	$ 254,751,606	$ 133,933,605	$ 58,083,976	$ 192,017,581

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, 2025

	Beginning Unencumbered Cash Balance 1/1/2025	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2025	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2025
RELATED MUNICIPAL ENTITIES:						
Douglas County Extension Council	$ 694,618	$ 1,013,982	$ 970,454	$ 738,146	$ -	$ 738,146
Lawrence/Douglas County Health Dept	5,984,434	5,026,920	4,316,150	6,695,204	188,711	6,883,915
Douglas County Free Fair	125,091	599,747	568,808	156,030	-	156,030
TOTAL RELATED MUNICIPAL ENTITIES	6,804,143	6,640,649	5,855,412	7,589,380	188,711	7,778,091
TOTAL REPORTING ENTITY (Excluding Agency Funds)	$ 152,671,482	$ 249,458,521	$ 260,607,018	$ 141,522,985	$ 58,272,687	$ 199,795,672

Composition of Cash:	Petty Cash - County	$ 3,000
	Petty Cash - Health Department	737
	Checking Account - US Bank	36,731,571
	Lockbox/Holding/Transfer - UMB Bank	5,813
	Investment Account - Kansas Municipal Investment Pool	64,979
	Investment Account - Central National Bank	28,457,488
	Investment Account - Commerce Bank	19,497,779
	Interest Bearing Cash Account - Central National Bank	327,915
	Money Market Account - Central National Bank	122,355,366
	Certificates of Deposit - Central Trust Company	15,000,000
	Certificates of Deposit - Capitol Federal	17,500,000
	Certificates of Deposit - Central National Bank	45,400,343
	Certificates of Deposit - Health Department - Central Bank of the Midwest	4,845,438
	Certificates of Deposit - Mid America Bank	16,500,010
	Certificates of Deposit - Silver Lake Bank	10,000,000
	Checking Account - Employee Benefits Trust - US Bank	1,935,838
	Checking Account - Workers' Comp - US Bank	65,490
	Insured Cash Sweep - US Bank	35,500,043
	Insured Cash Sweep - Employee Benefits Trust - US Bank	3,093,626
	Inmate Funds - US Bank	28,475
	Checking Account - District Attorney - INTRUST Bank	118,915
	Checking Account - Sheriff Bond Fund - US Bank	5,895
	Health Department - Central Bank of the Midwest	2,037,742
	Extension Council - Central Bank of the Midwest	738,147
	Free Fair Board - Central Bank of the Midwest	156,030
	Total Cash	360,370,640
	Less Agency Funds per Schedule 4	(160,574,968)
	Total Reporting Entity (Excluding Agency Funds)	$ 199,795,672

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statements

Index

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Municipal Financial Reporting Entity

Douglas County, Kansas (County) is organized under the laws of the State of Kansas (Kansas or State) and is governed by an elected 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.

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

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

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

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

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

2. Regulatory Basis of Accounting

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

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

C. Deposits and Investments

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

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

Earnings from the investments, except those held in escrow, are allocated to the general fund. Investments for the County as of December 31, 2025 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.

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. There were no budget amendments in 2025.

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, when applicable. For the 2025 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

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 $312,350,394 and the bank balance was $314,102,014.

Investments - As of December 31, 2025, the County had the following investments and maturities:

Investment Type	Cost	Investment Maturity (at cost) Less than 1 Year	1-5 Years	Percentage of Investments	Rating
Kansas Municipal Investment Pool	$ 64,979	$ 64,979	$ -	0.1%	N/A
U.S. Treasury	28,457,488	7,711,094	20,746,394	59.3%	N/A
U.S. Treasury Strip	19,497,779	9,497,582	10,000,197	40.6%	N/A
Total Cost	$ 48,020,246	$ 17,273,655	$ 30,746,591		

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, 2025, the County's deposits were fully covered and not exposed to custodial credit risk. At December 31, 2025, the County had invested $64,979, $28,457,488, and $19,497,779 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.

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, 2025

Issue	Interest Rates	Date of Issue/ Implementation	Amount of Issue	Date of Final Maturity	Balance Beginning of Year (Restated) ^	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	$ 80,000	$ -	$ 20,000	$ 60,000	$ 3,800
Series 2009A GO Improvement Bonds	2.63 - 4.25%	10/01/09	2,445,000	09/01/30	1,025,000	-	155,000	870,000	43,563
Series 2012E General Obligation Bonds	2.625 - 4.00%	09/05/12	175,000	08/01/32	80,000	-	10,000	70,000	3,200
Series 2020A GO Sales Tax Improvement Bonds	1.00 - 3.00%	12/10/20	8,445,000	09/01/40	7,030,000	-	370,000	6,660,000	135,003
Series 2020B GO Refunding Bonds	1.50 - 2.00%	12/10/20	10,315,000	09/01/33	9,370,000	-	960,000	8,410,000	172,565
Series 2025A GO Sales Tax Improvement Bonds	5.00%	06/11/25	51,550,000	09/01/45	-	51,550,000	-	51,550,000	-
Total Bonded Indebtedness					17,585,000	51,550,000	1,515,000	67,620,000	358,131
Finance Leases:									
Axon Body Camera	0.69%	03/01/22	578,169	02/28/27	252,816	-	116,231	136,585	1,369
Axon Taser	2.68%	04/01/23	302,550	03/31/28	200,782	-	59,932	140,850	4,652
Axon Vehicle Camera	3.21%	10/01/23	128,482	10/31/26	52,164		25,671	26,493	1,673
Truck	4.08%	01/15/22	247,222	01/15/29	163,258	-	30,047	133,211	6,109
Copier	6.95%	01/01/22	179,347	02/28/25	10,086	-	10,086	-	412
Copier	2.86%	04/01/25	218,503	03/31/30	-	218,503	30,734	187,769	4,393
Ground lease 1	1.59%	01/01/22	378,905	02/28/43	332,179	-	15,903	316,276	5,157
Ground lease 2	1.75%	01/01/22	1,128,945	08/31/58	1,059,744	-	23,318	1,036,426	18,370
Ground lease 3	1.62%	01/01/22	513,125	07/31/43	397,399	-	18,471	378,928	6,309
Building lease 1*	0.69%	01/01/22	98,030	07/31/26	34,200	-	34,200	-	-
Building lease 2**	2.64%	06/01/24	648,289	05/31/29	575,715	-	124,549	451,166	13,679
Building lease 3	2.43%	01/01/24	69,515	12/31/26	46,807	-	23,120	23,687	880
Rave Subscription ^	2.31%	02/01/24	118,891	01/31/29	94,013	-	22,704	71,309	2,174
Axon Judicial Premier ^	3.02%	07/01/24	229,738	12/31/29	229,738	-	48,722	181,016	-
Axon Judicial Premier ^	3.63%	12/01/23	81,657	12/01/26	27,208	-	27,208	-	987
Embassy ^	2.31%	01/01/24	74,554	12/31/28	58,954	-	14,237	44,717	1,363
Total Finance Lease Indebtedness***					3,535,063	218,503	625,133	3,128,433	67,527
Total Indebtedness					$ 21,120,063	$ 51,768,503	$ 2,140,133	$ 70,748,433	$ 425,658

* This lease was terminated early in 2025 due to purchase of the building.
** 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.
^ Beginning balances were restated for subscription based finance leases that were in place prior to January 1, 2025.

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.

Remainder of page intentionally left blank

Maturities of long-term debt are as follows:

	YEARS											
	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	2046-2050	2051-2055	2056-2060	Total
PRINCIPAL:												
Douglas County:												
General Obligation Bonds:												
Series 2008 General Obligation Bonds	$ 20,000	$ 20,000	$ 20,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,000
Series 2009A GO Improvement Bonds	160,000	165,000	175,000	180,000	190,000	-	-	-	-	-	-	870,000
Series 2012E General Obligation Bonds	10,000	10,000	10,000	10,000	10,000	20,000	-	-	-	-	-	70,000
Series 2020A GO Sales Tax Improvement Bonds	380,000	390,000	400,000	415,000	425,000	2,250,000	2,400,000	-	-	-	-	6,660,000
Series 2020B GO Refunding Refunding Bonds	985,000	1,000,000	1,020,000	1,040,000	1,065,000	3,300,000	-	-	-	-	-	8,410,000
Series 2025A GO Sales Tax Improvement Bonds	1,030,000	1,655,000	1,740,000	1,825,000	1,915,000	11,110,000	14,180,000	18,095,000				51,550,000
TOTAL GENERAL OBLIGATION BONDS	2,585,000	3,240,000	3,365,000	3,470,000	3,605,000	16,680,000	16,580,000	18,095,000	-	-	-	67,620,000
Finance Leases:												
Axon Body Camera	117,030	19,555	-	-	-	-	-	-	-	-	-	136,585
Axon Taser	61,561	63,230	16,059	-	-	-	-	-	-	-	-	140,850
Axon Vehicle Camera	26,493	-	-	-	-	-	-	-	-	-	-	26,493
Truck	31,296	32,599	33,957	35,359	-	-	-	-	-	-	-	133,211
Copier	42,015	43,233	44,485	45,775	12,261	-	-	-	-	-	-	187,769
Ground lease 1	16,158	16,416	16,678	16,946	17,216	90,307	97,752	44,803	-	-	-	316,276
Ground lease 2	23,730	24,150	24,572	25,009	25,450	134,152	146,417	159,797	174,412	190,358	108,379	1,036,426
Ground lease 3	18,773	19,079	19,391	19,708	103,478	112,213	86,286	-	-	-	-	378,928
Building lease 2	127,863	131,276	134,770	57,257	-	-	-	-	-	-	-	451,166
Building lease 3	23,687	-	-	-	-	-	-	-	-	-	-	23,687
Rave Subscription	23,229	23,766	24,314	-	-	-	-	-	-	-	-	71,309
Axon Judicial Premier	43,255	44,562	45,907	47,292	-	-	-	-	-	-	-	181,016
Axon Judicial Premier	-	-	-	-	-	-	-	-	-	-	-	-
Embassy	14,566	14,903	15,248	-	-	-	-	-	-	-	-	44,717
TOTAL FINANCE LEASE	569,656	432,769	375,381	247,346	158,405	336,672	330,455	204,600	174,412	190,358	108,379	3,128,433
TOTAL PRINCIPAL	3,154,656	3,672,769	3,740,381	3,717,346	3,763,405	17,016,672	16,910,455	18,299,600	174,412	190,358	108,379	70,748,433
INTEREST:												
General Obligation Bonds:												
Series 2008 General Obligation Bonds	2,850	1,900	950	-	-	-	-	-	-	-	-	5,700
Series 2009A GO Improvement Bonds	36,975	30,175	23,163	15,725	8,075	-	-	-	-	-	-	114,113
Series 2012E General Obligation Bonds	2,800	2,400	2,000	1,600	2,400	-	-	-	-	-	-	11,200
Series 2020A GO Sales Tax Improvement Bonds	123,903	112,503	100,803	88,803	76,353	269,690	115,190	-	-	-	-	887,245
Series 2020B GO Refunding Refunding Bonds	153,365	133,665	113,665	93,265	72,465	103,895	-	-	-	-	-	670,320
Series 2025A GO Sales Tax Improvement Bonds	3,150,278	2,526,000	2,443,250	2,356,250	2,265,000	9,789,750	6,720,000	2,802,250				32,052,778
TOTAL GENERAL OBLIGATION BONDS	3,470,171	2,806,643	2,683,831	2,555,643	2,424,293	10,163,335	6,835,190	2,802,250	-	-	-	33,741,356
Finance Leases:												
Axon Body Camera	570	45	-	-	-	-	-	-	-	-	-	615
Axon Taser	3,023	1,354	87	-	-	-	-	-	-	-	-	4,464
Axon Vehicle Camera	850	-	-	-	-	-	-	-	-	-	-	850
Truck	4,860	3,557	2,199	797	-	-	-	-	-	-	-	11,413
Ground lease 1	4,902	4,644	4,382	4,114	3,844	14,993	7,548	827	-	-	-	45,254
Ground lease 2	17,958	17,538	17,116	16,679	16,238	74,288	62,023	48,643	34,028	18,082	2,789	325,382
Ground lease 3	6,007	5,701	5,389	5,072	20,422	11,687	2,509	-	-	-	-	56,787
Building lease 2	10,365	6,952	3,458	379	-	-	-	-	-	-	-	21,154
Building lease 3	313	-	-	-	-	-	-	-	-	-	-	313
Rave Subscription	1,649	1,112	564	-	-	-	-	-	-	-	-	3,325
Axon Judicial Premier	5,467	4,160	2,815	1,430	-	-	-	-	-	-	-	13,872
Axon Judicial Premier	987	-	-	-	-	-	-	-	-	-	-	987
Embassy	1,034	697	352	-	-	-	-	-	-	-	-	2,083
TOTAL FINANCE LEASE	57,985	45,760	36,362	28,471	40,504	100,968	72,080	49,470	34,028	18,082	2,789	486,499
TOTAL INTEREST	3,528,156	2,852,403	2,720,193	2,584,114	2,464,797	10,264,303	6,907,270	2,851,720	34,028	18,082	2,789	34,227,855
TOTAL PRINCIPAL AND INTEREST	$ 6,682,812	$ 6,525,172	$ 6,460,574	$ 6,301,460	$ 6,228,202	$ 27,280,975	$ 23,817,725	$ 21,151,320	$ 208,440	$ 208,440	$ 111,168	$ 104,976,288

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, 2025. 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 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, 2025, the liability for compensated absences included:

Douglas County	$	5,884,914
Lawrence/Douglas County Health Department		108,510
	$	5,993,424

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, 2025.

3. Risk Management & Self-Insurance Claims

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial coverage for buildings and personal property, general liability, automobile fleet, inland marine, public official and employee errors and omissions, workers' compensation, medical professional liability, boiler and machinery, lawyers' professional liability, and law enforcement liability. Claims have not exceeded commercial coverage in any of the last three years, and coverage has not been reduced substantially from the prior year.

The County has established a limited risk management program for employees' health care insurance. The program includes a stop-loss provision for claims over $150,000 per individual.

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

Changes in self-insured claims liabilities are as follows:

	2025
Estimated unpaid claims, January 1	$ 795,804
Incurred claims (including reported and unreported)	9,495,911
Claim payments	(8,988,870)
Estimated unpaid claims, December 31	$ 1,302,845

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 $5,913,223 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.kspers.gov 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 9.71% for KPERS and 24.67% for KP&F for the fiscal year ended December 31, 2025. Contributions to the pension plan from the County were $3,161,398 for KPERS and $2,289,530 for KP&F the year ended December 31, 2025.

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, 2025, the County's proportionate share of the collective net pension liability reported by KPERS was as follows:

	Net Pension Liability
Douglas County - KPERS	$ 25,363,400
Douglas County - KP&F	18,417,352
Health Department	1,829,777
Extension Council	159,678
	$ 45,770,207

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. 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, 2025. 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.kspers.gov 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	$ 475,000
General Fund	Capital Improvement Plan	K.S.A. 19-120	5,957,380
General Fund	Ambulance Capital Reserve	K.S.A. 19-119	1,680,000
General Fund	Mental Health Sales Tax	K.S.A. 12-197	5,422,690
General Fund	Local County Sales Tax	K.S.A. 12-197	4,750,000
General Fund	Equipment Reserve	K.S.A. 19-119	2,600,750
Road and Bridge	Equipment Reserve	K.S.A. 19-119	675,000
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	225,000
Local County Sales Tax	Capital Improvement Plan	Non-budgeted Fund	20,000,000
Equipment Reserve	Emergency Telephone	Non-budgeted Fund	3,152
Equipment Reserve	General Fund	Non-budgeted Fund	655
			$ 41,790,627

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, Kansas and the City of Eudora, Kansas. The cost share arrangement is as follows: City 60%, County 33.33%, City of Eudora 3.67% and City of Baldwin City 3%.

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 two years extending through December 31, 2025. 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 2025, 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 2025.

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

In August 2015, the County also agreed to loan the Center the principal amount of $143,295 for additional renovations at the facility. The loan carried an interest rate of 2.035%, and was repaid in full in 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 2025.

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. During 2025, the County entered into a new agreement in which annual payments of $203,000 will be made over the next 5 years for these services.

REGULATORY - REQUIRED

SUPPLEMENTARY INFORMATION

DOUGLAS COUNTY, KANSAS

Schedule of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

	Certified Budget	Expenditures Chargeable to Current Year	Variance - Over(Under)
GOVERNMENTAL TYPE FUNDS:			
GENERAL FUND	$ 92,563,567	$ 88,107,248	$ (4,456,319)
SPECIAL PURPOSE FUNDS:			
Emergency Telephone Service	1,060,746	740,603	(320,143)
Employee Benefits	21,045,989	15,913,688	(5,132,301)
Motor Vehicle Operations	1,097,622	820,988	(276,634)
Municipalities Fights Addition	254,383	-	(254,383)
Road & Bridge	9,707,021	7,529,719	(2,177,302)
Special Alcohol	85,546	-	(85,546)
Special Parks & Recreation	288,004	6,826	(281,178)
Consolidated Fire District No. 1	2,256,500	1,677,318	(579,182)
CAPITAL PROJECT FUND:			
Mental Health Sales Tax	28,710,059	11,338,644	(17,371,415)
DEBT SERVICE FUNDS:			
Bond and Interest	714,848	235,563	(479,285)
Local County Sales Tax	25,395,465	21,341,411	(4,054,054)

DOUGLAS COUNTY, KANSAS

Schedule of Reciepts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

General Fund

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Taxes:			
Ad valorem property tax	$ 67,524,126	$ 67,291,934	$ 232,192
Delinquent tax	698,477	498,000	200,477
Motor vehicle tax	5,161,507	4,891,131	270,376
Local county sales tax	10,117,120	9,500,000	617,120
Interest and penalties	897,724	500,000	397,724
Total taxes	84,398,954	82,681,065	1,717,889
Licenses, fees, and permits:			
Licenses, fees and permits	1,335,818	885,000	450,818
Charges for services	77,960	351,000	(273,040)
District court fees	316,654	275,000	41,654
Total licenses, fees, and permits	1,730,432	1,511,000	219,432
Use of money and property:			
Interest on idle funds	5,048,221	3,910,000	1,138,221
Total interest	5,048,221	3,910,000	1,138,221
Other:			
Rental income	118,350	130,000	(11,650)
Sale of chemicals	102,796	100,000	2,796
Intergovernmental	230,049	45,000	185,049
Sale of commodities	350	1,500	(1,150)
Miscellaneous income	119,996	70,000	49,996
Transfers	655	-	655
Total other	572,196	346,500	225,696
Total cash receipts	$ 91,749,803	$ 88,448,565	$ 3,301,238
Expenditures:			
Administration:			
Personnel services	$ 1,932,649	$ 4,815,571	$ (2,882,922)
Contractual services	1,651,731	1,601,785	49,946
Commodities	-	2,500	(2,500)
Miscellaneous	49,016	100,200	(51,184)
Reimbursements	(238,556)	(40,000)	(198,556)
Total administration	3,394,840	6,480,056	(3,085,216)

(Continued)

Schedule of Reciepts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

General Fund

	Actual	Budget	Variance-Over (Under)
Appraiser:			
Personnel services	1,235,489	1,149,474	86,015
Contractual services	37,378	46,230	(8,852)
Capital outlay	-	4,000	(4,000)
Transfers	7,200	7,200	-
Total appraiser	1,280,067	1,206,904	73,163
CIP projects - capital improvements:			
Transfers to CIP	5,377,380	5,377,380	-
Total CIP projects	5,377,380	5,377,380	-
Commissioners:			
Personnel services	249,302	248,533	769
Contractual services	756,885	632,500	124,385
Miscellaneous	30,860	309,245	(278,385)
Total commissioners	1,037,047	1,190,278	(153,231)
Coroner:			
Contractual services	181,373	285,300	(103,927)
Commodities	50	-	50
Total coroner	181,423	285,300	(103,877)
County Clerk Elections:			
Personnel services	53,297	-	53,297
Reimbursements	(20)	-	(20)
Total county clerk	53,277	-	53,277
County Clerk:			
Personnel services	715,050	683,127	31,923
Contractual services	1,939	1,300	639
Commodities	469	400	69
Total county clerk	717,458	684,827	32,631
Countywide:			
Contractual services	1,118,080	1,065,800	52,280
Commodities	115,926	150,000	(34,074)
Miscellaneous	34,968	25,000	9,968
Capital outlay	7,795	150,000	(142,205)
Reimbursements	(36,489)	-	(36,489)
Total countywide	1,240,280	1,390,800	(150,520)

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule of Reciepts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

General Fund

	Actual	Budget	Variance-Over (Under)
Court operating:			
Personnel services	717,641	882,401	(164,760)
Contractual services	926,053	980,350	(54,297)
Commodities	24,753	30,500	(5,747)
Capital outlay	8,246	20,000	(11,754)
Miscellaneous	3,332	20,000	(16,668)
Reimbursements	(48,234)	(40,975)	(7,259)
Total court operating	1,631,791	1,892,276	(260,485)
Court trustee:			
Personnel services	528,989	568,383	(39,394)
Contractual services	825	4,050	(3,225)
Commodities	837	1,700	(863)
Capital outlay	115	1,900	(1,785)
Miscellaneous	1,928	2,700	(772)
Total court trustee	532,694	578,733	(46,039)
Criminal justice services:			
Personnel services	3,253,283	3,338,197	(84,914)
Contractual services	382,889	519,517	(136,628)
Commodities	118,079	155,605	(37,526)
Capital outlay	4,261	9,800	(5,539)
Reimbursements	(571,120)	(251,100)	(320,020)
Transfers	15,000	-	15,000
Total criminal justice services	3,202,392	3,772,019	(569,627)
District Attorney:			
Personnel services	3,012,601	3,063,112	(50,511)
Contractual services	221,173	291,987	(70,814)
Capital outlay	1,704	41,100	(39,396)
Miscellaneous	10,322	25,000	(14,678)
Reimbursements	(84,575)	(110,000)	25,425
Transfers	20,000	5,000	15,000
Total district attorney	3,181,225	3,316,199	(134,974)
Economic development:			
Contractual services	902,089	936,096	(34,007)
Total economic development	902,089	936,096	(34,007)
Elections:			
Personnel services	356,050	310,784	45,266
Contractual services	449,856	623,400	(173,544)
Commodities	52,667	148,000	(95,333)
Miscellaneous	171	250	(79)
Reimbursements	(51,698)	-	(51,698)
Total elections	807,046	1,082,434	(275,388)
Emergency communication center:			
Personnel services	2,725,594	2,549,158	176,436
Contractual services	387,817	378,686	9,131
Commodities	39,631	49,745	(10,114)
Capital outlay	172,059	184,500	(12,441)
Miscellaneous	804	1,000	(196)
Reimbursements	(1,714,784)	(1,910,894)	196,110
Transfers	650,000	70,000	580,000
Total emergency communication center	2,261,121	1,322,195	938,926

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule of Reciepts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

General Fund

	Actual	Budget	Variance-Over (Under)
Emergency management:			
Personnel services	261,602	263,971	(2,369)
Contractual services	71,784	87,329	(15,545)
Commodities	2,739	4,600	(1,861)
Capital outlay	1,042	5,000	(3,958)
Miscellaneous	3,705	4,500	(795)
Transfers	40,000	40,000	-
Total emergency management	380,872	405,400	(24,528)
Fairgrounds:			
Contractual services	52,060	54,000	(1,940)
Commodities	66,496	66,500	(4)
Transfers	50,000	50,000	-
Total fairgrounds	168,556	170,500	(1,944)
First responders:			
Personnel services	12,530	-	12,530
Contractual services	65,643	80,000	(14,357)
Commodities	-	5,000	(5,000)
Transfers	5,750	5,750	-
Total first responders	83,923	90,750	(6,827)
Fleet operations:			
Personnel services	480,481	483,523	(3,042)
Contractual services	181,415	170,400	11,015
Commodities	964,828	1,140,000	(175,172)
Capital outlay	21,323	16,000	5,323
Reimbursements	(127,704)	(75,000)	(52,704)
Transfers	30,000	30,000	-
Total fleet operations	1,550,343	1,764,923	(214,580)
Geographic information system:			
Personnel services	263,309	241,359	21,950
Contractual services	390	9,500	(9,110)
Total geographic information system	263,699	250,859	12,840
Health and human services:			
Contractual services	1,844,635	1,802,635	42,000
Total health and human services	1,844,635	1,802,635	42,000
Heritage Conservation Fund:			
Personnel services	74,872	57,963	16,909
Contractual services	15,000	24,830	(9,830)
Miscellaneous	5,423	230,000	(224,577)
Transfers	230,000	-	230,000
Total Heritage Conservation Fund	325,295	312,793	12,502
Heritage and land management			
Contractual services	1,180,722	1,174,672	6,050
Total heritage and land management	1,180,722	1,174,672	6,050
Information technology:			
Personnel services	1,274,190	1,232,483	41,707
Contractual services	1,214,946	900,000	314,946
Commodities	4,811	18,000	(13,189)
Capital outlay	441,074	353,000	88,074
Miscellaneous	431	500	(69)
Transfers	380,000	80,000	300,000
Total information technology	3,315,452	2,583,983	731,469

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule of Reciepts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

General Fund

	Actual	Budget	Variance-Over (Under)
Maintenance:			
Personnel services	1,567,217	1,404,077	163,140
Contractual services	249,036	264,500	(15,464)
Commodities	191,014	195,800	(4,786)
Reimbursements	(118,421)	(94,000)	(24,421)
Transfers	480,000	30,000	450,000
Total maintenance	2,368,846	1,800,377	568,469
Parks and Vegetation:			
Personnel services	560,736	489,974	70,762
Contractual services	42,066	39,500	2,566
Commodities	188,746	188,000	746
Transfers	95,000	95,000	-
Total parks and vegetation	886,548	812,474	74,074
Register of Deeds:			
Personnel services	533,860	490,205	43,655
Miscellaneous	30,000	30,000	-
Transfers	1,000	1,000	-
Total register of deeds	564,860	521,205	43,655
Senior Resources:			
Personnel services	217,062	-	217,062
Contractual services	514	-	514
Commodities	534	-	534
Reimbursements	(8,471)	-	(8,471)
Transfers	10,000	-	10,000
Total senior resources	219,639	-	219,639
Shared costs and transfers:			
Personnel services	153,795	145,408	8,387
Contractual services	9,089,898	-	9,089,898
Agencies and projects	543,685	-	543,685
Miscellaneous	76,873	11,107,735	(11,030,862)
Reimbursements	(177,727)	(161,308)	(16,419)
Transfers	12,327,690	12,327,690	-
Use of cash carry forward balance	-		-
Total shared costs and transfers	22,014,214	23,419,525	(1,405,311)
Sheriff:			
Personnel services	7,802,084	7,647,681	154,403
Contractual services	724,494	844,023	(119,529)
Commodities	342,156	466,500	(124,344)
Capital outlay	168,141	86,000	82,141
Reimbursements	(82,640)	(62,000)	(20,640)
Transfers	718,800	628,800	90,000
Total sheriff	9,673,035	9,611,004	62,031
Sheriff jail:			
Personnel services	8,526,562	7,930,863	595,699
Contractual services	2,613,254	3,082,612	(469,358)
Commodities	1,043,747	1,022,500	21,247
Capital outlay	49,999	50,000	(1)
Reimbursements	(1,255,544)	(452,000)	(803,544)
Transfers	388,000	258,000	130,000
Total sheriff jail	11,366,018	11,891,975	(525,957)

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule of Reciepts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

General Fund

	Actual	Budget	Variance- Over (Under)
Sustainability management:			
Personnel services	289,251	240,373	48,878
Contractual services	163,256	238,300	(75,044)
Commodities	106	-	106
Miscellaneous	7,489	13,498	(6,009)
Reimbursements	(13,225)	-	(13,225)
Transfers	54,000	-	54,000
Total sustainability management	500,877	492,171	8,706
Targeted populations:			
Contractual services	2,712,765	3,065,895	(353,130)
Total targeted populations	2,712,765	3,065,895	(353,130)
Treasurer:			
Personnel services	711,620	675,998	35,622
Contractual services	27,350	33,000	(5,650)
Capital outlay	16,380	15,600	780
Total Treasurer	755,350	724,598	30,752
Utility communication equipment maintenance:			
Contractual services	2,410	73,000	(70,590)
Total utility communication equipment maintenance	2,410	73,000	(70,590)
Utilities:			
Contractual services	1,465,244	1,408,900	56,344
Total utilities	1,465,244	1,408,900	56,344
Zoning:			
Personnel services	653,325	641,781	11,544
Contractual services	4,466	16,550	(12,084)
Commodities	24	2,500	(2,476)
Miscellaneous	-	3,600	(3,600)
Transfers	6,000	6,000	-
Total zoning	663,815	670,431	(6,616)
Total expenditures	88,107,248	$ 92,563,567	$ (4,456,319)
Receipts over (under) expenditures	3,642,555		
Unencumbered cash, beginning	22,024,255		
Unencumbered cash, ending	$ 25,666,810		

(Continued)

DOUGLAS COUNTY, KANSAS Schedule 2-2

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Special Purpose Fund - Emergency Telephone Service

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
911 emergency telephone service tax	$ 710,880	$ 630,000	$ 80,880
Interest income	14,351	-	14,351
Transfers	3,152	-	3,152
Total cash receipts	728,383	$ 630,000	$ 98,383
Expenditures:			
Contractual services	740,603	$ 575,000	$ 165,603
Use of cash forward balance	-	485,746	(485,746)
Total expenditures	740,603	$ 1,060,746	$ (320,143)
Receipts over (under) expenditures	(12,220)		
Unencumbered cash, beginning	508,171		
Unencumbered cash, ending	$ 495,951		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Special Purpose Fund - Employee Benefits

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Ad valorem property tax	$ 11,892,521	$ 11,851,601	$ 40,920
Motor vehicle tax	1,159,431	1,047,726	111,705
Delinquent tax	151,816	90,000	61,816
Intergovernmental	916,319	850,000	66,319
Miscellaneous	80,059	80,000	59
Total cash receipts	14,200,146	$ 13,919,327	$ 280,819
Expenditures:			
Contractual services	-	$ 56,000	$ (56,000)
Personnel services	15,913,523	14,267,794	1,645,729
Miscellaneous	165	-	165
Cash forward balance	-	6,722,195	(6,722,195)
Total expenditures	15,913,688	$ 21,045,989	$ (5,132,301)
Receipts over (under) expenditures	(1,713,542)		
Unencumbered cash, beginning	8,501,701		
Unencumbered cash, ending	$ 6,788,159		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Special Purpose Fund - Motor Vehicle Operations

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Charges for services	$ 877,762	$ 768,000	$ 109,762
Total cash receipts	877,762	$ 768,000	$ 109,762
Expenditures:			
Personnel services	798,578	$ 810,452	$ (11,874)
Contractual services	8,823	7,500	1,323
Commodities	12,547	11,500	1,047
Miscellaneous	40	-	40
Transfers	1,000	1,000	-
Use of cash forward balance	-	267,170	(267,170)
Total expenditures	820,988	$ 1,097,622	$ (276,634)
Receipts over (under) expenditures	56,774		
Unencumbered cash, beginning	271,311		
Unencumbered cash, ending	$ 328,085		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Special Purpose Fund - Municipalities Fight Addiction

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Reimbursements	$ 111,001	$ 15,000	$ 96,001
Miscellaneous	31,459	-	31,459
Total cash receipts	142,460	$ 15,000	$ 127,460
Expenditures:			
Contractual services	-	$ 60,000	$ (60,000)
Capital outlay	-	194,383	(194,383)
Total expenditures	-	$ 254,383	$ (254,383)
Receipts over (under) expenditures	142,460		
Unencumbered cash, beginning	435,410		
Unencumbered cash, ending	$ 577,870		

DOUGLAS COUNTY, KANSAS

Schedule 2-6

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Special Purpose Fund - Road and Bridge

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Ad valorem property tax	$ 5,189,279	$ 5,171,507	$ 17,772
Motor vehicle tax	406,224	361,460	44,764
Delinquent tax	54,541	30,000	24,541
Intergovernmental	1,875,951	1,800,000	75,951
Licenses, permits & fees	-	5,000	(5,000)
Sale of commodities	-	160,000	(160,000)
Charges for services	3,588	-	3,588
Miscellaneous	190,279	15,000	175,279
Total cash receipts	7,719,862	$ 7,542,967	$ 176,895
Expenditures:			
Personnel services	3,742,052	$ 3,833,583	$ (91,531)
Contractual services	1,410,145	1,655,600	(245,455)
Commodities	1,699,949	1,752,000	(52,051)
Capital outlay	2,573	3,000	(427)
Transfers	675,000	675,000	-
Use of cash forward balance	-	1,787,838	(1,787,838)
Total expenditures	7,529,719	$ 9,707,021	$ (2,177,302)
Receipts over (under) expenditures	190,143		
Unencumbered cash, beginning	2,674,949		
Unencumbered cash, ending	$ 2,865,092		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Special Purpose Fund - Special Alcohol

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Special alcohol tax	$ 32,603	$ 40,000	$ (7,397)
Total cash receipts	32,603	$ 40,000	$ (7,397)
Expenditures:			
Agencies and projects	-	$ 85,546	$ (85,546)
Total expenditures	-	$ 85,546	$ (85,546)
Receipts over (under) expenditures	32,603		
Unencumbered cash, beginning	221,817		
Unencumbered cash, ending	$ 254,420		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Special Purpose Fund - Special Parks and Recreation

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Special alcohol tax	$ 13,413	$ 36,000	$ (22,587)
Miscellaneous	7,781	5,000	2,781
Total cash receipts	21,194	$ 41,000	$ (19,806)
Expenditures:			
Capital outlay	6,826	$ -	$ 6,826
Recreation facilities	-	288,004	(288,004)
Total expenditures	6,826	$ 288,004	$ (281,178)
Receipts over (under) expenditures	14,368		
Unencumbered cash, beginning	262,243		
Unencumbered cash, ending	$ 276,611		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Special Purpose Fund - Consolidated Fire District No. 1

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Ad valorem property tax	$ 1,620,904	$ 1,597,771	$ 23,133
Motor vehicle tax	103,523	90,134	13,389
Delinquent tax	13,486	4,000	9,486
Reimbursements	12,603	-	12,603
Interest income	27,826	4,000	23,826
Total cash receipts	1,778,342	$ 1,695,905	$ 82,437
Expenditures:			
Contractual services	428,750	$ 440,500	$ (11,750)
Commodities	108,291	185,000	(76,709)
Personnel services	846,541	985,440	(138,899)
Capital outlay	68,736	185,500	(116,764)
Transfer	225,000	150,000	75,000
Use of cash forward balance	-	310,060	(310,060)
Total expenditures	1,677,318	$ 2,256,500	$ (579,182)
Receipts over (under) expenditures	101,024		
Unencumbered cash, beginning	560,594		
Unencumbered cash, ending	$ 661,618		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2025

Non-Budgeted Special Purpose Funds

	Ambulance Capital Reserve	Community Correction Plan	Donations	Equipment Reserve	Grants Program	Prosecutor Training and Assistance	Register of Deeds Technology
Cash receipts:							
Intergovernmental	$ -	$ 847,765	$ -	$ -	$ 880,310	$ -	$ -
Reimbursements	-	-	-	3,292	2,625	-	-
Licenses, permits and fees	-	-	-	-	-	-	-
Sale of commodities	-	-	-	165,925	-	-	-
Charges for services	-	-	-	-	-	4,758	178,252
Interest income	209,228	-	-	280,004	-	-	18,778
Miscellaneous	-	-	3,446	54,100	-	-	-
Transfers	1,680,000	-	-	3,276,750	-	-	-
Total cash receipts	1,889,228	847,765	3,446	3,780,071	882,935	4,758	197,030
Expenditures:							
Personnel services	-	741,626	-	-	277,250	-	16,616
Contractual services	-	10,024	4,849	219,584	376,222	2,114	86,922
Commodities	-	14,970	3,279	215,418	10,501	-	-
Miscellaneous	-	510	-	308,158	3,284	-	71
Capital outlay	-	28,861	-	2,055,305	111,296	-	47,874
Transfers	-	-	-	3,807	-	-	-
Total expenditures	-	795,991	8,128	2,802,272	778,553	2,114	151,483
Receipts over (under) expenditures	1,889,228	51,774	(4,682)	977,799	104,382	2,644	45,547
Unencumbered cash, beginning	5,314,578	75,520	34,074	8,960,068	609,432	7,454	607,872
Unencumbered cash, ending	$ 7,203,806	$ 127,294	$ 29,392	$ 9,937,867	$ 713,814	$ 10,098	$ 653,419

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule 2-10

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2025

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	$ -	$ 30	$ -	$ 22,975	$ 24,587	$ 570,461	$ -	$ 2,346,128
Reimbursements	-	-	1,142	-	-	-	-	7,059
Licenses, permits and fees	88,725	2,064	-	-	-	-	-	90,789
Sale of commodities	-	-	-	-	-	-	20,100	186,025
Charges for services	-	-	-	-	-	-	-	183,010
Interest income	-	9,984	-	-	-	-	25,594	543,588
Miscellaneous	-	-	-	-	-	-	-	57,546
Transfers	-	-	-	-	-	-	225,000	5,181,750
Total cash receipts	88,725	12,078	1,142	22,975	24,587	570,461	270,694	8,595,895
Expenditures:								
Personnel services	28,976	-	-	-	-	547,904	-	1,612,372
Contractual services	-	-	-	17,996	64,094	38,025	-	819,830
Commodities	101,588	-	54,403	-	2,059	-	-	402,218
Miscellaneous	-	-	-	12,591	-	-	-	324,614
Capital outlay	-	-	-	-	-	-	44,043	2,287,379
Transfers	-	-	-	-	-	-	-	3,807
Total expenditures	130,564	-	54,403	30,587	66,153	585,929	44,043	5,450,220
Receipts over (under) expenditures	(41,839)	12,078	(53,261)	(7,612)	(41,566)	(15,468)	226,651	3,145,675
Unencumbered cash, beginning	46,224	331,636	988,342	91,900	161,748	46,095	729,552	18,004,495
Unencumbered cash, ending	$ 4,385	$ 343,714	$ 935,081	$ 84,288	$ 120,182	$ 30,627	$ 956,203	$ 21,150,170

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Capital Project Fund - Mental Health Sales Tax

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Local county sales tax	$ 7,114,348	$ 6,400,000	$ 714,348
Intergovernmental	-	873,936	(873,936)
Miscellaneous	291,312	-	291,312
Transfers	5,422,690	5,195,687	227,003
Total cash receipts	12,828,350	$ 12,469,623	$ 358,727
Expenditures:			
Contractual services	8,661,758	$ 11,530,537	$ (2,868,779)
Personnel services	134,071	-	134,071
Miscellaneous	47,123	-	47,123
Capital outlay	982,795	2,188,282	(1,205,487)
Principal	370,000	370,000	-
Interest	153,784	135,003	18,781
Use of cash forward balance	-	14,486,237	(14,486,237)
Agencies and projects	989,113	-	989,113
Total expenditures	11,338,644	$ 28,710,059	$ (17,371,415)
Receipts over (under) expenditures	1,489,706		
Unencumbered cash, beginning	20,774,047		
Unencumbered cash, ending	$ 22,263,753		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2025

Capital Project Fund - Capital Improvement Plan

	Actual
Cash receipts:	
Reimbursements	$ 326,999
Sale of commodities	381,000
Lease proceeds	34,779
Interest income	2,696,815
Miscellaneous	331,500
Bond proceeds	51,550,000
Bond premium proceeds	3,963,127
Transfers	25,957,380
Total cash receipts	85,241,600
Expenditures:	
Contractual services	83,934,880
Commodities	207,736
Miscellaneous	321,881
Capital outlay	1,072,257
Bond process fees	282,198
Total expenditures	85,818,952
Receipts over (under) expenditures	(577,352)
Unencumbered cash, beginning	42,745,083
Unencumbered cash, ending	$ 42,167,731

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2025

Debt Service Fund - Bond and Interest Fund

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Special assessments	$ 209,899	$ 200,000	$ 9,899
Total cash receipts	209,899	$ 200,000	$ 9,899
Expenditures:			
Principal	185,000	$ 185,000	-
Interest	50,563	50,563	-
Use of cash forward balance	-	479,285	(479,285)
Total expenditures	235,563	$ 714,848	$ (479,285)
Receipts over (under) expenditures	(25,664)		
Unencumbered cash, beginning	522,373		
Unencumbered cash, ending	$ 496,709		

Debt Service Fund - Local County Sales Tax

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Transfers	$ 4,750,000	$ 4,750,000	$ -
Total cash receipts	4,750,000	$ 4,750,000	$ -
Expenditures:			
Miscellaneous	5,500	$ -	$ 5,500
Principal	960,000	960,000	-
Interest	153,784	172,565	(18,781)
Bond process fees	222,127	-	222,127
Transfer	20,000,000	-	20,000,000
Use of cash forward balance	-	24,262,900	(24,262,900)
Total expenditures	21,341,411	$ 25,395,465	$ (4,054,054)
Receipts over (under) expenditures	(16,591,411)		
Unencumbered cash, beginning	20,618,814		
Unencumbered cash, ending	$ 4,027,403		

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2025

Internal Service Fund - Employee Benefits Trust

	Actual
Cash receipts:	
Charges for services	$ 11,924,471
Interest income	85,815
Miscellaneous	1,371,778
Total cash receipts	13,382,064
Expenditures:	
Claims paid	13,688,031
Contractual services	1,595,307
Total expenditures	15,283,338
Receipts over expenditures	(1,901,274)
Unencumbered cash, beginning	5,842,428
Unencumbered cash, ending	$ 3,941,154

Internal Service Fund - Workers' Compensation

	Actual
Cash receipts:	
Intergovernmental	$ 1,476
Interest income	63,196
Miscellaneous	19,837
Transfers	475,000
Total cash receipts	559,509
Expenditures:	
Personnel services	228,313
Contractual services	258,775
Total expenditures	487,088
Receipts over expenditures	72,421
Unencumbered cash, beginning	1,899,648
Unencumbered cash, ending	$ 1,972,069

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2025

Related Municipal Entity - Douglas County Extension Council

	Actual
Cash receipts:	
County appropriation	$ 588,599
Charges for services	394,766
Miscellaneous	30,617
Total cash receipts	1,013,982
Expenditures:	
Personnel services	641,350
Contractual services	254,351
Commodities	69,889
Capital outlay	4,864
Total expenditures	970,454
Receipts over expenditures	43,528
Unencumbered cash, beginning	694,618
Unencumbered cash, ending	$ 738,146

Related Municipal Entity - Lawrence/Douglas County Health Department

	Actual
Cash receipts:	
City/County appropriation	$ 1,937,782
Grants	1,737,641
Charges for services	989,565
Interest	285,692
Miscellaneous	76,240
Total cash receipts	5,026,920
Expenditures:	
Personnel services	3,155,363
Contractual services	655,979
Commodities	459,808
Capital outlay	45,000
Total expenditures	4,316,150
Receipts over expenditures	710,770
Unencumbered cash, beginning	5,984,434
Unencumbered cash, ending	$ 6,695,204

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2025

Related Municipal Entity - Douglas County Free Fair

	Actual
Cash receipts:	
County appropriation	$ 17,000
Charges for services	582,635
Interest income	112
Total cash receipts	599,747
Expenditures:	
Personnel services	47,219
Contractual services	20,097
Commodities	474,752
Capital outlay	26,740
Total expenditures	568,808
Receipts over expenditures	30,939
Unencumbered cash, beginning	125,091
Unencumbered cash, ending	$ 156,030

DOUGLAS COUNTY, KANSAS

Summary of Receipts and Disbursements
Regulatory Basis

For the Year Ended December 31, 2025

Agency Funds

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Tax Accounts	$ 148,049,710	$ 473,404,216	$ 464,731,056	$ 156,722,870
Motor Vehicle Accounts	3,701,163	17,168,369	17,186,293	3,683,239
Total Distributable Funds	151,750,873	490,572,585	481,917,349	160,406,109
Other Agency Funds:				
Sheriff Seized Property	3,080	92	-	3,172
Sheriff Inmate Funds	19,085	187,526	178,136	28,475
Sheriff Bond Fund	5,793	420,287	420,185	5,895
District Attorney Funds	111,446	64,970	45,099	131,317
Total Other Agency Funds	139,404	672,875	643,420	168,859
Total Agency Funds	$ 151,890,277	$ 491,245,460	$ 482,560,769	$ 160,574,968

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, 2025, and the related notes to the financial statement, and have issued our report thereon dated August 7, 2026. 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

Overland Park, KS
August 7, 2026