BT & Co. P.A.

Certified Public Accountants

DOUGLAS COUNTY, KANSAS

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2024

DOUGLAS COUNTY, KANSAS
SINGLE AUDIT REPORT
Year Ended December 31, 2024

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

County Commissioners
Douglas County, Kansas

Opinions

We have audited the schedule of expenditures of federal awards of Douglas County, Kansas and the related municipal entity of Lawrence/Douglas County Health Department (collectively, "the County") for the year ended December 31, 2024, and the related notes (the schedule).

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying schedule presents fairly, in all material respects, the expenditures of federal awards of the County for the year ended December 31, 2024, in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Opinions section of our report, the schedule does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the expenditures of federal awards of the County for the year ended December 31, 2024.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 2 of the schedule, the schedule is prepared by the County on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the schedule of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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Responsibilities of Management for the Schedule

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

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the schedule, whether due to fraud, or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BT&Co., P.A.

October 22, 2025
Topeka, Kansas

Certified Public Accountants

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

County Commissioners
Douglas County, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Douglas County, Kansas and the related municipal entity of Lawrence/Douglas County Health Department's (collectively, "the County's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2024. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matter - Noncompliance

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2024-001. Our opinion on the major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2024-001 to be a significant deficiency.

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

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

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

BT&Co., P.A.

October 22, 2025
Topeka, Kansas

DOUGLAS COUNTY, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture:				
Common Ground Conservation Agriculture	10.902	NR216215XXXXC012	$ 98,042	$ -
Passed through Kansas Department of Health and Environment:				
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	264310 / 264736	523,354	-
Total U.S. Department of Agriculture			621,396	-
U.S. Department of Housing and Urban Development:				
Continuum of Care program	14.267	KS0170L7P072200	235,423	-
Passed through City of Lawrence, Kansas:				
CDBG - Entitlement Grants Cluster:				
HUD Community Development Block Grant	14.218	B-23-MC-20-0005	42,918	-
COVID-19 Community Development Block Grant CDBG-CV	14.218	B-20-MW-20-0005	5,948	-
Total CDBG - Entitlement Grants Cluster			48,866	-
Total U.S. Department of Housing and Urban Development			284,289	-
U.S. Department of Justice:				
Passed through Kansas Office of the Governor:				
Crime Victim Assistance	16.575	24-VOCA-12	53,841	-
Violence Against Women Formula Grants	16.588	24-VAWA-02	71,838	-
Violence Against Women Formula Grants	16.588	24-VAWA-03	26,157	-
Subtotal Violence Against Women Formula Grants program			97,995	-
Total U.S. Department of Justice			151,836	-
U.S. Department of Transportation:				
Passed through Kansas Department of Transportation:				
Highway Safety Cluster:				
Special Traffic Enforcement Program	20.600	SP-1300-24	1,041	-
Total Highway Safety Cluster			1,041	-
Passed through Kansas Adjutant General's Department:				
Hazardous Materials Emergency Preparedness	20.703	693JK32240057HMEP	30,000	-
Total U.S. Department of Transportation			31,041	-
U.S. Department of the Treasury:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	-	6,949,515	2,307,372
Passed through the Office of the State Fire Marshal:				
COVID-19 Kansas Firefighter Recruitment and Safety Grant	21.027	SLFRP0140	15,000	-
Passed through the Kansas Office of the Governor:				
COVID-19 Local Safety and Security Equipment Program	21.027	LSSE-45	36,522	-
Total U.S. Department of the Treasury			7,001,037	2,307,372

(Continued)

DOUGLAS COUNTY, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services:				
Passed through Kansas Department of Health and Environment:				
Public Health Emergency Preparedness	93.069	264678C	32,088	-
Public Health Emergency Preparedness	93.069	264678D	43,285	-
Subtotal Public Health Emergency Preparedness program			75,373	-
Immunization & Vaccines for Children	93.268	264IMM25VIQ	1,314	-
Immunization & Vaccines for Children	93.268	264IMM25VOP	1,314	-
Immunization & Vaccines for Children	93.268	264IMM25PPHF	5,269	-
Subtotal Immunization & Vaccines for Children program			7,897	-
CCDF Cluster:				
Child Care Licensing	93.575	2643450P	79,293	-
Child Care Licensing	93.575	2643450R	31,295	-
COVID-19 Child Care Licensing	93.575	2642731_ARPA	6,383	-
Total CCDF Cluster			116,971	-
Medicaid Cluster:				
Teen Pregnancy Targeted Case Management Grant	93.778	264MEDICAIDADM	254,935	-
Teen Pregnancy Targeted Case Management Grant	93.778	2642043	38,912	-
Total Medicaid Cluster			293,847	-
Maternal & Child Health - Block Grant	93.994	264329U	13,914	-
Maternal & Child Health - Block Grant	93.994	264329W	41,741	-
Maternal & Child Health - Block Grant	93.994	264330W	3,376	-
Subtotal Maternal & Child Health Block Grant program			59,031	-
Implementation of Zero Suicide in Health Systems	93.243	H79SM083465	27,217	-
COVID-19 CLC Care Resource Coordination	93.323	NU50CK000549-01	69,252	-
Chronic Disease Risk Reduction	93.387	264TOB24	15,000	-
Workforce Development	93.967	N/A	25,798	-
Collaborative Application for Chronic Disease - Tobacco	93.991	264277T	40,630	-
Passed through Kansas Children's Cabinet and Trust Fund:				
COVID-19 Community-Based Child Abuse Program	93.590	2001KSBCC6	263,800	-
Total U.S. Department of Health and Human Services			994,816	-
U.S. Department of Homeland Security:				
Passed through Kansas Adjutant General's Department:				
Emergency Management Performance Grant	97.042	DHS-24-GPD-042-01-99	102,675	-
Total U.S. Department of Homeland Security			102,675	-
Total expenditures of federal awards			$ 9,187,090	$ 2,307,372

See accompanying notes to schedule of expenditures of federal awards.

DOUGLAS COUNTY, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2024

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Douglas County, Kansas and the related municipal entity of Lawrence/Douglas County Health Department (collectively, "the County") under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements of the County. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position of the County.

2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on a regulatory basis of accounting. This basis is designed to follow the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The expenditures on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3 - De Minimus Indirect Cost Rate

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

DOUGLAS COUNTY, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

Section I - Summary of Independent Auditors' Results

Financial Statement

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

Federal Awards

Type of auditors' report issued on compliance for major federal programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified:	None
Significant deficiencies identified:	2024-001
Any audit findings that are required to be reported in accordance with Section 2 CFR 200.516(a):	2024-001

Identification of major federal programs:

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

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

(Continued)

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

Finding 2024-001

Type of Finding – Significant Deficiency in Internal Control Over Compliance, Other Matter

Federal Agency – U.S. Department of the Treasury

Grant Program/Award – COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), ALN No. 21.027

Compliance Requirement – Suspension and Debarment

Repeat Finding – Yes, Finding 2023-001

Condition – During our testing of two covered transactions, we noted that management provided supporting documentation that suspension and debarment procedures were performed after the start of the procurement contracts.

Questioned Costs – None, our testing revealed the vendor and subrecipient were not suspended or debarred.

Criteria – 2 CFR 180.300 prohibits entities from contracting under covered transactions to parties that are suspended or debarred from doing business with the federal government. A contract for goods or services is a covered transaction if awarded as a grant or payment for specified use and if the amount of the contract is expected to equal or exceed $25,000. In order to comply with federal suspension and debarment requirements, the County can perform a search in the federal System of Award Management (SAM) website, which tracks the entities that the federal government has determined are ineligible to receive federal funding; collect a certification from the entity; or add a clause or condition to the contract.

Context – For one vendor (out of two) and one subrecipient (out of three) tested for suspension and debarment, the contract agreement was signed before the suspension and debarment check was completed.

Cause – There was a lack of personnel within the finance department of the County and grants administration was missing supervision by key personnel. The finding indicates that there should be process improvements in how contracts are reviewed, documented and maintained to provide evidence the compliance requirements are being met.

Effect – The County could enter into a federally-funded contract with a suspended or debarred party.

(Continued)

Recommendation – We recommend that the County either obtain certifications from vendors and subrecipients stating their organization is not suspended, debarred, or otherwise excluded from participation in federal assistance programs or document the procedures performed to verify the vendor or beneficiary is not identified as suspended or debarred on the SAM website prior to signing a contract. We recommend that the County has proper procedures in place to ensure that all contractual documentation is maintained and able to be located. We understand that the County has followed up with all vendors/subrecipients that were missing without an active registration and completed the certification form.

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

To further ensure compliance with grant requirements and reporting, the County added a full-time staff member in 2025 dedicated to this area. Additionally, the County Counselor has been engaged to incorporate debarment certification language into all standard County contracts.

Planned Completion Date – These modifications are being implemented immediately.

Contact Name – Brooke Sauer, Finance Manager, Douglas County