

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2019

AND

INDEPENDENT AUDITOR'S REPORT



DOUGLAS COUNTY, KANSAS

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DOUGLAS COUNTY, KANSAS

**REGULATORY BASIS
FINANCIAL STATEMENTS**

Year Ended December 31, 2019

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DOUGLAS COUNTY, KANSAS

**REGULATORY BASIS
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Douglas County, Kansas

Report on the Financial Statements

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, 2019, and the related notes to the financial statement.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for 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.

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 Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the 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, 2019, 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 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, 2019, 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.

Other Matters

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 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 information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note IB.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2020 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 the Douglas County, Kansas Financial Reporting Entity’s internal control over financial reporting and compliance.

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

July 24, 2020
Wichita, Kansas

DOUGLAS COUNTY, KANSAS

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

For the Year Ended December 31, 2019

	Beginning Unencumbered Cash Balance 1/1/2019	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2019	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2019
GOVERNMENTAL TYPE FUNDS:						
GENERAL FUND	\$ 4,940,180	\$ 57,106,875	\$ 55,396,736	\$ 6,650,319	\$ 1,664,792	\$ 8,315,111
SPECIAL PURPOSE FUNDS:						
Ambulance	378,159	7,604,791	7,848,195	134,755	399,438	534,193
Emergency Telephone Service	666,753	584,103	1,093,417	157,439	-	157,439
Employee Benefits	1,735,188	11,328,436	11,881,867	1,181,757	3,549,298	4,731,055
Motor Vehicle Operations	164,720	907,560	768,268	304,012	33,899	337,911
Road & Bridge	1,606,304	6,024,953	6,449,917	1,181,340	168,537	1,349,877
Special Alcohol	64,836	29,494	48,450	45,880	-	45,880
Special Building	1,400,858	762,156	922,242	1,240,772	100,391	1,341,163
Special Liability	85,477	746,110	651,562	180,025	-	180,025
Special Parks & Recreation	57,217	26,910	13,696	70,431	-	70,431
Youth Services-Juv Detention	435,891	3,491,775	3,927,666	-	186,792	186,792
Ambulance Capital Reserve	1,458,117	481,055	769,528	1,169,644	35,549	1,205,193
Community Correction Plan	37,353	529,636	522,203	44,786	19,058	63,844
Donations	41,028	4,770	4,238	41,560	382	41,942
Equipment Reserve	9,403,603	2,219,192	2,576,322	9,046,473	906,917	9,953,390
Grants Programs	143,071	522,994	305,941	360,124	5,940	366,064
Prosecutor Training & Assistance	3,769	9,192	12,450	511	-	511
Register of Deeds Technology	436,675	207,711	170,772	473,614	47	473,661
Sheriff Special Use	28,661	99,899	116,324	12,236	4,136	16,372
Special Law Enforcement Trust	654,321	93,309	51,882	695,748	351	696,099
Special Highway Improvement	996,489	295,375	542,859	749,005	-	749,005
Youth Services Grants	123,740	526,033	484,618	165,155	14,283	179,438
Valley View	57,894	28,804	-	86,698	-	86,698
TOTAL SPECIAL PURPOSE FUNDS	19,980,124	36,524,258	39,162,417	17,341,965	5,425,018	22,766,983
CAPITAL PROJECT FUNDS:						
Mental Health Sales Tax	-	3,033,390	172,374	2,861,016	46,324	2,907,340
Capital Improvement Plan	21,292,351	10,545,117	4,059,275	27,778,193	2,159,479	29,937,672
TOTAL CAPITAL PROJECT FUND	21,292,351	13,578,507	4,231,649	30,639,209	2,205,803	32,845,012
DEBT SERVICE FUNDS:						
Bond and Interest	487,998	320,174	307,455	500,717	-	500,717
Local County Sales Tax	3,280,234	3,738,321	2,346,869	4,671,686	-	4,671,686
TOTAL DEBT SERVICE FUNDS	3,768,232	4,058,495	2,654,324	5,172,403	-	5,172,403
BUSINESS FUNDS:						
Employee Benefit Trust	3,905,475	12,044,136	11,746,667	4,202,944	944,356	5,147,300
Workers' Compensation	666,278	624,638	769,417	521,499	369,904	891,403
TOTAL BUSINESS FUNDS:	4,571,753	12,668,774	12,516,084	4,724,443	1,314,260	6,038,703
TOTAL COUNTY	\$ 54,552,640	\$ 123,936,909	\$ 113,961,210	\$ 64,528,339	\$ 10,609,873	\$ 75,138,212

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

DOUGLAS COUNTY, KANSAS

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

For the Year Ended December 31, 2019

	Beginning Unencumbered Cash Balance 1/1/2019	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2019	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2019
RELATED MUNICIPAL ENTITIES:						
Douglas County Extension Council	\$ 549,467	\$ 813,043	\$ 835,387	\$ 527,123	\$ -	\$ 527,123
Lawrence/Douglas County Health Dept	2,983,586	3,754,665	3,718,320	3,019,931	241,794	3,261,725
Douglas County Free Fair	52,635	370,577	367,734	55,478	-	55,478
TOTAL RELATED MUNICIPAL ENTITIES	3,585,688	4,938,285	4,921,441	3,602,532	241,794	3,844,326
TOTAL REPORTING ENTITY (Excluding Agency Funds)	\$ 58,138,328	\$ 128,875,194	\$ 118,882,651	\$ 68,130,871	\$ 10,851,667	\$ 78,982,538

Composition of Cash:	Petty Cash - County	\$ 2,500
	Petty Cash - Health Department	804
	Checking Account - US Bank	3,813,780
	Investment Account - Kansas Municipal Investment Pool	300,776
	Certificates of Deposit - Commerce Bank	8,500,000
	Certificates of Deposit - Capitol Federal	19,500,000
	Certificates of Deposit - Central National Bank	88,883,407
	Certificates of Deposit - Health Department - Central National Bank	853,000
	Certificates of Deposit - Health Department - US Bank	380,718
	Certificates of Deposit - Mid America Bank	6,000,010
	Checking Account - Employee Benefits Trust - US Bank	2,288,196
	Checking Account - Risk Management - US Bank	77,894
	Insured Cash Sweep - US Bank	46,500,043
	Insured Cash Sweep - Employee Benefits Trust - US Bank	2,859,104
	Inmate Funds - US Bank	15,405
	Checking Account - District Attorney - INTRUST Bank	119,489
	Checking Account - Sheriff Bond Fund - US Bank	2,842
	Health Department - Bank of Mid West	2,000,083
	Health Department - CBMW	4,854
	Health Department - Central National Bank	22,269
	Extension Council - Central Bank of the Midwest	527,123
	Free Fair Board - Central Bank of the Midwest	55,478
	Total Cash	182,707,775
	Less Agency Funds per Schedule 4	<u>(103,725,237)</u>
	Total Reporting Entity (Excluding Agency Funds)	\$ 78,982,538

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

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DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Municipal Financial Reporting Entity

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

Related Municipal Entities

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

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

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

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

B. Fund Types and Basis of Accounting

1. *Regulatory Basis Fund Types*

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

Governmental Fund Types

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

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

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

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

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

Business Fund Types

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

Fiduciary Fund Types

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

2. Regulatory Basis of Accounting

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

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

C. Deposits and Investments

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

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

Earnings from the investments are allocated to the general fund. Investments for the County as of December 31, 2019 consisted of certificates of deposit, repurchase agreements and investments in the Kansas Municipal Investment Pool, which are recorded at cost.

The County's investment policy and Kansas law (K.S.A. 12-1675 - 12-1677) allow monies not otherwise regulated by statute to be invested in:

1. Temporary notes of Douglas County, Kansas.
2. Time deposits, open accounts, or certificates of deposits with maturities of not more than two years.
3. Repurchase agreements with commercial banks, or state or federally chartered savings and loan associations that have offices located in Douglas County, Kansas.
4. U.S. Treasury bills or notes with maturities not exceeding two years.
5. U.S. government agency securities with a maturity of not more than four years.
6. The municipal investment pool fund operated by the Kansas Treasurer. This pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool.
7. A municipal investment pool established through the trust department of commercial banks that have offices located in Douglas County, Kansas.

In addition, the County's investment policy and Kansas law (K.S.A. 10-131) allows investment of the proceeds of bonds and temporary notes in the following in addition to those stated above:

1. U.S. government and agency obligations.
2. Time deposits with banks and trust companies in Douglas County, Kansas.
3. FNMA, FHLB, and FHLMC obligations.
4. Collateralized repurchase agreements.
5. Investment agreements with financial institutions, including broker/dealers whose obligations are rated in one of the three highest rating categories by either Moody's or Standard & Poor's.
6. Mutual funds whose portfolio consists entirely of obligations of the U.S. government, U.S. government agencies, FLMA, FHLB, and FHLMC.
7. Certain Kansas municipal bonds.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Kansas statutes require an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), debt service funds, and certain business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable of the legal annual operating budget:

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

The County has the following levels of budget control:

- * The legal level of control is established at the fund level by Kansas statutes.
- * As allowed by Kansas statute, the governing body can increase the fund level expenditures from the originally adopted budget by amending the budget. An amendment may only be made for previously unbudgeted increases in regulatory receipts other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after the publication, the hearing may be held and the governing body may amend the budget at that time. The following funds had budget amendments in 2019: General fund, Ambulance fund, Road & Bridge fund, Special Liability fund, Emergency Telephone fund, Mental Health Sales Tax fund and Youth Services-Juvenile Detention fund.

Budget comparison statements are presented for each budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures. These statements are shown at the legal level of control, which is at the fund level. Budgetary data in the financial statements represent the amended budget amounts.

All legal operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end except for capital project funds appropriations, which are carried forward until such time as the project is completed or terminated. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or canceled.

A legal operating budget is not required for capital project fund, internal service funds, fiduciary funds, and the following special purpose funds:

Ambulance Capital Reserve	Register of Deeds Technology
Community Correction Plan	Sheriff Special Use
Donations	Special Law Enforcement Trust
Equipment Reserve	Special Highway Improvement
Grants Programs	Youth Services Grants
Prosecutor Training & Assistance	Valley View

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.

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

III. DETAILED NOTES ON THE FUNDS AND ACCOUNTS

A. Deposits and Investments

Deposits - At year-end, the carrying amount of deposits for the County was \$182,406,999 and the bank balance was \$182,869,260.

Investments - As of December 31, 2019, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity (at cost)</u> Less than 1 Year	<u>Percentage of Investments</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$ 300,887	\$ 300,776	100%	N/A
Total Fair Value	<u>\$ 300,887</u>	<u>\$ 300,776</u>		

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a bank failure, or failure of the counterparty, the County will not recover the value of its investments or deposits that are in possession of an outside party. State statutes require the County’s deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated “peak periods” when required coverage is 50%. As of December 31, 2019, the County’s deposits were fully covered and not exposed to custodial credit risk. At December 31, 2019, the County had invested \$300,776 in the State’s municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

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

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

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

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

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, 2019

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions / Payments	Balance End of Year	Interest Paid
Douglas County:									
General Obligation Bonds - Governmental Funds:									
Series 2008 General Obligation Bonds	4.00 - 4.75%	09/15/08	\$ 280,000	09/01/28	\$ 170,000	\$ -	\$ 15,000	\$ 155,000	\$ 7,887
Series 2009A GO Improvement Bonds	2.63 - 4.25%	10/01/09	2,445,000	09/01/30	1,830,000	-	125,000	1,705,000	73,550
Series 2012B Sales Tax Refunding Bonds	.65-2%	06/04/12	6,020,000	08/01/19	1,765,000	-	1,765,000	-	26,450
Series 2012D Taxable GO Bonds	1.45-2.55%	06/04/12	240,000	08/01/21	85,000	-	30,000	55,000	2,168
Series 2012E General Obligation Bonds	2.625-4%	09/05/12	175,000	08/01/32	140,000	-	10,000	130,000	5,050
Series 2013 GO Refunding and Sales Tax Bonds	2.00-4.50%	07/22/13	14,315,000	08/01/33	13,255,000	-	-	13,255,000	555,419
Total Bonded Indebtedness					\$ 17,245,000	\$ -	\$ 1,945,000	\$ 15,300,000	\$ 670,524

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.

Maturities of long-term debt are as follows:

	YEARS							Total
	2020	2021	2022	2023	2024	2025-2029	2030-2034	
PRINCIPAL:								
Douglas County:								
General Obligation Bonds - Governmental Funds:								
Series 2008 General Obligation Bonds	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 80,000	\$ -	\$ 155,000
Series 2009A GO Improvement Bonds	125,000	130,000	135,000	140,000	150,000	835,000	190,000	1,705,000
Series 2012D Taxable GO Bonds	30,000	25,000	-	-	-	-	-	55,000
Series 2012E General Obligation Bonds	10,000	10,000	10,000	10,000	10,000	50,000	30,000	130,000
Series 2013 GO Refunding and Sales Tax Bonds	725,000	750,000	780,000	815,000	845,000	4,755,000	4,585,000	13,255,000
TOTAL PRINCIPAL	905,000	930,000	940,000	980,000	1,020,000	5,720,000	4,805,000	15,300,000
INTEREST:								
General Obligation Bonds - Governmental Funds:								
Series 2008 General Obligation Bonds	7,213	6,538	5,863	5,188	4,513	9,500	-	38,815
Series 2009A GO Improvement Bonds	69,488	65,113	60,563	55,162	49,563	149,600	8,075	457,564
Series 2012D Taxable GO Bonds	1,403	638	-	-	-	-	-	2,041
Series 2012E General Obligation Bonds	4,788	4,525	4,263	4,000	3,600	12,000	2,400	35,576
Series 2013 GO Refunding and Sales Tax Bonds	555,419	526,419	496,419	465,219	432,619	1,626,431	522,581	4,625,107
TOTAL INTEREST	638,311	603,233	567,108	529,569	490,295	1,797,531	533,056	5,159,103
TOTAL PRINCIPAL AND INTEREST	\$ 1,543,311	\$ 1,533,233	\$ 1,507,108	\$ 1,509,569	\$ 1,510,295	\$ 7,517,531	\$ 5,338,056	\$ 20,459,103

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

Conduit Debt - The County has entered into conduit debt arrangements wherein the County issues industrial revenue bonds to finance a portion of the construction of facilities by private enterprises. In return, the private enterprises have executed mortgage notes or leases with the County. The County is not responsible for payment of the original bonds, but rather the debt is secured only by the cash payments agreed to be paid by the private enterprises under the terms of the mortgage or lease agreements. Generally, the conduit debt is arranged so that payments required by the private enterprises are equal to the mortgage payment schedule related to the original debt. The total outstanding balance on the conduit debt could not be determined at December 31, 2019; however, the aggregate principal amount issued (to AGNL Plastics, L.L.C.) was \$21,000,000.

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, 2019. 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 5.0 hours per pay period; 10-14 years, employees earn 6.0 hours per pay period; and after 15 years, 7.0 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 4.53 hours per pay period; 5-9 years, employees earn 5.52 hours per pay period; 10-14 years, employees earn 6.41 hours per pay period; and after 15 years, 7.33 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, 2019, the liability for compensated absences included:

Douglas County	\$ 4,175,368
Lawrence/Douglas County Health Department	138,576
	<u>\$ 4,313,944</u>

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

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. This plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate was set at 1% for the year ended December 31, 2019.

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.

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

Changes in self-insured claims liabilities are as follows:

	<u>2019</u>
Estimated unpaid claims, January 1	\$ 1,241,966
Incurred claims (including reported and unreported)	8,045,414
Claim payments	<u>(7,993,196)</u>
Estimated unpaid claims, December 31	<u>\$ 1,294,184</u>

Liabilities related to risks of loss are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. The County has reserved \$4,724,443 of unencumbered cash in the Workers' Compensation Fund and the Employee Benefits Trust for future health and workers' compensation claims.

4. Defined Benefit Pension Plan

General Information about the Pension Plan

Plan description. The County participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS' website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for KPERS and 24.87% for KP&F for the fiscal year ended December 31, 2019. Contributions to the pension plan from the County were \$1,761,298 for KPERS and \$1,702,904 for KP&F the year ended December 31, 2019.

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

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, 2019, the County's proportionate share of the collective net pension liability reported by KPERS was as follows:

	<u>Net pension liability</u>
Douglas County - KPERS	\$ 14,847,780
Douglas County - KP&F	13,084,685
Health Department	1,560,194
Extension Council	<u>111,594</u>
Total	<u>\$ 29,604,253</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. 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, 2019. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

D. Interfund Transfers

A summary of interfund transfers is as follows:

From	To	Authority	Amount
General Fund	Capital Improvement Plan	K.S.A. 19-120	\$ 9,882,652
General Fund	Local County Sales Tax	K.S.A. 12-197	3,738,321
General Fund	Equipment Reserve	K.S.A. 19-119	1,044,692
Special Liability	Workers Compensation	K.S.A. 12-2615	575,000
Special Building	General Fund	K.S.A. 19-119	400,000
Road & Bridge	Equipment Reserve	K.S.A. 19-119	625,000
Road & Bridge	Special Highway Improvement	K.S.A. 68-590	221,670
Youth Services-Juvenile Detention	General Fund	K.S.A. 79-2958	1,000,211
Motor Vehicle Operations	Equipment Reserve	K.S.A. 19-119	1,000
Ambulance	Ambulance Capital Reserve	K.S.A. 19-119	471,705
Register of Deeds Technology	Equipment Reserve	K.S.A. 19-119	100,000
			<u>\$ 18,060,251</u>

The County uses interfund transfers to share administrative cost between funds, to set aside funds for capital improvement projects and equipment needs, and to allocate sales tax proceeds to certain special revenue funds.

IV. OTHER INFORMATION

A. Litigation

The County can be a defendant in various legal actions pending or in process and other miscellaneous claims. The ultimate liability, if any, that might result from the final resolution of the above matters is not presently determinable. Management and the County's counsel are of the opinion that the final outcome of any such cases will not have an adverse material effect on the County's financial position.

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

C. Deferred Compensation Plan

The County offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan assets are transferred to a Plan agent in a custodial trust and are not available to pay the claims of the County's general creditors. Therefore, the liability and corresponding assets are not reflected in the financial statements.

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

D. Cost Sharing Arrangements

The County has entered into various cost sharing arrangements with the City of Lawrence, Kansas (City) to provide services and facilities. A listing of those arrangements is as follows:

Emergency Communications Services. In 1994, the City and the County agreed to combine their emergency communications services with the costs of the combined operations to be shared as follows: City 66% and County 34%. This agreement was modified in 1997 following the combination of the County emergency medical services and the City fire department in 1996 as discussed below.

Emergency Medical Services. In 1996, the County emergency medical services and the City fire department were combined with the City paying 74.36% and the County paying 25.64% of the operating costs of the combined operations. The County pays all the costs of buildings and equipment of the ambulance services and the City pays all the costs of buildings and equipment of the fire department.

As of the effective date of the 1996 agreement, all buildings, equipment and furniture were to be transferred to the ownership of the City. This agreement was later modified in 1997, 1998 and 2005.

In the current year, the County received only 3 payments from the City. The County received the fourth payment from the City in early 2020. The County made all 4 payments to the City, per the agreement.

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 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.

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 2019.

DOUGLAS COUNTY, KANSAS

Notes to the Financial Statement

Peaslee Center. In 2014, a combined initiative of the City, County and Economic Development Corporation of Lawrence-Douglas County created the Dwayne Peaslee Technical Training Center (Center). The City and County each committed to pay \$500,000 in 2015 to support renovations at the Center facility, along with each paying another \$100,000 in 2015 to support the Center's operations. In August 2015, the County also agreed to loan the Center the principal amount of \$143,295 for additional renovations at the facility. The loan carries an interest rate of 2.035%, and is to be repaid in 120 monthly payments of \$1,322 through August 2025. The County may, though is not obligated to, provide additional funding in support of the Center's operations in future years. Additional funding is anticipated to be provided in 2020.

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 2019, 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 2019.

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.

In fiscal 2015, the County approved a project to renovate the fairgrounds. The total approved project budget was \$7,944,909. As of December 31, 2019, \$7,616,964 had been expended, leaving \$327,945 in construction and other project commitments remaining as of December 31, 2019.

F. Subsequent Event

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended worldwide mitigation measures. The extent of COVID-19's effect on the County's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the County's operation. However, if the pandemic continues to evolve, this could have a material adverse effect on the County's operation and statement of receipts, expenditures and unencumbered cash.

REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION

Schedule of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

	<u>Certified Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over (Under)</u>
GOVERNMENTAL TYPE FUNDS:			
GENERAL FUND	\$ 58,577,017	\$ 55,396,736	\$ (3,180,281)
SPECIAL PURPOSE FUNDS:			
Ambulance	8,482,950	7,848,195	(634,755)
Emergency Telephone Service	1,246,753	1,093,417	(153,336)
Employee Benefits	11,950,439	11,881,867	(68,572)
Motor Vehicle Operations	975,615	768,268	(207,347)
Road & Bridge	7,556,772	6,449,917	(1,106,855)
Special Alcohol	53,542	48,450	(5,092)
Special Building	1,660,907	922,242	(738,665)
Special Liability	981,587	651,562	(330,025)
Special Parks & Recreation	67,925	13,696	(54,229)
Youth Services-Juvenile Detention	3,953,239	3,927,666	(25,573)
CAPITAL PROJECT FUND:			
Mental Health Sales Tax	1,250,000	172,374	(1,077,626)
DEBT SERVICE FUNDS:			
Bond and Interest	792,001	307,455	(484,546)
Local County Sales Tax	6,680,054	2,346,869	(4,333,185)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

General Fund

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Taxes:			
Ad valorem property tax	\$ 39,825,426	\$ 39,825,426	\$ -
Delinquent tax	364,945	365,064	(119)
Motor vehicle tax	3,947,789	3,945,948	1,841
Local county sales tax	7,476,642	7,600,000	(123,358)
Interest and penalties	473,183	473,183	-
Total taxes	<u>52,087,985</u>	<u>52,209,621</u>	<u>(121,636)</u>
Licenses, fees, and permits:			
Licenses, permits & fees	1,361,781	1,198,882	162,899
Charges for services	72,375	138,420	(66,045)
District court fees	479,015	443,000	36,015
Mortgage registration fees	2,944	2,944	-
Total licenses, fees, and permits	<u>1,916,115</u>	<u>1,783,246</u>	<u>132,869</u>
Use of money and property:			
Interest on idle funds	1,346,612	1,086,624	259,988
Total interest	<u>1,346,612</u>	<u>1,086,624</u>	<u>259,988</u>
Other:			
Rental income	147,569	138,700	8,869
Sale of chemicals	57,087	85,000	(27,913)
Intergovernmental	19,248	17,527	1,721
Sale of commodities	420	1,000	(580)
Miscellaneous income	131,628	87,200	44,428
Transfers	1,400,211	1,251,730	148,481
Total other	<u>1,756,163</u>	<u>1,581,157</u>	<u>175,006</u>
Total cash receipts	<u>\$ 57,106,875</u>	<u>\$ 56,660,648</u>	<u>\$ 446,227</u>
Expenditures:			
Administration:			
Personnel services	\$ 518,754	\$ 380,588	\$ 138,166
Contractual services	120,263	80,000	40,263
Commodities	1,790	-	1,790
Capital outlay	1,070	-	1,070
Total administration	<u>641,877</u>	<u>460,588</u>	<u>181,289</u>
Administrative services:			
Personnel services	349,352	465,137	(115,785)
Contractual services	508,219	529,996	(21,777)
Reimbursements	(62,254)	(14,805)	(47,449)
Total administrative services	<u>795,317</u>	<u>980,328</u>	<u>(185,011)</u>
Agencies county funded:			
Contractual services	7,898,372	7,898,372	-
Total agency county funded	<u>7,898,372</u>	<u>7,898,372</u>	<u>-</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

General Fund

	Actual	Budget	Variance- Over (Under)
Appraiser:			
Personnel services	\$ 722,534	\$ 738,523	\$ (15,989)
Contractual services	18,129	39,200	(21,071)
Capital outlay	-	2,300	(2,300)
Total appraiser	<u>740,663</u>	<u>780,023</u>	<u>(39,360)</u>
Behavioral health projects:			
Contractual services	105,000	155,000	(50,000)
Commodities	3,495	10,000	(6,505)
Miscellaneous	1,726,271	1,900,000	(173,729)
Total behavioral health projects	<u>1,834,766</u>	<u>2,065,000</u>	<u>(230,234)</u>
CIP projects - capital improvements:			
Transfers to CIP	9,882,652	7,616,902	2,265,750
Total CIP projects	<u>9,882,652</u>	<u>7,616,902</u>	<u>2,265,750</u>
Commissioners:			
Personnel services	112,149	111,257	892
Contractual services	173,516	283,270	(109,754)
Miscellaneous	41,500	85,523	(44,023)
Total commissioners	<u>327,165</u>	<u>480,050</u>	<u>(152,885)</u>
Coroner:			
Contractual services	290,379	229,550	60,829
Commodities	2,631	2,000	631
Capital outlay	329	3,500	(3,171)
Miscellaneous	-	107,000	(107,000)
Total coroner	<u>293,339</u>	<u>342,050</u>	<u>(48,711)</u>
County Clerk:			
Personnel services	445,319	452,067	(6,748)
Contractual services	1,803	1,500	303
Commodities	165	700	(535)
Miscellaneous	34	200	(166)
Total county clerk	<u>447,321</u>	<u>454,467</u>	<u>(7,146)</u>
Countywide:			
Contractual services	831,403	895,165	(63,762)
Commodities	145,768	156,000	(10,232)
Miscellaneous	14,509	12,800	1,709
Reimbursements	(554)	(400)	(154)
Total countywide	<u>991,126</u>	<u>1,063,565</u>	<u>(72,439)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

General Fund

	Actual	Budget	Variance- Over (Under)
Court operating:			
Personnel services	\$ 357,234	\$ 374,314	\$ (17,080)
Contractual services	783,502	909,254	(125,752)
Commodities	20,492	22,334	(1,842)
Capital outlay	16,466	1,608	14,858
Miscellaneous	8,115	16,084	(7,969)
Reimbursements	(72,993)	(97,537)	24,544
Total court operating	<u>1,112,816</u>	<u>1,226,057</u>	<u>(113,241)</u>
Court trustee:			
Personnel services	477,006	501,889	(24,883)
Contractual services	2,651	4,200	(1,549)
Commodities	719	1,300	(581)
Capital outlay	1,565	1,500	65
Miscellaneous	6,236	6,200	36
Total court trustee	<u>488,177</u>	<u>515,089</u>	<u>(26,912)</u>
DA criminal justice coordination:			
Personnel services	41,790	107,152	(65,362)
Contractual services	-	82,323	(82,323)
Commodities	-	6,185	(6,185)
Total DA criminal justice coordination	<u>41,790</u>	<u>195,660</u>	<u>(153,870)</u>
District Attorney:			
Personnel services	2,209,778	2,291,340	(81,562)
Contractual services	161,141	284,609	(123,468)
Capital outlay	8,261	31,782	(23,521)
Miscellaneous	26,219	25,000	1,219
Reimbursements	(111,743)	(82,923)	(28,820)
Total district attorney	<u>2,293,656</u>	<u>2,549,808</u>	<u>(256,152)</u>
Elections:			
Personnel services	159,306	179,955	(20,649)
Contractual services	198,588	212,358	(13,770)
Commodities	34,488	67,252	(32,764)
Reimbursements	(2,154)	-	(2,154)
Miscellaneous	26	94	(68)
Total elections	<u>390,254</u>	<u>459,659</u>	<u>(69,405)</u>
Emergency communication center:			
Personnel services	1,543,500	1,745,637	(202,137)
Contractual services	20,524	68,543	(48,019)
Commodities	20,496	30,000	(9,504)
Capital outlay	13,138	25,000	(11,862)
Miscellaneous	150	1,500	(1,350)
Reimbursements	(1,121,258)	(1,246,632)	125,374
Total emergency communication center	<u>476,550</u>	<u>624,048</u>	<u>(147,498)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

General Fund

	Actual	Budget	Variance- Over (Under)
Emergency management:			
Personnel services	\$ 126,283	\$ 165,103	\$ (38,820)
Contractual services	49,330	46,091	3,239
Commodities	1,762	2,000	(238)
Capital outlay	1,772	5,000	(3,228)
Miscellaneous	2,426	4,500	(2,074)
Transfers	45,000	45,000	-
Total emergency management	<u>226,573</u>	<u>267,694</u>	<u>(41,121)</u>
Fairgrounds:			
Personnel services	265,742	268,010	(2,268)
Contractual services	23,463	40,000	(16,537)
Commodities	42,203	40,000	2,203
Transfers	60,000	60,000	-
Total fairgrounds	<u>391,408</u>	<u>408,010</u>	<u>(16,602)</u>
First Responders:			
Personnel services	4,102	5,200	(1,098)
Contractual services	90,542	111,700	(21,158)
Commodities	1,911	17,050	(15,139)
Capital outlay	325	2,400	(2,075)
Transfers	18,188	5,000	13,188
Miscellaneous	60	-	60
Total first responders	<u>115,128</u>	<u>141,350</u>	<u>(26,222)</u>
Fleet operations:			
Personnel services	262,470	264,750	(2,280)
Contractual services	109,598	84,347	25,251
Commodities	719,767	876,429	(156,662)
Capital outlay	6,830	15,397	(8,567)
Transfers	25,000	24,058	942
Total fleet operations	<u>1,123,665</u>	<u>1,264,981</u>	<u>(141,316)</u>
Geographic information system:			
Personnel services	195,009	199,184	(4,175)
Contractual services	1,453	5,800	(4,347)
Commodities	277	1,200	(923)
Total geographic information system	<u>196,739</u>	<u>206,184</u>	<u>(9,445)</u>
Heritage Conservation Fund			
Personnel services	36,613	35,316	1,297
Miscellaneous	99,984	149,684	(49,700)
Reimbursements	(139,716)	-	(139,716)
Transfers	48,404	-	48,404
Total heritage conservation fund	<u>45,285</u>	<u>185,000</u>	<u>(139,715)</u>
Information technology:			
Personnel services	828,458	842,946	(14,488)
Contractual services	497,584	583,570	(85,986)
Commodities	6,476	12,500	(6,024)
Capital outlay	153,221	170,000	(16,779)
Miscellaneous	109	500	(391)
Transfers	50,000	50,000	-
Total information technology	<u>1,535,848</u>	<u>1,659,516</u>	<u>(123,668)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

General Fund

	Actual	Budget	Variance- Over (Under)
Maintenance:			
Personnel services	\$ 627,470	\$ 629,788	\$ (2,318)
Contractual services	180,479	179,747	732
Commodities	93,188	126,500	(33,312)
Reimbursements	(34,075)	(33,038)	(1,037)
Transfers	30,000	30,000	-
Total maintenance	<u>897,062</u>	<u>932,997</u>	<u>(35,935)</u>
Parks and Vegetation:			
Personnel services	343,724	370,582	(26,858)
Contractual services	29,792	34,805	(5,013)
Commodities	144,254	167,310	(23,056)
Transfers	45,000	45,000	-
Total parks and vegetation	<u>562,770</u>	<u>617,697</u>	<u>(54,927)</u>
Register of Deeds:			
Personnel services	346,262	354,787	(8,525)
Miscellaneous	30,187	30,000	187
Total register of deeds	<u>376,449</u>	<u>384,787</u>	<u>(8,338)</u>
Shared costs & transfers:			
Personnel services	93,090	86,610	6,480
Agencies and projects	1,298,293	-	1,298,293
Reimbursements	(115,843)	(103,416)	(12,427)
Transfers	3,909,921	6,635,565	(2,725,644)
Miscellaneous	60,301	1,359,112	(1,298,811)
Total shared costs & transfers	<u>5,245,762</u>	<u>7,977,871</u>	<u>(2,732,109)</u>
Sheriff:			
Personnel services	4,790,954	4,990,128	(199,174)
Contractual services	415,229	398,583	16,646
Commodities	213,717	226,417	(12,700)
Capital outlay	74,058	76,769	(2,711)
Transfers	372,500	381,286	(8,786)
Reimbursements	(109,732)	(129,527)	19,795
Total sheriff	<u>5,756,726</u>	<u>5,943,656</u>	<u>(186,930)</u>
Sheriff jail:			
Personnel services	5,902,758	5,841,411	61,347
Contractual services	2,394,946	2,905,418	(510,472)
Commodities	690,748	682,747	8,001
Transfers	172,000	169,211	2,789
Reimbursements	(797,176)	(877,536)	80,360
Total sheriff jail	<u>8,363,276</u>	<u>8,721,251</u>	<u>(357,975)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

General Fund

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Sustainability management:			
Personnel services	\$ 146,559	\$ 156,060	\$ (9,501)
Contractual services	80,411	92,378	(11,967)
Reimbursements	(33,976)	(37,927)	3,951
Miscellaneous	30	-	30
Total sustainability management	<u>193,024</u>	<u>210,511</u>	<u>(17,487)</u>
Treasurer:			
Personnel services	284,084	276,506	7,578
Contractual services	9,620	13,375	(3,755)
Commodities	16,985	17,500	(515)
Capital outlay	2,719	1,000	1,719
Transfers	1,000	1,000	-
Total treasurer	<u>314,408</u>	<u>309,381</u>	<u>5,027</u>
Utility communication equipment maintenance:			
Contractual services	29,155	73,000	(43,845)
Total utility communication equipment maintenance	<u>29,155</u>	<u>73,000</u>	<u>(43,845)</u>
Utilities:			
Contractual services	1,018,532	1,153,000	(134,468)
Commodities	-	2,000	(2,000)
Capital outlay	9,182	24,000	(14,818)
Reimbursements	(35,859)	(42,935)	7,076
Total utilities	<u>991,855</u>	<u>1,136,065</u>	<u>(144,210)</u>
Zoning:			
Personnel services	365,112	411,550	(46,438)
Contractual services	3,368	5,350	(1,982)
Commodities	811	2,500	(1,689)
Capital outlay	471	-	471
Transfers	6,000	6,000	-
Total zoning	<u>375,762</u>	<u>425,400</u>	<u>(49,638)</u>
Total expenditures	<u>55,396,736</u>	<u>\$ 58,577,017</u>	<u>\$ (3,180,281)</u>
Receipts over (under) expenditures	1,710,139		
Unencumbered cash, beginning	4,940,180		
Unencumbered cash, ending	<u>\$ 6,650,319</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund - Ambulance

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 5,129,675	\$ 5,223,177	\$ (93,502)
Delinquent tax	43,872	143,911	(100,039)
Motor vehicle tax	495,494	423,282	72,212
Charges for service	1,934,357	2,500,000	(565,643)
Miscellaneous	1,393	2,000	(607)
Total cash receipts	7,604,791	\$ 8,292,370	\$ (687,579)
Expenditures:			
Contractual services	7,070,143	7,053,237	16,906
Commodities	245,687	230,000	15,687
Capital outlay	60,660	110,000	(49,340)
Transfers	471,705	1,089,713	(618,008)
Total expenditures	7,848,195	\$ 8,482,950	\$ (634,755)
Receipts over (under) expenditures	(243,404)		
Unencumbered cash, beginning	378,159		
Unencumbered cash, ending	\$ 134,755		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund - Emergency Telephone Service

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
911 emergency telephone service tax	\$ 582,175	\$ 600,000	\$ (17,825)
Interest on idle funds	1,928	5,000	(3,072)
	<u>584,103</u>	<u>\$ 605,000</u>	<u>\$ (20,897)</u>
Total cash receipts			
Expenditures:			
Contractual services	1,062,014	\$ 759,000	\$ 303,014
Commodities	-	34,500	(34,500)
Capital outlay	31,403	452,753	(421,350)
Miscellaneous	-	500	(500)
	<u>1,093,417</u>	<u>\$ 1,246,753</u>	<u>\$ (153,336)</u>
Total expenditures			
Receipts over (under) expenditures	(509,314)		
Unencumbered cash, beginning	<u>666,753</u>		
Unencumbered cash, ending	<u>\$ 157,439</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund - Employee Benefits

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 9,573,855	\$ 9,510,696	\$ 63,159
Delinquent tax	89,878	61,140	28,738
Motor vehicle tax	927,486	848,490	78,996
Intergovernmental	668,110	440,000	228,110
Miscellaneous	69,107	50,000	19,107
	<u>11,328,436</u>	<u>\$ 10,910,326</u>	<u>\$ 418,110</u>
Expenditures:			
Personnel services	11,881,317	\$ 11,438,888	\$ 442,429
Miscellaneous	550	511,551	(511,001)
	<u>11,881,867</u>	<u>\$ 11,950,439</u>	<u>\$ (68,572)</u>
Receipts over (under) expenditures	(553,431)		
Unencumbered cash, beginning	<u>1,735,188</u>		
Unencumbered cash, ending	<u>\$ 1,181,757</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund - Motor Vehicle Operations

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Charges for service	\$ 907,560	\$ 860,172	\$ 47,388
Total cash receipts	<u>907,560</u>	<u>\$ 860,172</u>	<u>\$ 47,388</u>
Expenditures:			
Personnel services	720,219	\$ 708,219	\$ 12,000
Contractual services	39,774	41,400	(1,626)
Commodities	4,977	6,850	(1,873)
Capital outlay	2,083	-	2,083
Transfers	1,000	102,730	(101,730)
Miscellaneous	215	116,416	(116,201)
Total expenditures	<u>768,268</u>	<u>\$ 975,615</u>	<u>\$ (207,347)</u>
Receipts over (under) expenditures	139,292		
Unencumbered cash, beginning	<u>164,720</u>		
Unencumbered cash, ending	<u>\$ 304,012</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund - Road and Bridge

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 3,502,135	\$ 3,478,702	\$ 23,433
Delinquent tax	34,533	36,405	(1,872)
Motor vehicle tax	340,790	340,300	490
Fees and permits	-	5,000	(5,000)
Charges for service	37,787	19,061	18,726
Intergovernmental	1,951,801	1,900,000	51,801
Miscellaneous	157,907	571,000	(413,093)
	<u>6,024,953</u>	<u>\$ 6,350,468</u>	<u>\$ (325,515)</u>
 Expenditures:			
Personnel services	2,785,126	\$ 2,820,759	\$ (35,633)
Contractual services	1,581,158	2,607,703	(1,026,545)
Commodities	1,220,324	1,496,310	(275,986)
Capital outlay	16,639	7,000	9,639
Transfers	846,670	625,000	221,670
	<u>6,449,917</u>	<u>\$ 7,556,772</u>	<u>\$ (1,106,855)</u>
 Receipts over (under) expenditures	 (424,964)		
 Unencumbered cash, beginning	 <u>1,606,304</u>		
 Unencumbered cash, ending	 <u>\$ 1,181,340</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund - Special Alcohol

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Special alcohol tax	\$ 29,494	\$ 27,046	\$ 2,448
Total cash receipts	<u>29,494</u>	<u>\$ 27,046</u>	<u>\$ 2,448</u>
Expenditures:			
Agencies	48,450	\$ 53,542	\$ (5,092)
Total expenditures	<u>48,450</u>	<u>\$ 53,542</u>	<u>\$ (5,092)</u>
Receipts over (under) expenditures	(18,956)		
Unencumbered cash, beginning	<u>64,836</u>		
Unencumbered cash, ending	<u>\$ 45,880</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund - Special Building

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 689,569	\$ 685,007	\$ 4,562
Delinquent tax	5,607	2,400	3,207
Motor vehicle tax	66,980	51,548	15,432
Total cash receipts	762,156	\$ 738,955	\$ 23,201
Expenditures:			
Contractual services	218,896	\$ 400,000	\$ (181,104)
Commodities	271	-	271
Capital outlay	303,075	860,907	(557,832)
Transfers	400,000	400,000	-
Total expenditures	922,242	\$ 1,660,907	\$ (738,665)
Receipts over (under) expenditures	(160,086)		
Unencumbered cash, beginning	1,400,858		
Unencumbered cash, ending	\$ 1,240,772		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund - Special Liability

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 689,569	\$ 685,700	\$ 3,869
Delinquent tax	4,393	3,626	767
Motor vehicle tax	52,148	59,087	(6,939)
Transfers	-	300,000	(300,000)
	<u>746,110</u>	<u>\$ 1,048,413</u>	<u>\$ (302,303)</u>
 Expenditures:			
Contractual services	70,340	\$ 95,000	\$ (24,660)
Transfers	575,000	575,000	-
Miscellaneous	6,222	311,587	(305,365)
	<u>651,562</u>	<u>\$ 981,587</u>	<u>\$ (330,025)</u>
 Receipts over (under) expenditures	94,548		
 Unencumbered cash, beginning	<u>85,477</u>		
 Unencumbered cash, ending	<u>\$ 180,025</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund - Special Parks and Recreation

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Special alcohol tax	\$ 19,129	\$ 16,564	\$ 2,565
Miscellaneous	<u>7,781</u>	<u>-</u>	<u>7,781</u>
Total cash receipts	<u>26,910</u>	<u>\$ 16,564</u>	<u>\$ 10,346</u>
Expenditures:			
Recreation facilities	<u>13,696</u>	<u>\$ 67,925</u>	<u>\$ (54,229)</u>
Total expenditures	<u>13,696</u>	<u>\$ 67,925</u>	<u>\$ (54,229)</u>
Receipts over (under) expenditures	13,214		
Unencumbered cash, beginning	<u>57,217</u>		
Unencumbered cash, ending	<u>\$ 70,431</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Special Purpose Fund-Youth Services-Juvenile Detention

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 3,051,472	\$ 3,185,000	\$ (133,528)
Delinquent tax	16,230	10,015	6,215
Motor vehicle tax	168,936	162,439	6,497
Intergovernmental	232,454	145,394	87,060
Interest on idle funds	17,468	5,000	12,468
Reimbursements	5,215	8,000	(2,785)
Miscellaneous	-	1,500	(1,500)
	<u>3,491,775</u>	<u>\$ 3,517,348</u>	<u>\$ (25,573)</u>
 Expenditures:			
Personnel services	2,158,058	\$ 2,176,705	\$ (18,647)
Contractual services	342,550	890,488	(547,938)
Commodities	91,643	140,125	(48,482)
Capital outlay	5,437	9,800	(4,363)
Transfers	1,000,211	661,338	338,873
Miscellaneous	329,767	74,783	254,984
	<u>3,927,666</u>	<u>\$ 3,953,239</u>	<u>\$ (25,573)</u>
 Receipts over (under) expenditures	 (435,891)		
 Unencumbered cash, beginning	 <u>435,891</u>		
 Unencumbered cash, ending	 <u>\$ -</u>		

DOUGLAS COUNTY, KANSAS

Schedule 2-12

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2019

Non-budgeted Special Purpose Funds

	Ambulance Capital Reserve	Community Correction Plan	Donations	Equipment Reserve	Grants Programs	Prosecutor Training & Assistance	Register of Deeds Technology
Cash receipts:							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,192	\$ 200,460
Licenses, permits, and fees	-	-	-	-	-	-	-
Intergovernmental	-	509,911	-	9,697	522,994	-	-
Miscellaneous	-	19,725	4,770	59,600	-	-	-
Interest income	9,350	-	-	76,423	-	-	7,251
Sale of property	-	-	-	302,780	-	-	-
Transfers	471,705	-	-	1,770,692	-	-	-
Total cash receipts	481,055	529,636	4,770	2,219,192	522,994	9,192	207,711
Expenditures:							
Personnel services	-	508,777	-	-	147,904	-	-
Contractual services	-	5,417	-	750,407	153,876	12,450	34,527
Commodities	-	7,465	4,011	136,713	-	-	-
Capital outlay	769,528	-	-	1,412,527	2,295	-	36,245
Miscellaneous	-	544	227	221,675	1,866	-	-
Agencies and projects	-	-	-	55,000	-	-	-
Transfers	-	-	-	-	-	-	100,000
Total expenditures	769,528	522,203	4,238	2,576,322	305,941	12,450	170,772
Receipts over (under) expenditures	(288,473)	7,433	532	(357,130)	217,053	(3,258)	36,939
Unencumbered cash, beginning	1,458,117	37,353	41,028	9,403,603	143,071	3,769	436,675
Unencumbered cash, ending	\$ 1,169,644	\$ 44,786	\$ 41,560	\$ 9,046,473	\$ 360,124	\$ 511	\$ 473,614

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule 2-12

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2019

Non-budgeted Special Purpose Funds

	Sheriff Special Use	Spec Law Enforcement Trust	Special Highway Improvement	Youth Services Grants	Valley View	Total
Cash receipts:						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 27,720	\$ 237,372
Licenses, permits, and fees	99,899	28,060	-	-	-	127,959
Intergovernmental	-	16,830	73,705	526,033	-	1,659,170
Miscellaneous	-	39,755	-	-	-	123,850
Interest income	-	8,664	-	-	1,084	102,772
Sale of property	-	-	-	-	-	302,780
Transfers	-	-	221,670	-	-	2,464,067
Total cash receipts	99,899	93,309	295,375	526,033	28,804	5,017,970
Expenditures:						
Personnel services	39,355	-	-	378,428	-	1,074,464
Contractual services	6,352	37,311	527,542	65,742	-	1,593,624
Commodities	70,617	13,500	6,790	37,171	-	276,267
Capital outlay	-	435	4,400	493	-	2,225,923
Miscellaneous	-	636	4,127	2,784	-	231,859
Agencies and projects	-	-	-	-	-	55,000
Transfers	-	-	-	-	-	100,000
Total expenditures	116,324	51,882	542,859	484,618	-	5,557,137
Receipts over (under) expenditures	(16,425)	41,427	(247,484)	41,415	28,804	(539,167)
Unencumbered cash, beginning	28,661	654,321	996,489	123,740	57,894	13,384,721
Unencumbered cash, ending	\$ 12,236	\$ 695,748	\$ 749,005	\$ 165,155	\$ 86,698	\$ 12,845,554

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Capital Project Fund - Mental Health Sales Tax

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Taxes	\$ 3,033,390	\$ 3,100,000	\$ (66,610)
Total cash receipts	<u>3,033,390</u>	<u>\$ 3,100,000</u>	<u>\$ (66,610)</u>
Expenditures:			
Contractual	172,374	\$ 750,000	\$ (577,626)
Capital outlay	<u>-</u>	<u>500,000</u>	<u>(500,000)</u>
Total expenditures	<u>172,374</u>	<u>\$ 1,250,000</u>	<u>\$ (1,077,626)</u>
Receipts over (under) expenditures	2,861,016		
Unencumbered cash, beginning	<u>-</u>		
Unencumbered cash, ending	<u>\$ 2,861,016</u>		

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2019

Capital Project Fund - Capital Improvement Plan

	<u>Actual</u>
Receipts and other sources:	
Lease proceeds	\$ 33,800
Intergovernmental	255,294
Interest on idle funds	297,351
Miscellaneous	76,020
Transfers	<u>9,882,652</u>
Total receipts and other sources	<u>10,545,117</u>
Expenditures and other uses:	
Contractual services	\$ 2,756,249
Miscellaneous	374,247
Capital outlay	925,546
Commodities	<u>3,233</u>
Total expenditures	<u>4,059,275</u>
Receipts and other sources over (under) expenditures	6,485,842
Unencumbered cash, beginning	<u>21,292,351</u>
Unencumbered cash, ending	<u><u>\$ 27,778,193</u></u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

Debt Service Fund - Bond and Interest Fund

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Taxes	\$ 15	\$ 200	\$ (185)
Special assessments	320,159	307,313	12,846
Total cash receipts	<u>320,174</u>	<u>\$ 307,513</u>	<u>\$ 12,661</u>
Expenditures:			
Principal	180,000	\$ 180,000	\$ -
Interest	88,655	88,655	-
Payment to State	38,800	38,800	-
Miscellaneous	-	30,000	(30,000)
Future payments	-	454,546	(454,546)
Total expenditures	<u>307,455</u>	<u>\$ 792,001</u>	<u>\$ (484,546)</u>
Receipts over (under) expenditures	12,719		
Unencumbered cash, beginning	<u>487,998</u>		
Unencumbered cash, ending	<u>\$ 500,717</u>		

Debt Service Fund - Local County Sales Tax

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Cash receipts:			
Transfer	\$ 3,738,321	\$ 3,600,000	\$ 138,321
Total cash receipts	<u>3,738,321</u>	<u>\$ 3,600,000</u>	<u>\$ 138,321</u>
Expenditures:			
Principal	1,765,000	\$ 1,765,000	\$ -
Interest	581,869	581,869	-
Future payments	-	4,333,185	(4,333,185)
Total expenditures	<u>2,346,869</u>	<u>\$ 6,680,054</u>	<u>\$ (4,333,185)</u>
Receipts over (under) expenditures	1,391,452		
Unencumbered cash, beginning	<u>3,280,234</u>		
Unencumbered cash, ending	<u>\$ 4,671,686</u>		

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2019

Internal Service Fund - Employee Benefits Trust

	<u>Actual</u>
Cash Receipts:	
Charges for services	\$ 10,018,075
Interest earnings	56,038
Miscellaneous	<u>1,970,023</u>
Total cash receipts	<u>12,044,136</u>
Expenditures:	
Claims paid	10,517,098
Contractual services	<u>1,229,569</u>
Total expenditures	<u>11,746,667</u>
Receipts over expenditures	297,469
Unencumbered cash, beginning	<u>3,905,475</u>
Unencumbered cash, ending	<u><u>\$ 4,202,944</u></u>

Internal Service Fund - Workers' Compensation

	<u>Actual</u>
Cash Receipts:	
Interest earnings	\$ 3,666
Intergovernmental revenue	1,901
Miscellaneous	44,071
Transfers	<u>575,000</u>
Total cash receipts	<u>624,638</u>
Expenditures:	
Personnel services	646,323
Contractual services	<u>123,094</u>
Total expenditures	<u>769,417</u>
Receipts over expenditures	(144,779)
Unencumbered cash, beginning	<u>666,278</u>
Unencumbered cash, ending	<u><u>\$ 521,499</u></u>

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2019

Related Municipal Entity - Douglas County Extension Council

	Actual
Cash receipts:	
County appropriation	\$ 510,874
Charges for services	289,745
Miscellaneous	12,424
Total cash receipts	813,043
Expenditures:	
Personnel services	548,444
Contractual services	214,674
Commodities	62,759
Capital outlay	9,510
Total expenditures	835,387
Receipts over expenditures	(22,344)
Unencumbered cash, beginning	549,467
Unencumbered cash, ending	\$ 527,123

Related Municipal Entity - Lawrence/Douglas Co Health Dept.

	Actual
Cash receipts:	
City/County appropriation	\$ 1,525,116
Grants	1,509,622
Charges for services	645,311
Interest	37,722
Miscellaneous	36,894
Total cash receipts	3,754,665
Expenditures:	
Personnel services	2,588,750
Contractual services	543,569
Commodities	378,039
Capital outlay	207,962
Total expenditures	3,718,320
Receipts over expenditures	36,345
Unencumbered cash, beginning	2,983,586
Unencumbered cash, ending	\$ 3,019,931

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2019

Related Municipal Entity - Douglas County Free Fair

	<u>Actual</u>
Cash receipts:	
County appropriation	\$ 12,000
Charges for services	358,490
Interest income	<u>87</u>
Total cash receipts	<u>370,577</u>
Expenditures:	
Personnel services	36,587
Contractual services	77,653
Commodities	242,384
Capital outlay	<u>11,110</u>
Total expenditures	<u>367,734</u>
Receipts over expenditures	2,843
Unencumbered cash, beginning	<u>52,635</u>
Unencumbered cash, ending	<u>\$ 55,478</u>

Summary of Receipts and Disbursements
Regulatory Basis

For the Year Ended December 31, 2019

Agency Funds

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Tax Accounts	\$ 97,335,676	\$ 337,534,023	\$ 334,881,350	\$ 99,988,349
Motor Vehicle Accounts	3,362,347	16,027,527	15,806,300	3,583,574
Total Distributable Funds	<u>100,698,023</u>	<u>353,561,550</u>	<u>350,687,650</u>	<u>103,571,923</u>
Other Agency Funds:				
Sheriff Seized Property	2,836	36	-	2,872
Sheriff Inmate Funds	10,695	243,952	239,242	15,405
Sheriff Bond Fund	8,850	432,253	438,261	2,842
District Attorney Funds	144,397	114,769	127,352	131,814
Payroll Clearing	11	370	-	381
Total Other Agency Funds	<u>166,789</u>	<u>791,380</u>	<u>804,855</u>	<u>153,314</u>
Total Agency Funds	<u>\$ 100,864,812</u>	<u>\$ 354,352,930</u>	<u>\$ 351,492,505</u>	<u>\$ 103,725,237</u>

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

Board of County Commissioners
Douglas County, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Douglas County, Kansas and the related municipal entities of the Douglas County Extension Council, the Lawrence/Douglas County Health Department, and the Douglas County Free Fair (collectively, County) as of and for the year ended December 31, 2019, and the related notes to the financial statement, and have issued our report thereon dated July 24, 2020. 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.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 on 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 statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Finding 2019-001 Significant Deficiency - Prior Reference Number: 2018-002

Condition - Purchase orders under \$20,000 can be created and approved by the same person.

Cause - The new ERP system implemented in 2015 allows for the same person to both enter and approve the purchase orders they have entered, primarily in those departments that are small, though all purchase orders over \$20,000 require an additional approval from at least the department making the purchase.

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

Recommendation - There should be a separation between the entry function and the approval function to ensure that no fraudulent purchase orders are entered. Accounts payable is responsible for reviewing and approving setup of all new vendors in the system.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is 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 determination of financial statement amounts. 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*.

The County's Response to Finding

The County's response to the finding identified in our audit is described below. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Finding 2019-001: Management's Response/Corrective Action Plan (Unaudited)

Management's Response:

It is important to note that some departments are small enough that the department head does enter and approve the Purchase Orders. However, no vendors can be added without the approval of Accounts Payable. Also, when the invoice is presented for payment Accounts Payable reviews every invoice regardless of the dollar amount.

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. The 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

July 24, 2020
Wichita, Kansas