

DOUGLAS COUNTY, KANSAS

REGULATORY BASIS
FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 2021

AND

INDEPENDENT AUDITOR'S REPORT



DOUGLAS COUNTY, KANSAS
REGULATORY BASIS
FINANCIAL STATEMENT
YEAR ENDED DECEMBER 31, 2021
AND
INDEPENDENT AUDITOR'S REPORT

DOUGLAS COUNTY, KANSAS

**REGULATORY BASIS
FINANCIAL STATEMENTS**

Year Ended December 31, 2021

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DOUGLAS COUNTY, KANSAS

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Douglas County, Kansas

Report of the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Douglas County, Kansas and the related municipal entities of the Douglas County Extension Council, Lawrence/Douglas County Health Department and Douglas County Free Fair (collectively, Douglas County, Kansas Financial Reporting Entity), as of and for the year ended December 31, 2021, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Douglas County, Kansas Financial Reporting Entity as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Douglas County, Kansas Financial Reporting Entity as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note IB.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Douglas County, Kansas Financial Reporting Entity, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note IB of the financial statement, the financial statement is prepared by the Douglas County, Kansas Financial Reporting Entity on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note IB and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Douglas County, Kansas Financial Reporting Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Douglas County, Kansas Financial Reporting Entity's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Douglas County, Kansas Financial Reporting Entity's ability to continue as a going concern for a reasonable period of time.#

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statement, however, is required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note IB.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2022 on our consideration of the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Douglas County, Kansas Financial Reporting Entity's internal control over financial reporting and compliance.

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

Wichita, Kansas
July 22, 2022

DOUGLAS COUNTY, KANSAS

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

For the Year Ended December 31, 2021

	Beginning Unencumbered Cash Balance 1/1/2021	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2021	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2021
GOVERNMENTAL TYPE FUNDS:						
GENERAL FUND	\$ 10,013,150	\$ 65,809,103	\$ 61,025,652	\$ 14,796,601	\$ 1,334,059	\$ 16,130,660
SPECIAL PURPOSE FUNDS:						
Ambulance	361,099	8,431,468	7,876,702	915,865	289,815	1,205,680
Emergency Telephone Service	258,426	621,354	648,140	231,640	-	231,640
Employee Benefits	2,284,451	13,751,856	13,146,212	2,890,095	6,431,590	9,321,685
Motor Vehicle Operations	219,797	832,808	802,138	250,467	14,624	265,091
Road & Bridge	1,842,499	7,604,385	6,766,368	2,680,516	74,409	2,754,925
Special Alcohol	79,207	22,701	33,327	68,581	-	68,581
Special Building	950,452	408,645	207,833	1,151,264	28,347	1,179,611
Special Liability	258,214	743,550	647,829	353,935	-	353,935
Special Parks & Recreation	82,397	90,046	13,088	159,355	-	159,355
Consolidated Fire District #1	-	1,369,780	990,579	379,201	18,403	397,604
Ambulance Capital Reserve	1,315,139	452,313	1,574,400	193,052	733,072	926,124
Community Correction Plan	14,676	529,527	535,345	8,858	12,024	20,882
Donations	32,663	2,457	768	34,352	-	34,352
Equipment Reserve	9,408,626	2,961,596	4,063,024	8,307,198	1,050,416	9,357,614
Grants Programs	3,577,453	12,976,851	4,404,182	12,150,122	279,249	12,429,371
Prosecutor Training & Assistance	1,453	5,338	4,713	2,078	-	2,078
Register of Deeds Technology	428,842	297,298	214,953	511,187	12,021	523,208
Sheriff Special Use	6,792	91,535	92,974	5,353	9,733	15,086
Special Law Enforcement Trust	700,967	15,667	93,790	622,844	-	622,844
Special Highway Improvement	587,727	468,000	13,525	1,042,202	-	1,042,202
Youth Services Grants	129,444	512,903	500,984	141,363	6,017	147,380
Valley View	72,025	-	72,025	-	20,000	20,000
TOTAL SPECIAL PURPOSE FUNDS	22,612,349	52,190,078	42,702,899	32,099,528	8,979,720	41,079,248
CAPITAL PROJECT FUNDS:						
Mental Health Sales Tax	13,720,422	7,622,516	8,078,619	13,264,319	811,825	14,076,144
Capital Improvement Plan	29,739,051	8,685,071	8,609,667	29,814,455	4,072,447	33,886,902
TOTAL CAPITAL PROJECTS FUND	43,459,473	16,307,587	16,688,286	43,078,774	4,884,272	47,963,046
DEBT SERVICE FUNDS:						
Bond and Interest	491,269	357,971	283,997	565,243	-	565,243
Local County Sales Tax	17,791,039	4,211,355	1,415,230	20,587,164	-	20,587,164
TOTAL DEBT SERVICE FUNDS	18,282,308	4,569,326	1,699,227	21,152,407	-	21,152,407
BUSINESS FUNDS:						
Employee Benefit Trust	5,775,963	9,411,728	12,022,694	3,164,997	1,422,307	4,587,304
Workers' Compensation	981,811	587,540	487,779	1,081,572	323,646	1,405,218
TOTAL BUSINESS FUNDS	6,757,774	9,999,268	12,510,473	4,246,569	1,745,953	5,992,522
TOTAL COUNTY	\$ 101,125,054	\$ 148,875,362	\$ 134,626,537	\$ 115,373,879	\$ 16,944,004	\$ 132,317,883

Douglas County, Kansas

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

For the Year Ended December 31, 2021

	Beginning Unencumbered Cash Balance 1/1/2021	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12/31/2021	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12/31/2021
RELATED MUNICIPAL ENTITIES:						
Douglas County Extension Council	\$ 498,188	\$ 812,680	\$ 768,099	\$ 542,769	\$ -	\$ 542,769
Lawrence/Douglas County Health Dept	3,400,788	6,900,614	5,812,543	4,488,859	372,221	4,861,080
Douglas County Free Fair	25,214	401,940	378,122	49,032	-	49,032
TOTAL RELATED MUNICIPAL ENTITIES	3,924,190	8,115,234	6,958,764	5,080,660	372,221	5,452,881
TOTAL REPORTING ENTITY (Excluding Agency Funds)	\$ 105,049,244	\$ 156,990,596	\$ 141,585,301	\$ 120,454,539	\$ 17,316,225	\$ 137,770,764

Composition of Cash:	
Petty Cash - County	\$ 2,500
Petty Cash - Health Department	546
Checking Account - US Bank	29,738,418
Lockbox - UMB Bank	4,429,032
Investment Account - Kansas Municipal Investment Pool	64,979
Certificates of Deposit - Commerce Bank	3,500,000
Certificates of Deposit - Capitol Federal	19,500,000
Certificates of Deposit - Central National Bank	82,884,644
Certificates of Deposit - Health Department - Central Bank of the Midwest	1,257,840
Certificates of Deposit - Mid America Bank	10,000,010
Checking Account - Employee Benefits Trust - US Bank	1,726,397
Checking Account - Workers Comp - US Bank	78,719
Insured Cash Sweep - US Bank	90,500,043
Insured Cash Sweep - Employee Benefits Trust - US Bank	2,860,907
Inmate Funds - US Bank	16,696
Checking Account - District Attorney - INTRUST Bank	89,028
Checking Account - Sheriff Bond Fund - US Bank	2,402
Health Department - Central Bak of the Midwest	3,602,694
Extension Council - Central Bank of the Midwest	542,769
Free Fair Board - Central Bank of the Midwest	49,032
2013 Crossover Escrow Funds - BOK Financial	10,528,505
Total Cash	261,375,161
Less Agency Funds per Schedule 4	(123,604,397)
Total Reporting Entity (Excluding Agency Funds)	\$ 137,770,764

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

Douglas County, Kansas

Notes to the Financial Statements

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Douglas County, Kansas

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Municipal Financial Reporting Entity

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

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

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

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

Business Fund Types

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

Fiduciary Fund Types

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

2. Regulatory Basis of Accounting

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

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

C. Deposits and Investments

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

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

Douglas County, Kansas

Notes to the Financial Statements

Earnings from the investments, except those held in escrow, are allocated to the general fund. Investments for the County as of December 31, 2021 consisted of certificates of deposit, investments in the Kansas Municipal Investment Pool, U.S. Treasury Note and State and Local Obligations held in escrow, which are recorded at cost.

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

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

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

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

Douglas County, Kansas

Notes to the Financial Statements

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did not hold a revenue neutral rate hearing for this year.

The County has the following levels of budget control:

- * The legal level of control is established at the fund level by Kansas statutes.
- * As allowed by Kansas statute, the governing body can increase the fund level expenditures from the originally adopted budget by amending the budget. An amendment may only be made for previously unbudgeted increases in regulatory receipts other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after the publication, the hearing may be held, and the governing body may amend the budget at that time. The following funds had budget amendments in 2021: General fund, Ambulance fund, Road & Bridge, Special Alcohol, and Consolidated Fire District No. 1.

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

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

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

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

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 \$249,781,682 and the bank balance was \$250,204,918.

Investments - As of December 31, 2021, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity (at cost)		Percentage of Investments	Rating
		Less than 1 Year	1-5 Years		
Kansas Municipal Investment Pool	\$ 68,394	\$ 64,979	\$ -	1%	N/A
U.S. Treasury	995,430	-	1,000,000	8%	N/A
State and Local Government Obligations (SLGS)	10,528,500	171,623	10,356,877	91%	N/A
Total Fair Value	<u>\$ 11,592,324</u>	<u>\$ 236,602</u>	<u>\$ 11,356,877</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, 2021, the County’s deposits were fully covered and not exposed to custodial credit risk. At December 31, 2021, the County had invested \$64,979, \$1,000,000 and \$10,528,500 in the State’s municipal investment pool, US Treasury and SLGS, respectively. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The investment in SLGS consists of multiple securities with interest rates from 0.11% to 0.19% and maturities ranging from 2/28/2022 to 07/31/2023 to correspond with crossover bond refunding payments.

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

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

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

Douglas County, Kansas

Notes to the Financial Statements

B. Long-Term Debt

Changes in long-term debt were as follows:

Douglas County, Kansas
Statement of Changes in Long-Term Debt
Regulatory Basis
For the Year Ended December 31, 2021

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	\$ 140,000	\$ -	\$ 15,000	\$ 125,000	\$ 6,538
Series 2009A GO Improvement Bonds	2.63 - 4.25%	10/01/09	2,445,000	09/01/30	1,580,000	-	130,000	1,450,000	65,113
Series 2012D Taxable GO Bonds	1.45 - 2.55%	06/04/12	240,000	08/01/21	25,000	-	25,000	-	638
Series 2012E General Obligation Bonds	2.625 - 4.00%	09/05/12	175,000	08/01/32	120,000	-	10,000	110,000	4,524
Series 2013 GO Refunding and Sales Tax Bonds	2.00 - 4.50%	07/22/13	14,315,000	08/01/23	12,530,000	-	750,000	11,780,000	526,418
Series 2020A GO Sales Tax Improvement Bonds	1.00 - 3.00%	12/10/20	8,445,000	09/01/40	8,445,000	-	375,000	8,070,000	128,653
Series 2020B GO Refunding Bonds	1.50 - 2.00%	12/10/20	10,315,000	09/01/33	10,315,000	-	-	10,315,000	138,812
Total Bonded Indebtedness					<u>\$ 33,155,000</u>	<u>\$ -</u>	<u>\$ 1,305,000</u>	<u>\$ 31,850,000</u>	<u>\$ 870,696</u>

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								
	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	Total
PRINCIPAL:									
Douglas County:									
General Obligation Bonds - Governmental Funds:									
Series 2008 General Obligation Bonds	\$ 15,000	\$ 15,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 40,000	\$ -	\$ -	\$ 125,000
Series 2009A GO Improvement Bonds	135,000	140,000	150,000	155,000	160,000	710,000	-	-	1,450,000
Series 2012E General Obligation Bonds	10,000	10,000	10,000	10,000	10,000	50,000	10,000	-	110,000
Series 2013 GO Refunding and Sales Tax Bonds	780,000	11,000,000	-	-	-	-	-	-	11,780,000
Series 2020A GO Sales Tax Improvement Bonds	335,000	345,000	360,000	370,000	380,000	2,070,000	2,275,000	1,935,000	8,070,000
Series 2020B GO Refunding Refunding Bonds	-	-	945,000	960,000	985,000	5,210,000	2,215,000	-	10,315,000
TOTAL PRINCIPAL	<u>1,275,000</u>	<u>11,510,000</u>	<u>1,480,000</u>	<u>1,515,000</u>	<u>1,555,000</u>	<u>8,080,000</u>	<u>4,500,000</u>	<u>1,935,000</u>	<u>31,850,000</u>
INTEREST:									
General Obligation Bonds - Governmental Funds:									
Series 2008 General Obligation Bonds	5,863	5,188	4,513	3,800	2,850	2,850	-	-	25,064
Series 2009A GO Improvement Bonds	60,563	55,163	49,563	43,563	36,975	77,138	-	-	322,965
Series 2012E General Obligation Bonds	4,263	4,000	3,600	3,200	2,800	8,000	400	-	26,263
Series 2013 GO Refunding and Sales Tax Bonds	496,419	465,219	-	-	-	-	-	-	961,638
Series 2020A GO Sales Tax Improvement Bonds	166,203	156,153	145,803	135,003	123,903	442,063	243,323	77,955	1,490,406
Series 2020B GO Refunding Refunding Bonds	191,465	191,465	191,465	172,565	153,365	464,225	52,730	-	1,417,280
TOTAL INTEREST	<u>924,776</u>	<u>877,188</u>	<u>394,944</u>	<u>358,131</u>	<u>319,893</u>	<u>994,276</u>	<u>296,453</u>	<u>77,955</u>	<u>4,243,616</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 2,199,776</u>	<u>\$ 12,387,188</u>	<u>\$ 1,874,944</u>	<u>\$ 1,873,131</u>	<u>\$ 1,874,893</u>	<u>\$ 9,074,276</u>	<u>\$ 4,796,453</u>	<u>\$ 2,012,955</u>	<u>\$ 36,093,616</u>

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, 2021; however, the aggregate principal amount issued (to AGNL Plastics, L.L.C.) was \$21,000,000.

Douglas County, Kansas

Notes to the Financial Statements

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, 2021. 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, 2021, the liability for compensated absences included:

Douglas County	\$ 4,381,648
Lawrence/Douglas County Health Department	<u>159,803</u>
	<u>\$ 4,541,451</u>

2. Other Post-Employment Benefits

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

Douglas County, Kansas

Notes to the Financial Statements

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

Death and Disability Other Post-Employment Benefits - As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

3. Risk Management & Self-Insurance Claims

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

The County has established a limited risk management program for employees' health care insurance. The program includes a stop-loss provision for claims over \$150,000 per individual. Beginning June 1, 2016, the stop-loss provision was increased to \$175,000 per individual. The County is also self-insured with respect to its obligations to provide workers' compensation for its employees. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims for both programs are recorded in the Employee Benefit Trust Internal Service Fund. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amounts of payouts, and other economic and social factors.

Changes in self-insured claims liabilities are as follows:

	<u>2021</u>
Estimated unpaid claims, January 1	\$ 1,063,791
Incurred claims (including reported and unreported)	7,824,941
Claim payments	<u>(7,155,182)</u>
Estimated unpaid claims, December 31	<u>\$ 1,733,550</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 \$4,246,569 of unencumbered cash in the Workers' Compensation Fund and the Employee Benefits Trust for future health and workers' compensation claims.

Douglas County, Kansas

Notes to the Financial Statements

4. Defined Benefit Pension Plan

General Information about the Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for KPERS and 25.30% for KP&F for the fiscal year ended December 31, 2021. Contributions to the pension plan from the County were \$1,928,970 for KPERS and \$1,815,242 for KP&F the year ended December 31, 2021.

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.

Douglas County, Kansas

Notes to the Financial Statements

At December 31, 2021, 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	\$ 13,292,443
Douglas County - KP&F	11,586,322
Health Department	1,510,913
Extension Council	<u>108,440</u>
Total	<u>\$ 26,498,118</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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, 2021. 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 Statements

D. Interfund Transfers

A summary of interfund transfers is as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Capital Improvement Plan	K.S.A. 19-120	\$ 7,564,847
General Fund	Equipment Reserve	K.S.A. 19-119	2,074,130
General Fund	Local County Sales Tax	K.S.A. 12-197	4,198,513
General Fund	Ambulance	K.S.A. 12-110d	920,239
Road & Bridge	Equipment Reserve	K.S.A. 19-119	675,000
Road & Bridge	Special Highway Improvement	K.S.A. 68-590	468,000
Road & Bridge	Special Park & Recreation	K.S.A. 68-590	25,000
Special Liability	Workers' Compensation	K.S.A. 12-2615	575,000
Ambulance	Ambulance Capital Reserve	K.S.A. 19-119	450,000
Motor Vehicle Operations	Equipment Reserve	K.S.A. 8-145	1,000
Mental Health Sales Tax	Capital Improvement Plan	K.S.A. 12-2615	288,578
Valley View	Equipment Reserve	K.S.A. 19-119	21,659
Register of Deeds Technology	Equipment Reserve	K.S.A. 19-119	150,000
			<u>\$ 17,411,966</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 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

Douglas County, Kansas

Notes to the Financial Statements

transferred to a plan agent in a custodial trust and are not available to pay the claims of the County's general creditors. Therefore, the liability and corresponding assets are not reflected in the financial statements.

D. Cost Sharing Arrangements

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

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

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

As of the effective date of the 1996 agreement, all buildings, equipment and furniture were to be transferred to the ownership of the City. This agreement was later modified in 1997, 1998 and 2005. During 2021, additional modifications were made to this agreement, effective January 1, 2022.

In the current year, the County received 4 payments from the City. 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 2021.

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

Douglas County, Kansas

Notes to the Financial Statements

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 2022.

Fire Station No. 1. In 2016, the City and County entered into an agreement to share in the cost of reconstruction of a fire station. The County agreed to pay 25.64% of the actual total cost for the part of the reconstruction to be occupied and used by the Lawrence Douglas County Fire and Medical Department. During 2020, the agreement was modified so that it is now estimated that the County's portion would be approximately \$1,091,800, plus interest and costs of issuance. Additionally, the County will pay 32% of the actual total cost for the part of the reconstruction to be occupied and used by the Douglas County Senior Services, Inc. The County's share is estimated to be approximately \$922,900, plus interest and costs of issuance. As part of the agreement, the County paid \$520,000 to the City prior to December 31, 2016. The remaining balance of the County's portion of the actual total cost of the project is to be made in annual installments of at least \$100,000 until such time as the balance is paid in full, the first annual payment commenced in 2018 and continued in 2021.

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. The fairgrounds renovation project was formally closed at the end of 2020 and remaining funds of \$326,619 were reallocated to a new project at the fairgrounds in 2021 to further improve existing infrastructure. As of December 31, 2021, none of the reallocated funds had been expended, leaving \$326,619 in construction and other project commitments remaining as of December 31, 2021.

F. Subsequent Events

On June 21st, the County received the second half allocation of the federal funding from the American Rescue Plan Act of \$11,873,689.

REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION

Schedule of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

	<u>Certified Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over(Under)</u>
GOVERNMENTAL TYPE FUNDS:			
GENERAL FUND	\$ 74,834,812	\$ 61,025,652	\$ (13,809,160)
SPECIAL PURPOSE FUNDS:			
Ambulance	8,992,567	7,876,702	(1,115,865)
Emergency Telephone Service	859,101	648,140	(210,961)
Employee Benefits	13,649,541	13,146,212	(503,329)
Motor Vehicle Operations	1,034,861	802,138	(232,723)
Road & Bridge	8,552,649	6,766,368	(1,786,281)
Special Alcohol	94,413	33,327	(61,086)
Special Building	1,177,671	207,833	(969,838)
Special Liability	882,221	647,829	(234,392)
Special Parks & Recreation	90,761	13,088	(77,673)
Consolidated Fire District No. 1	1,389,922	990,579	(399,343)
CAPITAL PROJECT FUND:			
Mental Health Sales Tax	12,786,884	8,078,619	(4,708,265)
DEBT SERVICE FUNDS:			
Bond and Interest	800,727	283,997	(516,730)
Local County Sales Tax	10,391,267	1,415,230	(8,976,037)

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

General Fund

	Actual	Budget	Variance- Over (Under)
Cash receipts:			
Taxes:			
Ad valorem property tax	\$ 48,135,427	\$ 48,135,463	\$ (36)
Delinquent tax	559,183	559,772	(589)
Motor vehicle tax	4,566,061	4,568,472	(2,411)
Local county sales tax	8,397,026	8,100,000	297,026
Interest and penalties	717,401	717,401	-
Total taxes	<u>62,375,098</u>	<u>62,081,108</u>	<u>293,990</u>
Licenses, fees, and permits:			
Licenses, permits & fees	1,840,880	2,633,803	(792,923)
Charges for services	75,799	120,010	(44,211)
District court fees	380,840	292,019	88,821
Total licenses, fees, and permits	<u>2,297,519</u>	<u>3,045,832</u>	<u>(748,313)</u>
Use of money and property:			
Interest on idle funds	756,983	755,971	1,012
Total interest	<u>756,983</u>	<u>755,971</u>	<u>1,012</u>
Other:			
Rental income	101,498	91,330	10,168
Sale of chemicals	86,789	82,371	4,418
Intergovernmental	48,054	40,865	7,189
Sale of commodities	4,218	2,439	1,779
Miscellaneous income	138,944	156,655	(17,711)
Total other	<u>379,503</u>	<u>373,660</u>	<u>5,843</u>
Total cash receipts	<u>65,809,103</u>	<u>\$ 66,256,571</u>	<u>\$ (447,468)</u>
Expenditures:			
Administration:			
Personnel services	1,285,289	\$ 1,305,353	\$ (20,064)
Contractual services	684,198	662,700	21,498
Commodities	29	5,000	(4,971)
Capital outlay	1,327	-	1,327
Reimbursements	(147,854)	(60,000)	(87,854)
Total administration	<u>1,822,989</u>	<u>1,913,053</u>	<u>(90,064)</u>
Agencies county funded:			
Contractual services	7,907,796	7,907,796	-
Total agency county funded	<u>7,907,796</u>	<u>7,907,796</u>	<u>-</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

General Fund

	Actual	Budget	Variance- Over (Under)
Appraiser:			
Personnel services	786,283	796,359	(10,076)
Contractual services	20,398	41,130	(20,732)
Capital outlay	-	3,000	(3,000)
Total appraiser	<u>806,681</u>	<u>840,489</u>	<u>(33,808)</u>
Behavioral health projects:			
Miscellaneous	2,260,062	2,290,000	(29,938)
Total behavioral health projects	<u>2,260,062</u>	<u>2,290,000</u>	<u>(29,938)</u>
CIP projects - capital improvements:			
Transfers to CIP	6,564,847	6,564,847	-
Total CIP projects	<u>6,564,847</u>	<u>6,564,847</u>	<u>-</u>
Commissioners:			
Personnel services	118,631	119,329	(698)
Contractual services	311,929	412,500	(100,571)
Miscellaneous	79,670	158,000	(78,330)
Total commissioners	<u>510,230</u>	<u>689,829</u>	<u>(179,599)</u>
Coroner:			
Contractual services	338,668	278,000	60,668
Commodities	3,331	2,200	1,131
Capital outlay	-	3,500	(3,500)
Miscellaneous	-	115,000	(115,000)
Total coroner	<u>341,999</u>	<u>398,700</u>	<u>(56,701)</u>
County Clerk:			
Personnel services	451,440	476,078	(24,638)
Contractual services	2,037	1,225	812
Commodities	829	450	379
Miscellaneous	-	200	(200)
Total county clerk	<u>454,306</u>	<u>477,953</u>	<u>(23,647)</u>
Countywide:			
Contractual services	927,346	964,700	(37,354)
Commodities	138,362	120,000	18,362
Miscellaneous	15,584	14,000	1,584
Reimbursements	-	(500)	500
Total countywide	<u>1,081,292</u>	<u>1,098,200</u>	<u>(16,908)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

General Fund

	Actual	Budget	Variance- Over (Under)
Court operating:			
Personnel services	447,876	452,550	(4,674)
Contractual services	647,089	1,123,700	(476,611)
Commodities	15,716	30,500	(14,784)
Capital outlay	228,233	235,075	(6,842)
Miscellaneous	15,571	15,000	571
Reimbursements	(370,673)	(361,722)	(8,951)
Total court operating	<u>983,812</u>	<u>1,495,103</u>	<u>(511,291)</u>
Court trustee:			
Personnel services	471,728	478,856	(7,128)
Contractual services	2,035	3,375	(1,340)
Commodities	838	1,700	(862)
Capital outlay	1,100	1,600	(500)
Miscellaneous	2,191	2,500	(309)
Total court trustee	<u>477,892</u>	<u>488,031</u>	<u>(10,139)</u>
Criminal justice services:			
Personnel services	2,209,145	2,239,580	(30,435)
Contractual services	351,843	451,619	(99,776)
Commodities	86,012	142,935	(56,923)
Capital Outlay	1,156	9,800	(8,644)
Miscellaneous	328,355	579,658	(251,303)
Reimbursements	(282,588)	(148,182)	(134,406)
Total criminal justice services	<u>2,693,923</u>	<u>3,275,410</u>	<u>(581,487)</u>
DA criminal justice coordination:			
Personnel services	45,778	47,732	(1,954)
Total DA criminal justice coordination	<u>45,778</u>	<u>47,732</u>	<u>(1,954)</u>
District Attorney:			
Personnel services	2,318,385	2,521,957	(203,572)
Contractual services	125,278	232,487	(107,209)
Capital outlay	2,214	45,400	(43,186)
Miscellaneous	23,851	25,000	(1,149)
Reimbursements	(105,919)	(114,600)	8,681
Transfers	211,675	-	211,675
Total district attorney	<u>2,575,484</u>	<u>2,710,244</u>	<u>(134,760)</u>
Elections:			
Personnel services	208,692	204,894	3,798
Contractual services	270,548	284,800	(14,252)
Commodities	69,976	68,000	1,976
Miscellaneous	170	200	(30)
Reimbursements	(63,041)	(76)	(62,965)
Total elections	<u>486,345</u>	<u>557,818</u>	<u>(71,473)</u>
Emergency communication center:			
Personnel services	1,711,987	1,704,430	7,557
Contractual services	165,072	265,700	(100,628)
Commodities	22,852	29,500	(6,648)
Capital outlay	26,956	34,500	(7,544)
Miscellaneous	400	1,000	(600)
Reimbursements	(1,280,148)	(1,383,368)	103,220
Transfers	50,000	50,000	-
Total emergency communication center	<u>697,119</u>	<u>701,762</u>	<u>(4,643)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

General Fund

	Actual	Budget	Variance- Over (Under)
Emergency management:			
Personnel services	198,977	202,328	(3,351)
Contractual services	42,724	47,655	(4,931)
Commodities	3,355	4,600	(1,245)
Capital outlay	1,819	5,000	(3,181)
Miscellaneous	5,961	4,500	1,461
Transfers	48,000	48,000	-
Total emergency management	<u>300,836</u>	<u>312,083</u>	<u>(11,247)</u>
Fairgrounds:			
Contractual services	39,050	35,000	4,050
Commodities	50,552	50,000	552
Transfers	50,000	50,000	-
Total fairgrounds	<u>139,602</u>	<u>135,000</u>	<u>4,602</u>
First Responders:			
Personnel services	11,625	10,400	1,225
Contractual services	68,750	95,900	(27,150)
Commodities	2,219	17,050	(14,831)
Capital outlay	-	2,400	(2,400)
Transfers	18,531	5,750	12,781
Total first responders	<u>101,125</u>	<u>131,500</u>	<u>(30,375)</u>
Fleet operations:			
Personnel services	312,780	337,872	(25,092)
Contractual services	143,790	99,900	43,890
Commodities	717,151	870,800	(153,649)
Capital outlay	22,551	16,000	6,551
Reimbursements	(31,150)	-	(31,150)
Transfers	25,000	25,000	-
Total fleet operations	<u>1,190,122</u>	<u>1,349,572</u>	<u>(159,450)</u>
Geographic information system:			
Personnel services	191,093	192,284	(1,191)
Contractual services	4,566	6,000	(1,434)
Commodities	111	1,200	(1,089)
Total geographic information system	<u>195,770</u>	<u>199,484</u>	<u>(3,714)</u>
Heritage Conservation Fund:			
Personnel services	39,224	39,291	(67)
Miscellaneous	92,530	245,709	(153,179)
Reimbursements	(10,000)	-	(10,000)
Transfers	153,247	-	153,247
Total heritage conservation fund	<u>275,001</u>	<u>285,000</u>	<u>(9,999)</u>
Information technology:			
Personnel services	930,564	883,151	47,413
Contractual services	598,909	611,920	(13,011)
Commodities	8,400	13,500	(5,100)
Capital outlay	101,060	185,500	(84,440)
Miscellaneous	345	500	(155)
Transfers	50,000	50,000	-
Total information technology	<u>1,689,278</u>	<u>1,744,571</u>	<u>(55,293)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

General Fund

	Actual	Budget	Variance- Over (Under)
Maintenance:			
Personnel services	967,326	1,026,784	(59,458)
Contractual services	176,801	205,000	(28,199)
Commodities	147,631	139,500	8,131
Reimbursements	(111,092)	(67,241)	(43,851)
Transfers	20,000	20,000	-
Total maintenance	<u>1,200,666</u>	<u>1,324,043</u>	<u>(123,377)</u>
Parks and Vegetation:			
Personnel services	365,739	370,843	(5,104)
Contractual services	33,724	34,080	(356)
Commodities	162,369	171,350	(8,981)
Transfers	45,000	45,000	-
Total parks and vegetation	<u>606,832</u>	<u>621,273</u>	<u>(14,441)</u>
Register of Deeds:			
Personnel services	428,859	382,165	46,694
Miscellaneous	30,000	30,000	-
Transfers	1,000	1,000	-
Total register of deeds	<u>459,859</u>	<u>413,165</u>	<u>46,694</u>
Shared costs & transfers:			
Personnel services	138,501	128,489	10,012
Agencies and projects	1,537,562	-	1,537,562
Miscellaneous	41,524	1,661,263	(1,619,739)
Reimbursements	(153,307)	(144,389)	(8,918)
Transfers	6,817,429	16,620,239	(9,802,810)
Total shared costs & transfers	<u>8,381,709</u>	<u>18,265,602</u>	<u>(9,883,893)</u>
Sheriff:			
Personnel services	5,263,918	5,513,223	(249,305)
Contractual services	511,810	627,099	(115,289)
Commodities	312,619	247,200	65,419
Capital outlay	16,399	-	16,399
Reimbursements	(26,308)	(18,300)	(8,008)
Transfers	497,000	497,000	-
Total sheriff	<u>6,575,438</u>	<u>6,866,222</u>	<u>(290,784)</u>
Sheriff jail:			
Personnel services	6,084,656	6,269,271	(184,615)
Contractual services	1,489,349	2,505,328	(1,015,979)
Commodities	658,907	853,500	(194,593)
Capital Outlay	40,335	13,806	26,529
Reimbursements	(393,284)	(471,000)	77,716
Transfers	199,000	199,000	-
Total sheriff jail	<u>8,078,963</u>	<u>9,369,905</u>	<u>(1,290,942)</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

General Fund

	Actual	Budget	Variance- Over (Under)
Sustainability management:			
Personnel services	175,830	191,436	(15,606)
Contractual services	108,201	124,968	(16,767)
Commodities	227	-	227
Miscellaneous	2,325	6,800	(4,475)
Reimbursements	(48,765)	(46,038)	(2,727)
Total sustainability management	<u>237,818</u>	<u>277,166</u>	<u>(39,348)</u>
Treasurer:			
Personnel services	319,360	293,014	26,346
Contractual services	18,319	19,700	(1,381)
Commodities	3,143	17,000	(13,857)
Transfers	1,000	1,000	-
Total treasurer	<u>341,822</u>	<u>330,714</u>	<u>11,108</u>
Utility communication equipment maintenance:			
Contractual services	13,223	73,000	(59,777)
Total utility communication equipment maintenance	<u>13,223</u>	<u>73,000</u>	<u>(59,777)</u>
Utilities:			
Contractual services	1,106,064	1,226,500	(120,436)
Commodities	-	2,000	(2,000)
Capital outlay	192	20,000	(19,808)
Reimbursements	(34,683)	(37,426)	2,743
Total utilities	<u>1,071,573</u>	<u>1,211,074</u>	<u>(139,501)</u>
Zoning:			
Personnel services	446,183	453,621	(7,438)
Contractual services	1,507	6,350	(4,843)
Commodities	1,703	2,500	(797)
Miscellaneous	67	-	67
Transfers	6,000	6,000	-
Total zoning	<u>455,460</u>	<u>468,471</u>	<u>(13,011)</u>
Total expenditures	<u>61,025,652</u>	<u>\$ 74,834,812</u>	<u>\$ (13,809,160)</u>
Receipts over (under) expenditures	4,783,451		
Unencumbered cash, beginning	10,013,150		
Unencumbered cash, ending	<u>\$ 14,796,601</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Ambulance

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Ad valorem property tax	\$ 4,497,654	\$ 4,497,654	\$ -
Motor vehicle tax	453,626	453,554	72
Delinquent tax	58,758	58,830	(72)
Reimbursements	266	266	-
Charges for services	2,500,925	2,500,925	-
Miscellaneous	-	200,000	(200,000)
Transfers	920,239	920,239	-
Total cash receipts	8,431,468	\$ 8,631,468	\$ (200,000)
Expenditures:			
Contractual services	7,125,827	\$ 8,204,567	\$ (1,078,740)
Commodities	249,899	230,000	19,899
Miscellaneous	35	-	35
Capital outlay	50,941	108,000	(57,059)
Transfers	450,000	450,000	-
Total expenditures	7,876,702	\$ 8,992,567	\$ (1,115,865)
Receipts over (under) expenditures	554,766		
Unencumbered cash, beginning	361,099		
Unencumbered cash, ending	\$ 915,865		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Emergency Telephone Service

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
911 emergency telephone service tax	\$ 620,346	\$ 620,000	\$ 346
Interest income	1,008	2,000	(992)
	<u>621,354</u>	<u>\$ 622,000</u>	<u>\$ (646)</u>
Total cash receipts			
Expenditures:			
Contractual services	648,140	\$ 650,000	\$ (1,860)
Miscellaneous	-	209,101	(209,101)
	<u>648,140</u>	<u>\$ 859,101</u>	<u>\$ (210,961)</u>
Total expenditures			
Receipts over (under) expenditures	(26,786)		
Unencumbered cash, beginning	<u>258,426</u>		
Unencumbered cash, ending	<u>\$ 231,640</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Employee Benefits

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 11,644,360	\$ 11,543,101	\$ 101,259
Motor vehicle tax	1,085,314	1,026,559	58,755
Delinquent tax	131,562	80,150	51,412
Intergovernmental	828,668	540,000	288,668
Miscellaneous	61,952	50,000	11,952
	<u>13,751,856</u>	<u>\$ 13,239,810</u>	<u>\$ 512,046</u>
Expenditures:			
Personnel services	13,146,112	\$ 13,014,321	\$ 131,791
Miscellaneous	100	635,220	(635,120)
	<u>13,146,212</u>	<u>\$ 13,649,541</u>	<u>\$ (503,329)</u>
Receipts over (under) expenditures	605,644		
Unencumbered cash, beginning	<u>2,284,451</u>		
Unencumbered cash, ending	<u>\$ 2,890,095</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Motor Vehicle Operations

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Charges for services	\$ 832,808	\$ 808,100	\$ 24,708
Total cash receipts	<u>832,808</u>	<u>\$ 808,100</u>	<u>\$ 24,708</u>
Expenditures:			
Personnel services	753,627	\$ 748,204	\$ 5,423
Contractual services	36,546	42,700	(6,154)
Commodities	10,965	8,100	2,865
Miscellaneous	-	134,857	(134,857)
Transfers	<u>1,000</u>	<u>101,000</u>	<u>(100,000)</u>
Total expenditures	<u>802,138</u>	<u>\$ 1,034,861</u>	<u>\$ (232,723)</u>
Receipts over (under) expenditures	30,670		
Unencumbered cash, beginning	<u>219,797</u>		
Unencumbered cash, ending	<u>\$ 250,467</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Road and Bridge

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 4,379,190	\$ 4,379,190	\$ -
Motor vehicle tax	383,957	383,909	48
Delinquent tax	47,580	47,628	(48)
Intergovernmental	2,485,080	2,485,080	-
Licenses, permits & fees	-	7,731	(7,731)
Sale of commodities	-	140,622	(140,622)
Charges for services	33,090	25,338	7,752
Miscellaneous	275,488	19,472	256,016
	<u>7,604,385</u>	<u>\$ 7,488,970</u>	<u>\$ 115,415</u>
Total cash receipts			
Expenditures:			
Personnel services	2,700,494	\$ 2,818,142	\$ (117,648)
Contractual services	1,507,760	2,022,600	(514,840)
Commodities	1,370,218	1,982,500	(612,282)
Miscellaneous	-	346,407	(346,407)
Capital outlay	19,896	8,000	11,896
Transfers	1,168,000	1,375,000	(207,000)
	<u>6,766,368</u>	<u>\$ 8,552,649</u>	<u>\$ (1,786,281)</u>
Total expenditures			
Receipts over (under) expenditures	838,017		
Unencumbered cash, beginning	<u>1,842,499</u>		
Unencumbered cash, ending	<u>\$ 2,680,516</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Special Alcohol

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Special alcohol tax	\$ 22,701	\$ 15,206	\$ 7,495
Total cash receipts	<u>22,701</u>	<u>\$ 15,206</u>	<u>\$ 7,495</u>
Expenditures:			
Miscellaneous	33,327	\$ -	\$ 33,327
Agencies and projects	<u>-</u>	<u>94,413</u>	<u>(94,413)</u>
Total expenditures	<u>33,327</u>	<u>\$ 94,413</u>	<u>\$ (61,086)</u>
Receipts over (under) expenditures	(10,626)		
Unencumbered cash, beginning	<u>79,207</u>		
Unencumbered cash, ending	<u>\$ 68,581</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Special Building

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 281,851	\$ 279,401	\$ 2,450
Motor vehicle tax	59,117	51,728	7,389
Delinquent tax	7,677	4,000	3,677
Reimbursements	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total cash receipts	<u>408,645</u>	<u>\$ 335,129</u>	<u>\$ 73,516</u>
Expenditures:			
Contractual services	1,860	\$ 400,000	\$ (398,140)
Capital outlay	<u>205,973</u>	<u>777,671</u>	<u>(571,698)</u>
Total expenditures	<u>207,833</u>	<u>\$ 1,177,671</u>	<u>\$ (969,838)</u>
Receipts over (under) expenditures	200,812		
Unencumbered cash, beginning	<u>950,452</u>		
Unencumbered cash, ending	<u>\$ 1,151,264</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Special Liability

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 670,146	\$ 664,317	\$ 5,829
Motor vehicle tax	65,791	59,120	6,671
Delinquent tax	<u>7,613</u>	<u>3,000</u>	<u>4,613</u>
Total cash receipts	<u>743,550</u>	<u>\$ 726,437</u>	<u>\$ 17,113</u>
Expenditures:			
Contractual services	63,861	\$ 100,000	\$ (36,139)
Miscellaneous	8,968	207,221	(198,253)
Transfers	<u>575,000</u>	<u>575,000</u>	<u>-</u>
Total expenditures	<u>647,829</u>	<u>\$ 882,221</u>	<u>\$ (234,392)</u>
Receipts over (under) expenditures	95,721		
Unencumbered cash, beginning	<u>258,214</u>		
Unencumbered cash, ending	<u>\$ 353,935</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Special Parks and Recreation

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Special alcohol tax	\$ 17,264	\$ 19,500	\$ (2,236)
Intergovernmental	40,000	-	40,000
Miscellaneous	7,782	-	7,782
Transfers	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total cash receipts	<u>90,046</u>	<u>\$ 19,500</u>	<u>\$ 70,546</u>
Expenditures:			
Capital outlay	13,088	\$ -	\$ 13,088
Recreation facilities	<u>-</u>	<u>90,761</u>	<u>(90,761)</u>
Total expenditures	<u>13,088</u>	<u>\$ 90,761</u>	<u>\$ (77,673)</u>
Receipts over (under) expenditures	76,958		
Unencumbered cash, beginning	<u>82,397</u>		
Unencumbered cash, ending	<u>\$ 159,355</u>		

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Special Purpose Fund - Consolidated Fire District No. 1

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash receipts:			
Ad valorem property tax	\$ 1,101,692	\$ 1,134,135	\$ (32,443)
Motor vehicle tax	33,491	32,875	616
Delinquent tax	4,778	3,113	1,665
Reimbursements	227,462	219,799	7,663
Interest income	2,357	-	2,357
	<u>1,369,780</u>	<u>\$ 1,389,922</u>	<u>\$ (20,142)</u>
Total cash receipts			
Expenditures:			
Contractual services	308,288	\$ 365,795	\$ (57,507)
Commodities	87,095	116,112	(29,017)
Personnel services	508,580	502,904	5,676
Miscellaneous	78,000	78,000	-
Capital outlay	8,616	24,109	(15,493)
Transfer	-	303,002	(303,002)
	<u>990,579</u>	<u>\$ 1,389,922</u>	<u>\$ (399,343)</u>
Total expenditures			
Receipts over (under) expenditures	379,201		
Unencumbered cash, beginning	<u>-</u>		
Unencumbered cash, ending	<u>\$ 379,201</u>		

DOUGLAS COUNTY, KANSAS

Schedule 2-12

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2021

Non-budgeted Special Purpose Funds

	Ambulance Capital Reserve	Community Correction Plan	Donations	Equipment Reserve	Grants Program	Prosecutor Training & Assistance
Cash receipts:						
Intergovernmental	\$ -	\$ 513,980	\$ -	\$ -	\$ 12,974,345	\$ -
Reimbursements	-	-	-	3,652	1,331	-
Licenses, permits & fees	-	-	-	-	-	-
Charges for services	-	-	-	-	-	5,338
Interest income	2,313	-	-	35,482	-	-
Miscellaneous	-	15,547	2,457	673	1,175	-
Transfers	450,000	-	-	2,921,789	-	-
Total cash receipts	452,313	529,527	2,457	2,961,596	12,976,851	5,338
Expenditures:						
Personnel services	-	522,845	-	6,164	171,006	-
Contractual services	-	5,483	-	905,729	4,009,090	4,713
Commodities	-	5,904	768	136,632	61,598	-
Miscellaneous	-	1,113	-	60,391	7,546	-
Capital outlay	1,574,400	-	-	2,954,108	154,942	-
Transfers	-	-	-	-	-	-
Total expenditures	1,574,400	535,345	768	4,063,024	4,404,182	4,713
Receipts over (under) expenditures	(1,122,087)	(5,818)	1,689	(1,101,428)	8,572,669	625
Unencumbered cash, beginning	1,315,139	14,676	32,663	9,408,626	3,577,453	1,453
Unencumbered cash, ending	\$ 193,052	\$ 8,858	\$ 34,352	\$ 8,307,198	\$ 12,150,122	\$ 2,078

(Continued)

DOUGLAS COUNTY, KANSAS

Schedule 2-12

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2021

Non-budgeted Special Purpose Funds

	Register of Deeds Technology	Sheriff Special Use	Special Law Enforcement Trust	Special Highway Improvement	Youth Services Grants	Valley View	Total
Cash receipts:							
Intergovernmental	\$ -	\$ -	\$ 10,480	\$ -	\$ 512,903	\$ -	\$ 14,011,708
Reimbursements	-	-	-	-	-	-	4,983
Licenses, permits & fees	-	91,535	2,160	-	-	-	93,695
Charges for services	294,070	-	-	-	-	-	299,408
Interest income	3,228	-	3,027	-	-	-	44,050
Miscellaneous	-	-	-	-	-	-	19,852
Transfers	-	-	-	468,000	-	-	3,839,789
Total cash receipts	<u>297,298</u>	<u>91,535</u>	<u>15,667</u>	<u>468,000</u>	<u>512,903</u>	<u>-</u>	<u>18,313,485</u>
Expenditures:							
Personnel services	-	31,018	-	-	422,595	-	1,153,628
Contractual services	21,553	2,733	2,123	-	73,520	-	5,024,944
Commodities	-	59,223	4,179	-	4,850	36,816	309,970
Miscellaneous	-	-	-	13,525	19	-	82,594
Capital outlay	43,400	-	87,488	-	-	13,550	4,827,888
Transfers	150,000	-	-	-	-	21,659	171,659
Total expenditures	<u>214,953</u>	<u>92,974</u>	<u>93,790</u>	<u>13,525</u>	<u>500,984</u>	<u>72,025</u>	<u>11,570,683</u>
Receipts over (under) expenditures	82,345	(1,439)	(78,123)	454,475	11,919	(72,025)	6,742,802
Unencumbered cash, beginning	<u>428,842</u>	<u>6,792</u>	<u>700,967</u>	<u>587,727</u>	<u>129,444</u>	<u>72,025</u>	<u>16,275,807</u>
Unencumbered cash, ending	<u>\$ 511,187</u>	<u>\$ 5,353</u>	<u>\$ 622,844</u>	<u>\$ 1,042,202</u>	<u>\$ 141,363</u>	<u>\$ -</u>	<u>\$ 23,018,609</u>

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Capital Project Fund - Mental Health Sales Tax

	Actual	Budget	Variance-Over (Under)
Cash receipts:			
Local county sales tax	\$ 5,752,497	\$ 4,700,000	\$ 1,052,497
Miscellaneous	1,870,019	750,000	1,120,019
Total cash receipts	7,622,516	\$ 5,450,000	\$ 2,172,516
Expenditures:			
Miscellaneous	-	\$ 7,834,569	\$ (7,834,569)
Capital outlay	7,286,388	4,952,315	2,334,073
Principal	375,000	-	375,000
Interest	128,653	-	128,653
Transfer	288,578	-	288,578
Total expenditures	8,078,619	\$ 12,786,884	\$ (4,708,265)
Receipts over (under) expenditures	(456,103)		
Unencumbered cash, beginning	13,720,422		
Unencumbered cash, ending	\$ 13,264,319		

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2021

Capital Project Fund - Capital Improvement Fund

	Actual
Cash receipts:	
Intergovernmental	\$ 420,692
Reimbursements	115,144
Lease proceeds	23,441
Interest income	130,369
Miscellaneous	142,000
Transfers	7,853,425
Total cash receipts	8,685,071
Expenditures:	
Contractual services	2,652,184
Miscellaneous	241,622
Capital outlay	5,715,861
Total expenditures	8,609,667
Receipts over (under) expenditures	75,404
Unencumbered cash, beginning	29,739,051
Unencumbered cash, ending	\$ 29,814,455

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2021

Debt Service Fund - Bond and Interest Fund

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Special assessments	\$ 357,971	\$ 316,700	\$ 41,271
Total cash receipts	<u>357,971</u>	<u>\$ 316,700</u>	<u>\$ 41,271</u>
Expenditures:			
Miscellaneous	27,184	\$ 30,000	\$ (2,816)
Payment to State	-	38,800	(38,800)
Principal	180,000	180,000	-
Interest	76,813	76,813	-
Future payments	<u>-</u>	<u>475,114</u>	<u>(475,114)</u>
Total expenditures	<u>283,997</u>	<u>\$ 800,727</u>	<u>\$ (516,730)</u>
Receipts over (under) expenditures	73,974		
Unencumbered cash, beginning	<u>491,269</u>		
Unencumbered cash, ending	<u>\$ 565,243</u>		

Debt Service Fund - Local County Sales Tax

	<u>Actual</u>	<u>Budget</u>	<u>Variance-Over (Under)</u>
Cash receipts:			
Interest income	\$ 12,842	\$ -	\$ 12,842
Transfers	4,198,513	3,500,000	698,513
Total cash receipts	<u>4,211,355</u>	<u>\$ 3,500,000</u>	<u>\$ 711,355</u>
Expenditures:			
Principal	750,000	\$ 750,000	\$ -
Interest	665,230	526,419	138,811
Future payments	<u>-</u>	<u>9,114,848</u>	<u>(9,114,848)</u>
Total expenditures	<u>1,415,230</u>	<u>\$ 10,391,267</u>	<u>\$ (8,976,037)</u>
Receipts over (under) expenditures	2,796,125		
Unencumbered cash, beginning	<u>17,791,039</u>		
Unencumbered cash, ending	<u>\$ 20,587,164</u>		

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2021

Internal Service Fund - Employee Benefits Trust

	Actual
Cash receipts:	
Charges for services	\$ 8,256,215
Interest income	407
Miscellaneous	1,155,106
Total cash receipts	9,411,728
Expenditures:	
Claims paid	10,396,984
Contractual services	1,625,710
Total expenditures	12,022,694
Receipts over expenditures	(2,610,966)
Unencumbered cash, beginning	5,775,963
Unencumbered cash, ending	\$ 3,164,997

Internal Service Fund - Workers' Compensation

	Actual
Cash receipts:	
Intergovernmental	\$ 1,721
Interest income	3,658
Miscellaneous	7,161
Transfers	575,000
Total cash receipts	587,540
Expenditures:	
Personnel services	322,323
Contractual services	165,456
Total expenditures	487,779
Receipts over expenditures	99,761
Unencumbered cash, beginning	981,811
Unencumbered cash, ending	\$ 1,081,572

DOUGLAS COUNTY, KANSAS

Schedule 3

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2021

Related Municipal Entity - Douglas County Extension Council

	<u>Actual</u>
Cash receipts:	
County appropriation	\$ 510,874
Charges for services	298,375
Miscellaneous	<u>3,431</u>
Total cash receipts	<u>812,680</u>
Expenditures:	
Personnel services	533,804
Contractual services	179,734
Commodities	48,020
Capital outlay	<u>6,541</u>
Total expenditures	<u>768,099</u>
Receipts over expenditures	44,581
Unencumbered cash, beginning	<u>498,188</u>
Unencumbered cash, ending	<u>\$ 542,769</u>

Related Municipal Entity - Lawrence/Douglas Co Health Dept.

	<u>Actual</u>
Cash receipts:	
City/County appropriation	\$ 1,612,116
Grants	2,713,697
Charges for services	2,573,959
Interest	<u>842</u>
Total cash receipts	<u>6,900,614</u>
Expenditures:	
Personnel services	3,885,777
Contractual services	1,324,669
Commodities	490,009
Capital outlay	<u>112,088</u>
Total expenditures	<u>5,812,543</u>
Receipts over expenditures	1,088,071
Unencumbered cash, beginning	<u>3,400,788</u>
Unencumbered cash, ending	<u>\$ 4,488,859</u>

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2021

Related Municipal Entity - Douglas County Free Fair

	<u>Actual</u>
Cash receipts:	
County appropriation	\$ 12,000
Charges for services	389,918
Interest income	<u>22</u>
Total cash receipts	<u>401,940</u>
Expenditures:	
Personnel services	41,177
Contractual services	20,174
Commodities	315,835
Capital outlay	<u>936</u>
Total expenditures	<u>378,122</u>
Receipts over expenditures	23,818
Unencumbered cash, beginning	<u>25,214</u>
Unencumbered cash, ending	<u><u>\$ 49,032</u></u>

Summary of Receipts and Disbursements
Regulatory Basis

For the Year Ended December 31, 2021

Agency Funds

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Tax Accounts	\$ 106,111,471	\$ 361,319,255	\$ 347,389,427	\$ 120,041,299
Motor Vehicle Accounts	3,870,169	16,577,357	17,009,732	3,437,794
Total Distributable Funds	<u>109,981,640</u>	<u>377,896,612</u>	<u>364,399,159</u>	<u>123,479,093</u>
Other Agency Funds:				
Sheriff Seized Property	2,894	14	-	2,908
Sheriff Inmate Funds	24,927	197,449	205,680	16,696
Sheriff Bond Fund	1,659	299,243	298,500	2,402
District Attorney Funds	107,892	14,667	21,131	101,428
Payroll Clearing	3,083	(1,213)	-	1,870
Total Other Agency Funds	<u>140,455</u>	<u>510,160</u>	<u>525,311</u>	<u>125,304</u>
Total Agency Funds	<u>\$ 110,122,095</u>	<u>\$ 378,406,772</u>	<u>\$ 364,924,470</u>	<u>\$ 123,604,397</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, 2021, and the related notes to the financial statement, and have issued our report thereon dated July 22, 2022. The County prepared the regulatory basis financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been 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 2021-001 Significant Deficiency - Prior Reference Number: 2020-001

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

Cause - The 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.

Report on Compliance and Other Matters

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

Government Auditing Standards requires the auditor to perform limited procedures on the County's response the finding identified in our audit and described previously. 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 2021-001: 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Wichita, Kansas
July 22, 2022