JACKSON COUNTY, KANSAS

FINANCIAL STATEMENTS

December 31, 2023

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Jackson County, Kansas
Financial Statements
December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Jackson County, Kansas

Report on 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 Jackson County, Kansas (the County), as of and for the year ended December 31, 2023, 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 of 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 County as of December 31, 2023, or the 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 County as of December 31, 2023, 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 1

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 *Governmental 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 Statement" section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified opinions.

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the County on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 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 1; 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 County'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 statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and summary of receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is not a required part of the basic financial statement. 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 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated November 8, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 County's internal control over financial reporting and compliance.

Other Matter

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Jackson County, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated December 19, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipalservices. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 8, 2024

Jackson County, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ 2,122,461	$ -	$ 8,506,889	$ 7,843,209	$ 2,786,141	$ 87,305	$ 2,873,446
Special Purpose Funds:							
Auto Tag Fee	-	-	122,383	121,808	575	-	575
Capital Outlay	7,871,478	-	663,007	1,942,592	6,591,893	787	6,592,680
C1 Elderly Grant 2013-2014	694	-	74,591	75,285	-	-	-
C1 Elderly Grant 2014-2015	-	-	23,720	23,720	-	-	-
C2 USDA Grant 2013-2014	-	-	91,301	82,564	8,737	-	8,737
C2 USDA Grant 2014-2015	-	-	32,626	30,809	1,817	-	1,817
Clerk's Technology	22,463	-	3,199	-	25,662	-	25,662
Elderly Services	21,009	-	158,992	176,202	3,799	491	4,290
Elderly Bus Replacement	73,721	-	20,000	-	93,721	-	93,721
Elderly Capital Improvement	106,419	-	8,855	-	115,274	-	115,274
Emergency 911	140,118	-	99,808	104,607	135,319	-	135,319
Restricted Revenues	338,655	-	168,605	150,606	356,654	-	356,654
Inmate Welfare	102,676	-	198,970	163,665	137,981	-	137,981
Juvenile Intake	109,713	-	281,441	283,228	107,926	-	107,926
Juvenile Intake II	-	-	411,246	238,318	172,928	-	172,928
Juvenile Reinvestment Grant	30,456	-	227,106	53,265	204,297	-	204,297
Noxious Weed	6,777	-	385,113	373,473	18,417	1,366	19,783
Noxious Weed Capital Outlay	103,513	-	4,000	6,813	100,700	-	100,700
Prosecuting Attorney Training	7,465	-	2,027	2,401	7,091	-	7,091
Register of Deeds Technology	36,508	-	13,045	21,029	28,524	-	28,524
CDBG Grant Fund	2,000	-	-	-	2,000	-	2,000
ARPA Grant Fund	1,007,244	-	-	848,151	159,093	-	159,093
Road and Bridge	129,963	-	4,200,458	4,064,906	265,515	84,280	349,795
Road and Bridge .4% Sales Tax	451,506	-	611,998	417,742	645,762	-	645,762
Nextera Settlement	380,927	-	-	175,528	205,399	175,527	380,926
Sheriff	44,503	-	3,434,156	3,478,659	-	-	-
Special Alcohol	191,322	-	57,951	66,750	182,523	-	182,523
Special Machinery and Equipment	917,782	-	183,750	1,069,069	32,463	-	32,463
Special Parks and Recreation	160,760	-	57,951	70,070	148,641	-	148,641
Tourism - Guest Tax	86,313	-	57,341	45,508	98,146	-	98,146
Treasurer's Technology	5,916	-	3,228	931	8,213	-	8,213
Victim Grant	[3,354]	-	18,563	61,486	[46,277]	-	[46,277]
VAWA Grant	[22,922]	-	22,922	-	-	-	-
Adult Corrections	31,330	-	236,677	174,391	93,616	-	93,616
Adult Community Corrections	-	-	214,116	160,665	53,451	-	53,451
.4% Sales Tax	-	-	227,362	227,362	-	-	-
Bond and Interest Funds:							
Bond and Interest	95,411	-	-	95,411	-	-	-
Total Reporting Entity [Excluding Agency Funds]	$ 14,572,827	$ -	$ 20,823,397	$ 22,650,223	$ 12,746,001	$ 349,756	$ 13,095,757

Composition of Cash:

Denison State Bank	
Checking	$ 1,117,111
Savings	4,796
Money Market	3,897,980
Certificates of Deposit	9,075,048
Farmers State Bank	
Money Market	2,821,133
Certificates of Deposit	7,000,000
Girard National Bank	
Checking	427,035
Money Market	1,411,533
Certificates of Deposit	1,000,000
Cash and checks on hand	79,960
Total Cash	26,834,596
Agency Funds per Schedule 3	[13,738,839]
Total Reporting Entity [Excluding Agency Funds]	$ 13,095,757

The notes to the financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Jackson County, Kansas, is a municipal corporation governed by an elected three-member commission. These regulatory financial statements present Jackson County (the primary government) and any related municipal entities of which the County is considered to be financially accountable. The County has no related municipal entities.

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 County 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 County to use the regulatory basis of accounting.

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Agency Fund - used to report assets held in a trustee or agency capacity for others and which therefore cannot be sued to support the government's own programs (i.e. payroll clearing fund, permanent trust funds, etc.).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Information

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

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

If the County 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 County did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The Noxious Weed Fund was amended during the year ended December 31, 2023.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual 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 the prior year's accounts payable and encumbrances. Encumbrances are commitments by the County for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital projects funds, trust funds, agency funds and certain special purpose funds. A legal operating budget is required for the following special purpose funds:

- Auto Tag Fee
- Elderly Services
- Emergency 911
- Noxious Weed
- Road and Bridge
- Road and Bridge .4% Sales Tax
- Sheriff
- Special Alcohol
- Special Parks and Recreation
- .4% Sales Tax Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

The County records reimbursable expenditures in the fund that makes the disbursement and record reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

NOTE 2 - DEPOSITS

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the county or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices. As of December 31, 2023, the County held no such investments.

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.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. 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, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County has no designated "peak periods."

As of December 31, 2023, the County's carrying amount of deposits was $26,834,596 and the bank balance was $27,231,682. The bank balance was held by three banks, resulting in a concentration of credit risk. Of the bank balance, $750,000 was covered by federal depository insurance, and the remaining $26,481,682 was collateralized with securities and letters of credit held by the pledging financial institutions' agents in the County's name.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 - INTERFUND TRANSACTIONS

The following transfers were made during 2023:

From	To	Amount	Regulatory Authority
General Fund	Capital Outlay Fund	$ 513,007	K.S.A. 19-120
Bond and Interest Fund	General Fund	95,411	K.S.A. 10-117
Auto Tag Fee Fund	General Fund	20,493	K.S.A. 8-145
Elderly Services Fund	Elderly Bus Replacement Fund	20,000	K.S.A. 19-119
Elderly Services Fund	Elderly Capital Improvement Fund	8,855	K.S.A. 19-119
Road and Bridge Fund	Special Machinery and Equipment Fund	183,750	K.S.A. 19-119
Capital Outlay Fund	Sheriff Fund	22,166	K.S.A. 19-120
Noxious Weed Fund	Noxious Weed Capital Outlay Fund	4,000	K.S.A. 19-120
		$ 867,682	

NOTE 4 - DEFINED BENEFIT 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 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. 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 and KPERS 3 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 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the County were $549,515 for the year ended December 31, 2023.

Net Pension Liability. As of December 31, 2023, the County's proportionate share of the collective net pension liability reported by KPERS was $5,454,091. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The County's proportion of the net pension liability was based on the ratio of the County's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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 KPERS website at www.kpers.org or can be obtained as described above.

NOTE 5 - COMPENSATED ABSENCES

The County's policy regarding compensated absences is as follows:

The County's policy regarding vacation pay is:

Vacation leave shall be earned by all full-time and regular part-time employees from the date of their initial employment. Leave is accrued on a semi-monthly scale based on years of employment. Leave for regular part time employees shall be accrued proportionately to the percentage of time worked.

Annual vacation may be accrued up to a maximum of 208 hours.

NOTE 5 - COMPENSATED ABSENCES

The County's policy regarding compensatory time is:

> Hours actually worked in a work week (not including vacation, holiday, sick, or other unpaid leave) will be used for computing payment of overtime or for figuring compensatory time off. Compensatory time may be accrued up to 40 hours.

The liability for accrued vacation and compensatory time payable as of December 31, 2023 is $230,509.

The County's policy regarding sick leave pay is:

> Sick leave shall be earned by all full-time and regular part-time employees from the date of their initial employment. Leave for full time and regular part time employees shall be accrued proportionately to the percentage of time worked. Upon resignation or retirement of employment, an employee who has accumulated 800 hours of sick leave shall be entitled to receive payment for one month's pay in an amount equal to their last full month's salary. Otherwise, no accrued sick leave will be paid upon resignation, dismissal or termination of employment.

The liability for accrued sick payable as of December 31, 2023 is $13,270.

NOTE 6 - LONG-TERM DEBT

Finance Lease. On March 4, 2020, the County entered into a lease agreement with Chrysler Capital for the use of a vehicle. The lease agreement is for three years and requires 35 monthly rental payments of $573. The final debt payment was made in January 2023.

NOTE 7 - CONTRACTUAL OBLIGATIONS

Material Contractual Agreement. On January 1, 2023, the County entered into an agreement with TECHS Inc., where TECHS agrees to provide ambulance services for the County. This agreement is scheduled for January 1, 2023 through December 31, 2025. Under this agreement, the County will pay TECHS the following amounts:

2023 - $497,713
2024 - $512,644
2025 - $528,024

NOTE 8 - OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the County is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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, 2023.

NOTE 9 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The County has been unable to obtain liability, property, or workers' compensation insurance at a cost it considers to be economically justifiable.

For this reason, the County has joined together with other counties in the State to participate in the Kansas Counties Association Risk Pool (KCAMP), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The County pays annual premium to KCAMP for its property and liability insurance. The agreement to participate provides that KCAMP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KCAMP management

The County has also joined together with other counties in the State to participate in the Kansas Workers Risk Cooperative for Counties (KWORCC), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The County pays annual premium to KWORCC for its workers' compensation insurance coverage. The agreement to participate provides that KWORCC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KWORCC management

During the ordinary course of its operations, the County is a party to various claims, legal actions and complaints. In the opinion of management and legal counsel, no such claims, legal actions or complaints would not have a material effect on any of the financial statements of the County as of December 31, 2023.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The County participates in various federal and state grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for the reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material. The County is involved in various lawsuits arising in the ordinary course of business. Management expects a favorable outcome in these matters. In the event of an unfavorable outcome, the County management believes any potential losses will not have a material impact on the financial position of the County.

NOTE 11 - STATUTORY VIOLATION

Actual exceeded budgeted expenditures in the Elderly Services, Noxious Weed, Road and Bridge, .4% Sales Tax, and Bond and Interest funds, which is a violation of K.S.A. 79-2935.

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Jackson County, Kansas
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Over [Under]
General Funds:					
General	$ 8,141,485	$ -	$ 8,141,485	$ 7,843,209	$ [298,276]
Special Purpose Funds:					
Auto Tag Fee	130,000	-	130,000	121,808	[8,192]
Elderly Services	175,710	-	175,710	176,202	492
Emergency 911	219,000	-	219,000	104,607	[114,393]
Noxious Weed	365,751	6,994	372,745	373,473	728
Road and Bridge	3,898,815	36,845	3,935,660	4,064,906	129,246
Road and Bridge .4% Sales Tax	1,679,000	-	1,679,000	417,742	[1,261,258]
Sheriff	3,491,089	-	3,491,089	3,478,659	[12,430]
Special Alcohol	200,000	-	200,000	66,750	[133,250]
Special Parks and Recreation	192,500	-	192,500	70,070	[122,430]
.4% Sales Tax Fund	-	-	-	227,362	227,362
Bond & Interest Funds:					
Bond and Interest	-	-	-	95,411	95,411

Jackson County, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 4,461,818	$ 4,686,404	$ 4,759,194	$ [72,790]
Delinquent taxes	51,036	37,088	-	37,088
Motor vehicle taxes	528,780	491,491	485,592	5,899
Recreational vehicle taxes	12,935	11,565	11,406	159
Commercial vehicle taxes	63,666	62,705	37,581	25,124
Watercraft taxes	4,758	4,628	1,857	2,771
Interest on motor vehicle taxes and redemptions	40,970	24,266	-	24,266
Local sales tax	1,462,940	1,532,844	750,000	782,844
Local liquor tax	53,531	57,951	15,000	42,951
State aid	507	462	-	462
Licenses, Fees, and Permits:				
County Clerk licenses and fees	2,115	5,856	-	5,856
County Treasurer fees	9,940	9,716	-	9,716
County Attorney fees	36,263	53,163	36,000	17,163
Register of Deeds fees	117,088	97,121	85,000	12,121
District Court fees	80,044	90,319	55,500	34,819
Landfill fees	107,256	140,915	45,000	95,915
Recycling fees	65,569	31,466	15,000	16,466
Emergency Management fees	22,474	26,474	5,000	21,474
Planning and Zoning permits	12,542	17,554	4,000	13,554
Appraiser fees	5,936	6,395	-	6,395
Banner Creek Reservoir grants and fees	290,813	316,028	295,665	20,363
Miscellaneous	93,115	20,514	130	20,384
Use of money and property	97,627	666,060	15,000	651,060
Transfers in	31,315	115,904	-	115,904
Total Receipts	7,653,038	8,506,889	$ 6,616,925	$ 1,889,964

Jackson County, Kansas
General Fund (Continued)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Expenditures				
County Commissioners	$ 90,627	$ 114,684	$ 99,987	$ 14,697
Purchasing	18,851	19,188	19,210	[22]
County Clerk	104,657	156,013	167,030	[11,017]
County Treasurer	205,393	209,036	208,837	199
County Attorney	417,098	390,557	413,170	[22,613]
Register of Deeds	141,473	150,582	156,128	[5,546]
District Court	328,296	293,055	293,055	-
Custodial	83,700	90,041	96,423	[6,382]
Landfill	100,287	113,010	85,325	27,685
Recycle	179,883	193,725	183,365	10,360
Emergency Management	58,259	59,783	75,506	[15,723]
Appraiser	196,140	207,852	209,820	[1,968]
Banner Creek	237,747	243,948	254,787	[10,839]
Elections	132,421	128,206	170,995	[42,789]
Building	25,509	25,746	36,396	[10,650]
Employee benefits	2,444,135	2,491,285	2,681,954	[190,669]
Courthouse	57,150	63,108	77,400	[14,292]
General Admininstration	925,292	1,554,429	2,081,143	[526,714]
Appropriations	679,241	825,954	830,954	[5,000]
Transfers out	1,541,868	513,007	-	513,007
Total Expenditures	7,968,027	7,843,209	$ 8,141,485	$ [298,276]
Receipts Over [Under] Expenditures	[314,989]	663,680		
Unencumbered Cash, Beginning	2,437,450	2,122,461		
Unencumbered Cash, Ending	$ 2,122,461	$ 2,786,141		

Jackson County, Kansas
Auto Tag Fee Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Fees	$ 121,454	$ 122,383	$ 130,000	$ [7,617]
Total Receipts	121,454	122,383	$ 130,000	$ [7,617]
Expenditures				
Personal services	100,054	96,108	$ 75,500	$ 20,608
Contractual	2,835	3,838	22,300	[18,462]
Commodities	2,997	1,369	2,200	[831]
Capital outlay	-	-	20,000	[20,000]
Transfers out	15,568	20,493	10,000	10,493
Total Expenditures	121,454	121,808	$ 130,000	$ [8,192]
Receipts Over [Under] Expenditures	-	575		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 575		

Jackson County, Kansas
Capital Outlay Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental	$ -	$ 150,000
Miscellaneous	-	-
Transfers in	1,909,958	513,007
Total Receipts	1,909,958	663,007
Expenditures		
Capital outlay	1,339,836	1,920,426
Transfer out	15,748	22,166
Total Expenditures	1,355,584	1,942,592
Receipts Over [Under] Expenditures	554,374	[1,279,585]
Unencumbered Cash, Beginning	7,317,104	7,871,478
Unencumbered Cash, Ending	$ 7,871,478	$ 6,591,893

* This fund is not required to be budgeted.

Jackson County, Kansas
C1 - Elderly Grant 2013-2014 Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal grants	$ 1,465	$ 29,093
Intergovernmental	9,952	45,498
Total Receipts	11,417	74,591
Expenditures		
Personal services	6,270	17,589
Contractual services	-	250
Commodities	13,504	57,446
Total Expenditures	19,774	75,285
Receipts Over [Under] Expenditures	[8,357]	[694]
Unencumbered Cash, Beginning	9,051	694
Unencumbered Cash, Ending	$ 694	$ -

* This fund is not required to be budgeted.

Jackson County, Kansas
C1 - Elderly Grant 2014-2015 Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal grants	$ 39,941	$ 6,066
Intergovernmental	6,884	10,974
Program income	32,485	6,680
Total Receipts	79,310	23,720
Expenditures		
Personal services	21,839	6,332
Commodities	57,471	17,388
Total Expenditures	79,310	23,720
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

* This fund is not required to be budgeted.

Jackson County, Kansas
C2 - USDA Grant 2013-2014 Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal grants	$ 1,128	$ 39,733
Intergovernmental	9,111	34,863
Program income	4,220	16,233
Total Receipts	14,459	91,301
Expenditures		
Personal services	7,883	36,082
Commodities	13,237	46,482
Total Expenditures	21,120	82,564
Receipts Over [Under] Expenditures	[6,661]	8,737
Unencumbered Cash, Beginning	6,661	-
Unencumbered Cash, Ending	$ -	$ 8,737

* This fund is not required to be budgeted.

Jackson County, Kansas
C2 - USDA Grant 2014-2015 Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal grants	$ 34,119	$ 16,958
Intergovernmental	18,424	5,227
Program income	13,160	10,441
Total Receipts	65,703	32,626
Expenditures		
Personal services	29,876	13,838
Commodities	35,827	16,971
Total Expenditures	65,703	30,809
Receipts Over [Under] Expenditures	-	1,817
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 1,817

* This fund is not required to be budgeted.

Jackson County, Kansas
Clerk's Technology Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Technology fees	$ 3,817	$ 3,199
Total Receipts	3,817	3,199
Expenditures		
Contractual services	3,775	-
Total Expenditures	3,775	-
Receipts Over [Under] Expenditures	42	3,199
Unencumbered Cash, Beginning	22,421	22,463
Unencumbered Cash, Ending	$ 22,463	$ 25,662

* This fund is not required to be budgeted.

Jackson County, Kansas
Elderly Services Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 132,496	$ 140,815	$ 143,032	$ [2,217]
Delinquent taxes	1,414	1,048	-	1,048
Motor vehicle taxes	14,330	14,654	14,552	102
Recreational vehicle taxes	350	343	342	1
Commercial vehicle taxes	1,754	1,745	1,126	619
Watercraft taxes	129	137	56	81
Use of property	360	250	-	250
Total Receipts	150,833	158,992	$ 159,108	$ [116]
Expenditures				
Personal services	76,696	78,067	$ 84,200	$ [6,133]
Contractual	40,522	69,280	54,550	14,730
Capital outlay	-	-	36,960	[36,960]
Transfers out	34,000	28,855	-	28,855
Total Expenditures	151,218	176,202	$ 175,710	$ 492
Receipts Over [Under] Expenditures	[385]	[17,210]		
Unencumbered Cash, Beginning	21,394	21,009		
Unencumbered Cash, Ending	$ 21,009	$ 3,799		

Jackson County, Kansas
Elderly Bus Replacement Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 20,000	$ 20,000
Total Receipts	20,000	20,000
Expenditures		
Capital outlay	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	20,000	20,000
Unencumbered Cash, Beginning	53,721	73,721
Unencumbered Cash, Ending	$ 73,721	$ 93,721

* This fund is not required to be budgeted.

Jackson County, Kansas
Elderly Capital Improvement Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 14,000	$ 8,855
Total Receipts	14,000	8,855
Expenditures		
Contractual services	1,622	-
Total Expenditures	1,622	-
Receipts Over [Under] Expenditures	12,378	8,855
Unencumbered Cash, Beginning	94,041	106,419
Unencumbered Cash, Ending	$ 106,419	$ 115,274

* This fund is not required to be budgeted.

Jackson County, Kansas
Emergency 911 Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes	$ 90,626	$ 98,873	$ 100,000	$ [1,127]
Use of money and property	8,208	935	150	785
Total Receipts	98,834	99,808	$ 100,150	$ [342]
Expenditures				
Contractual services	88,110	104,607	$ 219,000	$ [114,393]
Total Expenditures	88,110	104,607	$ 219,000	$ [114,393]
Receipts Over [Under] Expenditures	10,724	[4,799]		
Unencumbered Cash, Beginning	129,394	140,118		
Unencumbered Cash, Ending	$ 140,118	$ 135,319		

Jackson County, Kansas
Restricted Revenues Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Grants	$ 604,997	$ 168,605
Total Receipts	604,997	168,605
Expenditures		
Contractual services	523,974	150,606
Total Expenditures	523,974	150,606
Receipts Over [Under] Expenditures	81,023	17,999
Unencumbered Cash, Beginning	257,632	338,655
Unencumbered Cash, Ending	$ 338,655	$ 356,654

* This fund is not required to be budgeted.

Jackson County, Kansas
Inmate Welfare Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	$ 233,168	$ 198,970
Total Receipts	233,168	198,970
Expenditures		
Contractual services	229,590	163,665
Total Expenditures	229,590	163,665
Receipts Over [Under] Expenditures	3,578	35,305
Unencumbered Cash, Beginning	99,098	102,676
Unencumbered Cash, Ending	$ 102,676	$ 137,981

* This fund is not required to be budgeted.

Jackson County, Kansas
Juvenile Intake Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Collections	$ 260,734	$ 281,441
Transfer in	95,891	-
Total Receipts	356,625	281,441
Expenditures		
Personal services	204,954	208,176
Contractual services	41,958	75,052
Total Expenditures	246,912	283,228
Receipts Over [Under] Expenditures	109,713	[1,787]
Unencumbered Cash, Beginning	-	109,713
Unencumbered Cash, Ending	$ 109,713	$ 107,926

* This fund is not required to be budgeted.

Jackson County, Kansas
Juvenile Intake II Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Collections	$ 284,343	$ 411,246
Total Receipts	284,343	411,246
Expenditures		
Personal services	192,868	209,606
Contractual services	62,568	28,712
Transfers out	95,891	-
Total Expenditures	351,327	238,318
Receipts Over [Under] Expenditures	[66,984]	172,928
Unencumbered Cash, Beginning	66,984	-
Unencumbered Cash, Ending	$ -	$ 172,928

* This fund is not required to be budgeted.

Jackson County, Kansas
Juvenile Reinvestment Grant Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal grants	$ 58,072	$ 227,106
Total Receipts	58,072	227,106
Expenditures		
Personal services	49,316	18,362
Contractual services	-	34,903
Total Expenditures	49,316	53,265
Receipts Over [Under] Expenditures	8,756	173,841
Unencumbered Cash, Beginning	21,700	30,456
Unencumbered Cash, Ending	$ 30,456	$ 204,297

* This fund is not required to be budgeted.

Jackson County, Kansas
Noxious Weed Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 91,158	$ 145,177	$ 147,428	$ [2,251]
Delinquent taxes	1,089	776	-	776
Motor vehicle taxes	10,375	10,028	9,921	107
Recreational vehicle taxes	254	236	233	3
Commercial vehicle taxes	1,280	1,244	768	476
Watercraft taxes	94	95	38	57
Cost share chemicals	191,405	217,906	205,000	12,906
Reimbursements	8,562	6,994	-	6,994
Miscellaneous	1,525	2,657	-	2,657
Total Receipts	305,742	385,113	$ 363,388	$ 21,725
Expenditures				
Personal services	33,022	34,229	$ 31,986	$ 2,243
Contractual	7,436	9,431	11,350	[1,919]
Commodities	266,072	325,813	322,415	3,398
Transfers out	2,500	4,000	-	4,000
Adjustments for qualifying budget credits	-	-	6,994	[6,994]
Total Expenditures	309,030	373,473	$ 372,745	$ 728
Receipts Over [Under] Expenditures	[3,288]	11,640		
Unencumbered Cash, Beginning	10,065	6,777		
Unencumbered Cash, Ending	$ 6,777	$ 18,417		

Jackson County, Kansas
Noxious Weed Capital Outlay Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Sale of property	$ 2,500	$ -
Transfers in	-	4,000
Total Receipts	2,500	4,000
Expenditures		
Capital outlay	-	6,813
Total Expenditures	-	6,813
Receipts Over [Under] Expenditures	2,500	[2,813]
Unencumbered Cash, Beginning	101,013	103,513
Unencumbered Cash, Ending	$ 103,513	$ 100,700

* This fund is not required to be budgeted.

Jackson County, Kansas
Prosecuting Attorney Training Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Fees	$ 2,227	$ 2,027
Total Receipts	2,227	2,027
Expenditures		
Contractual services	6,000	2,401
Total Expenditures	6,000	2,401
Receipts Over [Under] Expenditures	[3,773]	[374]
Unencumbered Cash, Beginning	11,238	7,465
Unencumbered Cash, Ending	$ 7,465	$ 7,091

* This fund is not required to be budgeted.

Jackson County, Kansas
Register of Deeds Technology Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Technology fees	$ 15,294	$ 12,797
Use of money and property	38	248
Total Receipts	15,332	13,045
Expenditures		
Contractual services	12,261	21,029
Total Expenditures	12,261	21,029
Receipts Over [Under] Expenditures	3,071	[7,984]
Unencumbered Cash, Beginning	33,437	36,508
Unencumbered Cash, Ending	$ 36,508	$ 28,524

* This fund is not required to be budgeted.

Jackson County, Kansas
COVID-19 Relief Grant Funds *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023

	CDBG Grant	ARPA Grant
Receipts		
Federal grants	$ -	$ -
Total Receipts	-	-
Expenditures		
Contractual services	-	848,151
Total Expenditures	-	848,151
Receipts Over [Under] Expenditures	-	[848,151]
Unencumbered Cash, Beginning	2,000	1,007,244
Unencumbered Cash, Ending	$ 2,000	$ 159,093

* These funds are not required to be budgeted.

Jackson County, Kansas
Road and Bridge Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 2,830,786	$ 2,912,721	$ 2,957,999	$ [45,278]
Delinquent taxes	30,218	22,187	-	22,187
Motor vehicle taxes	295,388	310,606	308,080	2,526
Recreational vehicle taxes	7,217	7,318	7,236	82
Commercial vehicle taxes	37,569	36,320	23,843	12,477
Watercraft taxes	2,675	2,936	1,178	1,758
Intergovernmental	703,811	687,083	484,921	202,162
Reimbursements	83,723	36,845	33,078	3,767
Miscellaneous	86,829	184,442	26,500	157,942
Total Receipts	4,078,216	4,200,458	$ 3,842,835	$ 357,623
Expenditures				
Personal services	1,127,237	1,231,092	$ 1,358,522	$ [127,430]
Contractual	143,769	184,691	91,000	93,691
Commodities	1,852,065	2,204,724	2,039,293	165,431
Capital outlay	238,277	260,649	410,000	[149,351]
Transfers out	669,500	183,750	-	183,750
Adjustment for qualifying budget credits	-	-	36,845	[36,845]
Total Expenditures	4,030,848	4,064,906	$ 3,935,660	$ 129,246
Receipts Over [Under] Expenditures	47,368	135,552		
Unencumbered Cash, Beginning	82,595	129,963		
Unencumbered Cash, Ending	$ 129,963	$ 265,515		

Jackson County, Kansas
Road and Bridge .4% Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Sales tax	$ 583,989	$ 611,998	$ 550,000	$ 61,998
Total Receipts	583,989	611,998	$ 550,000	$ 61,998
Expenditures				
Capital outlay	1,211,572	417,742	$ 1,679,000	$ [1,261,258]
Total Expenditures	1,211,572	417,742	$ 1,679,000	$ [1,261,258]
Receipts Over [Under] Expenditures	[627,583]	194,256		
Unencumbered Cash, Beginning	1,079,089	451,506		
Unencumbered Cash, Ending	$ 451,506	$ 645,762		

Jackson County, Kansas
Nextera Settlement Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Settlement proceeds	$ -	$ -
Total Receipts	-	-
Expenditures		
Contractual	30,751	175,528
Commodities	23,518	-
Total Expenditures	54,269	175,528
Receipts Over [Under] Expenditures	[54,269]	[175,528]
Unencumbered Cash, Beginning	435,196	380,927
Unencumbered Cash, Ending	$ 380,927	$ 205,399

* This fund is not required to be budgeted.

Jackson County, Kansas
Sheriff Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 2,244,226	$ 2,344,539	$ 2,380,956	$ [36,417]
Delinquent taxes	22,757	17,173	-	17,173
Motor vehicle taxes	221,908	245,885	244,250	1,635
Recreational vehicle taxes	5,424	5,796	5,737	59
Commercial vehicle taxes	27,676	27,770	18,902	8,868
Watercraft taxes	2,007	2,328	991	1,337
Prisoner boarding	839,283	682,695	804,000	[121,305]
Charges for services	22,185	85,804	23,000	62,804
Transfers in	-	22,166	-	22,166
Total Receipts	3,385,466	3,434,156	$ 3,477,836	$ [43,680]
Expenditures				
Administration	553,942	479,965	$ 3,491,089	$ [3,011,124]
Patrol	923,877	820,636	-	820,636
Investigations	185,529	213,814	-	213,814
K-9	2,908	5,822	-	5,822
Dispatch	284,345	350,377	-	350,377
Vehicles	306,616	437,127	-	437,127
Corrections	1,134,287	1,170,918	-	1,170,918
Capital outlay	-	-	-	-
Transfers out	66,500	-	-	-
Total Expenditures	3,458,004	3,478,659	$ 3,491,089	$ [12,430]
Receipts Over [Under] Expenditures	[72,538]	[44,503]		
Unencumbered Cash, Beginning	117,041	44,503		
Unencumbered Cash, Ending	$ 44,503	$ -		

Jackson County, Kansas
Special Alcohol Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
State alcohol taxes	$ 53,531	$ 57,951	$ 41,000	$ 16,951
Total Receipts	53,531	57,951	$ 41,000	$ 16,951
Expenditures				
Prevention	16,600	56,750	$ 190,000	$ [133,250]
Miscellaneous	13,750	10,000	10,000	-
Total Expenditures	30,350	66,750	$ 200,000	$ [133,250]
Receipts Over [Under] Expenditures	23,181	[8,799]		
Unencumbered Cash, Beginning	168,141	191,322		
Unencumbered Cash, Ending	$ 191,322	$ 182,523		

Jackson County, Kansas
Special Machinery and Equipment Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 669,500	$ 183,750
Total Receipts	669,500	183,750
Expenditures		
Capital outlay	425,174	1,069,069
Total Expenditures	425,174	1,069,069
Receipts Over [Under] Expenditures	244,326	[885,319]
Unencumbered Cash, Beginning	673,456	917,782
Unencumbered Cash, Ending	$ 917,782	$ 32,463

* This fund is not required to be budgeted.

Jackson County, Kansas
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
State alcohol taxes	$ 53,531	$ 57,951	$ 41,000	$ 16,951
Total Receipts	53,531	57,951	$ 41,000	$ 16,951
Expenditures				
Donations	4,421	5,300	$ -	$ 5,300
Appropriations	47,449	64,770	192,500	[127,730]
Total Expenditures	51,870	70,070	$ 192,500	$ [122,430]
Receipts Over [Under] Expenditures	1,661	[12,119]		
Unencumbered Cash, Beginning	159,099	160,760		
Unencumbered Cash, Ending	$ 160,760	$ 148,641		

Jackson County, Kansas
Tourism - Guest Tax Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Guest tax	$ 61,096	$ 53,341
Miscellaneous	7,067	4,000
Total Receipts	68,163	57,341
Expenditures		
Appropriations	43,036	45,508
Total Expenditures	43,036	45,508
Receipts Over [Under] Expenditures	25,127	11,833
Unencumbered Cash, Beginning	61,186	86,313
Unencumbered Cash, Ending	$ 86,313	$ 98,146

* This fund is not required to be budgeted.

Jackson County, Kansas
Treasurer's Technology Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Technology fees	$ 3,822	$ 3,228
Total Receipts	3,822	3,228
Expenditures		
Technology	5,980	931
Total Expenditures	5,980	931
Receipts Over [Under] Expenditures	[2,158]	2,297
Unencumbered Cash, Beginning	8,074	5,916
Unencumbered Cash, Ending	$ 5,916	$ 8,213

* This fund is not required to be budgeted.

Jackson County, Kansas
Victim Grant Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
State grants	$ 81,195	$ 18,563
Total Receipts	81,195	18,563
Expenditures		
Personal services	57,464	61,486
Contractual services	4,979	-
Total Expenditures	62,443	61,486
Receipts Over [Under] Expenditures	18,752	[42,923]
Unencumbered Cash, Beginning	[22,106]	[3,354]
Unencumbered Cash, Ending	$ [3,354]	$ [46,277]

* This fund is not required to be budgeted.

Jackson County, Kansas
VAWA Grant Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Grants	$ 41,023	$ 22,922
Total Receipts	41,023	22,922
Expenditures		
Personal services	54,561	-
Contractual services	3,676	-
Total Expenditures	58,237	-
Receipts Over [Under] Expenditures	[17,214]	22,922
Unencumbered Cash, Beginning	[5,708]	[22,922]
Unencumbered Cash, Ending	$ [22,922]	$ -

* This fund is not required to be budgeted.

Jackson County, Kansas
Adult Corrections Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal grants	$ 214,116	$ 236,677
Total Receipts	214,116	236,677
Expenditures		
Personal services	64,121	18,133
Contractual services	118,665	156,258
Total Expenditures	182,786	174,391
Receipts Over [Under] Expenditures	31,330	62,286
Unencumbered Cash, Beginning	-	31,330
Unencumbered Cash, Ending	$ 31,330	$ 93,616

* This fund is not required to be budgeted.

Jackson County, Kansas
Adult Community Corrections Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Grants	$ 51,965	$ 214,116
Total Receipts	51,965	214,116
Expenditures		
Personal services	-	149,241
Contractual services	51,965	11,424
Total Expenditures	51,965	160,665
Receipts Over [Under] Expenditures	-	53,451
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 53,451

* This fund is not required to be budgeted.

Jackson County, Kansas
.4% Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Sales tax	$ 216,242	$ 227,362	$ -	$ 227,362
Total Receipts	216,242	227,362	$ -	$ 227,362
Expenditures				
Distributions	216,242	227,362	$ -	$ 227,362
Total Expenditures	216,242	227,362	$ -	$ 227,362
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

Jackson County, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes and Shared Revenues:				
Delinquent taxes	$ -	$ -	$ -	$ -
Total Receipts	-	-	$ -	$ -
Expenditures				
Debt service	-	-	$ -	$ -
Transfers out	-	95,411	-	95,411
Total Expenditures	-	95,411	$ -	$ 95,411
Receipts Over [Under] Expenditures	-	[95,411]		
Unencumbered Cash, Beginning	95,411	95,411		
Unencumbered Cash, Ending	$ 95,411	$ -		

Schedule 3

Jackson County, Kansas
Agency Funds
Summary of Receipts and Disbursements - Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Distributable Funds:				
Advance Tax	$ 8,123	$ 112,147	$ 96,226	$ 24,044
Commercial Vehicle Tax	391	67,409	67,563	237
Current Tax	12,309,515	20,861,105	20,209,880	12,960,740
Motor Vehicle Tax	55,854	1,882,308	1,877,644	60,518
Motor Vehicle Excise	-	799	799	-
Personal Redemption	18,056	19,904	21,404	16,556
Real Estate Redemption	107,698	172,770	135,793	144,675
Recreational Vehicle Tax	781	42,555	42,465	871
Special Redemption	13,102	44,100	47,137	10,065
Total Distributable Funds	12,513,520	23,203,097	22,498,911	13,217,706
State Funds:				
Driver's Licenses	[48]	45,812	45,764	-
Game Licenses	-	1,579	1,483	96
Heritage Trust	1,490	6,399	6,333	1,556
Sales Tax Payable	1,456	8,454	9,901	9
State Educational Building	-	156,067	156,067	-
State Institutional Building	-	78,034	78,034	-
Total State Funds	2,898	296,345	297,582	1,661
Subdivision Funds:				
Cemetery Districts	-	190,325	190,325	-
Cities	-	1,957,967	1,957,967	-
Drainage and Watershed Districts	18,307	122,348	140,655	-
Fire Districts	-	590,792	590,792	-
Extension Districts	-	245,315	245,315	-
Hospital Districts	357	61,752	62,113	[4]
Library Districts	-	166,867	166,867	-
School Districts	56	6,905,601	6,905,606	51
Total Subdivision Funds	18,720	10,240,967	10,259,640	47

See independent auditor's report on the financial statements.

Jackson County, Kansas
Agency Funds (Continued)
Summary of Receipts and Disbursements - Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Other Funds:				
Van Sweringen Invested	$ 75,048	$ -	$ -	$ 75,048
Van Sweringen Scholarship	1,442	1,343	-	2,785
Van Sweringen Needy	1,986	1,342	-	3,328
County Attorney	9,001	145,363	149,046	5,318
District Court	130,699	89,490	86,784	133,405
Law Library	57,380	10,126	11,337	56,169
County Sheriff	4,465	160,974	156,208	9,231
Inmate Commissary	28,734	337,160	294,371	71,523
Cash Long and Short	[44]	80	-	36
Payroll Clearing	178,961	8,647,422	8,663,801	162,582
Total Other Funds	487,672	9,393,300	9,361,547	519,425
Total Agency Funds	$ 13,022,810	$ 43,133,709	$ 42,417,680	$ 13,738,839

Jackson County, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Expenditures	Subrecipient Expenditures
U.S. Department of Homeland Security			
Passed Through Kansas Adjutant General:			
Emergency Management Performance Grants	97.042	$ 26,474	$ -
Total U.S. Department of Homeland Security		26,474	-
Executive Office of the President			
Passed Through Kansas Bureau of Investigation:			
High Intensity Drug Trafficking Areas Program	95.001	7,073	-
Total Executive Office of the President		7,073	-
U.S. Department of Housing and Urban Development			
Emergency Solutions Grant Program	14.231	24,060	24,060
Total U.S. Department of Housing and Urban Development		24,060	24,060
U.S. Department of the Treasury			
Passed Through Kansas Governor's Office:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	846,386	150,000
Total U.S. Department of the Treasury		846,386	150,000
U.S. Department of Health and Human Services			
Passed Through Kansas Governor's Office:			
Aging Cluster:			
Special Programs for the Aging, Title III, Part C, Nutritional Services	93.045	99,005	-
Nutrition Services Incentive Program	93.053	113,373	-
Total Aging Cluster		212,378	-
Total U.S. Department of Health and Human Services		212,378	-
U.S. Department of Justice			
Passed Through Kansas Kansas Governor's Office:			
Crime Victims Assistance	16.575	3,354	-
Violence Against Women Formula Grants	16.588	26,966	-
Total U.S. Department of Justice		30,320	-
Total Expenditures of Federal Awards		$ 1,146,691	$ 174,060

See independent auditor's report on the financial statements.

Jackson County, Kansas

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

1. Organization

Jackson County, Kansas (the County), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the County's grant programs for economy and efficiency and program results that may result in disallowed costs to the County. However, management does not believe such audits would result in any disallowed costs that would be material to the County financial position as of December 31, 2023.

5. Outstanding Loans

The County did not have any outstanding loans under any federal grants as of December 31, 2023.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

Jackson County, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)		
Internal control over financial reporting:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported	
Noncompliance material to financial statements noted?	____ Yes	X No	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?	____ Yes	X No	

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	____ Yes	X No	

See independent auditor's report on the financial statements.

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

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

Board of County Commissioners
Jackson County, Kansas

We have audited, 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*, the financial statements of Jackson County, Kansas (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 8, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 statements, 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 controls 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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.*

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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 8, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of County Commissioners
Jackson County, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Jackson County, Kansas (the County), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Report on Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the County as of and for the year ended December 31, 2023, and have issued our report thereon dated November 8, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 8, 2024