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COUNTY CLERK

Shawnee County, Kansas

Financial Report
Year Ended December 31, 2021

Shawnee County, Kansas
Basic Financial Statements
Year Ended December 31, 2021

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Independent Auditor's Report

RSM US LLP

Board of County Commissioners
Shawnee County, Kansas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shawnee County, Kansas (the County) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shawnee County, Kansas (the County) as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 statements.

In performing an audit in accordance with GAAS, 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 statements.
- 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 statements.
- 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension and other postemployment benefit information, and Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Kansas City, Missouri
June 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of Shawnee County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2021. This discussion and analysis is designed to: (1) assist the reader in focusing on significant financial issues; (2) provide an overview of the County's financial activity; (3) identify changes in the County's financial position; (4) identify any material deviations from the financial plan (the approved budget); (5) identify individual fund issues or concerns; and (6) facilitate transparency and demonstrate effective stewardship of public monies.

Shawnee County is governed by an elected three-member commission. These financial statements are presented as required by Generally Accepted Accounting Principles (GAAP).

FINANCIAL HIGHLIGHTS

General Fund - Fund Balance

The County's General Fund - fund balance is extremely important to the County's financial security and it is one of many factors that are used by financial rating services to assign a rating to the County for the issuance of bonds and other debt instruments. Shawnee County levies property taxes each year for the general fund and adopts an annual budget for general fund expenditures.

In 2021, the General Fund's fund balance changed by \$-519,759 resulting in an ending balance of \$39,316,321 which represents a change of -0.46% of revenues.

Net Position

Another important indicator of the County's financial health is its net position. As of December 31, 2021, the County's net position for the governmental activities totaled \$205,789,826 which is a change of \$7,168,840 from 2020's ending balance of \$198,620,986. The net position of the County's business-type activities at December 31, 2021 was \$11,620,538 which represents a change of \$15,353 from 2020.

It is also important to note that of the \$217,410,364 in total County net position at the end of 2021, \$26,487,093 was unrestricted and could be used to meet the County's ongoing obligations to citizens and creditors. Of the remaining net position, \$173,006,803 was the net investment in capital assets, while \$17,916,468 was otherwise restricted.

Long-Term Liabilities

As of December 31, 2021, the County's governmental activities long-term liabilities totaled \$132,061,289. Of that amount, \$14,156,306 is due within one year and \$37,979,114 relates to the County's net pension liability. The County's governmental long-term liabilities decreased in 2021 by \$24,859,364 primarily due to debt repayment. Long-term liabilities for the County's business-type activities at December 31, 2021 were \$3,364,500, a change of \$-1,592,405 due primarily to a change in pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements by providing the reader with a broad overview of the financial statements. This overview is intended to assist the reader in understanding the statements themselves. The notes to the financial statements, which follow the statements, are also essential for the reader's understanding of the

financial statements. They contain valuable additional information that may be necessary for gaining an understanding of the County's financial position. Supplementary information is also included at the end of this report to provide additional information for the reader.

The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information regarding the County's assets and deferred outflows of resources along with liabilities and deferred inflows of resources. The differences between these are reported as net position. The increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other factors to consider are changes in the County's tax base and changes in the condition of the County's infrastructure.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety and judicial, public works, highways and streets, health welfare and education, culture and recreation, and economic development. The business-type activities of the County include the Refuse Fund.

The accrual basis of accounting is utilized for the government-wide, fiduciary and proprietary fund financial statements. These statements focus on the long-term financial picture of the County as a whole. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time the liabilities are incurred, regardless of when the cash flows take place. The governmental fund financial statements present the results of the County's operations using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. Expenditures, other than those related to long-term liabilities, such as interest on long-term debt, pension, OPEB and compensated absences, are recorded when the liability is incurred.

Fund financial statements focus on individual parts of the County's government. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This may enable the reader to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County has many individual governmental funds. The General Fund and Coronavirus Relief Fund are considered to be major funds. The information for the major funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Other governmental funds are combined for presentation in those statements. Individual fund data for each of other governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds - the County maintains two different types of proprietary funds:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the periodic determination of net income is deemed appropriate. The County currently has one enterprise fund, the Refuse Fund.

Internal Service Funds are used to account for the cost of operations shared by various functions of the County. The County has two internal service funds, the Workers' Compensation and Health Insurance Administration Fund account for the County's self-insurance activities. In the government-wide statements, the activity of the majority of these internal service funds' activity is presented as part of the governmental activity information.

Fiduciary funds are used by the County to account for resources held by the County for the benefit of a third party. The majority of these funds are taxes that are collected by the Treasurer's office for various taxing entities and then later distributed per Kansas statutes. Because the resources of these funds are not available for the County's operations, they are not presented in the government-wide financial statements, but a Statement of Fiduciary Net Position – Fiduciary Funds and a Statement of Changes in Fiduciary Net Position - Fiduciary Funds, are included in the report.

DISCUSSION AND ANALYSIS

A. Net position

The following table reflects the County's condensed Statements of Net Position as of December 31, 2021 and 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 204,369,769	\$ 184,144,113	\$ 12,321,639	\$ 12,307,223	\$ 216,691,408	\$ 196,451,336
Noncurrent assets	251,617,867	255,176,029	3,702,396	3,862,246	255,320,263	259,038,275
Total Assets	455,987,636	439,320,142	16,024,035	16,169,469	472,011,671	455,489,611
Total deferred outflows of resources	14,930,940	17,326,775	1,374,064	1,628,242	16,305,004	18,955,017
Current liabilities	40,951,779	27,004,102	1,077,565	1,133,859	42,029,344	28,137,961
Noncurrent liabilities	117,904,983	143,522,526	3,099,916	4,708,327	121,004,899	148,230,853
Total liabilities	158,856,762	170,526,628	4,177,481	5,842,186	163,034,243	176,368,814
Total deferred inflows of resources	106,271,988	87,499,303	1,600,080	350,340	107,872,068	87,849,643
Net position:						
Net investment in capital assets	169,930,189	163,142,060	3,076,614	3,523,035	173,006,803	166,665,095
Restricted	17,916,468	15,792,924	-	-	17,916,468	15,792,924
Unrestricted	17,943,169	19,686,002	8,543,924	8,082,150	26,487,093	27,768,152
Total net position	\$ 205,789,826	\$ 198,620,986	\$ 11,620,538	\$ 11,605,185	\$ 217,410,364	\$ 210,226,171

Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2021, the County's total net position was \$217,410,364, a change of 7,184,193 over 2020. Governmental activities changed \$7,168,840 while business-type activities changed by \$15,353. The change is primarily related to an increase in capital assets and resources provided by the CARES Act.

By far, the largest portion of the governmental activities net position reflects the investment in capital assets (land, buildings, machinery and equipment and infrastructure), less any outstanding debt used to construct or acquire those assets. The County uses these assets to provide services to citizens, and consequently, these assets are not available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's total net investment in capital assets changed from \$166,665,095 in 2020 for all County activities to \$173,006,803 in 2021. Of these amounts, the majority of this investment was for governmental activities. For 2021, the amount attributed to governmental activities was \$169,930,189.

It is important to note that a portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. At the end of 2021, net position of \$17,916,468 was classified as restricted.

At the end of 2021, \$26,487,093 of the County's net position (\$17,943,169 governmental activities and \$8,543,924 business-type) was unrestricted.

B. Revenues and Expenses

Generally, governmental activities comprise around 91% of the total revenues generated by the County and approximately 91% of the County's expenditures. The following table reflects the County's statements of activities for the years ended December 31, 2021 and December 31, 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 17,500,713	\$ 13,549,444	\$ 13,600,212	\$ 13,361,815	\$ 31,100,925	\$ 26,911,259
Operating grants and contributions	8,805,298	6,861,332	-	-	8,805,298	6,861,332
Capital grants and contributions	435,668	37,612,034	-	-	435,668	37,612,034
General revenues:						
Property tax	83,760,047	81,089,180	-	-	83,760,047	81,089,180
Motor vehicle tax	10,690,905	10,181,103	-	-	10,690,905	10,181,103
Sales tax	9,377,680	7,612,477	-	-	9,377,680	7,612,477
Franchise tax	369,573	289,794	-	-	369,573	289,794
911 Emergency tax	1,166,069	1,149,820	-	-	1,166,069	1,149,820
Grants and contributions						
not restricted to specific purposes	2,606,987	2,371,774	-	-	2,606,987	2,371,774
Unrestricted investment earnings	274,833	911,926	-	-	274,833	911,926
Gain on capital assets	-	-	-	5,825	-	5,825
Other	2,261,288	2,499,537	-	-	2,261,288	2,499,537
Total revenues	137,249,061	164,128,421	13,600,212	13,367,640	150,849,273	177,496,061
Expenses:						
General government	15,072,583	39,550,675	-	-	15,072,583	39,550,675
Public safety and judicial	59,823,283	60,635,463	-	-	59,823,283	60,635,463
Public works, highways and streets	12,697,725	16,020,386	-	-	12,697,725	16,020,386
Health, welfare and education	14,588,883	12,673,358	-	-	14,588,883	12,673,358
Culture and recreation	24,447,578	20,848,710	-	-	24,447,578	20,848,710
Economic development	1,438,518	1,583,731	-	-	1,438,518	1,583,731
Interest on long-term debt	2,404,666	2,713,125	-	-	2,404,666	2,713,125
Refuse	-	-	13,191,843	12,531,801	13,191,843	12,531,801
Total expenses	130,473,236	154,025,448	13,191,843	12,531,801	143,665,079	166,557,249
Change in net position before transfers	6,775,825	10,102,973	408,369	835,839	7,184,194	10,938,812
Transfers	393,016	492,820	(393,016)	(492,820)	-	-
Change in net position after transfers	7,168,841	10,595,793	15,353	343,019	7,184,194	10,938,812
Net position, beginning	198,620,986	188,025,193	11,605,185	11,262,166	210,226,171	199,287,359
Net position, ending	\$ 205,789,827	\$ 198,620,986	\$ 11,620,538	\$ 11,605,185	\$ 217,410,365	\$ 210,226,171

The following table summarizes the County's 2021 governmental activities revenues. It is easy to see that the County relies heavily on tax revenues to fund the County's functions and program services expenses. In 2021, property, motor vehicle, and sales taxes comprised 76% of the governmental activity revenues.

Property Tax	\$ 83,760,047	61%
Motor Vehicle Tax	10,690,905	8%
Sales Tax	9,377,680	7%
Charges for Services	17,500,713	13%
Operating Grants	8,805,298	6%
Capital Grants	435,668	-%
Other	6,678,750	5%
	<u>\$ 137,249,061</u>	<u>100%</u>

The table below shows the breakout of the County's expenses for governmental activities:

General Government	\$	15,072,583	12%
Public Safety & Judicial		59,823,283	46%
Public Works		12,697,725	10%
Health, Welfare & Education		14,588,883	11%
Culture & Recreation		24,447,578	19%
Economic Development		1,438,518	1%
Interest on Long-Term Debt		2,404,666	2%
	\$	130,473,236	100%

For the year ended December 31, 2021 business-type activities changed the County's net position by \$15,353 primarily from a change in fee revenue.

C. General Fund Highlights

The following table summarizes the County's 2021 General Fund revenues. The County relies heavily on tax revenues for the County's day-to-day operations. In 2021, property taxes, including in lieu of payments, comprised 75% of the General Fund revenue.

Property Tax	\$	83,629,028	75%
Motor Vehicle Tax		10,679,307	10%
Intergovernmental		3,538,177	3%
Charges for Services		4,716,128	4%
Licenses, Fines, Fees & Permits		2,728,742	2%
Special Assessments		3,423,352	3%
Other		3,186,504	3%
	\$	111,901,238	100%

Revenue from fees and charges for services are generally collected for non-essential services provided by the County and in many cases, these charges do not cover the actual cost of the service. For example, most parks and recreation programs charge fees to participants to help fund the activities. The County also receives some fees from providing essential services. The majority of this revenue comes from other governmental entities for care of their prisoners at the Shawnee County Detention Center.

Special assessment revenue is not available to fund County operations. It is dedicated to paying the debt on the various special assessment projects that the County finances. These projects are paid for by the property owners who benefit from the improvements as special assessments on their County tax statements.

The table below shows the breakout of the County's expenditures in the General Fund.

General Government	\$	12,571,752	12%
Public Safety & Judicial		53,511,902	52%
Public Works & Roads		5,888,960	6%
Health, Welfare & Education		5,807,300	6%
Culture & Recreation		16,732,677	16%
Debt Service		8,687,368	8%
Capital Outlay		191,593	-%
	\$	103,391,552	100%

The County's general fund expenditures can be divided into seven main categories. The general government category includes the County's financial and administrative offices, as well as the County's general expenditures such as utility bills and insurance coverage.

The public safety and judicial category is primarily the County's detention facility and the Sheriff's office which now includes the emergency dispatch center. The public safety and judicial category is by far the largest with 52% of the expenditures. The majority of the services in this category are services that the County has a statutory obligation to provide.

The public works, highways, and streets category covers the various functions provided by the Public Works Department such as maintaining County roads and snow removal. Major capital projects by the Public Works Department are not included in the General Fund. Most of these capital projects are funded by various sources including sales tax and grant funds.

The health, welfare, and education category is primarily the County's allocations for mental health, development disabilities, and other social services.

The culture and recreation category encompasses the activities of the County's parks and recreation programs and the routine maintenance of Shawnee County recreation centers and parks including Lake Shawnee. The County's parks and recreation department includes parks and recreational facilities within the City of Topeka. This category does not include major capital projects.

The last category is debt service. This includes bond payments, temporary note payments, payments on certificates of participation, and payments for special assessments.

The County's budget is prepared according to Kansas State statutes and must be certified by August 25th of the preceding year. The most significant budgeted fund for Shawnee County is the General Fund. The County's day-to-day operations are funded through the General Fund.

2021 General Fund revenues and transfers in were \$113,111,373 compared to \$116,084,359 in 2020 which represents a change of \$-2,972,986 or -2.56%. 2021 General Fund expenditures and transfers out were \$113,974,559 compared to \$109,765,419 in 2020 which represents a change of \$4,209,140 or 3.83%.

The County's mill levy to support the 2021 General Fund budget was \$48.157.

In prior years, the Commission made the decision to use General Fund reserves instead of significantly increasing the property tax mill levy because of the weak economy and high unemployment rates. This effort to keep from overburdening the citizens with a large increase in taxes at an already difficult period resulted in a lower than optimal General Fund balance. Beginning with the 2014 budget, the Commission made a concerted effort to restore the General Fund balance to a healthy level.

General Fund Budgetary Highlights

Current fiscal year's revenues and transfers in were \$1,733,103 more than budgeted amounts due to more transfers in than budgeted. Expenditures and transfers out were \$2,177,854 less than the budget due to sound management practices by all departments.

D. Other Major Funds

The County has one other major fund, the Coronavirus Relief Fund

The Coronavirus Relief Fund was created in 2021 to record the receipts and expenditures of Shawnee County's allocation of Coronavirus Relief Fund monies, part of the CARES Act, from the State of Kansas. Shawnee County received an allocation of \$36,763,812. The Shawnee County SPARK Committee was created to evaluate the needs of County entities and make recommendations for the use of the funds. These funds were expended by County departments, school districts, community organizations, and other taxing authorities to cover expenses incurred due to COVID-19.

E. Capital Assets and Debt Administration

Capital Assets

Shawnee County's capital assets for its governmental and business-type activities as of December 31, 2021 were \$240,211,876 (net of depreciation) compared to \$240,654,759 at the end of 2020.

The largest increase in capital assets from 2020 to 2021 was in the addition of new construction in process. It is important to note that these projects are not funded solely by property taxes. Proceeds from long-term debt, sales tax funding, grants, and fees for services are additional sources of revenue.

Shawnee County, Kansas Capital Assets (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 27,919,482	\$ 28,096,482	\$ -	\$ -	\$ 27,919,482	\$ 28,096,482
Construction in process	1,346,018	35,143,772	-	-	1,346,018	35,143,772
Infrastructure	112,582,350	111,156,347	-	-	112,582,350	111,156,347
Buildings and improvements	87,933,485	53,964,076	118,074	125,537	88,051,559	54,089,613
Furniture, fixtures and office equipment	1,427,398	1,892,139	38,388	44,401	1,465,786	1,936,540
Motor vehicles	3,035,222	3,438,355	2,906,009	3,327,680	5,941,231	6,766,035
Tools and other equipment	2,891,307	3,440,553	14,143	25,417	2,905,450	3,465,970
	<u>\$ 237,135,262</u>	<u>\$ 237,131,724</u>	<u>\$ 3,076,614</u>	<u>\$ 3,523,035</u>	<u>\$ 240,211,876</u>	<u>\$ 240,654,759</u>

For additional information on capital assets, see Note 3 to the Basic Financial Statements.

Debt Administration

The County's general obligation bond debt was \$23,840,000 at the end of 2021 compared to \$28,465,000 at the end of 2020. Overall for 2021, the County decreased its general obligation debt by \$4,625,000 from the repayment of debt. During 2021, the County's overall debt decreased by \$10,073,656 due to the repayment of debt.

General obligation bonds have been issued for special assessment projects which are eventually paid for by the taxpayers owning property within the benefit district of the related improvement. The County merely finances the projects on behalf of the benefit districts.

In June 2021, Moody's assigned a rating of Aa1 to Shawnee County General Obligation Bonds. In November 2019, Moody's assigned a rating of Aa1 to Shawnee County's General Obligation Debt and

affirmed the rating of Aa2 to Shawnee County's Certificates of Participation. Moody's 2021 Annual Comment on Shawnee County stated "Shawnee County's credit position is excellent". They listed notable credit factors as a robust financial position, a manageable debt burden and a mid-ranged pension liability position.

Shawnee County, Kansas Outstanding Obligations

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 23,840,000	\$ 28,465,000	\$ -	\$ -	\$ 23,840,000	\$ 28,465,000
Loans	6,499,026	6,618,503	-	-	6,499,026	6,618,503
Certificates of participation	22,010,000	24,930,000	-	-	22,010,000	24,930,000
Revenue bonds	24,310,000	26,255,000	-	-	24,310,000	26,255,000
Unamortized premiums and discounts	4,493,854	5,158,410	-	-	4,493,854	5,158,410
Capital lease obligations	969,718	1,181,758	-	-	969,718	1,181,758
Compensated absences	6,002,714	5,540,344	466,995	450,035	6,469,709	5,990,379
Total OPEB liability	3,332,977	3,389,711	340,318	350,497	3,673,295	3,740,208
	<u>\$ 91,458,289</u>	<u>\$ 101,538,726</u>	<u>\$ 807,313</u>	<u>\$ 800,532</u>	<u>\$ 92,265,602</u>	<u>\$ 102,339,258</u>

For additional information on debt administration, see Note 5 to the Basic Financial Statements.

F. Economic Factors

Economic factors can have a substantial impact on the valuation of property and thus, the tax revenues generated by a County's levy. The impact is delayed due to the timing of the property valuation process in relation to the budget. Valuations are calculated on the value of property at the beginning of a year although this final valuation number is not set until November of that year. That valuation number is then used in the budget process for the preceding fiscal year. For example, the final valuation for property on January 1, 2020 was used in the levy calculation for the 2021 budget. Any impact from economic factors on valuation is delayed and is not seen until a year or two later. The assessed valuation as of January 1, 2020, which was used for the 2021 budget, showed a slight increase from the prior year. The assessed valuation as of January 1, 2021, which will be used for the 2021 budget also shows a slight increase from the prior year.

Shawnee County and the City of Topeka continue to invest in local infrastructure and encourage business growth in the community. In 2001, the County entered into an interlocal agreement with the City of Topeka to form the "Joint Economic Development Organization" known as JEDO. JEDO is a separate legal entity that is governed by a seven-member board containing the three County Commissioners, the City Mayor, Deputy Mayor and two other city Council members. The principal mission of JEDO is the support of a strong economic development program designed to expand employment, strengthen the tax base, invest in the infrastructure of the community, and diversify and strengthen the Topeka and Shawnee County economy.

The funds to support these efforts in economic development have been garnered from a County-wide sales tax. In August of 2004, the electorate of Shawnee County approved the implementation of a one-half cent sales tax to begin in 2005 and expired at the end of 2016. In November of 2014, the citizens of Shawnee County approved the extension of the one-half cent sales tax beginning in 2017 through the end of 2031. The sales tax revenue from this extension is designated for economic development, County bridge projects, improvements to the Stormont Vail Events Center, road projects, improvements to the zoo, and bike trails.

Since March 2020, the COVID-19 pandemic has negatively impacted the economy of Shawnee County. While the County began its gradual re-opening in mid-2020, the pandemic continued to have an impact on the County during 2021. The American Rescue Plan Act was signed into law on March 11, 2021. Coronavirus State and Local Fiscal Recovery Funds, part of the ARPA, provides assistance to local governments and their communities to support their response to and recovery from the COVID-19 public emergency through December 31, 2024. The County was allocated \$34,355,895, of which the first half was received in July, 2021. The second half is scheduled to be received during 2022.

Requests for Information

This financial report is designed to provide a general overview of the finances of Shawnee County government. Questions concerning any of the information should be addressed to Financial Administrator, Shawnee County Audit-Finance Department, Suite 201, 200 SE 7th Street, Topeka, KS, 66603-3903.

Shawnee County, Kansas
Statement of Net Position
December 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and short-term investments	\$ 106,548,562	\$ 10,978,639	\$ 117,527,201
Receivables, net:			
Taxes receivable, net	91,119,875	-	91,119,875
Accounts receivable, net	1,159,027	283,335	1,442,362
Interest receivable	22,685	-	22,685
Due from other governments	3,785,851	1,037,875	4,823,726
Prepays	1,733,769	21,790	1,755,559
Total current assets	204,369,769	12,321,639	216,691,408
Noncurrent assets:			
Receivables, net:			
Cash and short-term investments - restricted	83	-	83
Special assessments receivable, net	15,108,304	-	15,108,304
Internal balances	(625,782)	625,782	-
Capital Assets:			
Land and construction in progress, non-depreciable	29,265,500	-	29,265,500
Other capital assets, net of depreciation	207,869,762	3,076,614	210,946,376
Total noncurrent assets	251,617,867	3,702,396	255,320,263
Total assets	455,987,636	16,024,035	472,011,671
Deferred outflows of resources			
Deferred charge on refunding	987,787	-	987,787
Other post employment benefits - County plan	253,170	25,088	278,258
Other post employment benefits - KPERS plan	299,270	38,049	337,319
Pension - related amounts	13,390,713	1,310,927	14,701,640
Total deferred outflows of resources	14,930,940	1,374,064	16,305,004
Liabilities			
Current liabilities			
Accounts payable	3,342,450	477,473	3,819,923
Accrued expenses	3,121,495	315,146	3,436,641
Due to other governments	235,325	20,362	255,687
Unearned revenue	18,376,406	-	18,376,406
Accrued interest payable	880,312	-	880,312
Current portion of claims payable	839,485	-	839,485
Current portion of long-term liabilities	14,156,306	264,584	14,420,890
Total current liabilities	40,951,779	1,077,565	42,029,344
Noncurrent liabilities			
Claims payable	2,623,886	-	2,623,886
Long-term liabilities:			
Due in more than one year	73,969,006	202,411	74,171,417
Total OPEB liability	3,332,977	340,318	3,673,295
Net pension liability	37,979,114	2,557,167	40,536,301
Total noncurrent liabilities	117,904,983	3,099,916	121,004,899
Total liabilities	158,856,762	4,177,481	163,034,243
Deferred inflows of resources			
Property taxes revenue	90,631,123	-	90,631,123
Other post employment benefits - County plan	2,065,936	204,723	2,270,659
Other post employment benefits - KPERS plan	398,434	50,656	449,090
Pension - related amounts	13,176,495	1,344,701	14,521,196
Total deferred inflows of resources	106,271,988	1,600,080	107,872,068
Net Position			
Net investment in capital assets	169,930,189	3,076,614	173,006,803
Restricted for:			
Public safety and judicial	2,057,090	-	2,057,090
Public works, highways and streets	4,989,387	-	4,989,387
Health, welfare and education	177,305	-	177,305
Capital Projects	39	-	39
Economic development	7,452,537	-	7,452,537
Other purposes	3,240,110	-	3,240,110
Unrestricted	17,943,169	8,543,924	26,487,093
Total net position	\$ 205,789,826	\$ 11,620,538	\$ 217,410,364

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities:						
General government	\$ 15,072,583	\$ 7,102,584	\$ 1,631,195	\$ -	\$ (6,338,804)	\$ -
Public safety and judicial	59,823,283	2,219,775	1,985,609	147,177	(55,470,722)	-
Public works, highways and streets	12,697,725	2,568,305	727,901	-	(9,401,519)	-
Health, welfare and education	14,588,883	(945,958)	3,382,129	69,113	(12,083,599)	-
Culture and recreation	24,447,578	6,556,007	1,078,464	219,378	(16,593,729)	-
Economic development	1,438,518	-	-	-	(1,438,518)	-
Principal	1	-	-	-	(1)	(1)
Interest	2,404,666	-	-	-	(2,404,666)	-
Total Governmental Activities	130,473,237	17,500,713	8,805,298	435,668	(103,731,558)	-
Business-Type Activities:						
Refuse	13,191,843	13,600,212	-	-	-	408,369
Total Business-Type Activities	13,191,843	13,600,212	-	-	-	408,369
Total Primary Government	\$ 143,665,080	\$ 31,100,925	\$ 8,805,298	\$ 435,668	\$ (103,731,558)	\$ (103,323,189)
General Revenues:						
Taxes:						
Property					83,760,047	-
Motor vehicle					10,690,905	-
Sales					9,377,680	-
Franchise					369,573	-
911 Emergency					1,166,069	-
Grants and contributions not restricted					2,606,987	-
Unrestricted investment earnings					274,833	-
Other					2,261,288	-
Transfers					393,016	(393,016)
Total general revenues and transfers					110,900,398	110,507,382
Changes in net position					7,168,840	15,353
Net position - beginning of year					198,620,986	11,605,185
Net position - end of year					\$ 205,789,826	\$ 11,620,538
						\$ 217,410,364

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Balance Sheet - Governmental Funds
December 31, 2021

	General Fund	Coronavirus Relief Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and short-term investments	\$ 41,449,038	\$ 16,466,969	\$ 35,347,185	\$ 93,263,192
Taxes receivable, net	90,990,024	-	129,851	91,119,875
Accounts receivable, net	408,919	-	599,313	1,008,232
Interest receivable	21,225	1,460	-	22,685
Due from other governments	9,793	-	3,776,058	3,785,851
Due from other funds	701,922	-	-	701,922
Prepays	1,118,444	18,996	591,332	1,728,772
Special assessments receivable, net	15,108,304	-	-	15,108,304
Total assets	<u>\$ 149,807,669</u>	<u>\$ 16,487,425</u>	<u>\$ 40,443,739</u>	<u>\$ 206,738,833</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 1,899,248	\$ 195,921	\$ 1,107,836	\$ 3,203,005
Accrued expenditures	2,771,344	3,435	346,716	3,121,495
Due to other governments	-	-	235,325	235,325
Due to other funds	-	-	711,494	711,494
Unearned revenues	155,798	16,256,809	1,963,799	18,376,406
Total liabilities	<u>4,826,390</u>	<u>16,456,165</u>	<u>4,365,170</u>	<u>25,647,725</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	90,501,828	-	129,295	90,631,123
Unavailable revenue - special assessments	15,108,304	-	-	15,108,304
Unavailable revenue - grants	-	-	797,322	797,322
Unavailable revenue - other	54,826	-	839,987	894,813
Total deferred inflows of resources	<u>105,664,958</u>	<u>-</u>	<u>1,766,604</u>	<u>107,431,562</u>
Fund balances				
Nonspendable:				
Prepaid items	1,118,444	18,996	591,332	1,728,772
Restricted:				
Public Safety and judicial	-	-	2,057,090	2,057,090
Public works, highways and streets	-	-	4,989,387	4,989,387
Health, welfare and education	-	-	177,305	177,305
Capital projects	-	-	39	39
Economic development	-	-	7,452,537	7,452,537
Other purposes	-	-	3,240,110	3,240,110
Committed:				
General government	3,910,957	-	-	3,910,957
Public safety and judicial	-	-	1,909,652	1,909,652
Assigned:				
General government	3,965,816	12,264	-	3,978,080
Public safety and judicial	-	-	1,161,911	1,161,911
Health, welfare and education	-	-	1,039,844	1,039,844
Culture and recreation	846,054	-	276,763	1,122,817
Capital projects	-	-	12,281,494	12,281,494
Other purposes	67,418	-	1,044	68,462
Unassigned:	29,407,632	-	(866,543)	28,541,089
	<u>39,316,321</u>	<u>31,260</u>	<u>34,311,965</u>	<u>73,659,546</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 149,807,669</u>	<u>\$ 16,487,425</u>	<u>\$ 40,443,739</u>	<u>\$ 206,738,833</u>

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Reconciliation of the Balance Sheet - Governmental
Funds to the Statement of Net Position
December 31, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balances - total governmental funds	\$ 73,659,546
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of those assets is capitalized and shown at cost, net of accumulated depreciation. This is the amount of net capital assets reported in the statement of net position	237,135,262
Long-term assets are not available to pay for current period expenditures and are therefore reported as unavailable revenue in the fund statements	16,800,439
Deferred outflows of resources related to pensions are not due and payable in the current period and therefore are not reported in the funds	
KPERS pension plan	13,390,713
County OPEB plan	253,170
KPERS OPEB plan	299,270
Deferred inflows of resources related to pensions and OPEB do not increase net position until a future period and therefore are not reported in the fund statements:	
KPERS pension plan	(13,176,495)
County OPEB plan	(2,065,936)
KPERS OPEB plan	(398,434)
Long-term liabilities, including bonds payable and certificates of participation, are not due and payable in the current period, and therefore, are not reported in the funds:	
Deferred charge on refunding	987,787
Accrued interest payable	(880,312)
Net pension liability	(37,979,114)
Long-term debt	(82,122,598)
Compensated absences	(6,002,714)
Total OPEB liability	(3,332,977)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service fund are reported with governmental activities in the statement of net position, net of the amount allocated to business-type activities.	9,222,219
Total net position of governmental activities	<u>\$ 205,789,826</u>

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Coronavirus Relief Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property	\$ 83,629,028	\$ -	\$ 131,019	\$ 83,760,047
Motor vehicle	10,679,307	-	11,598	10,690,905
Sales	-	-	9,377,680	9,377,680
Franchise	369,573	-	-	369,573
911 emergency	-	-	1,166,069	1,166,069
Intergovernmental	3,538,177	921,139	8,922,824	13,382,140
Charges for services	4,716,128	-	3,436,025	8,152,153
License, fines, fees and permits	2,728,742	-	2,192,958	4,921,700
Interest income	261,780	12,264	789	274,833
Special assessments	3,423,352	-	-	3,423,352
Other	2,555,151	-	1,171,337	3,726,488
Total revenues	<u>111,901,238</u>	<u>933,403</u>	<u>26,410,299</u>	<u>139,244,940</u>
Expenditures:				
Current:				
General government	12,571,752	391,130	1,842,286	14,805,168
Public safety and judicial	53,511,902	38,275	5,493,582	59,043,759
Public works, highways and streets	5,888,960	-	1,618,679	7,507,639
Health, welfare and education	5,807,300	-	7,016,493	12,823,793
Culture and recreation	16,732,677	-	3,951,178	20,683,855
Economic development	-	-	1,438,518	1,438,518
Debt service:				
Principal retirement	6,857,775	-	4,037,187	10,894,962
Interest and fiscal charges	1,829,593	-	1,188,084	3,017,677
Capital outlay	191,593	472,738	14,333,005	14,997,336
Total expenditures	<u>103,391,552</u>	<u>902,143</u>	<u>40,919,012</u>	<u>145,212,707</u>
Excess of revenues over (under) expenditures	<u>8,509,686</u>	<u>31,260</u>	<u>(14,508,713)</u>	<u>(5,967,767)</u>
Other financing sources (uses):				
Issuance of debt	-	-	761,366	761,366
Issuance of capital leases	200,778	-	111,301	312,079
Proceeds from sale of capital assets	142,649	-	97,705	240,354
Transfers in	1,210,135	-	16,582,661	17,792,796
Transfers out	(10,583,007)	-	(6,826,345)	(17,409,352)
Total other financing sources (uses)	<u>(9,029,445)</u>	<u>-</u>	<u>10,726,688</u>	<u>1,697,243</u>
Net change in fund balances	<u>(519,759)</u>	<u>31,260</u>	<u>(3,782,025)</u>	<u>(4,270,524)</u>
Fund balances - beginning of year	<u>39,836,080</u>	<u>-</u>	<u>38,093,990</u>	<u>77,930,070</u>
Fund balances - end of year	<u>\$ 39,316,321</u>	<u>\$ 31,260</u>	<u>\$ 34,311,965</u>	<u>\$ 73,659,546</u>

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	(4,270,524)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and the effect of other capital asset transactions in the current period:

Capital outlay		14,976,547
Depreciation expense		(13,067,147)
Loss on disposal of capital assets		(1,665,508)
Proceeds on disposal of capital assets		(240,354)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred inflows of resources - special assessment revenue		(3,275,180)
Deferred inflows of resources - grants		681,002
Deferred inflows of resources - other revenue		45,872

The issuance of long-term debt (eg. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments		10,370,843
Issuance of debt		(761,366)
Issuance of capital leases		(312,079)
Capital lease principal retirement		524,119
Amortization of premiums, discounts, and deferred amounts, net		486,315
Change in accrued interest payable		126,696

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued compensated absences		(462,370)
OPEB expense		274,517
Pension expense		850,485

Internal service funds are used by management to charge the costs of vehicles and equipment replacement to individual funds. The net revenue of certain activities of the Internal Service fund is reported with governmental activities, net of amount allocated to business-type activities.

2,886,972

Total changes in net position of governmental activities	\$	<u>7,168,840</u>
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See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2021

	Refuse	Internal Service Funds
Assets		
Current assets:		
Cash and short-term investments	\$ 10,978,639	\$ 13,285,453
Accounts receivable, net	283,335	150,794
Due from other governments	1,037,875	-
Due from other funds	-	9,572
Prepaid	21,790	4,997
Total current assets	<u>12,321,639</u>	<u>13,450,816</u>
Noncurrent assets:		
Capital Assets:		
Other capital assets, net of depreciation	3,076,614	-
Total capital assets	<u>3,076,614</u>	<u>-</u>
Total assets	<u>15,398,253</u>	<u>13,450,816</u>
Deferred outflows of resources		
Deferred outflows - OPEB - County plan	25,088	-
Deferred outflows - OPEB - KPERS plan	38,049	-
Deferred outflows - pension	1,310,927	-
Total deferred outflows of resources	<u>1,374,064</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	477,473	139,444
Accrued expenses	315,146	-
Due to other governments	20,362	-
Claims payable	-	839,485
Long-term liabilities, due in one year	264,584	-
Total current liabilities	<u>1,077,565</u>	<u>978,929</u>
Noncurrent liabilities:		
Claims payable	-	2,623,886
Long-term liabilities, due in more than one year	202,411	-
Total OPEB liability	340,318	-
Net pension liability	2,557,187	-
Total noncurrent liabilities	<u>3,099,916</u>	<u>2,623,886</u>
Total liabilities	<u>4,177,481</u>	<u>3,602,815</u>
Deferred inflows of resources		
Deferred inflow - OPEB - County plan	204,723	-
Deferred inflow - OPEB - KPERS plan	50,656	-
Deferred inflow - pension	1,344,701	-
Total deferred inflows of resources	<u>1,600,080</u>	<u>-</u>
Net Position		
Investment in capital assets	3,076,614	-
Unrestricted	7,918,142	9,848,001
Total net position	<u>\$ 10,994,756</u>	<u>\$ 9,848,001</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund.	<u>625,782</u>	
Net position of business-type activities	<u>\$ 11,620,538</u>	

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	<u>Refuse</u>	<u>Internal Service Funds</u>
Operating revenues:		
Charges for services	\$ 13,510,397	\$ 14,141,517
Other	89,815	845,787
Total operating revenues	<u>13,600,212</u>	<u>14,987,304</u>
Operating expenses:		
Personnel services	6,842,875	35,334
Contractual Services	3,803,115	1,221,219
Supplies	1,658,185	-
Utilities	13,810	-
Claims	-	10,566,780
Other	63,197	-
Depreciation	1,097,232	-
Total operating expenses	<u>13,478,414</u>	<u>11,823,333</u>
Operating income	<u>121,798</u>	<u>3,163,971</u>
Transfers in	10,657	9,572
Transfers (out)	<u>(403,673)</u>	<u>-</u>
Change in net position	(271,218)	3,173,543
Total net position - beginning of year	<u>11,265,974</u>	<u>6,674,458</u>
Total net position - end of year	<u>\$ 10,994,756</u>	<u>\$ 9,848,001</u>
Change in net position	\$ (271,218)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund.	<u>286,571</u>	
Change in net position of business-type activities	<u>\$ 15,353</u>	

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Cash Flows -
Proprietary Funds
For the Year Ended December 31, 2021

	<u>Refuse</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:		
Receipts from customers	\$ 13,501,141	\$ -
Receipts from interfund and other services	-	14,846,786
Payments to suppliers	(5,655,656)	(13,631,586)
Payments to employees for services	(6,908,103)	(35,334)
Net cash provided by operating activities	<u>937,382</u>	<u>1,179,866</u>
Cash flows from noncapital financing activities:		
Increase in due from other funds	-	(9,572)
Transfers from other funds	10,657	9,572
Transfers to other funds	(403,673)	-
Net cash (used in) provided by noncapital financing activities	<u>(393,016)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(650,811)	-
Net cash used in capital and related financing activities	<u>(650,811)</u>	<u>-</u>
Net increase (decrease) in cash and short-term investments	(106,445)	1,179,866
Cash and short-term investments, beginning of year	<u>11,085,084</u>	<u>11,266,102</u>
Cash and short-term investments, end of year	<u>\$ 10,978,639</u>	<u>\$ 12,445,968</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 121,798	\$ 3,163,971
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,097,232	-
Change in assets, deferred inflows, liabilities and deferred outflows		
Accounts receivables, net	(20,725)	(140,518)
Due from other governments	(78,346)	-
Prepaid	(21,790)	(4,997)
Deferred outflows	254,178	-
Accounts payable and accrued expenses	(72,364)	(76,908)
Due to other governments	64	-
Claims payable	-	(1,761,682)
Compensated absences and OPEB liability	6,781	-
Net pension liability	(1,599,186)	-
Deferred inflows	1,249,740	-
Net cash provided by operating activities	<u>\$ 937,382</u>	<u>\$ 1,179,866</u>

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 165,791,623
Tax receivable, net	619,095
Accounts receivable, net	94,403
Total assets	<u>\$ 166,505,121</u>
Liabilities	
Accounts payable	\$ 648,676
Accrued expenditures	2,863
Due to taxing districts, governments, and others	162,927,685
Total liabilities	<u>163,579,224</u>
Net Position	
Restricted for others	2,925,897
Total net position	<u>\$ 2,925,897</u>

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Custodial Funds
Additions	
Tax collections	\$ 337,400,946
Other	<u>8,122,698</u>
Total additions	<u>345,523,644</u>
Deductions	
Tax distributions	325,563,154
Other deductions	<u>18,239,421</u>
Total deductions	<u>343,802,575</u>
Net Change in Fiduciary Net Position	1,721,069
Net Position, Beginning of Year	<u>1,204,828</u>
Net Position, End of Year	<u><u>\$ 2,925,897</u></u>

See Accompanying Notes to the Basic Financial Statements

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. Reporting Entity and Summary of Significant Accounting Policies

The accompanying basic financial statements of Shawnee County, Kansas (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to local governmental units. The County's significant accounting policies are described below:

Reporting Entity

The County is governed by a County Commission comprised of a chairman, vice-chairman and member. Elected officials are responsible for the operations of certain County offices, including the Treasurer's, County Clerk's, Sheriff's, District Attorney's, Register of Deeds' and the Third Judicial District Court Judge's. Appointed officials are responsible for certain offices, including the Appraiser's and Financial Administrator's. In evaluating the County's financial reporting entity, management has considered all potential component units and has determined there are no material component units over which the County is financially accountable. Financial accountability is based primarily on non-operational or financial relationships with the County (as distinct from legal relationships). These financial statements include all accounts for which the County is considered to be financially accountable.

Sherwood Regional Wastewater Treatment District is reported as a blended component unit of Shawnee County and is, therefore, combined within the County's primary government statements as the Sewer Special Revenue Fund. The governing body for this district is the Shawnee County Board of County Commissioners. As provided by K.S.A. 19-27a01(e), this district is a separate legal entity and is the owner of the sewer system, the Sherwood Regional Wastewater Treatment Plant and related facilities within the Sewer District.

Shawnee County, Kansas Public Building Commission is reported as a blended component unit of Shawnee County. The governing body for this district is the Shawnee County Board of County Commissioners. Pursuant to K.S.A. 12-1757 et seq., this public building commission was formed to provide the County another option in financing the County's capital improvements. Public building commissions provide a lower interest cost option without additional risk. The Shawnee County, Kansas Public Building Commission was created on November 30, 2017.

Basis of Presentation

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds).

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County, the primary government, as a whole, with the exclusion of the fiduciary funds which contain assets not available for use by the County. Eliminations have been made to minimize the doubling effects of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by that function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the County.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

The County's net position is reported in three parts—net investment in capital assets, restricted net position; and unrestricted net position. The County first utilizes restricted resources to finance restricted activities.

The government-wide financial statements are more focused on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary and fiduciary funds—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The major governmental funds of the County are described below:

General Fund

This fund is the primary operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is also used to account for the resources accumulated and payments made for principal and interest on general long-term debt associated with equipment and facilities owned and leased by the County, except those accounted for in another fund.

Coronavirus Relief Fund

This special revenue fund was created in 2020 to record all the transactions for the Coronavirus Relief Fund monies which was part of the Federal CARES Act. The County received the funds through the State of Kansas. In 2021, the County received Coronavirus State & Local Fiscal Recovery Funds from the U.S. Treasury as part of the American Rescue Plan Act. This fund will be used for all transactions for the SLFRF funds.

The County reports the following major enterprise fund:

Refuse Fund

This fund accounts for the operation of the waste disposal activities for the County.

The County also reports the following additional fund types:

Special Revenue Funds —these funds account for specific revenue sources (other than major capital projects) that are restricted by enabling legislation to expenditures for specified purposes.

Capital Projects Funds —these funds are used to account for capital project related resources and project costs.

Internal Service Funds —these funds account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The County maintains two internal service funds that accounts for the health insurance and workers' compensation insurance programs.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

Fiduciary Funds —these funds accounts for the resources held for others and property taxes collected on behalf of other governments. Custodial funds do not involve a formal trust agreement. These funds include tax holding accounts, special taxing districts, and other funds which include monies collected for the State of Kansas and accounts held for others.

Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue from exchange and exchange-like transactions is recognized when earned. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, can include certain grants and donations. Revenue from non-exchange transactions is recognized when all eligibility requirements or other measurement criteria have been satisfied. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Fund Financial Statements

All governmental funds are reported using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available. The County considers all revenues for investment earnings, special assessments and state-levied, locally shared taxes (including motor vehicle fees) to be available if the revenues are collected within sixty days after year-end. Reimbursements due for federally funded projects are accrued as revenue at the time qualifying expenditures have been incurred and all other grant requirements have been met, and in the governmental funds, when the availability criteria has also been met. When cash is received in advance, it is recorded as unearned revenue until expenditures are made. Proceeds of long-term debt are reported as other financing sources.

Other revenues, including licenses and permits, certain charges for services, certain fees and fines and certain miscellaneous revenue are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, landfill closure costs, pensions and compensated absences, which are recognized as expenditures to the extent that they have matured. General capital asset acquisitions are reported as expenditures in the governmental funds. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

This approach differs from the manner in which the government-wide financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

Pooled Cash, Cash Equivalents and Investments

The cash balances of substantially all funds are pooled and invested by the Financial Administrator for the purpose of increasing earnings through investment activities. These pooled investments consist primarily of demand deposits, repurchase agreements, nonnegotiable certificates of deposit and money market instruments. Certificates of deposit and money market funds are carried at amortized cost because they are not affected by market rate changes. The individual funds' portions of the pool's fair value are presented as "cash and short-term investments". Earnings on the pooled funds are apportioned and paid or credited to the funds required to accumulate earnings based on their average monthly balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For purposes of the proprietary funds' cash flows statement, cash and short-term investments are defined as investments with original maturities of three months or less.

Receivables and Payables

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All property tax receivables are shown net of an allowance for uncollectibles. The allowance for property tax receivables for the year ended December 31, 2021 was \$2,822,172. The property tax receivable allowance is equal to 3% of outstanding property taxes at December 31, 2021. The trade receivables for the general fund and other governmental funds are considered to be fully collectible. The allowance for uncollectibles for the Refuse Fund and the Health Department Fund receivables are \$27,800 and \$20,753, respectively.

Accounts receivable for refuse services at December 31, 2021 include unbilled receivables of \$201,851. These are receivables for commercial refuse services and residential refuse services outside of the Topeka city limits.

Intergovernmental Revenues and Receivables

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and in the governmental funds, when the availability criteria has also been met. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received. The City of Topeka bills refuse services for Shawnee County residential customers that reside within the city limits. At December 31, 2021, Shawnee County was due \$1,037,875 from the City of Topeka of which \$267,095 was unbilled.

Property Taxes Receivable

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing fiscal year. Taxes are assessed on a calendar year basis, with the related levies and liens on property becoming effective on November 1 in the year of assessment. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amount of the taxes levied on or before December 20 during the year levied, with the balance to be paid on or before May 10 of the ensuing year. At December 31, 2021, such taxes are a lien on the property and are recorded as taxes receivable with a corresponding amount recorded as a deferred inflow of resources.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

Assessed values are established by the County Appraiser. The assessed value for property located in the County as of November 1, 2020, on which the 2020 tax levy was based, was \$1,769,951,366 on which the 2021 property tax revenues were based. The County's property tax levies per \$1,000 assessed valuation for property tax revenues were as follows:

Fund	Levy (Dollars)
General	\$ 48.104
Special Liability	0.053
	\$ 48.157

State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Therefore, taxes levied in the current year are recorded as taxes receivable and unavailable revenue at year end, and are recognized as revenue, net of estimated uncollectible and delinquent amounts, in the year for which they are levied. Taxes receivable also represent property taxes levied for 2021 and prior years which have not yet been collected and are reflected as a deferred inflow of resources.

Special assessments receivable

As required by Kansas statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds that are secured by the full faith and credit of the County and are retired from the General Fund. Further, Kansas statutes permit levying additional general ad valorem taxes in the General Fund to finance delinquent special assessments receivable. Consequently, special assessments receivable are accounted for within the General Fund. Special assessments taxes are levied and collected over the life of the bonds which is usually twenty years, and the County may foreclose on liens against property benefited by special assessments when delinquent assessments are two years in arrears. In the fund financial statements, the special assessments taxes levied are a lien on the property and are recorded as special assessments receivable with a corresponding amount recorded as unavailable revenue.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements as well as nonspendable fund balance in the governmental fund financial statements.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County has two items that qualify for reporting in this category. It is the deferred amount on refunding and deferred outflows for pensions and OPEB reported in the government-wide statement of net position. The deferred outflow for pensions and OPEB is also reported in the enterprise fund. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note 7 and 8 for more information on the deferred outflows for pensions and OPEB, respectively.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items, which arises under the accrual and modified accrual basis of accounting that qualify for reporting in this category. The first item, unavailable

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

revenue, is reported in the governmental activities statement of net position and the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grants and other revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available and for which they are levied. The second item, deferred inflows for pensions and OPEB, are reported on the government-wide statement of net position, as well as reported in the enterprise fund. See Notes 7 and 8 for more information on the deferred inflows for pensions and OPEB, respectively.

Capital Assets

Capital assets, which include land, building and improvements, furniture, fixtures and equipment, motor vehicles, tools and equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects when constructed.

The County's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. The estimated useful lives are:

Infrastructure	10 - 50 years
Buildings and improvements	10 - 30 years
Furniture, fixtures and office equipment	5 - 10 years
Motor vehicles	5 years
Tools and other equipment	5 - 10 years

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and sick leave balances. Under the terms of the County's personnel policy, County employees are granted vacation and sick leave in varying amounts. Vacation is earned at the rate of 4 to 8 hours per two-week pay period, depending on the employee's years of service. Sick leave is accumulated at the rate of 4 hours per two-week pay period. The maximum amount of vacation which an employee may carry forward from year to year is 240 hours, and the maximum amount of accrued sick leave for which a retiring employee with 800 or more hours accrued may be compensated is 35% of their sick leave balance. Only retiring employees are compensated for unused sick leave. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The County's pension plan is more fully described in Note 7.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

Long-Term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts and deferred charge on refunding, when material, are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed in the period when incurred or at the time of issuance.

In the governmental funds, bond proceeds, premiums and discounts are reported as other financing sources or uses in the year of issuance.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Net Position Classifications

In the government-wide and proprietary fund financial statements, equity is shown as net position and classified into three components:

Net investment in capital assets – Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The County first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

- (1) Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- (2) Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- (3) Committed – This consists of amounts which can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of County Commissioners.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

- (4) Assigned – This consists of amounts which are constrained by County management’s intent to be used for a specific purpose but are neither formally restricted by external sources nor committed by Board of County Commissioners action. The Department Heads have the authority to assign amounts for a specific purpose in this category. Likewise, the Department Heads have the authority to take necessary actions to un-assign amounts in this category.
- (5) Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund. Residual deficit amounts of nonmajor governmental funds would also be reported as unassigned.

For programs with multiple revenue sources, the County first uses restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available. For purposes of fund balance classification, expenditures are spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Pending Governmental Accounting Standards Board Statements

GASB has issued the following statements which may impact the County’s financial reporting requirements in the future:

- GASB Statement 87 – *Leases*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement 91 – *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2021.
- GASB Statement 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for reporting periods beginning after June 15, 2022
- GASB Statement 96 - *Subscription-Based Information Technology Arrangements* - effective for reporting periods beginning after June 15, 2022.

The County's management has not yet determined the effect, if any, these statements will have on a County's financial statements, although management believes that GASB Statement No. 87 may have a significant impact.

2. Cash and Investments

Applicable state statutes authorize the County to invest in (1) money market accounts or certificates of deposit in commercial banks and trust companies, (2) time certificates of deposit with state or federally chartered savings and loan associations or federally chartered savings banks, (3) repurchase agreements with commercial banks, trust companies, state or federally chartered savings and loan associations or federally chartered savings banks, (4) United States Treasury Bills or Notes, (5) temporary notes, and (6) the municipal investment pool fund (the Pool). The Pool is operated by the State Treasurer, is not an SEC registered pool and is regulated by the Pooled Money Investment Board. Noncurrent cash and short-term investments include \$83 which is held by a trustee and restricted for capital projects.

Cash and short-term investments consisted of the following at December 31, 2021:

Deposits:	
Demand deposits	\$ 283,318,824
Noncurrent investments:	
Money market funds	83
	<u>\$ 283,318,907</u>
Government-wide Statement of Net Position - Current	\$ 117,527,201
Government-wide Statement of Net Position - Noncurrent	83
Fiduciary Funds Statement of Assets and Liabilities	165,791,623
	<u>\$ 283,318,907</u>

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. The County does not have a formal policy limiting credit quality of investments. The County follows applicable State Statutes that restrict the types of investments the County may utilize. At December 31, 2021, the County's investments consisted of short-term money market funds. The money market funds were invested in direct U.S. Treasury obligations or other U.S. agency securities that were rated AAA by Standard and Poor's at year-end.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a policy for custodial credit risk. Statutes require that collateral pledged must have a fair value equal to 100% of the deposits, less insured amounts, and they must be assigned for the benefit of the County.

At December 31, 2021, the County's deposits were insured, in part, by the Federal Depository Insurance Corporation. Uninsured deposits and certificates of deposit were fully collateralized by securities held in the County's name by their financial institution's agent. The short-term money market funds are not subject to custodial credit risk. Accordingly, management has determined that none of the County's deposits or investments are exposed to custodial credit risk as of December 31, 2021.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. The County does not have a policy for interest rate risk. The County's short-term investments at December 31, 2021 consisted of money market funds with maturities of less than one year.

Concentration of Credit Risk

The County does not have a policy for concentration of credit risk. Kansas statutes indirectly prohibit such a limitation, as local banks must be given preference on each investment of idle funds. At December 31, 2021, the County's investments consisted of short-term money market funds. These money market funds are not subject to such risks.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

3. Capital Assets

A summary of changes in capital assets is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 28,096,482	\$ -	\$ 177,000	\$ 27,919,482
Construction in process	35,143,772	11,969,004	45,766,758	1,346,018
Total capital assets not being depreciated:	63,240,254	11,969,004	45,943,758	29,265,500
Capital assets being depreciated:				
Infrastructure	183,031,022	6,511,960	30,367	189,512,615
Buildings and improvements	164,527,179	40,706,973	3,413,596	201,820,556
Furniture, fixtures and office equipment	14,427,002	115,507	346,347	14,196,162
Motor vehicles	14,333,737	896,829	629,836	14,600,730
Tools and other equipment	20,517,700	543,032	564,837	20,495,895
Total capital assets being depreciated	396,836,640	48,774,301	4,984,983	440,625,958
Less accumulated depreciation for:				
Infrastructure	71,874,675	5,071,857	16,267	76,930,265
Buildings and improvements	110,563,103	5,176,027	1,852,059	113,887,071
Furniture, fixtures and office equipment	12,534,863	580,248	346,347	12,768,764
Motor vehicles	10,895,382	1,243,699	573,573	11,565,508
Tools and other equipment	17,077,147	995,316	467,875	17,604,588
Total accumulated depreciation	222,945,170	13,067,147	3,256,121	232,756,196
Total depreciable capital assets, net	173,891,470	\$ 35,707,154	\$ 1,728,862	207,869,762
Governmental, capital assets net	\$ 237,131,724			\$ 237,135,262
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 163,754	\$ -	\$ -	\$ 163,754
Furniture, fixtures and office equipment	76,561	-	-	76,561
Motor vehicles	6,985,656	650,811	370,723	7,265,744
Tools and other equipment	2,380,476	-	-	2,380,476
Total capital assets being depreciated	9,606,447	650,811	370,723	9,886,535
Less accumulated depreciation for:				
Buildings and improvements	38,217	7,463	-	45,680
Furniture, fixtures and office equipment	32,160	6,013	-	38,173
Motor vehicles	3,657,976	1,072,482	370,723	4,359,735
Tools and other equipment	2,355,059	11,274	-	2,366,333
Total accumulated depreciation	6,083,412	\$ 1,097,232	\$ 370,723	6,809,921
Business-type, capital assets net	\$ 3,523,035			\$ 3,076,614

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Depreciation expense was charged to the various functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 999,744
Public safety and judicial	2,501,065
Public works, highways and streets	5,283,526
Health, welfare and education	469,941
Cultural and recreation	<u>3,812,871</u>
Total depreciation expense for governmental activities	<u><u>\$ 13,067,147</u></u>
Business-type activities:	
Refuse	<u>\$ 1,097,232</u>
Total depreciation expense for business-type activities	<u><u>\$ 1,097,232</u></u>

4. Interfund Activity

Interfund transfers for the year ended December 31, 2021 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 1,210,135	\$ 10,583,007
Nonmajor Funds	<u>16,582,661</u>	<u>6,826,345</u>
	17,792,796	17,409,352
Enterprise Funds:		
Refuse	10,657	403,673
Internal Service Funds		
Workers' Compensation Fund	<u>9,572</u>	<u>-</u>
	<u><u>\$ 17,813,025</u></u>	<u><u>\$ 17,813,025</u></u>

Transfers are used to move unrestricted general fund and nonmajor governmental fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs; to reimburse the general fund for indirect costs and to move funds designated for employee accrued retirement benefits; fund debt service requirements; and reimbursements for capital outlay. Any transfers between governmental funds have been eliminated in the government-wide statement of activities.

Interfund receivables and payable balances as of December 31, 2021 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 701,922	\$ -
Nonmajor governmental funds, Motor Vehicle Fund		711,494
Internal service funds, Workers' Compensation Fund	<u>9,572</u>	<u>-</u>
	<u><u>\$ 711,494</u></u>	<u><u>\$ 711,494</u></u>

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Interfund receivables and payables are created as a result of 1) moving revenue and expenditures between funds and 2) allocation of revenue in accordance with County resolutions and state statutes.

5. Long-Term Liabilities

The following is a summary of long-term liabilities of the County:

	Beginning Balance	Additions	Payments/ Adjustments	Ending Balance	Due in One Year
Governmental activities					
General obligation bonds	\$ 28,465,000	\$ -	\$ 4,625,000	\$ 23,840,000	\$ 4,775,000
Unamortized premiums	2,053,404	-	335,135	1,718,269	-
Loans - direct borrowings	6,618,503	761,366	880,843	6,499,026	924,894
Certificates of participation	24,930,000	-	2,920,000	22,010,000	2,990,000
Unamortized premiums	1,184,942	-	145,076	1,039,866	-
Unamortized discounts	(45,233)	-	(7,391)	(37,842)	-
Revenue bonds	26,255,000	-	1,945,000	24,310,000	2,025,000
Unamortized premiums	1,965,297	-	191,736	1,773,561	-
Capital lease obligation	1,181,758	312,079	524,119	969,718	341,400
Compensated absences **	5,540,344	5,537,329	5,074,959	6,002,714	3,100,012
Total OPEB liability **	1,734,172	105,735	-	1,839,907	-
KPERS OPEB liability **	1,655,539	-	162,469	1,493,070	-
	<u>\$ 101,538,726</u>	<u>\$ 6,716,509</u>	<u>\$ 16,796,946</u>	<u>\$ 91,458,289</u>	<u>\$ 14,156,306</u>

** For governmental activities, compensated absences, and other post employment benefits are generally liquidated by the general fund.

Business-type activities					
Compensated absences	\$ 450,035	\$ 542,643	\$ 525,683	\$ 466,995	\$ 264,584
Total OPEB liability	158,640	10,478	-	169,118	-
KPERS OPEB liability	191,857	-	20,657	171,200	-
	<u>\$ 800,532</u>	<u>\$ 553,121</u>	<u>\$ 546,340</u>	<u>\$ 807,313</u>	<u>\$ 264,584</u>

Of the \$23,840,000 general obligation bonds, approximately \$13,930,000 is special assessment debt.

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities including those used for economic development. General obligation bonds have also been issued to refund general obligation bonds and certain loans of prior issues. General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as 20-year serial bonds, with differing amounts of principal maturing each year.

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General obligation bonds currently outstanding are as follows:

General Obligation Bonds	Interest Rates	Maturity	Amount
Series 2013	2.25-4.00%	09/01/33	640,000
Series 2015A	2.00-3.00%	09/01/28	3,025,000
Series 2015C	2.00-3.35%	09/01/35	1,100,000
Series 2016A	1.10-5.00%	09/01/30	8,040,000
Series 2016B	2.00-3.00%	09/01/26	1,060,000
Series 2016D	2.00-2.125%	09/01/29	2,105,000
Series 2018	2.00-3.80%	09/01/38	810,000
Series 2019	4.00-5.00%	09/01/26	7,060,000
			<u>\$ 23,840,000</u>

Annual debt service requirements to maturity for general obligation bonds to be paid with tax levies are as follows:

Year	Principal Due	Interest Due	Total Due
2022	\$ 4,775,000	\$ 894,688	\$ 5,669,688
2023	4,320,000	703,038	5,023,038
2024	3,210,000	511,438	3,721,438
2025	2,915,000	369,248	3,284,248
2026	2,810,000	246,958	3,056,958
2027-2031	5,120,000	417,359	5,537,359
2032-2036	555,000	77,483	632,483
2037-2040	135,000	7,432	142,432
	<u>\$ 23,840,000</u>	<u>\$ 3,227,644</u>	<u>\$ 27,067,644</u>

Loans

The County has a loan agreement with the Kansas Department of Health and Environment (KDHE) for the improvements of a sewer treatment plant. On April 27, 2020, the County entered into a loan agreement with KDHE to be used for projects to replace, rehabilitate or upgrade various capital assets of the Sherwood Regional Wastewater Treatment System. Sherwood Wastewater District fees will fund the repayment of the loan. The loan amount, not to exceed \$7,000,000, will be drawn down as project costs are incurred and carries an interest rate of 1.50%. Principal repayment of the loan starts two years after the first disbursement to the County or one year after the project is completed, whichever is first. Semi-annual payments will be due over the course of 20 years. \$761,366 was drawn down on this loan as of December 31, 2021.

During 2016, the County secured a zero interest loan from the Kansas Department of Transportation for \$8,500,000 for the replacement of the Carlson Road Bridge over the Kansas River. This loan was funded as construction costs were incurred. It will be repaid with annual payments equal to \$850,000 per year commencing in March 2018 until repaid. These payments will be paid from the JEDO sales tax that began in 2017.

In 2012, the County amended their loan agreement with the Kansas Department of Health and Environment in the amount of \$650,000 for the Kansas Water Pollution Control Revolving Fund for the Sherwood Regional collection system. This loan was for the construction of a new force main to serve the Sherwood service area. The term of the loan is 20 years.

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Purpose	Interest Rates	Maturity	Amount
Loan for Sherwood Pumping improvements	2.66%	03/01/32	\$ 398,948
Loan for Carlson Road Bridge	0.00%	03/15/27	5,100,000
Loan for Sherwood Wastewater System	1.50%	TBD	\$ 1,000,078
Total			<u>\$ 6,499,026</u>

Annual estimated debt service requirements to maturity based on the outstanding balance of KDHE and KDOT Loans at December 31, 2021 are as follows:

Year	Principal Due	Interest Due	Total Due
2022	\$ 924,894	\$ 25,242	\$ 950,136
2023	926,392	23,744	950,136
2024	927,924	22,212	950,136
2025	929,488	20,648	950,136
2026	931,086	19,049	950,135
2027-2031	1,280,661	70,019	1,350,680
2032-2036	299,880	32,516	332,396
2037-2040	278,701	11,624	290,325
	<u>\$ 6,499,026</u>	<u>\$ 225,054</u>	<u>\$ 6,724,080</u>

Certificates of Participation

The 2012 certificates were issued to fund the First Responders Project, acquisition of property and the Expo Centre Safety Rigging Project. The County issued certificates of participation in 2014 to refund portions of the Series 2007A and Series 2007C certificates of participation. The 2015 certificates were issued to fund improvements for corrections facilities, parks and recreations facilities and County infrastructure. The County issued certificates of participation in 2017 to refund portions of the Series 2012 certificates of participation. Projects that are financed by certificates of participations serve as collateral for the debt.

Certificates of participation currently outstanding are as follows:

Certificates of Participation	Interest Rates	Maturity	Amount
Series 2012	2.00-3.12%	09/01/27	\$ 3,215,000
Series 2014A	3.00%	09/01/22	355,000
Series 2014B	2.00-3.00%	09/01/23	1,815,000
Series 2015	2.00-5.00%	09/01/35	13,270,000
Series 2017	1.10-3.00%	09/01/26	3,355,000
			<u>\$ 22,010,000</u>

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Annual estimated debt service requirements to maturity based on the outstanding balance of Certificates of Participation at December 31, 2021 are as follows:

Year	Principal Due	Interest Due	Total Due
2022	\$ 2,990,000	\$ 761,744	\$ 3,751,744
2023	2,730,000	668,675	3,398,675
2024	1,865,000	583,219	2,448,219
2025	1,935,000	511,469	2,446,469
2026	2,005,000	436,819	2,441,819
2027-2031	5,955,000	1,438,375	7,393,375
2032-2035	4,530,000	417,087	4,947,087
	<u>\$ 22,010,000</u>	<u>\$ 4,817,388</u>	<u>\$ 26,827,388</u>

Revenue Bonds

The Shawnee County Kansas Public Building Commission issued revenue bonds in 2018 to finance a renovation to the Kansas Expocentre in the amount of \$29,925,000. The debt service for the Expocentre renovation will be paid by the County-wide ½ cent sales tax.

Annual debt service requirements to maturity for revenue bonds to be paid with pledged sales tax revenue are as follows:

Year	Principal Due	Interest Due	Total Due
2022	\$ 2,025,000	\$ 972,400	\$ 2,997,400
2023	2,105,000	891,400	2,996,400
2024	2,190,000	807,200	2,997,200
2025	2,280,000	719,600	2,999,600
2026	2,370,000	628,400	2,998,400
2027-2031	13,340,000	1,642,400	14,982,400
	<u>\$ 24,310,000</u>	<u>\$ 5,661,400</u>	<u>\$ 29,971,400</u>

The County has pledged future sales tax revenue relating to the Public Building Commission bonds. The pledged revenue at December 31, 2021 are as follows:

Date Issued	Description	Revenue Pledged	Amount of Revenue Pledged	Purpose of Debt	Terms of Commitment	% of Revenue Pledged	P & I for 2021	Revenue Recognized in 2021
2018	Revenue Bonds	Sales Tax	\$ 2,995,200	Facility Renovation	through 2033	35%-45%	\$ 2,995,200	\$ 9,313,402

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Capital-Lease

The County has entered into capital lease agreements for vehicles and equipment. The gross amount of capital assets under the capital leases were \$2,104,231. Amortization of capital assets acquired under capital leases is included with depreciation expense in the government wide financial statements. The assets purchased under a capital lease serve as the collateral for the debt. The future minimum lease payments are as follows:

2022	\$ 406,563
2023	354,895
2024	212,256
2025	161,603
2026	10,946
	<hr/> 1,146,263
Less amounts representing interest	(176,545)
Present value of minimum lease payments	<hr/> <u>\$ 969,718</u>

Capitalized lease assets as of December 31, 2021 are as follows:

Equipment	\$ 2,104,231
Accumulated Depreciation	(1,270,147)
Total	<hr/> <u>\$ 834,084</u>

Bond Indebtedness

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the County to not more than 3% of the assessed value as adjusted by Kansas statute of all tangible property within such county, as certified to the County Clerk on the preceding August 25. For purposes of calculating the legal debt margin of the County, the following types of bonds are excluded from the total indebtedness of the County: (a) bonds issued for the purpose of refunding outstanding debt including bonds and matured coupons thereof, or judgments thereon; and (b) bonds issued to finance the purchase of land and certain improvements, and furnishing and equipping of the Shawnee County jail.

At December 31, 2021, based on the assessed valuation of \$1,836,617,452 the general obligation limit was \$55,098,524. After reduction for outstanding eligible general obligation bonds and notes, the County's net bonded indebtedness totaled \$1,060,000 providing a general obligation debt margin of \$54,038,524.

Conduit Debt

The County has issued industrial revenue bonds to finance the purchase of land and construction facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The bonds and related interest are payable solely from lessee rentals and do not constitute general liabilities of the County.

The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the lease annually at nominal amounts. Industrial revenue bonds at December 31, 2021 totaled \$187,152,265.

The County has issued single family mortgage revenue bonds to finance the mortgage loans of first-time homeowners meeting certain income and purchase price requirements. The bonds are payable solely from the homeowner and do not constitute general liabilities of the County. Single family mortgage revenue bonds outstanding at December 31, 2021 totaled \$9,921.

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6. Joint Economic Development Organization (JEDO)

The County and the City of Topeka, Kansas (the City) entered into an interlocal agreement in November 2001 to create JEDO, a separate legal entity governed by a seven member board consisting of three County Commissioners, the City Mayor, Deputy Mayor and two City Council members. On August 3, 2004, County voters passed a one-half percent sales tax to finance economic development and countywide infrastructure development. In connection with the passage of the countywide sales tax, the County and City entered into a new interlocal agreement which rescinded the 2001 agreement. The sales tax went into effect January 1, 2005 and expired on December 31, 2016.

On April 19, 2016, the City of Topeka and Shawnee County entered into a new interlocal agreement related to the renewal of the countywide one-half percent sales tax commencing January 1, 2017 and set to expire on December 31, 2031. From the proceeds of the countywide one-half percent sales taxes, the agreement calls for JEDO to dedicate \$5,000,000 annually for the purpose of supporting economic development priorities as established by the JEDO Board. After the initial \$5,000,000 has been reserved, JEDO funds will be distributed to the County and City to complete the improvements and projects as set forth on the November 4, 2014 ballot. The distributions will be at 52% and 48% to the County and City, respectively.

For the year ended December 31, 2021, the County's sales tax revenue totaled \$9,313,402. At December 31, 2021, the County was due \$1,707,898 from the State of Kansas and \$822,608 from JEDO, which is reported as due from other governments in the Sales Tax Fund. At December 31, 2021, the County owed GO Topeka \$235,325 for economic development from the 2021 sales tax, which is reported as Due to other governments.

For the year ended December 31, 2021, the County used their portion of this sales tax for economic development through GO Topeka; transferred funds to the County Bridge Project Fund, a nonmajor capital project fund, for capital bridge projects; and expenditures for the renovation of the Expocentre in accordance with the interlocal agreement.

The audited financial statements of JEDO can be obtained from the City of Topeka, City Clerk's office, or the Shawnee County Clerk's office.

7. Employees' Retirement System

Plan Descriptions - Shawnee 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 provides retirement benefits, life insurance, disability income benefits and death benefits to the following statewide pension groups under one plan, as provided by K.S.A. 774, article 49:

- Public Employees
 - State/School employees
 - Local employees
- Police and Firemen (KP&F)
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once selected.

KPERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803), by calling 1-888-275-5737 or by visiting the KPERS website at www.kpers.org.

Benefits Provided – KPERS provides benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees (except police and fireman) with ten or more years of credited service, may retire as early as age 55 (police and fireman may be age 50 with 20 years of credited service), with an actuarially reduced

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monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 (police and fireman's normal retirement ages are age 60 with 15 years of credited service, age 66 with 20 years, age 60 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2016, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 30 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions – K.S.A. 74-4919 and K.S.A. 74-4920 establish the KPERS member-employee contributions 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, 2016. Effective January 1, 2016, 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. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for KPERS and 22.80% for KP&F for the fiscal year ended December 31, 2021. Contributions to the pension plan from the County were \$4,123,115 for KPERS and \$1,880,975 for KP&F for the year ended December 31, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The County participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2021, the County reported a liability of \$26,727,153 for KPERS and \$13,809,148 for KP&F for its proportionate share of the KPERS' collective net pension liability. This net pension liability is generally liquidated by the General Fund. The collective net pension liability was measured by KPERS as of June 30, 2021, and the total pension liability used to calculate the collective net pension liability was determined

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by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The County's proportion of the collective net pension liability was based on the ratio of the County's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2021. The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

At June 30, 2021, the County's proportion and change from its proportion measured as of June 30, 2020 were as follows:

	Net pension liability as of December 31, 2021	Proportion as of June 30, 2021	Change in proportion from June 30, 2020
KPERS (local)	\$ 26,727,153	2.227%	0.034%
KP&F	13,809,148	1.447%	-0.008%
	<u>\$ 40,536,301</u>		

For the year ended December 31, 2021, the County recognized pension expense of \$2,196,451 for KPERS and \$2,420,581 for KP&F. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,144,627	\$ 242,003
Net difference between projected and actual earnings on pension plan investments	-	13,113,587
Changes in proportionate share	2,605,297	1,165,606
Changes in assumptions	7,017,815	-
County contributions subsequent to measurement date	2,933,901	-
Total	<u>\$ 14,701,640</u>	<u>\$ 14,521,196</u>

The \$2,933,901 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as pension expense for the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

	KPERS Deferred (Inflow)/Outflow of Resources
Year ended December 31,	
2022	\$ 75,321
2023	433,047
2024	(580,671)
2025	(2,959,089)
2026	277,935
Total	<u>\$ (2,753,457)</u>

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Deferred outflows and inflows of resources related to the difference between expected and actual plan experience, changes in proportionate share and changes in assumptions are being amortized over a closed period equal to the average of the expected service lives of all employees at the beginning of each measurement period. Deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments is being amortized over a close five-year period.

Actuarial assumptions. The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Inflation	2.75 percent
Salary increase	3.50 to 12.00 percent, including price inflation
Investment rate of return	7.25 percent compounded annually, net of investment expense, and including price inflation

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted for the period of January 1, 2016 through December 31, 2018.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Alternatives	8.00%	9.50%
Real Estate	11.00%	4.45%
Yield Driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Short-term investments	4.00%	0.25%
Total	100.00%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate was based on member and employers contributions as outlined below.

In KPERS, the Local employer does not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2021 was 1.2 percent.

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In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group.

Based on employer contribution history, it is a reasonable estimate that the State/School group contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

Sensitivity of the County's proportionate share of the collective net pension liability to changes in the discount rate. The following table presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the County's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
County's KPERS proportionate share of the net pension liability	\$ 43,963,571	\$ 26,727,153	\$ 12,272,232
County's KP&F proportionate share of the net pension liability	20,726,210	13,809,148	8,023,024
	<u>\$ 64,689,781</u>	<u>\$ 40,536,301</u>	<u>\$ 20,295,256</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
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8. Other Postemployment Benefits

In addition to providing pension benefits, the County provides postemployment health care benefits through two plans described below.

SHAWNEE COUNTY OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan description: The County offers postemployment health and dental insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the County. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement. Eligibility is based on the retirement provisions of the Kansas Public Employees Retirement System for civilian employees and the Kansas Police and Firefighters Retirement System for police and firefighters. Spouses may continue benefits for up to 36 months after a retiree's death. The plan does not issue a stand-alone financial report.

Contributions: The County required retirees to pay 125% of the premiums charged to active participants. The rates being paid by retirees for benefits are typically lower than those if they had been rated as a separate group. The difference between these amounts is the implicit rate subsidy, which is considered other postemployment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 75 (GASB Statement 75).

Employees covered by benefit terms: At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	14
Active employees	812
	<u>826</u>

Total OPEB Liability: The County's total OPEB liability of \$2,009,025 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2021.

Actuarial methods and assumptions: The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

The major assumptions and methods used in this valuation are as follows:

Valuation Date	December 31, 2019
Measurement Date	December 31, 2021
Reporting Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Medical Care Trend	6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter
Discount Rate*	2.00% (based upon all years of projected payments discounted at the municipal bond rate of 2.00%) 2.25% - preceeding measurement date

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
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Municipal Bond Rate Source	Bond Buyer 20-Bond GO Index
Actuary Assumptions	Based on an experience study conducted in 2020 using Kansas Public Employees Retirement System (KPERs) experience from 2016 - 2018
Mortality Assumptions	RP 2014 Mortality Tables adjusted for future mortality improvements using the MP-2016 fully generated improvement scale

*Implicit in this rate is an assumed rate of inflation of 2.00%

Changes in the Total OPEB Liability

Balance as of December 31, 2020	\$ 1,892,812
Changes for the year:	
Service cost	135,512
Interest	42,812
Changes in assumptions or other inputs	53,498
Contributions and payments made	(115,609)
Net changes	116,213
Balance as of December 31, 2021	<u>\$ 2,009,025</u>

Changes in assumptions: The discount rate was changed from 2.25% at the beginning of the year to 2.00% at the end of the year.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the County, as well as what the County's approximate total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00 percent) or 1 percentage point higher (3.00 percent) than the current discount rate:

	1% Decrease 1.00%	Discount Rate 2.00%	1% Increase 3.00%
Total OPEB liability	\$ 2,237,686	\$ 2,009,025	\$ 1,803,461

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.50 percent decreasing to 4.00 percent) or 1 percentage point higher (7.50 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (5.50% Decreasing to 4.00%)	Health Care Cost Trend Rates (6.50% Decreasing to 5.00%)	1% Increase (7.50% Decreasing to 6.00%)
Total OPEB liability	\$ 1,722,906	\$ 2,009,025	\$ 2,355,498

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

OPEB Expense and deferred outflows and inflows of resources related to OPEB: For the year ended December 31, 2021, the County recognized OPEB expense of \$ (159,550). At December 31, 2021, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (858,352)
Changes of assumptions or other inputs	278,258	(1,412,307)
	<u>\$ 278,258</u>	<u>\$ (2,270,659)</u>

Amounts reported as the deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Years ending December 31:	
2022	\$ (337,874)
2023	(337,874)
2024	(337,874)
2025	(337,874)
2026	(337,874)
Thereafter	(303,031)
	<u>\$ (1,992,401)</u>

KPERS OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

Shawnee County participates in a single employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

SHAWNEE COUNTY, KANSAS
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The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Covered Employees

Shawnee County has the following employees covered by the Plan as of June 30, 2021:

Inactive employees or beneficiaries currently receiving benefits	13
Active employees	759
	<u>772</u>

Total OPEB Liability

Shawnee County's total OPEB liability of \$1,664,270 was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021 as the measurement date, using the following actuarial assumptions:

Discount rate (based on the Bond Buyer General Obligation 20-Bond Municipal Index)	2.16% - measurement date 2.21% - preceeding measurement date
Valuation date	December 31, 2020
Measurement date	June 30, 2021
Inflation	2.75%
Payroll growth	3.00%
Actuarial cost method	Entry age normal

Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using Scale MP-2021. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using Scale MP-2021.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 - December 31, 2018. Where consistent with the terms of the plan, actuarial assumptions affecting active employee liabilities have utilized the assumptions for KPERS as provided in the December 31, 2020 Actuarial Valuation reports for the pension plan.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
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Changes in Total OPEB Liability

Balance as of December 31, 2020	\$ 1,847,396
Changes for the year:	
Service cost	155,882
Interest	42,256
Effects of economic/demographic gains or losses	(200,943)
Changes in assumptions or other inputs	3,112
Contributions and payments made	(183,433)
Net changes	(183,126)
Balance as of December 31, 2021	<u>\$ 1,664,270</u>

Changes in Assumptions

The discount rate was changed for 2.21% at the beginning of the year to 2.16% at the end of the year.

Sensitivity Analysis to Changes in the Discount Rate

The following presents Shawnee County's total OPEB liability calculated using the discount rate of 2.16%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current rate:

	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	\$ 1,723,791	\$ 1,664,270	\$ 1,600,258

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates: The health care cost trend rates do not affect liabilities related to the long-term disability benefits sponsored by KPERS.

OPEB Expense

For the year ended December 31, 2021, Shawnee County recognized OPEB expense of \$176,922, which includes the changes in the total OPEB liability, and the amortization of deferred outflows and inflows of resources for the current period.

Deferred Outflows and Inflows of Resources

At December 31, 2021, Shawnee County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 227,091	\$ (412,794)
Changes of assumptions or other inputs	110,228	(36,296)
	<u>\$ 337,319</u>	<u>\$ (449,090)</u>

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Years ending December 31:	
2022	\$ (21,216)
2023	(21,216)
2024	(21,216)
2025	(21,216)
2026	(19,510)
Thereafter	(7,397)
	<u>\$ (111,771)</u>

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

9. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disaster; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to employee health benefits and workers' compensation claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

Self-Insurance Funds - The County has established internal service funds for self-insured workers' compensation and health and dental insurance. The workers' compensation program began in December 1986 and the health and dental insurance program began in January 1998 for all County employees. Funds are accumulated for payment of claims and insurance premiums through charges to the County funds. Currently, the County is funding the Workers' Compensation Reserve Fund with annual contributions from other funds based on an analysis of funding requirements for the reserve based on historical costs and expected future claims. The Health Insurance Administration Fund is funded with contributions made during each payroll period from the employer and the employees. The rates are based on past historical costs for individual and family coverage and expected future claims. Each plan is administered by a third party, which accumulates claims. The County has purchased a specific excess insurance policy that covers all individual workers' compensation claims in excess of \$500,000 per occurrence. The State of Kansas places statutory limits on benefits for death resulting from injury to \$300,000, and maximum benefits resulting in permanent total disability and temporary disability to \$155,000 and \$130,000, respectively, per claim and with an unlimited amount for medical expenses. The County has purchased an excess insurance policy for health insurance with a \$275,000 stop loss limit per individual and a 115 percent stop loss limit in aggregate health insurance. The annual maximum amount for dental insurance the County is responsible for is \$1,500 per individual. Any expenses incurred above the maximums were reimbursed by the insurance companies.

General Liability - The County is also self-insured for general liability claims. All liability claims are reviewed and challenged if appropriate, by the County Councilor's office. Kansas statutes limit the liability in tort cases to \$500,000. There were no general liability claims paid during 2021.

The changes in health and dental insurance, workers' compensation and general liability claims payable for the years ended December 31, 2021 and 2020 are as follows:

	Health and Dental	Workers' Compensation	General Liability
Claims payable, December 31, 2019	\$ 782,622	\$ 3,032,913	\$ -
Claims and changes in estimates	9,720,553	3,856,549	-
Claim payments	(9,683,450)	(3,323,619)	-
Claims payable, December 31, 2020	819,725	3,565,843	-
Claims and changes in estimates	10,527,586	58,954	-
Claim payments	(10,507,826)	(1,000,911)	-
Claims payable, December 31, 2021	<u>\$ 839,485</u>	<u>\$ 2,623,886</u>	<u>\$ -</u>

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

10. Commitments and Contingencies

Leases

The County rents various equipment and software licensing under operating leases. Rent expenditures for the year ended December 31, 2021 were \$256,063. As of December 31, 2021, minimum future payments required under these agreements for subsequent fiscal years are as follows:

2022	\$ 140,622
	<u>\$ 140,622</u>

Federal Assistance

The County and its related entities have received significant financial assistance from various federal agencies in the form of grants and entitlements. Under the Single Audit Act, the purpose of which is to ensure compliance with terms and conditions specified in grant or other agreements, these programs are subject to audit by agents of the granting authority, and/or by independent public accountants. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the County.

Litigation

There are a number of claims and/or lawsuits to which the County is a party as a result of certain law enforcement activities, appraisals, injuries and various other matters and complaints arising in the ordinary course of County activities. The County management and legal counsel anticipate that other potential claims against the County including total disability and appraisal claims not covered by insurance, if any, resulting from such matters, would not materially affect the financial position of the County.

Encumbrances

Outstanding encumbrances at December 31, 2021 were as follows: General Fund \$- and other governmental funds \$3,242,089.

Contingencies

On March 7, 2020, the Kansas Department of Health & Environment confirmed the first case of novel coronavirus (COVID-19) in the state of Kansas. The World Health Organization declared a global pandemic on March 11, 2020. On March 12, 2020, the governor of Kansas declared a state emergency for COVID-19. The President of the United States declared that a major disaster existed in the State of Kansas due to COVID-19 on March 29, 2020. Shawnee County issued a Safer at Home order on March 24, 2020 which ended on May 3, 2020. Non-essential businesses were required to close during this order. High unemployment and the loss of business income has had a negative effect on the Shawnee County economy. On May 1, 2020, Shawnee County issued a plan to re-open businesses in a phased approach. The State Emergency Order expired in June 2021. It is unknown how long the economy will be negatively impacted by the coronavirus and what the complete financial impact will be on Shawnee County.

The State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act, was signed into law by President Biden on March 11, 2021. The bill includes \$65.1 billion in direct aid to every county in America. The U.S. Department of the Treasury will oversee and administer these payments to state and local governments. Every county will be eligible to receive a direct allocation from Treasury. Counties will receive their allocation in two tranches of 50 percent each. The U.S. Treasury is required to pay the first tranche to counties no later than 60 days after enactment. The remaining 50 percent will be paid no earlier than 12 months from the first payments. The U.S. Department of Treasury has determined the amount of Shawnee County's allocation as \$34,355,895. The first half of these funds, \$17,177,947, was received in 2021. The second half of these funds is scheduled to be received in mid-2022.

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

11. Health Clinic Operations

The Shawnee County Community Health Center was closed on June 30, 2016. The operations of this Federally Qualified Health Clinic was assumed by GraceMed Health Clinic, Inc. on July 1, 2016. In 2015, the County notified the Health Resources and Services Administration (HRSA) of their intent to relinquish the Health Center's federal grant funds and enable another entity to assume operations of the health center. The local health department remains in the Health Department Fund.

The County committed to tax allocation payments to GraceMed for five calendar years, offset by \$375,000 annual payments due from GraceMed to the County for transfer of real property. The County transferred title to the health clinic property on California Avenue in 2021. The County made tax allocation payments to GraceMed totaling \$200,000 during 2021.

As of December 31, 2021, no future payments were owed from the County to GraceMed.

12. Tax Abatements

Shawnee County enters into property tax abatement agreements with local businesses for the purpose of economic development within the County. These agreements are issued under Section 13 of Article 11 of the Kansas Constitution, which specifies that the property for which the exemption is granted will be used for manufacturing articles of commerce, conducting research and development or storing goods or commodities which are sold or traded in interstate commerce. The exemption may be granted for a maximum of ten years. The County's Statement of Policy and Procedure for Tax Exemptions and Incentives for Economic Development, Shawnee County Home Rule Resolution No. HR-2002-9, governs the issuance of tax exemptions with the County and dictates the procedures as follows: 1. The applicant shall apply for a tax exemption by filing a written application, 2. The County shall determine whether the requested tax exemption may be lawfully granted and should be granted, 3. The amount of the tax incentive will then be determined in accordance with the policy. The amount of County tax payments abated during 2021 was \$3,440,974.

The City of Topeka has established a Neighborhood Revitalization Program (NRP) which provides tax rebates to property owners making improvements that raise the appraised value of residential property and commercial property by 10% and 20% respectively. The program is intended to promote the revitalization of the City's intensive care, at-risk neighborhoods, historic properties and downtown by creating an incentive for the rehabilitation, conservation and redevelopment of these areas. A property tax rebate may be given based on the incremental increase in appraised value resulting from improvements made to a property in the targeted areas. These rebates are for a period of 10 years. The NRPs are authorized under City policy and Kansas Statute K.S.A. 12-117. The rebates are paid after the property taxes have been received. Therefore, no provision is necessary for recapturing taxes. The County's share of the rebates in 2021 was \$965,692.

Shawnee County, Kansas
Required Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Taxes:				
Property	\$ 83,205,803	\$ 83,205,803	\$ 83,629,028	\$ 423,225
Motor vehicle	10,089,192	10,089,192	10,679,307	590,115
Franchise	300,000	300,000	369,573	69,573
Intergovernmental	3,880,000	3,880,000	3,538,177	(341,823)
Charges for services	2,467,000	2,467,000	2,281,564	(185,436)
License, fines, fees and permits	1,526,655	1,526,655	2,728,742	1,202,087
Interest income	1,000,000	1,000,000	261,780	(738,220)
Special assessments	3,430,000	3,430,000	3,423,352	(6,648)
Other	2,431,186	2,431,186	2,547,854	116,668
Total revenues	<u>108,329,836</u>	<u>108,329,836</u>	<u>109,459,377</u>	<u>1,129,541</u>
Expenditures:				
Current:				
General government	13,201,802	13,276,082	12,281,689	994,393
Public safety and judicial	53,780,668	56,499,045	53,739,817	2,759,228
Public works, highways and streets	9,211,161	9,259,154	5,898,796	3,360,358
Health, welfare and education	5,970,453	5,970,453	5,819,951	150,502
Culture and recreation	15,435,903	15,518,587	14,987,487	531,100
Debt service:				
Principal retirement	6,915,000	6,915,000	6,782,178	132,822
Interest and fiscal charges	1,807,652	1,807,652	1,822,344	(14,692)
Capital outlay	-	-	94,823	(94,823)
Total expenditures	<u>106,322,639</u>	<u>109,245,973</u>	<u>101,427,085</u>	<u>7,818,888</u>
Excess of revenues over (under) expenditures	<u>2,007,197</u>	<u>(916,137)</u>	<u>8,032,292</u>	<u>8,948,429</u>
Other financing sources (uses)				
Issuance of capital leases	-	-	200,778	200,778
Proceeds from sale of capital assets	-	-	142,649	142,649
Transfers in	950,000	950,000	1,210,135	260,135
Transfers out	(5,457,197)	(5,457,197)	(11,098,231)	(5,641,034)
Total other financing sources (uses)	<u>(4,507,197)</u>	<u>(4,507,197)</u>	<u>(9,544,669)</u>	<u>(5,037,472)</u>
Net change in fund balances	<u>\$ (2,500,000)</u>	<u>\$ (5,423,334)</u>	<u>(1,512,377)</u>	<u>\$ 3,910,957</u>
Fund Balance - Beginning of Year - Budget Basis			<u>34,402,347</u>	
Fund Balance - End of Year - Budget Basis			32,889,970	
Current Year Encumbrances			1,546,911	
Fund Balance - End of Year - GAAP Basis			<u>\$ 34,436,881</u>	
Net change			(1,512,377)	
Encumbrances - beg of yr			(1,124,011)	
Encumbrances - end of yr			1,546,911	
Net change - GAAP			<u>\$ (1,089,477)</u>	

SHAWNEE COUNTY, KANSAS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2021

Budgetary Data

The County Commission adopted annual operating budgets for the General Fund. Other funds were not budgeted as these funds are not required by Kansas Statute to have an adopted budget. The County's budget is adopted using the cash basis of accounting. Revisions to the budget can be made by the Commission. Legally, expenditures may not exceed the total amount of budgeted expenditures, as revised, in each fund. All annual appropriations lapse at year-end if not encumbered.

The County followed these procedures in establishing the budgetary data reflected in the financial statements, beginning in the prior year.

1. In early April, budget request worksheets were sent to each department.
2. By mid-June, departmental budget requests for the next year were submitted to the Audit Finance Department for review and compilation.
3. During July, budget hearings were held between the County Commission and each department to discuss the department's budget request.
4. In early August, a public hearing was held to receive public input on the budget for the next year.
5. During August, the County Commission had budget discussions during the regularly scheduled Commission meeting.
6. By Kansas Statute, the Board of County Commissioners had to adopt a budget for the following year by August 25.

SHAWNEE COUNTY, KANSAS
Required Supplementary Information
December 31, 2021

Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014	2013
County's proportion of the collective net pension liability:									
KPERS (local group)	2.227%	2.193%	2.220%	2.215%	2.254%	2.250%	2.294%	2.343%	2.399%
KP&F (police & fireman)	1.447%	1.455%	1.400%	0.872%	1.270%	1.167%	1.218%	1.289%	1.285%
County's proportionate share of the collective net pension liability	\$ 40,536,301	\$ 55,972,457	\$ 45,188,720	\$ 39,258,043	\$ 44,554,619	\$ 45,642,895	\$ 38,958,237	\$ 37,297,921	\$ 46,964,254
County's covered payroll (A)	\$ 54,393,884	\$ 52,140,062	\$ 51,277,217	\$ 49,138,962	\$ 48,548,945	\$ 44,286,270	\$ 43,019,027	\$ 43,900,404	\$ 43,744,125
County's proportionate share of the collective net pension liability as a percentage of its covered payroll	74.52%	107.35%	88.13%	79.89%	91.77%	103.06%	90.56%	84.96%	107.36%
Plan fiduciary net position as a percentage of the total pension liability	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%

GASB 68 requires presentation of ten years. As of December 31, 2021, only nine years of information is available.

(A) Covered payroll is measured as of the measurement date ending June 30.

Schedule of County's Contributions
Kansas Public Employees Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 5,565,812	\$ 5,385,584	\$ 5,128,319	\$ 4,207,038	\$ 4,777,116	\$ 4,757,766	\$ 5,097,307	\$ 4,589,518	\$ 4,169,453
Contributions in relation to the contractually required contribution	\$ 5,565,812	\$ 5,385,584	\$ 5,128,319	\$ 4,207,038	\$ 4,777,116	\$ 4,757,766	\$ 5,097,307	\$ 4,589,518	\$ 4,169,453
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll (B)	\$ 55,359,219	\$ 52,433,010	\$ 52,235,119	\$ 50,112,815	\$ 48,644,276	\$ 45,351,794	\$ 43,514,314	\$ 42,924,106	\$ 44,190,470
Contributions as a percentage of covered payroll	10.05%	10.27%	9.82%	8.40%	9.82%	10.49%	11.71%	10.69%	9.44%

GASB 68 requires presentation of ten years. As of December 31, 2021, only nine years of information is available.

(B) Covered payroll is measured as of the fiscal year end December 31.

Changes in benefit terms for KPERS. In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increased to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retiring after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

Shawnee County, Kansas

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios - County Plan

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 135,512	\$ 227,835	\$ 220,642	\$ 241,079
Interest	42,812	125,894	171,508	143,734
Changes in assumptions or other inputs	53,498	(1,695,397)	347,172	(253,368)
Differences between expected and actual experience	-	(432,121)	(801,393)	-
Benefit payments	(115,609)	(162,531)	(120,981)	(112,020)
Net change in total OPEB liability	116,213	(1,936,320)	(183,052)	19,425
Total OPEB liability—beginning	1,892,812	3,829,132	4,012,184	3,992,759
Total OPEB liability—ending	<u>\$ 2,009,025</u>	<u>\$ 1,892,812</u>	<u>\$ 3,829,132</u>	<u>\$ 4,012,184</u>
Covered payroll	50,411,039	44,258,881	43,679,093	42,527,121
Total OPEB liability as a percentage of covered payroll	3.99%	4.28%	8.77%	9.43%

Notes to schedule:

2021 Changes of assumptions: The discount rate was changed from 2.25% at the beginning of the year to 2.00% at the end of the year.

2020 Changes of assumptions: The discount rate was changed from 3.26% at the beginning of the year to 2.25% at the end of the year. The mortality table was changed to RP 2014 from Pub-2010 in the prior year.

2019 Changes of assumptions: The discount rate was changed from 4.11% at the beginning of the year to 3.26% at the end of the year.

2018 Changes of assumption: The discount rate was changed from 3.44% at the beginning of the year to 4.11% at the end of the year.

2018 was the County's first year implementing GASB Statement No. 75 for the OPEB liability. This schedule will become a 10-year schedule, as information becomes available, in accordance with GASB Statement No. 75 requirements.

Shawnee County, Kansas

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios - KPERS Plan

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 155,882	\$ 135,867	\$ 127,632	\$ 127,021
Interest	42,256	51,920	62,171	61,025
Effect of economic/demographic gains or losses	(200,943)	284,655	(201,837)	(157,048)
Changes of assumptions	3,112	115,836	21,706	(19,377)
Benefit payments	(183,433)	(175,404)	(106,983)	(113,770)
Net change in total OPEB liability	(183,126)	412,874	(97,311)	(102,149)
Total OPEB liability—beginning	1,847,396	1,434,522	1,531,833	1,633,982
Total OPEB liability—ending	<u>\$ 1,664,270</u>	<u>\$ 1,847,396</u>	<u>\$ 1,434,522</u>	<u>\$ 1,531,833</u>
Covered payroll	39,082,710	38,062,345	37,858,329	37,129,364
Total OPEB liability as a percentage of covered payroll	4.26%	4.85%	3.79%	4.13%

Notes to schedule:

2021 Changes of assumptions: The discount rate was changed from 2.21% at the beginning of the year to 2.16% at the end of the year.

2020 Changes of assumptions: The discount rate was changed from 3.50% at the beginning of the year to 2.21% at the end of the year.

2019 Changes of assumptions: The discount rate was changed from 3.87% at the beginning of the year to 3.50% at the end of the year.

2018 Changes of assumptions: The discount rate was changed from 3.58% at the beginning of the year to 3.87% at the end of year.

2018 was the County's first year implementing GASB Statement No. 75 for the OPEB liability. This schedule will become a 10-year schedule, as information becomes available, in accordance with GASB Statement No. 75 requirements.

Shawnee County, Kansas
Combining Balance Sheet - General Fund
December 31, 2021

	General Fund	Special Parks & Rec	Employee Retirement	Westlawn	Total General Fund
Assets					
Cash and short-term investments	\$ 36,538,611	\$ 875,408	\$ 3,965,816	\$ 69,203	\$ 41,449,038
Taxes receivable, net	90,990,024	-	-	-	90,990,024
Accounts receivable, net	380,737	28,182	-	-	408,919
Interest receivable	21,225	-	-	-	21,225
Due from other governments	9,793	-	-	-	9,793
Due from other funds	701,922	-	-	-	701,922
Prepays	1,118,292	152	-	-	1,118,444
Special assessments receivable, net	15,108,304	-	-	-	15,108,304
Total assets	<u>\$ 144,868,908</u>	<u>\$ 903,742</u>	<u>\$ 3,965,816</u>	<u>\$ 69,203</u>	<u>\$ 149,807,669</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable	\$ 1,865,559	\$ 32,144	\$ -	\$ 1,545	\$ 1,899,248
Accrued expenditures	2,750,234	20,870	-	240	2,771,344
Unearned revenues	151,276	4,522	-	-	155,798
Total liabilities	<u>4,767,069</u>	<u>57,536</u>	<u>-</u>	<u>1,785</u>	<u>4,826,390</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	90,501,828	-	-	-	90,501,828
Unavailable revenue - special assessments	15,108,304	-	-	-	15,108,304
Unavailable revenue - other	54,826	-	-	-	54,826
Total deferred inflows of resources	<u>105,664,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,664,958</u>
Fund balances					
Nonspendable:					
Prepaid items	1,118,292	152	-	-	1,118,444
Committed:					
General government	3,910,957	-	-	-	3,910,957
Assigned:					
General government	-	-	3,965,816	-	3,965,816
Culture and recreation	-	846,054	-	-	846,054
Other purposes	-	-	-	67,418	67,418
Unassigned:	29,407,632	-	-	-	29,407,632
	<u>34,436,881</u>	<u>846,206</u>	<u>3,965,816</u>	<u>67,418</u>	<u>39,316,321</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 144,868,908</u>	<u>\$ 903,742</u>	<u>\$ 3,965,816</u>	<u>\$ 69,203</u>	<u>\$ 149,807,669</u>

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the Year Ended December 31, 2021

	General Fund	Special Parks & Rec	Employee Retirement	Westlawn Cemetery	Eliminations	Total General Fund
Revenues:						
Taxes:						
Property	\$ 83,629,028	\$ -	\$ -	\$ -	\$ -	\$ 83,629,028
Motor vehicle	10,679,307	-	-	-	-	10,679,307
Franchise	369,573	-	-	-	-	369,573
Intergovernmental	3,538,177	-	-	-	-	3,538,177
Charges for services	2,281,564	2,376,534	-	58,030	-	4,716,128
License, fines, fees and permits	2,728,742	-	-	-	-	2,728,742
Interest income	261,780	-	-	-	-	261,780
Special assessments	3,423,352	-	-	-	-	3,423,352
Other	2,547,854	7,297	-	-	-	2,555,151
Total revenues	<u>109,459,377</u>	<u>2,383,831</u>	<u>-</u>	<u>58,030</u>	<u>-</u>	<u>111,901,238</u>
Expenditures:						
Current:						
General government	12,241,325	-	275,052	55,375	-	12,571,752
Public safety and judicial	53,511,902	-	-	-	-	53,511,902
Public works, highways and streets	5,888,960	-	-	-	-	5,888,960
Health, welfare and education	5,807,300	-	-	-	-	5,807,300
Culture and recreation	14,855,353	1,877,324	-	-	-	16,732,677
Debt service:						
Principal retirement	6,782,178	75,597	-	-	-	6,857,775
Interest and fiscal charges	1,822,344	7,249	-	-	-	1,829,593
Capital outlay	94,823	96,770	-	-	-	191,593
Total expenditures	<u>101,004,185</u>	<u>2,056,940</u>	<u>275,052</u>	<u>55,375</u>	<u>-</u>	<u>103,391,552</u>
Excess of revenues over (under) expenditures	<u>8,455,192</u>	<u>326,891</u>	<u>(275,052)</u>	<u>2,655</u>	<u>-</u>	<u>8,509,686</u>
Other financing sources (uses):						
Issuance of capital leases	200,778	-	-	-	-	200,778
Proceeds from sale of capital assets	142,649	-	-	-	-	142,649
Transfers in	1,210,135	-	545,224	-	(545,224)	1,210,135
Transfers out	(11,098,231)	(30,000)	-	-	545,224	(10,583,007)
Total other financing sources (uses)	<u>(9,544,669)</u>	<u>(30,000)</u>	<u>545,224</u>	<u>-</u>	<u>-</u>	<u>(9,029,445)</u>
Net change in fund balances	<u>(1,089,477)</u>	<u>296,891</u>	<u>270,172</u>	<u>2,655</u>	<u>-</u>	<u>(519,759)</u>
Fund balances - beginning of year	<u>35,526,358</u>	<u>549,315</u>	<u>3,695,644</u>	<u>64,763</u>	<u>-</u>	<u>39,836,080</u>
Fund balances - end of year	<u>\$ 34,436,881</u>	<u>\$ 846,206</u>	<u>\$ 3,965,816</u>	<u>\$ 67,418</u>	<u>\$ -</u>	<u>\$ 39,316,321</u>

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2021

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Assets			
Cash and short-term investments	\$ 22,815,787	\$ 12,531,398	\$ 35,347,185
Taxes receivable, net	129,851	-	129,851
Accounts receivable, net	573,744	25,569	599,313
Due from other governments	3,776,058	-	3,776,058
Prepays	578,583	12,749	591,332
Total assets	<u>\$ 27,874,023</u>	<u>\$ 12,569,716</u>	<u>\$ 40,443,739</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ 795,746	\$ 312,090	\$ 1,107,836
Accrued expenditures	345,862	854	346,716
Due to other governments	235,325	-	235,325
Due to other funds	153,524	557,970	711,494
Unearned revenues	1,963,799	-	1,963,799
Total liabilities	<u>3,494,256</u>	<u>870,914</u>	<u>4,365,170</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	129,295	-	129,295
Unavailable revenue - grants	797,322	-	797,322
Unavailable revenue - other	839,987	-	839,987
Total deferred inflows of resources	<u>1,766,604</u>	<u>-</u>	<u>1,766,604</u>
Fund balances			
Nonspendable:			
Prepaid Items	578,583	12,749	591,332
Restricted:			
Public safety and judicial	2,057,090	-	2,057,090
Public works, highways and streets	4,989,387	-	4,989,387
Health, welfare and education	177,305	-	177,305
Capital projects	-	39	39
Economic development	7,452,537	-	7,452,537
Other purposes	3,240,110	-	3,240,110
Committed:			
Public safety and judicial	1,909,652	-	1,909,652
Assigned:			
Public safety and judicial	1,161,911	-	1,161,911
Health, welfare and education	1,039,844	-	1,039,844
Culture and recreation	276,763	-	276,763
Capital projects	-	12,281,494	12,281,494
Other purposes	1,044	-	1,044
Unassigned:	(271,063)	(595,480)	(866,543)
	<u>22,613,163</u>	<u>11,698,802</u>	<u>34,311,965</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,874,023</u>	<u>\$ 12,569,716</u>	<u>\$ 40,443,739</u>

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Non-Major Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Revenues:			
Taxes:			
Property	\$ 131,019	\$ -	\$ 131,019
Motor vehicle	11,598	-	11,598
Sales	9,377,680	-	9,377,680
911 emergency	1,166,069	-	1,166,069
Intergovernmental	8,188,061	734,763	8,922,824
Charges for services	3,129,431	306,594	3,436,025
License, fines, fees and permits	2,190,829	2,129	2,192,958
Interest income	726	63	789
Other	949,835	221,502	1,171,337
Total revenues	<u>25,145,248</u>	<u>1,265,051</u>	<u>26,410,299</u>
Expenditures:			
Current:			
General government	1,730,034	112,252	1,842,286
Public safety and judicial	5,267,562	226,020	5,493,582
Public works, highways and streets	1,618,679	-	1,618,679
Health, welfare and education	7,013,139	3,354	7,016,493
Culture and recreation	3,530,934	420,244	3,951,178
Economic development	1,438,518	-	1,438,518
Debt service:			
Principal retirement	2,071,082	1,966,105	4,037,187
Interest and fiscal charges	133,841	1,054,243	1,188,084
Capital outlay	519,188	13,813,817	14,333,005
Total expenditures	<u>23,322,977</u>	<u>17,596,035</u>	<u>40,919,012</u>
Excess of revenues over (under) expenditures	<u>1,822,271</u>	<u>(16,330,984)</u>	<u>(14,508,713)</u>
Other financing sources (uses):			
Issuance of debt	761,366	-	761,366
Issuance of capital leases	111,301	-	111,301
Proceeds from sale of capital assets	95,785	1,920	97,705
Transfers in	5,570,093	11,012,568	16,582,661
Transfers out	<u>(6,417,325)</u>	<u>(409,020)</u>	<u>(6,826,345)</u>
Total other financing sources (uses)	<u>121,220</u>	<u>10,605,468</u>	<u>10,726,688</u>
Net change in fund balances	1,943,491	(5,725,516)	(3,782,025)
Fund balances - beginning of year	<u>20,669,672</u>	<u>17,424,318</u>	<u>38,093,990</u>
Fund balances - end of year	<u>\$ 22,613,163</u>	<u>\$ 11,698,802</u>	<u>\$ 34,311,965</u>

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Special Revenue Funds
December 31, 2021

	Health Department	Sewers	Transient Guest Tax	Sales Tax	Special Alcohol & Drug Program	Corrections	911 Emergency	Register of Deeds Technology
Assets								
Cash and short-term investments	\$ 1,425,322	\$ 1,642,379	\$ -	\$ 5,997,343	\$ -	\$ 177,069	\$ 1,110,597	\$ 1,029,619
Taxes receivable, net	-	40,475	-	-	-	-	-	-
Accounts receivable, net	151,606	179,488	-	-	-	-	196,482	1,680
Due from other governments	818,855	-	16,332	2,530,506	-	-	-	-
Prepays	11,577	-	-	-	-	3,450	177,155	42,933
Total assets	\$ 2,407,360	\$ 2,062,342	\$ 16,332	\$ 8,527,849	\$ -	\$ 180,519	\$ 1,484,234	\$ 1,074,232
Liabilities, deferred inflows of resources and fund balances								
Liabilities:								
Accounts payable	\$ 333,661	\$ 231,553	\$ -	\$ -	\$ -	\$ 5,824	\$ 4,979	\$ 4,974
Accrued expenditures	198,065	-	-	-	-	56,156	-	4,634
Due to other governments	-	-	-	235,325	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenues	171,136	-	-	-	-	115,089	-	-
Total liabilities	702,862	231,553	-	235,325	-	177,069	4,979	9,662
Deferred inflows of resources:								
Unavailable revenue - property taxes	-	40,475	-	-	-	-	-	-
Unavailable revenue - grants	527,409	-	-	-	-	-	-	-
Unavailable revenue - other	-	-	-	839,987	-	-	-	-
Total deferred inflows of resources	527,409	40,475	-	839,987	-	-	-	-
Fund balances								
Nonspendable:								
Prepaid items	11,577	-	-	-	-	3,450	177,155	42,933
Restricted:								
Public safety and judicial	-	-	-	-	-	-	1,302,100	-
Public works, highways and streets	-	-	-	-	-	-	-	-
Health, welfare and education	125,668	-	-	-	-	-	-	-
Economic development	-	-	-	7,452,537	-	-	-	-
Other purposes	-	1,790,314	16,332	-	-	-	-	1,021,637
Committed:								
Public safety and judicial	-	-	-	-	-	-	-	-
Assigned:								
Public safety and judicial	-	-	-	-	-	-	-	-
Health, welfare and education	1,039,844	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	1,177,089	1,790,314	16,332	7,452,537	-	3,450	1,479,255	1,084,570
Total liabilities, deferred inflows of resources and fund balances	\$ 2,407,360	\$ 2,062,342	\$ 16,332	\$ 8,527,849	\$ -	\$ 180,519	\$ 1,484,234	\$ 1,074,232

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Special Revenue Funds
December 31, 2021

	Motor Vehicle	Special Liability	Special Highway, Bridge and Machinery	Other Special Revenue	Federal Grants	State Grants	Total Non-Major Special Revenue Funds
Assets							
Cash and short-term investments	\$ 211,595	\$ 411,271	\$ 4,993,189	\$ 4,233,389	\$ 1,157,003	\$ 227,011	\$ 22,815,787
Taxes receivable, net	-	89,376	-	-	-	-	129,851
Accounts receivable, net	-	-	-	44,468	-	-	573,744
Due from other governments	-	-	-	-	289,091	121,274	3,776,058
Prepays	49,744	-	-	293,692	-	32	578,583
Total assets	\$ 261,339	\$ 500,647	\$ 4,993,189	\$ 4,571,569	\$ 1,446,094	\$ 348,317	\$ 27,874,023
Liabilities, deferred inflows of resources and fund balances							
Liabilities:							
Accounts payable	\$ 2,494	\$ -	\$ 3,802	\$ 117,950	\$ -	\$ 90,509	\$ 795,746
Accrued expenditures	56,726	-	-	3,930	-	26,351	345,862
Due to other governments	-	-	-	-	-	-	235,325
Due to other funds	153,524	-	-	-	-	-	153,524
Unearned revenues	-	-	-	-	1,446,093	231,427	1,963,799
Total liabilities	212,744	-	3,802	121,880	1,446,093	348,287	3,494,256
Deferred inflows of resources:							
Unavailable revenue - property taxes	-	88,820	-	-	-	-	129,295
Unavailable revenue - grants	-	-	-	-	264,345	5,568	797,322
Unavailable revenue - other	-	-	-	-	264,345	-	839,987
Total deferred inflows of resources	-	88,820	-	-	264,345	5,568	1,766,604
Fund balances							
Nonspendable:							
Prepaid items	49,744	-	-	293,692	-	32	578,583
Restricted:							
Public safety and judicial	-	-	-	754,990	-	-	2,057,090
Public works, highways and streets	-	-	4,989,387	-	-	-	4,989,387
Health, welfare and education	-	-	-	51,637	-	-	177,305
Economic development	-	-	-	-	-	-	7,452,537
Other purposes	-	411,827	-	-	-	-	3,240,110
Committed:							
Public safety and judicial	-	-	-	1,909,652	-	-	1,909,652
Assigned:							
Public safety and judicial	-	-	-	1,161,911	-	-	1,161,911
Health, welfare and education	-	-	-	-	-	-	1,039,844
Culture and recreation	-	-	-	276,763	-	-	276,763
Other purposes	-	-	-	1,044	-	-	1,044
Unassigned	(1,149)	-	-	-	(264,344)	(5,570)	(271,063)
Total fund balances	48,595	411,827	4,989,387	4,449,689	(264,344)	(5,538)	22,613,163
Total liabilities, deferred inflows of resources and fund balances	\$ 261,339	\$ 500,647	\$ 4,993,189	\$ 4,571,569	\$ 1,446,094	\$ 348,317	\$ 27,874,023

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2021

	Health Department	Sewers	Transient Guest Tax	Sales Tax	Special Alcohol & Drug Program	Corrections	911 Emergency	Register of Deeds Technology
Revenues:								
Taxes:								
Property	\$ -	\$ 38,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	-	-	-	-	-
Sales	-	-	64,278	9,313,402	-	-	-	-
911 emergency	-	-	-	-	-	-	1,166,069	-
Intergovernmental	3,155,175	-	-	-	48,986	1,576,110	-	-
Charges for services	344,683	2,269,130	-	-	-	-	-	-
License, fines, fees and permits	-	-	-	-	-	-	-	478,822
Interest income	-	-	-	-	-	-	-	-
Other	555,470	2,010	-	-	-	-	-	-
Total revenues	4,055,328	2,309,904	64,278	9,313,402	48,986	1,576,110	1,166,069	478,822
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	222,656
Public safety and judicial	-	-	-	-	31,351	1,542,942	784,707	-
Public works, highways and streets	-	1,591,829	-	-	-	-	-	-
Health, welfare and education	6,824,110	-	-	2,065,418	-	-	-	-
Culture and recreation	-	-	60,189	1,436,518	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Debt service:								
Principal retirement	13,577	695,843	-	850,000	-	24,010	453,528	18,120
Interest and fiscal charges	3,016	70,839	-	-	-	5,708	46,472	4,000
Capital outlay	6,029	-	-	134,237	-	-	-	-
Total expenditures	6,846,732	2,358,511	60,189	4,488,173	31,351	1,572,660	1,284,707	244,776
Excess of revenues over (under) expenditures	(2,791,404)	(48,607)	4,089	4,825,229	17,635	3,450	(118,638)	234,046
Other financing sources (uses):								
Issuance of debt	-	761,366	-	-	-	-	-	-
Issuance of capital leases	111,301	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	2,151,781	-	-	-	-	-	-	-
Transfers out	(596,898)	(35,786)	-	(4,542,864)	(17,635)	-	-	-
Total other financing sources (uses)	1,665,184	725,580	-	(4,542,864)	(17,635)	-	-	-
Net change in fund balances	(1,125,220)	676,973	4,089	282,365	-	3,450	(118,638)	234,046
Fund balances - beginning of year	2,302,309	1,113,341	12,243	7,170,172	-	-	1,597,893	830,524
Fund balances - end of year	\$ 1,177,089	\$ 1,790,314	\$ 16,332	\$ 7,452,537	\$ -	\$ 3,450	\$ 1,479,255	\$ 1,064,570

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2021

	Motor Vehicle	Special Liability	Special Highway, Bridge and Machinery	Other Special Revenue	Federal Grants	State Grants	Total Non-Major Special Revenue Funds
Revenues:							
Taxes:							
Property	\$ -	\$ 92,255	\$ -	\$ -	\$ -	\$ -	\$ 131,019
Motor vehicle	-	11,598	-	-	-	-	11,598
Sales	-	-	-	-	-	-	9,377,680
911 emergency	-	-	-	-	-	-	1,166,089
Intergovernmental	-	-	4,317	275,094	1,542,069	1,586,310	8,188,061
Charges for services	-	-	-	515,618	-	-	3,129,431
License, fines, fees and permits	1,590,980	-	3,700	117,327	-	-	2,190,829
Interest income	-	-	-	726	-	-	726
Other	610	598	492	385,366	5,289	-	949,835
Total revenues	1,591,590	104,451	8,509	1,294,131	1,547,358	1,586,310	25,145,248
Expenditures:							
Current:							
General government	1,444,474	61,548	-	1,356	-	-	1,730,034
Public safety and judicial	-	-	-	991,457	365,407	1,551,698	5,267,562
Public works, highways and streets	-	-	26,850	-	-	-	1,818,679
Health, welfare and education	-	-	-	86,293	102,736	-	7,013,139
Culture and recreation	-	-	-	157,680	1,234,071	13,576	3,530,934
Economic development	-	-	-	-	-	-	1,438,518
Debt service:							
Principal retirement	-	-	-	-	-	16,004	2,071,082
Interest and fiscal charges	-	-	-	-	-	3,806	133,841
Capital outlay	-	-	378,922	-	-	-	519,188
Total expenditures	1,444,474	61,548	405,772	1,236,766	1,702,214	1,585,084	23,322,977
Excess of revenues over (under) expenditures	147,116	42,903	(397,263)	57,345	(154,856)	1,226	1,822,271
Other financing sources (uses):							
Issuance of debt	-	-	-	-	-	-	761,366
Insurance of capital leases	-	-	-	-	-	-	111,301
Proceeds from sale of capital assets	-	-	95,785	-	-	-	95,785
Transfers in	-	-	2,499,849	918,218	245	-	5,570,093
Transfers out	(153,524)	-	(882,976)	(187,194)	(177)	(301)	(6,417,325)
Total other financing sources (uses)	(153,524)	-	1,712,658	731,054	88	(301)	121,220
Net change in fund balances	(6,408)	42,903	1,315,395	788,399	(154,788)	925	1,943,491
Fund balances - beginning of year	55,003	368,924	3,673,992	3,681,290	(109,556)	(6,463)	20,669,672
Fund balances - end of year	\$ 48,595	\$ 411,827	\$ 4,989,387	\$ 4,449,689	\$ (264,344)	\$ (5,538)	\$ 22,613,163

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Capital Project Funds
December 31, 2021

	Building and Maintenance	Bridge Projects	County Projects	Equipment	Infrastructure	Special Assessments	Certificates of Participation	Public Building Commission Fund	Total Non-Major Capital Project Funds
Assets									
Cash and short-term investments	\$ 3,959,187	\$ 1,481,058	\$ 1,158,542	\$ 5,230,277	\$ 702,251	\$ -	\$ 39	\$ 44	\$ 12,531,398
Accounts receivable, net	25,569	-	12,749	-	-	-	-	-	25,569
Prepays	-	-	-	-	-	-	-	-	12,749
Total assets	\$ 3,984,756	\$ 1,481,058	\$ 1,171,291	\$ 5,230,277	\$ 702,251	\$ -	\$ 39	\$ 44	\$ 12,569,716
Liabilities, deferred inflows of resources and fund balances (deficits)									
Liabilities:									
Accounts payable	\$ 172,709	\$ 50,118	\$ -	\$ 51,753	\$ -	\$ 37,510	\$ -	\$ -	\$ 312,090
Accrued expenditures	-	-	854	-	-	-	-	-	854
Due to other funds	-	-	-	-	-	557,970	-	-	557,970
Total liabilities	172,709	50,118	854	51,753	-	595,480	-	-	870,914
Fund balances (deficit)									
Nonspendable:									
Prepaid items	-	-	12,749	-	-	-	-	-	12,749
Restricted:									
Capital projects	-	-	-	-	-	-	39	-	39
Assigned:									
Capital projects	3,812,047	1,430,940	1,157,688	5,178,524	702,251	-	-	44	12,281,494
Unassigned	-	-	-	-	-	(595,480)	-	-	(595,480)
Total fund balances	3,812,047	1,430,940	1,170,437	5,178,524	702,251	(595,480)	39	44	11,698,802
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 3,984,756	\$ 1,481,058	\$ 1,171,291	\$ 5,230,277	\$ 702,251	\$ -	\$ 39	\$ 44	\$ 12,569,716

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Capital Project Funds
For the Year Ended December 31, 2021

	Building and Maintenance	Bridge Projects	County Projects	Equipment	Infrastructure	Special Assessments	Certificates of Participation	Public Building Commission Fund	Total Non-Major Capital Project Funds
Revenues:									
Intergovernmental	\$ 11,179	\$ -	\$ -	\$ -	\$ 723,584	\$ -	-	\$ -	\$ 734,763
Charges for services	306,594	-	-	-	-	-	-	-	306,594
License, fines, fees and permits	2,129	-	-	-	-	-	-	-	2,129
Interest income	-	-	-	-	-	-	18	45	63
Other	212,719	-	8,783	-	-	-	-	-	221,502
Total revenues	532,621	-	8,783	-	723,584	-	18	45	1,285,051
Expenditures:									
Current:									
General government	-	-	112,252	-	-	-	-	-	112,252
Public safety and judicial	144,765	-	81,235	-	-	-	-	-	226,000
Health, welfare and education	3,354	-	-	-	-	-	-	-	3,354
Culture and recreation	402,231	-	-	15,513	-	-	-	2,500	420,244
Principal retirement	14,485	-	6,620	-	-	-	-	1,945,000	1,966,105
Interest and fiscal charges	2,438	-	1,604	-	-	-	-	1,050,200	1,054,243
Capital outlay	936,390	907,056	50,858	5,704,051	5,643,106	572,356	-	-	13,813,817
Total expenditures	1,503,684	907,056	252,569	5,719,564	5,643,106	572,356	-	2,997,700	17,596,035
Excess of revenues over (under) expenditures	(971,063)	(907,056)	(243,786)	(5,719,564)	(4,919,522)	(572,356)	18	(2,997,655)	(16,330,984)
Other financing sources (uses):									
Proceeds from sale of capital assets	1,920	-	-	-	-	-	-	-	1,920
Transfers in	1,488,436	1,360,467	417,047	2,778,220	1,970,710	-	-	2,997,688	11,012,668
Transfers out	-	-	(137,511)	(46,948)	(224,561)	-	-	-	(409,020)
Total other financing sources (uses)	1,490,356	1,360,467	279,536	2,731,272	1,746,149	-	-	2,997,688	10,605,468
Net change in fund balances	519,293	453,411	35,750	(2,988,292)	(3,173,373)	(572,356)	18	33	(5,725,516)
Fund balances (deficits) - beginning of year	3,292,754	977,529	1,134,687	8,166,816	3,875,624	(23,124)	21	11	17,424,318
Fund balances (deficit) - end of year	\$ 3,812,047	\$ 1,430,940	\$ 1,170,437	\$ 5,178,524	\$ 702,251	\$ (595,480)	39	44	\$ 11,698,802

Shawnee County, Kansas
Combining Statement of Net Position
Internal Service Funds
December 31, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
Assets			
Cash and short-term investments	\$ 4,668,356	\$ 8,617,097	\$ 13,285,453
Accounts receivable, net	-	150,794	150,794
Due from other funds	9,572	-	9,572
Prepaid	4,997	-	4,997
Total assets	<u>\$ 4,682,925</u>	<u>\$ 8,767,891</u>	<u>\$ 13,450,816</u>
Liabilities			
Current liabilities			
Accounts payable	\$ -	\$ 139,444	\$ 139,444
Claims payable	-	839,485	839,485
Total current liabilities	<u>-</u>	<u>978,929</u>	<u>978,929</u>
Noncurrent liabilities			
Claims payable	2,623,886	-	2,623,886
Total noncurrent liabilities	<u>2,623,886</u>	<u>-</u>	<u>2,623,886</u>
Total liabilities	<u>2,623,886</u>	<u>978,929</u>	<u>3,602,815</u>
Net Position			
Unrestricted	2,059,039	7,788,962	9,848,001
Total net position	<u>\$ 2,059,039</u>	<u>\$ 7,788,962</u>	<u>\$ 9,848,001</u>

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Net Position -
Internal Service Funds
For the Year Ended December 31, 2021

	Workers' Compensation	Health Insurance	Total
Operating Revenues:			
Charges for Services	\$ 1,804,495	\$ 12,337,022	\$ 14,141,517
Other	156,202	689,585	845,787
Total operating revenues	<u>1,960,697</u>	<u>13,026,607</u>	<u>14,987,304</u>
Operating Expenses:			
Personnel services	35,334	-	35,334
Contractual services	95,476	1,125,743	1,221,219
Claims	58,954	10,507,826	10,566,780
Total operating expenses	<u>189,764</u>	<u>11,633,569</u>	<u>11,823,333</u>
Operating Income	<u>1,770,933</u>	<u>1,393,038</u>	<u>3,163,971</u>
Transfers in	<u>9,572</u>	<u>-</u>	<u>9,572</u>
Change in net position	1,780,505	1,393,038	3,173,543
Net position - beginning of year	<u>278,534</u>	<u>6,395,924</u>	<u>6,674,458</u>
Net position - end of year	<u>\$ 2,059,039</u>	<u>\$ 7,788,962</u>	<u>\$ 9,848,001</u>

Shawnee County, Kansas
Combining Statement of Cash Flows -
Internal Service Funds
For the Year Ended December 31, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from interfund and other services	\$ 1,960,973	\$ 12,885,813	\$ 14,846,786
Payments of claims and other	(1,118,903)	(11,673,198)	(12,792,101)
Payments to employees for services	(35,334)	-	(35,334)
Net cash provided by operating activities	<u>806,736</u>	<u>1,212,615</u>	<u>2,019,351</u>
Cash flows from noncapital financing activities:			
Increase in due from other funds	(9,572)	-	(9,572)
Transfers from other funds	9,572	-	9,572
Net cash used in noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and short-term investments	<u>806,736</u>	<u>1,212,615</u>	<u>2,019,351</u>
Cash and short-term investments, beginning of year	<u>3,861,620</u>	<u>7,404,482</u>	<u>11,266,102</u>
Cash and short-term investments, end of year	<u><u>\$ 4,668,356</u></u>	<u><u>\$ 8,617,097</u></u>	<u><u>\$ 13,285,453</u></u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	1,770,933	1,393,038	3,163,971
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Accounts receivable	276	(140,794)	(140,518)
Prepaid	(4,997)	-	(4,997)
Accounts payable and accrued expenses	(17,519)	(59,389)	(76,908)
Claims payable	(941,957)	19,760	(922,197)
Net cash provided by operating activities	<u><u>\$ 806,736</u></u>	<u><u>\$ 1,212,615</u></u>	<u><u>\$ 2,019,351</u></u>

Shawnee County, Kansas
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021

	Tax Holding Accounts	Special Taxing Districts	Other	Total Custodial Funds
Assets				
Cash and investments	\$ 162,915,085	\$ 439,254	\$ 2,437,284	\$ 165,791,623
Tax receivable, net	-	619,095	-	619,095
Accounts receivable, net	-	-	94,403	94,403
Total assets	<u>\$ 162,915,085</u>	<u>\$ 1,058,349</u>	<u>\$ 2,531,687</u>	<u>\$ 166,505,121</u>
Liabilities				
Accounts payable	\$ -	\$ 980	\$ 647,696	\$ 648,676
Accrued expenditures	-	2,863	-	2,863
Due to taxing districts, governments, and others	162,915,085	-	12,600	162,927,685
Total liabilities	<u>162,915,085</u>	<u>3,843</u>	<u>660,296</u>	<u>163,579,224</u>
Net Position				
Restricted for others	-	1,054,506	1,871,391	2,925,897
Total net position	<u>\$ -</u>	<u>\$ 1,054,506</u>	<u>\$ 1,871,391</u>	<u>\$ 2,925,897</u>

Shawnee County, Kansas
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

	Tax Holding Accounts	Special Taxing Districts	Other	Total Custodial Funds
Additions				
Tax collections	\$ 318,634,151	\$ 1,328,579	\$ 17,438,216	\$ 337,400,946
Other	-	12,023	8,110,675	8,122,698
Total additions	<u>318,634,151</u>	<u>1,340,602</u>	<u>25,548,891</u>	<u>345,523,644</u>
Deductions				
Tax distributions	316,842,215	-	8,720,939	325,563,154
Other deductions	<u>1,791,936</u>	<u>1,180,309</u>	<u>15,267,176</u>	<u>18,239,421</u>
Total deductions	<u>318,634,151</u>	<u>1,180,309</u>	<u>23,988,115</u>	<u>343,802,575</u>
Net increase (decrease) in fiduciary net position	-	160,293	1,560,776	1,721,069
Net position - beginning of year	<u>-</u>	<u>894,213</u>	<u>310,615</u>	<u>1,204,828</u>
Net position - end of year	<u>\$ -</u>	<u>\$ 1,054,506</u>	<u>\$ 1,871,391</u>	<u>\$ 2,925,897</u>

BOARD OF CO. COMMISSION

APPD TBLD DND PLD ACK

DATE 6-30-2022

C. Bed
COUNTY CLERK

Shawnee County, Kansas

Compliance Report
Year Ended December 31, 2021

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**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**

RSM US LLP

Independent Auditor's Report

Board of County Commissioners
Shawnee 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shawnee County, Kansas (the County) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 22, 2022.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Kansas City, Missouri
June 22, 2022



**Report on Compliance for Each Major Federal Program
Report on Internal Control Over Compliance and
Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

RSM US LLP

Independent Auditor's Report

Board of County Commissioners
Shawnee County, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Shawnee County, Kansas' (the County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. 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, 2021.

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

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 on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of 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 judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit 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 over compliance 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shawnee County, Kansas as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon, dated June 22, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

RSM US LLP

Kansas City, Missouri
June 22, 2022

Shawnee County, Kansas

Schedule of Expenditures of Federal Awards Year Ended December 31, 2021

Federal Grantor/ Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number/ Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture:				
Passed through Kansas Department of Health and Environment:				
FY21 WIC	10.557	213KS703W1003	\$ 834,432	\$ 9,570
FY21 WIC Breastfeeding Peer Counselor	10.557	193KS803W5003	21,030	-
FY22 WIC	10.557	223KS703W1003	314,024	1,922
FY22 WIC Breastfeeding Peer Counselor	10.557	17173KS803W5003	8,354	-
<i>Subtotal</i>			<u>1,177,840</u>	<u>11,492</u>
Passed through Kansas Forest Service:				
Cooperative Forestry Assistance - Invasive Plants	10.664	19-DG-11020000-051	4,767	-
Total U.S. Department of Agriculture			<u>1,182,607</u>	<u>11,492</u>
U.S. Department of Health and Human Services:				
Passed Through Kansas Department of Health and Environment:				
FY21 Preparedness Grant	93.069	NU90TP922049-02	60,268	-
FY21 Preparedness Grant	93.069	NU90TP922049-03	40,581	-
FY21 Regionalization	93.069	NU90TP922049-02	26,986	-
FY22 Regionalization	93.069	N/A	13,649	-
<i>Subtotal</i>			<u>141,484</u>	<u>-</u>
FY21 Immunization Action Plan	93.268	NH231P922627-02	14,356	-
FY22 Immunization Action Plan	93.268	NH231P922627-03	1,637	-
FY21 Immunization Action Plan Supplemental	93.268	NH231P922627-02	129,000	-
<i>Subtotal</i>			<u>144,993</u>	<u>-</u>
CCDF Cluster:				
FY21 Child Care Licensing Program	93.575	N/A	13,167	-
FY22 Child Care Licensing Program	93.575	N/A	143,529	-
<i>Total CCDF Cluster</i>			<u>156,696</u>	<u>-</u>
Medicaid Cluster:				
FY21 Outreach, Prevention & Early Intervention - KCSL	93.778	KDHE2019-068	61,737	61,737
FY21 Outreach, Prevention & Early Intervention - SCHD	93.778	KDHE2019-068	51,718	-
FY22 Outreach, Prevention & Early Intervention - KCSL	93.778	KDHE2019-068	64,000	64,000
FY22 Outreach, Prevention & Early Intervention - SCHD	93.778	KDHE2019-068	22,146	-
<i>Total Medicaid Cluster</i>			<u>199,601</u>	<u>125,737</u>
FY21 Maternal & Child Health	93.994	B04MC32543-02	132,637	-
FY22 Maternal & Child Health	93.994	B04MC32543-01	149,518	-
<i>Subtotal</i>			<u>282,155</u>	<u>-</u>
FY21 Mosquito Surveillance	93.323	N/A	5,024	-
FY21 Epidemiology & Laboratory Capacity Cooperative Agreement - Sa	93.323	NU50CK000549-01	502,004	-
FY21 Epidemiology & Laboratory Capacity Cooperative Agreement - Ce	93.323	NU50CK000549-01	172,545	-
FY21 Epidemiology & Laboratory Capacity Cooperative Agreement - Ex	93.323	NU50CK000549-01	23,012	-
FY21 Epidemiology & Laboratory Capacity Cooperative Agreement - Ex	93.323	NU50CK000549-02	252,503	-
<i>Subtotal</i>			<u>955,088</u>	<u>-</u>
FY22 Family Planning	93.217	FPHPA006448-03	32,046	-
Total U.S. Department of Health and Human Services			<u>1,912,063</u>	<u>125,737</u>
U.S. Department of Housing and Urban Development:				
COVID-19—related Community Development Block				
Grant 2020—CDBG Cluster	14.218	51438	164,371	159,982
Total U.S. Department of Housing and Urban Development			<u>164,371</u>	<u>159,982</u>

(Continued)

Shawnee County, Kansas

Schedule of Expenditures of Federal Awards Year Ended December 31, 2021

Federal Grantor/ Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number/ Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security:				
Passed through Kansas Department of Emergency Management:				
FY21 EMPG	97.042	EMK-2021-EP-00001	102,737	-
COVID-19—FEMA Recovery	97.036	Disaster #4504	1,072,896	-
Total U.S. Department of Homeland Security			1,175,633	-
U.S. Department of the Interior:				
Passed through Kansas Department of Wildlife, Parks, and Tourism:				
Land & Water Conservation Fund - Kossover Restroom Upgrade	15.916	P21AP12363	156,407	-
Total U.S. Department of the Interior			156,407	-
U.S. Department of Justice:				
Direct Funding:				
COVID-19—BJA Coronavirus Emergency Supplemental				
Funding Program	16.034	2020-VD-BX-1287	34,048	-
SH Federal Forfeiture	16.922	N/A	299,083	-
Passed through City of Topeka:				
2020 Byrne JAG	16.738	2020-H7654-KS-DJ	32,497	-
Total U.S. Department of Justice			365,628	-
U.S. Department of Transportation:				
Passed through Kansas Department of Transportation				
Highway Safety Cluster:				
Kansas Clicks STEP	20.600	69A37520300004020KS20	3,685	-
FY22 Kansas Clicks STEP	20.600	69A37521300004020KS0	1,604	-
<i>Subtotal</i>			<i>5,289</i>	<i>-</i>
FY21 Impaired Driving Deterrence Program	20.616	69A3751830000405DKSM	1,746	-
<i>Total Highway Safety Cluster</i>			<i>7,035</i>	<i>-</i>
Total U.S. Department of Transportation			7,035	-
U.S. Department of Treasury:				
Direct Funding				
COVID-19—Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	917,704	-
Passed through Kansas Division of Emergency Management				
COVID-19—KDEM Rural EOC Enhancement Grant	21.019	SLT0016	17,144	-
Total U.S. Department of Treasury			934,848	-
Office of National Drug Control Policy:				
Passed through Kansas Bureau of Investigation:				
Midwest High Intensity Drug Trafficking Area (HIDTA)	95.001	G21MW0003A	264,647	-
District Attorney High Intensity Drug Trafficking Area (HIDTA) - DEA	95.001	G20MW0003A	17,255	-
Sheriff High Intensity Drug Trafficking Area (HIDTA) - DEA	95.001	G21MW0003A	26,829	-
Total Office of National Drug Control Policy			308,731	-
Total expenditures of federal awards			\$ 6,207,323	\$ 297,211

See notes to schedule of expenditures of federal awards.

Shawnee County, Kansas

**Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021**

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Shawnee County, Kansas (County) for the year ended December 31, 2021 and is presented on the accrual basis of accounting. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, and expended during the year are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

Expenditures of federal awards are recognized in the accounting period when the liability is incurred and approved for reimbursement. Such expenditures are recognized following the cost principles contained in Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The County elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Outstanding Loans

The County has an outstanding loan under the Capitalized Grant for Clean Water State Revolving Loan Fund from the Kansas Department of Health and Environment, as a pass-through agency for the Environmental Protection Agency CFDA No. 66.458. As of December 31, 2021, the outstanding loan balance was \$398,948.

Shawnee County, Kansas

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021**

The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary of Prior Audit Findings*.

Shawnee County, Kansas

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness identified? ☐ Yes ☒ No
 - Significant deficiency identified? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? ☐ Yes ☒ No
- Significant deficiency identified? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with

Section 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major federal programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
21.027	COVID-19—Coronavirus State and Local Fiscal Recovery Funds
93.323	FY21 Epidemiology & Laboratory Capacity Cooperative Agreement
93.778	FY21 Outreach, Prevention & Early Intervention—Medicaid Cluster
97.036	COVID-19—FEMA Recovery

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Shawnee County, Kansas

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

II. Financial Statement Findings

A. Internal Control

No matters were reported.

B. Compliance Findings

No matters were reported.

III. Findings and Questioned Costs for Federal Awards

A. Internal Control

No matters were reported.

B. Instances of Noncompliance

No matters were reported.