

**JEFFERSON COUNTY, KANSAS**

**FINANCIAL STATEMENTS**

**December 31, 2021**

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Jefferson County, Kansas

FINANCIAL STATEMENTS

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Jefferson County, Kansas

***Report on the Audit of Financial Statements***

***Adverse and Unmodified Opinions***

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Jefferson County, Kansas (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statement.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the County as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1

***Basis for Adverse and Unmodified Opinions***

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

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the County on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of receipts and disbursements-agency funds and the schedule of regulatory basis receipts and expenditures-county offices (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2022, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

### *Other Matter*

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Jefferson County, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated October 1, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/oar/municipalservices>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.

*Gordon CPA LLC*

Certified Public Accountant  
Lawrence, Kansas

September 15, 2022

Jefferson County, Kansas  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2021

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Funds							
General Funds:							
General Fund	\$ 1,747,310	\$ -	\$ 7,256,630	\$ 7,200,776	\$ 1,803,164	\$ 44,683	\$ 1,847,847
Special Purpose Funds:							
Abandoned Cemetery	8,542	-	-	-	8,542	-	8,542
Ambulance	175,951	-	1,656,651	1,649,038	183,564	16,787	200,351
Ambulance Capital Outlay	108,525	-	129,750	117,698	120,577	-	120,577
Appraiser's Cost	22,637	-	521,278	530,187	13,728	837	14,565
Auto Administration	30,228	-	177,903	178,715	29,416	100	29,516
County Clerk Technology	15,356	-	9,849	-	25,205	-	25,205
County Treasurer Technology	12,639	-	9,849	-	22,488	-	22,488
D.A.R.E.	53	-	-	-	53	-	53
Elevator Maintenance	15,782	-	3,000	4,240	14,542	-	14,542
Emergency 911 Communications	112,933	-	144,203	139,263	117,873	-	117,873
Emergency Management	47,647	-	47,752	11,758	83,641	391	84,032
Employee Benefits	-	-	24	24	-	-	-
Equipment Reserve	4,809,692	-	1,059,452	485,716	5,383,428	3,110	5,386,538
Grant Funds	74,022	-	2,161,940	406,067	1,829,895	-	1,829,895
Health	541,007	-	2,894,070	2,891,989	543,088	60,149	603,237
Lake Patrol	80,043	-	49,790	42,041	87,792	-	87,792
Law Enforcement	92,668	-	4,342,059	4,303,446	131,281	39,019	170,300
MCM Agreement	33,613	-	40,000	-	73,613	-	73,613
Noxious Weed Capital Outlay	12,532	-	66,549	-	79,081	-	79,081
Public Works	1,660,567	-	6,397,274	7,897,515	160,326	397,962	558,288
Road Improvement Dist. #1 - Special	14,400	-	2,850	-	17,250	-	17,250
Special Alcohol Program	77,235	-	38,321	40,000	75,556	-	75,556
Special Law Enforcement	169,477	-	27,955	43,857	153,575	-	153,575
Special Parks and Recreation	191,477	-	15,059	-	206,536	-	206,536
Special Road and Bridge Machinery	282,955	-	909,360	-	1,192,315	-	1,192,315
Technology - Register of Deeds	104,459	-	39,397	25,004	118,852	5,551	124,403
Driver's License County Fees	1,068	-	4,485	5,047	506	-	506
Health Insurance Reserve	314,016	-	270,314	-	584,330	-	584,330
Bond and Interest Funds:							
Bond and Interest	63,945	-	441,247	421,430	83,762	-	83,762
Capital Project Funds:							
Fairway Drive Improvement	2,563	-	-	-	2,563	-	2,563
Northwind Drive Improvement	11,647	-	14,700	13,950	12,397	-	12,397
Capital Improvement	1,854,815	-	271,549	70,476	2,055,888	862	2,056,750
Business Funds:							
Landfill Access Road	209,944	-	78,157	-	288,101	-	288,101
Total Reporting Entity [Excluding Agency Funds]	\$ 12,899,748	\$ -	\$ 29,081,417	\$ 26,478,237	\$ 15,502,928	\$ 569,451	\$ 16,072,379
Composition of Cash:							
			Union State Bank				
			Checking				\$ 3,035,717
			Checking - County Offices				323,607
			Denison State Bank				
			Checking - County Offices				41,786
			Certificates of Deposit				4,655,683
			Kendall State Bank				
			Certificates of Deposit				5,087,604
			First State Bank and Trust				
			Money Market				203,068
			Mutual Savings Association				
			Checking - County Offices				9,506
			State of Kansas				
			Municipal Investment Pool				21,827,589
			Petty Cash				1,000
			Total Cash				35,185,560
			Agency Funds per Schedule 3				[19,113,181]
			Total Reporting Entity [Excluding Agency Funds]				\$ 16,072,379

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



Jefferson County, Kansas  
Notes to the Financial Statements  
December 31, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial Reporting Entity

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

Basis of Accounting

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

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

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the County for the year 2021:

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

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

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

Capital Projects Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Agency Fund - funds used to report assets held by the County entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Jefferson County, Kansas  
Notes to the Financial Statements  
December 31, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Budgetary Information

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The General, Public Works, Ambulance and Health funds were amended during the year ended December 31, 2021.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the County for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

Ambulance Fund	Appraiser's Cost Fund	Auto Administration Fund
Health Fund	Law Enforcement Fund	Public Works Fund

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

**NOTE 2 - DEPOSITS AND INVESTMENTS**

As of December 31, 2021, the County has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Rating U.S.</u>
		<u>Less than 1</u>	<u>More than 1</u>	
Kansas Municipal Investment Pool	\$ 21,827,589	\$ 21,827,589	\$ -	N/A
Total Fair Value	<u>\$ 21,827,589</u>	<u>\$ 21,827,589</u>	<u>\$ -</u>	

Jefferson County, Kansas  
Notes to the Financial Statements  
December 31, 2021

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

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

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

Some of the County's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

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

The County's allocation of investments as of December 31, 2021, is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100%

*Custodial credit risk - deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas County, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County has no designated "peak periods." All deposits were legally secured as of December 31, 2021.

As of December 31, 2021, the County's carrying amount of deposits was \$13,357,977 and the bank balance was \$13,821,234. The bank balance was held by five banks resulting in a concentration of credit risk. Of the bank balance, \$1,329,717 was covered by federal depository insurance and the balance of \$12,491,517 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

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

As of December 31, 2021 the County had \$21,827,589 invested in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Jefferson County, Kansas  
Notes to the Financial Statements  
December 31, 2021

**NOTE 3 - DEFINED BENEFIT PENSION PLAN**

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for KPERS and 22.80% for KP&F for the fiscal year ended December 31, 2021. Contributions to the pension plan from the County were \$615,024 for KPERS and \$461,023 for KP&F for the year ended December 31, 2021.

*Net Pension Liability.* As of December 31, 2021, the County's proportionate share of the collective net pension liability reported by KPERS was \$3,938,832 for KPERS and \$3,251,607 for KP&F. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The County's proportion of the net pension liability was based on the ratio of the County's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

**NOTE 4 - OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

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

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

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

Jefferson County, Kansas  
Notes to the Financial Statements  
December 31, 2021

**NOTE 5 - FLEXIBLE BENEFIT PLAN (I.R.C. SECTION 125)**

The Commission has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include insurance benefits.

**NOTE 6 - DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan ("Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the Plan are transferred to a third-party custodial trust.

**NOTE 7 - COMPENSATED ABSENCES**

The County's policy regarding vacation pay is:

Full time employees of the County earn 4 hours of sick leave per pay period. Part time employees earn sick leave proportionately to the percentage of time worked. There is no maximum sick leave accrual. Employees who leave the County are compensated for 50% of their earned but unused sick leave balance. No more than 480 total hours will be paid out.

The liability for earned but unused sick leave as of December 31, 2021 is \$798,021.

Full time employees of the County earn vacation leave based on their number of months of continuous employment with each pay period. Part time employees earn vacation leave proportionately to the percentage of time worked. Employees are not allowed to accrue more than 220 hours of vacation leave. Any employee who has an earned but unused vacation leave balance greater than 220 hours as of the 22<sup>nd</sup> pay period of the year will receive a cash payment for the excess hours during the first pay period of December. Employees who leave the County are compensated for their earned but unused vacation leave balance. No more than 220 hours will be paid out.

The liability for earned but unused vacation leave as of December 31, 2021 is \$456,137.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

The County receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the County as of December 31, 2021.

**NOTE 9 - LONG-TERM DEBT**

The following table summarizes changes in long-term debt for the year ended December 31, 2021:

	Beginning Principal <u>Outstanding</u>	Additions to Principal <u>Principal</u>	Reductions of Principal <u>Principal</u>	Ending Principal <u>Outstanding</u>	Interest <u>Paid</u>
Type of Issue					
General Obligation Bonds	\$2,721,417	\$ -	\$ 403,362	\$2,318,055	\$62,614
Revolving Loans	853,894	850,404	1,357,732	346,566	21,460
Capital Leases	136,137	-	43,012	93,125	1,322
Total	<u>\$3,711,448</u>	<u>\$850,404</u>	<u>\$1,804,106</u>	<u>\$2,757,746</u>	<u>\$85,396</u>

Jefferson County, Kansas  
Notes to the Financial Statements  
December 31, 2021

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

*General Obligation Bonds.* The following table details the County's outstanding general obligation debt as of December 31, 2021:

<u>General Obligation Bonds</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Series 1998	4.75%	06/16/98	06/01/38	\$ 410,300	\$ 190,000
Series 2003	4.00 - 6.00%	07/15/03	09/01/23	164,121	20,000
Series 2010	5.25%	09/13/10	10/01/30	170,000	98,055
Series 2013	1.00 - 2.30%	03/28/13	05/01/26	3,065,000	2,010,000
					<u>\$ 2,318,055</u>

The annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 413,801	\$ 53,660	\$ 467,461
2023	424,263	44,478	468,741
2024	419,750	34,917	454,667
2025	430,262	25,220	455,482
2026	440,800	14,866	455,666
2027 - 2031	99,179	33,932	133,111
2032 - 2036	60,000	15,143	75,143
2037 - 2038	30,000	1,425	31,425
Total	<u>\$ 2,318,055</u>	<u>\$ 223,641</u>	<u>\$ 2,541,696</u>

*Revolving Loans.* The following table details the County's outstanding revolving loans as of December 31, 2021:

<u>Revolving Loans</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
KDHE Water Pollution Control 1388-01	2.86%	06/07/04	09/01/26	\$ 551,559	\$ 177,816
KDHE Water Pollution Control 2005-01	1.81%	11/02/17	09/01/39	1,883,990	168,750
					<u>\$ 346,566</u>

The annual debt service requirements to maturity for KDHE Water Pollution Control Loan 1388-01 is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 37,575	\$ 4,819	\$ 42,394
2023	38,657	3,736	42,393
2024	39,770	2,623	42,393
2025	40,916	1,477	42,393
2026	20,898	299	21,197
Total	<u>\$ 177,816</u>	<u>\$ 12,954</u>	<u>\$ 190,770</u>

Jefferson County, Kansas  
Notes to the Financial Statements  
December 31, 2021

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

On November 2, 2017, the County entered into a loan agreement with the Kansas Department of Health and Environment to provide up to \$1,883,990 for the Jefferson County Sewer District #5. The loan's gross interest rate is 1.81% of which .25% is a service fee rate. As of December 31, 2021 the County had drawn \$1,489,960 against the agreement leaving \$394,030 available for draw. During 2021, the County received \$1,321,210 of principal forgiveness. The proceeds, repayments, and forgiveness associated with the loan agreement are recorded as agency funds and presented on Schedule 3. Annual debt service requirements to maturity for the loan are not yet available as the loan had not been finalized as of December 31, 2021.

Capital Leases. The County has entered into lease agreements for the acquisition of equipment in the current and prior years. These lease agreements qualify as capital lease agreements for accounting purposes (titles transfer at the end of the lease term).

The following table details the County's outstanding capital lease agreements as of December 31, 2021:

<u>Capital Leases</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Ambulance Building	1.81%	05/21/12	05/21/22	\$ 170,000	\$ 17,767
Ambulance	0.96%	12/21/20	09/01/24	100,287	75,358
					<u>\$ 93,125</u>

The annual debt service requirements to maturity for the capital lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 42,642	\$ 1,691	\$ 44,333
2023	25,118	491	25,609
2024	25,365	245	25,610
Total	<u>\$ 93,125</u>	<u>\$ 2,427</u>	<u>\$ 95,552</u>

**NOTE 10 - RISK MANAGEMENT**

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

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

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

Jefferson County, Kansas  
Notes to the Financial Statements  
December 31, 2021

**NOTE 10 - RISK MANAGEMENT (CONTINUED)**

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

During the ordinary course of its operations, the County is a party to various claims, legal actions and complaints. In the opinion of management and legal counsel, no such claims, legal actions or complaints would not have a material effect on any of the financial statements of the County as of December 31, 2021.

**NOTE 11 - INTERFUND TRANSACTIONS**

A reconciliation of transfers by fund type for 2021 follows:

From	To	Amount	Regulatory Authority
General Fund	Ambulance Fund	\$ 493,786	K.S.A. 12-110d
General Fund	Equipment Reserve Fund	656,422	K.S.A. 19-119
General Fund	Health Fund	1,054,056	Employee benefit reimbursement
General Fund	Law Enforcement Fund	62,523	Grant agreement
General Fund	Health Insurance Reserve Fund	101,262	Employee benefit reimbursement
General Fund	Capital Improvement Fund	83,000	K.S.A. 19-120
General Fund	Elevator Maintenance Fund	3,000	Resolution 1988-8
Ambulance Fund	Ambulance Capital Outlay	110,000	K.S.A. 19-119
Ambulance Fund	Equipment Reserve Fund	115,000	K.S.A. 19-119
Appraiser's Cost Fund	Capital Improvement	10,000	K.S.A. 19-120
Appraiser's Cost Fund	Equipment Reserve Fund	31,000	K.S.A. 19-119
Auto Administration Fund	General Fund	5,000	K.S.A. 8-145
Law Enforcement Fund	Equipment Reserve Fund	150,000	K.S.A. 19-119
Law Enforcement Fund	Capital Improvement	100,000	K.S.A. 19-120
Public Works Fund	Equipment Reserve Fund	82,654	K.S.A. 19-119
Public Works Fund	Noxious Weed Capital Outlay Fund	66,549	K.S.A. 2-1318
Public Works Fund	Special Road and Bridge Machinery Fund	850,000	K.S.A. 68-141g
Public Works Fund	Capital Improvement	66,549	K.S.A. 19-120
Driver's License	General Fund	5,000	K.S.A. 8-145
County Fees Fund		<u>\$ 4,045,802</u>	

**NOTE 12 - COMPLIANCE WITH KANSAS STATUTES**

Actual exceeded budgeted expenditures in the Ambulance and Law Enforcement funds, which is a violation of K.S.A. 79-2935



Jefferson County, Kansas  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021

<u>Funds</u>	<u>Certified Budget</u>	Adjustment for <u>Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	Variance- Over <u>[Under]</u>
General Funds:					
General Fund	\$ 7,225,684	\$ -	\$ 7,225,684	\$ 7,200,776	\$ [24,908]
Special Purpose Funds:					
Ambulance	1,586,746	1,435	1,588,181	1,649,038	60,857
Appraiser's Cost	532,968	-	532,968	530,187	[2,781]
Auto Administration	243,585	-	243,585	178,715	[64,870]
Health	2,891,928	2,351	2,894,279	2,891,989	[2,290]
Law Enforcement	4,260,367	-	4,260,367	4,303,446	43,079
Public Works	7,907,580	-	7,907,580	7,897,515	[10,065]
Bond & Interest Funds:					
Bond and Interest	496,430	-	496,430	421,430	[75,000]

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

		Current Year		Variance-
	Prior Year			Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 3,345,602	\$ 4,300,437	\$ 4,382,120	\$ [81,683]
Delinquent taxes	81,167	75,781	45,000	30,781
Motor vehicle taxes	460,940	482,259	464,389	17,870
Interest on current tax	185,223	166,354	126,000	40,354
Interest on motor vehicle, recreational vehicle and personal property taxes	3,182	3,113	-	3,113
Recreational vehicle and watercraft taxes	10,449	12,175	28,210	[16,035]
Commercial truck fees	20,320	20,747	37,737	[16,990]
Local liquor tax	9,702	15,062	15,000	62
Federal flood control	43,369	16,343	35,000	[18,657]
Federal money in lieu of taxes	111,171	112,744	110,000	2,744
Local compensating use tax	338,831	431,784	255,000	176,784
Local retail sales tax	1,077,423	1,139,271	800,000	339,271
Mineral tax	80	126	25	101
Licenses and Fees:				
Mortgage registration fees	-	-	-	-
Diversion fees and community service	7,850	9,908	18,000	[8,092]
Cereal malt beverage licenses	1,220	1,320	-	1,320
Fish and game fees	122	108	-	108
Permits	36,075	30,725	26,000	4,725
Recording fees	233,462	263,188	154,000	109,188
Filing fees	3,683	1,502	-	1,502
Use of money and property	146,128	32,865	100,000	[67,135]
Other:				
Transfers in	26,000	10,000	30,000	[20,000]
Antique Tags	8,660	9,333	8,500	833
District court	68,247	58,100	65,000	[6,900]
Copies	4,136	3,888	-	3,888
Insufficient funds	700	388	-	388
Computer services	-	666	-	666
Zoning	4,965	8,995	5,000	3,995
Reimbursements	292,134	759	21,000	[20,241]
Miscellaneous	98,345	48,689	265,200	[216,511]
Total Receipts	<u>6,619,186</u>	<u>7,256,630</u>	<u>\$ 6,991,181</u>	<u>\$ 265,449</u>

Jefferson County, Kansas  
General Fund (Continued)  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

		Current Year		Variance-
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Expenditures				
County Commission				
Personal services	\$ 70,167	\$ 76,304	\$ 103,523	\$ [27,219]
Contractual	31,488	15,193	1,740	13,453
Total County Commission	101,655	91,497	105,263	[13,766]
County Clerk				
Personal services	204,037	258,805	351,206	[92,401]
Contractual	148,274	174,319	125,395	48,924
Commodities	8,378	6,502	10,000	[3,498]
Capital outlay	99	-	2,000	[2,000]
Transfers out	-	58,000	10,000	48,000
Total County Clerk	360,788	497,626	498,601	[975]
County Treasurer & Motor Vehicle				
Personal services	227,008	261,639	387,204	[125,565]
Contractual	155,239	160,536	33,115	127,421
Commodities	2,103	1,757	4,750	[2,993]
Transfers out	43,500	-	-	-
Total County Treasurer & Motor Vehicle	427,850	423,932	425,069	[1,137]
County Attorney				
Personal services	217,938	266,511	353,664	[87,153]
Contractual	139,562	104,092	20,285	83,807
Commodities	1,922	1,538	6,000	[4,462]
Capital outlay	1,761	9,278	-	9,278
Transfers out	27,150	-	-	-
Total County Attorney	388,333	381,419	379,949	1,470
County Counselor				
Personal services	41,621	43,499	48,904	[5,405]
Contractual	7,304	6,115	1,000	5,115
Transfers out	-	-	1,000	[1,000]
Total County Counselor	48,925	49,614	50,904	[1,290]
Register of Deeds				
Personal services	133,030	142,695	220,529	[77,834]
Contractual	87,017	85,308	14,525	70,783
Commodities	724	1,481	3,780	[2,299]
Capital outlay	-	1,680	1,000	680
Transfers out	7,200	8,500	-	8,500
Total Register of Deeds	227,971	239,664	239,834	[170]
Courthouse General				
Personal services	-	-	319,914	[319,914]
Contractual	462,235	693,550	337,400	356,150
Commodities	6,055	6,997	6,300	697
Capital outlay	12,546	6,105	-	6,105
Transfers out	3,000	468,046	271,458	196,588
Total Courthouse General	483,836	1,174,698	935,072	239,626

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
General Fund (Continued)  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Expenditures (Continued)				
Emergency Management				
Personal services	\$ 57,068	\$ 68,483	\$ 114,534	\$ [46,051]
Contractual	30,673	46,304	11,650	34,654
Commodities	5,792	7,937	32,850	[24,913]
Capital outlay	-	968	-	968
Transfers out	36,200	30,000	-	30,000
Total Emergency Management	<u>129,733</u>	<u>153,692</u>	<u>159,034</u>	<u>[5,342]</u>
Communications				
Personal services	500,150	567,648	840,202	[272,554]
Contractual	281,109	292,695	38,000	254,695
Capital outlay	270	150	30,000	[29,850]
Commodities	4,168	3,436	10,675	[7,239]
Transfers out	57,000	54,500	-	54,500
Total Communications	<u>842,697</u>	<u>918,429</u>	<u>918,877</u>	<u>[448]</u>
4-County Court Costs				
County share	<u>23,331</u>	<u>45,576</u>	<u>59,000</u>	<u>[13,424]</u>
Total 4-County Court Costs	<u>23,331</u>	<u>45,576</u>	<u>59,000</u>	<u>[13,424]</u>
Clerk of Unified Courts				
Contractual	51,328	47,047	60,700	[13,653]
Commodities	8,513	8,877	9,550	[673]
Capital outlay	7,980	5,679	21,800	[16,121]
Transfer out	1,400	-	-	-
Total Clerk of Unified Courts	<u>69,221</u>	<u>61,603</u>	<u>92,050</u>	<u>[30,447]</u>
G.I.S.				
Personal services	147,426	148,582	239,983	[91,401]
Contractual services	118,091	117,388	58,750	58,638
Commodities	1,146	652	3,300	[2,648]
Capital outlay	223	-	17,700	[17,700]
Transfers out	35,000	53,000	-	53,000
Total G.I.S.	<u>301,886</u>	<u>319,622</u>	<u>319,733</u>	<u>[111]</u>
Coroner				
Contractual services	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Coroner	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Planning Commission				
Personal services	141,969	152,117	236,023	[83,906]
Contractual services	79,995	105,216	2,500	102,716
Commodities	2,524	1,499	20,500	[19,001]
Capital outlay	345	433	1,500	[1,067]
Transfers out	38,500	7,000	5,000	2,000
Total Planning Commission	<u>263,333</u>	<u>266,265</u>	<u>265,523</u>	<u>742</u>

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
General Fund (Continued)  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Expenditures (Continued)				
Information Technology				
Personal services	\$ 215,140	\$ 278,308	\$ 443,194	\$ [164,886]
Contractual services	149,733	146,496	98,750	47,746
Commodities	3,709	1,240	5,500	[4,260]
Capital outlay	73,143	50,008	83,500	[33,492]
Transfers out	135,000	154,000	-	154,000
Total Information Technology	<u>576,725</u>	<u>630,052</u>	<u>630,944</u>	<u>[892]</u>
Miscellaneous				
Elderly	22,666	22,666	22,666	-
4-H fair	4,919	11,625	11,625	-
4-H fair transfers out	7,800	-	-	-
4-H maintenance	9,569	10,994	11,000	[6]
Historical	15,150	14,530	14,530	-
Mental health	78,469	78,469	78,469	-
Mental development	75,000	75,000	75,000	-
Soil Conservation	39,801	39,801	39,801	-
Meals on Wheels	8,000	8,000	8,000	-
Elderly vehicle purchase reserve	-	-	4,421	[4,421]
JAAA-Appropriation	14,783	15,000	15,000	-
Court appointed attorney	-	-	100,000	[100,000]
Transfers out	<u>1,272,080</u>	<u>1,621,002</u>	<u>1,715,319</u>	<u>[94,317]</u>
Total Miscellaneous	<u>1,548,237</u>	<u>1,897,087</u>	<u>2,095,831</u>	<u>[198,744]</u>
Total Expenditures	<u>5,844,521</u>	<u>7,200,776</u>	<u>\$ 7,225,684</u>	<u>\$ [24,908]</u>
Receipts Over [Under] Expenditures	774,665	55,854		
Unencumbered Cash, Beginning	<u>972,645</u>	<u>1,747,310</u>		
Unencumbered Cash, Ending	<u>\$ 1,747,310</u>	<u>\$ 1,803,164</u>		

Jefferson County, Kansas  
 Abandoned Cemetery Fund \*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Taxes and Shared Revenues:		
Delinquent taxes	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Appropriations	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>8,542</u>	<u>8,542</u>
Unencumbered Cash, Ending	<u>\$ 8,542</u>	<u>\$ 8,542</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Ambulance Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 542,189	\$ 567,870	\$ 579,023	\$ [11,153]
Delinquent taxes	12,601	11,646	5,000	6,646
Motor vehicle taxes	75,209	78,208	78,262	[54]
Recreational vehicle taxes	1,722	1,973	1,648	325
Commercial truck fees	3,352	3,362	6,122	[2,760]
User fees	448,230	497,402	453,523	43,879
Transfers in	279,355	493,786	431,263	62,523
Miscellaneous	-	969	-	969
Reimbursements	3,900	1,435	-	1,435
Total Receipts	<u>1,366,558</u>	<u>1,656,651</u>	<u>\$ 1,554,841</u>	<u>\$ 101,810</u>
Expenditures				
Personal services	708,333	777,644	\$ 1,168,571	\$ [390,927]
Contractual services	457,195	542,737	93,150	449,587
Commodities	96,919	103,657	120,025	[16,368]
Capital outlay	1,997	-	100,000	[100,000]
Transfers out	64,000	225,000	105,000	120,000
Adjustments for qualifying budget credits	-	-	1,435	[1,435]
Total Expenditures	<u>1,328,444</u>	<u>1,649,038</u>	<u>\$ 1,588,181</u>	<u>\$ 60,857</u>
Receipts Over [Under] Expenditures	38,114	7,613		
Unencumbered Cash, Beginning	<u>137,837</u>	<u>175,951</u>		
Unencumbered Cash, Ending	<u>\$ 175,951</u>	<u>\$ 183,564</u>		

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
 Ambulance Capital Outlay Fund \*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ 112,876	\$ 19,750
Transfers in	<u>64,000</u>	<u>110,000</u>
Total Receipts	<u>176,876</u>	<u>129,750</u>
Expenditures		
Capital outlay	<u>172,350</u>	<u>117,698</u>
Total Expenditures	<u>172,350</u>	<u>117,698</u>
Receipts Over [Under] Expenditures	4,526	12,052
Unencumbered Cash, Beginning	<u>103,999</u>	<u>108,525</u>
Unencumbered Cash, Ending	<u>\$ 108,525</u>	<u>\$ 120,577</u>

\* This fund is not required to be budgeted.



Jefferson County, Kansas  
Appraiser's Cost Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

		Current Year		Variance- Over
	Prior Year	Actual	Budget	[Under]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 442,066	\$ 434,602	\$ 429,875	\$ 4,727
Delinquent taxes	10,398	9,415	5,000	4,415
Motor vehicle taxes	61,160	63,760	63,745	15
Recreational vehicle taxes	1,402	1,609	1,342	267
Commercial truck fees	2,728	2,741	4,986	[2,245]
Reimbursements	75	2	-	2
Miscellaneous	5,976	9,149	5,900	3,249
Total Receipts	<u>523,805</u>	<u>521,278</u>	<u>\$ 510,848</u>	<u>\$ 10,430</u>
Expenditures				
Personal services	277,926	311,116	\$ 494,318	\$ [183,202]
Contractual	157,769	167,588	27,450	140,138
Commodities	7,038	10,483	11,200	[717]
Capital outlay	129	-	-	-
Transfers out	80,000	41,000	-	41,000
Total Expenditures	<u>522,862</u>	<u>530,187</u>	<u>\$ 532,968</u>	<u>\$ [2,781]</u>
Receipts Over [Under] Expenditures	943	[8,909]		
Unencumbered Cash, Beginning	<u>21,694</u>	<u>22,637</u>		
Unencumbered Cash, Ending	<u>\$ 22,637</u>	<u>\$ 13,728</u>		

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
Auto Administration Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

		Current Year		Variance- Over
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Miscellaneous	\$ 172,036	\$ 177,903	\$ 197,000	\$ [19,097]
Total Receipts	<u>172,036</u>	<u>177,903</u>	<u>\$ 197,000</u>	<u>\$ [19,097]</u>
Expenditures				
Personal services	81,673	103,075	\$ 232,741	\$ [129,666]
Contractual services	68,947	66,927	5,894	61,033
Commodities	4,444	3,713	3,950	[237]
Transfers out	<u>20,000</u>	<u>5,000</u>	<u>1,000</u>	<u>4,000</u>
Total Expenditures	<u>175,064</u>	<u>178,715</u>	<u>\$ 243,585</u>	<u>\$ [64,870]</u>
Receipts Over [Under] Expenditures	[3,028]	[812]		
Unencumbered Cash, Beginning	<u>33,256</u>	<u>30,228</u>		
Unencumbered Cash, Ending	<u>\$ 30,228</u>	<u>\$ 29,416</u>		

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
County Clerk Technology Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Fees	\$ 8,960	\$ 9,849
Total Receipts	<u>8,960</u>	<u>9,849</u>
Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	8,960	9,849
Unencumbered Cash, Beginning	<u>6,396</u>	<u>15,356</u>
Unencumbered Cash, Ending	<u>\$ 15,356</u>	<u>\$ 25,205</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
County Treasurer Technology Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Fees	\$ 8,960	\$ 9,849
Total Receipts	<u>8,960</u>	<u>9,849</u>
Expenditures		
Capital outlay	<u>193</u>	<u>-</u>
Total Expenditures	<u>193</u>	<u>-</u>
Receipts Over [Under] Expenditures	8,767	9,849
Unencumbered Cash, Beginning	<u>3,872</u>	<u>12,639</u>
Unencumbered Cash, Ending	<u>\$ 12,639</u>	<u>\$ 22,488</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
D.A.R.E. Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
State of Kansas	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Contractual	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>53</u>	<u>53</u>
Unencumbered Cash, Ending	<u>\$ 53</u>	<u>\$ 53</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Elevator Maintenance Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 3,000	\$ 3,000
Total Receipts	<u>3,000</u>	<u>3,000</u>
Expenditures		
Contractual services	<u>4,839</u>	<u>4,240</u>
Total Expenditures	<u>4,839</u>	<u>4,240</u>
Receipts Over [Under] Expenditures	[1,839]	[1,240]
Unencumbered Cash, Beginning	<u>17,621</u>	<u>15,782</u>
Unencumbered Cash, Ending	<u>\$ 15,782</u>	<u>\$ 14,542</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Emergency 911 Communications Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
911 telephone tax collections	\$ 142,287	\$ 144,203
Total Receipts	<u>142,287</u>	<u>144,203</u>
Expenditures		
Contractual services	121,717	118,536
Commodities	12,586	11,567
Capital outlay	<u>9,447</u>	<u>9,160</u>
Total Expenditures	<u>143,750</u>	<u>139,263</u>
Receipts Over [Under] Expenditures	[1,463]	4,940
Unencumbered Cash, Beginning	<u>114,396</u>	<u>112,933</u>
Unencumbered Cash, Ending	<u>\$ 112,933</u>	<u>\$ 117,873</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Emergency Management Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Grants	\$ -	\$ 47,752
Total Receipts	<u>-</u>	<u>47,752</u>
Expenditures		
Contractual services	2,746	3,036
Commodities	8,091	8,146
Capital outlay	<u>254</u>	<u>576</u>
Total Expenditures	<u>11,091</u>	<u>11,758</u>
Receipts Over [Under] Expenditures	[11,091]	35,994
Unencumbered Cash, Beginning	<u>58,738</u>	<u>47,647</u>
Unencumbered Cash, Ending	<u>\$ 47,647</u>	<u>\$ 83,641</u>

\* This fund is not required to be budgeted.



Jefferson County, Kansas  
Employee Benefits Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Taxes and Shared Revenues:		
Delinquent taxes	\$ 862	\$ 24
Total Receipts	<u>862</u>	<u>24</u>
Expenditures		
Contractual	<u>862</u>	<u>24</u>
Total Expenditures	<u>862</u>	<u>24</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Equipment Reserve Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 998,750	\$ 1,035,076
Miscellaneous	64,019	24,376
Reimbursements	<u>-</u>	<u>-</u>
Total Receipts	<u>1,062,769</u>	<u>1,059,452</u>
Expenditures		
Capital outlay	<u>303,221</u>	<u>485,716</u>
Total Expenditures	<u>303,221</u>	<u>485,716</u>
Receipts Over [Under] Expenditures	759,548	573,736
Unencumbered Cash, Beginning	<u>4,050,144</u>	<u>4,809,692</u>
Unencumbered Cash, Ending	<u>\$ 4,809,692</u>	<u>\$ 5,383,428</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Grant Funds \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021

	<u>General Grants</u>	<u>EOC Grant</u>	<u>COVID Relief</u>	<u>American Rescue Plan</u>
Receipts				
Grant income	\$ 10,000	\$ -	\$ -	\$ 2,151,940
Total Receipts	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>2,151,940</u>
Expenditures				
Miscellaneous	<u>3,006</u>	<u>5,446</u>	<u>67,900</u>	<u>329,715</u>
Total Expenditures	<u>3,006</u>	<u>5,446</u>	<u>67,900</u>	<u>329,715</u>
Receipts Over [Under] Expenditures	6,994	[5,446]	[67,900]	1,822,225
Unencumbered Cash, Beginning	<u>676</u>	<u>5,446</u>	<u>67,900</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 7,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,822,225</u>

\* These funds are not required to be budgeted.

Jefferson County, Kansas  
Health Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 120,363	\$ 120,762	\$ 123,000	\$ [2,238]
Delinquent taxes	3,148	2,703	2,000	703
Motor vehicle taxes	17,706	17,409	17,331	78
Recreational vehicle taxes	404	438	365	73
Commercial truck fees	787	746	1,356	[610]
Reimbursed expenses	9,628	2,351	-	2,351
Grants	306,837	336,378	193,706	142,672
Home health	758,286	604,553	600,000	4,553
Donations	1,346	1,735	1,000	735
User fees	140,569	173,932	135,000	38,932
Contracts	185,014	176,424	180,000	[3,576]
Memorials	2,680	2,430	500	1,930
Hospice	700,703	400,153	400,000	153
Use of money and property	-	-	-	-
Transfers in	851,225	1,054,056	1,054,056	-
Total Receipts	<u>3,098,696</u>	<u>2,894,070</u>	<u>\$ 2,708,314</u>	<u>\$ 185,756</u>
Expenditures				
Personal services	1,282,298	1,522,105	\$ 2,066,203	\$ [544,098]
Contractual	1,084,224	1,122,897	504,625	618,272
Commodities	157,092	223,819	193,100	30,719
Capital outlay	49,528	23,168	28,000	[4,832]
Miscellaneous	178	-	-	-
Transfers out	400,000	-	100,000	[100,000]
Adjustments for qualifying budget credits	-	-	2,351	[2,351]
Total Expenditures	<u>2,973,320</u>	<u>2,891,989</u>	<u>\$ 2,894,279</u>	<u>\$ [2,290]</u>
Receipts Over [Under] Expenditures	125,376	2,081		
Unencumbered Cash, Beginning	<u>415,631</u>	<u>541,007</u>		
Unencumbered Cash, Ending	<u>\$ 541,007</u>	<u>\$ 543,088</u>		

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
Lake Patrol Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Lake patrol contract	\$ 49,368	\$ 49,790
Total Receipts	<u>49,368</u>	<u>49,790</u>
Expenditures		
Personal services	33,520	33,949
Contractual services	<u>7,713</u>	<u>8,092</u>
Total Expenditures	<u>41,233</u>	<u>42,041</u>
Receipts Over [Under] Expenditures	8,135	7,749
Unencumbered Cash, Beginning	<u>71,908</u>	<u>80,043</u>
Unencumbered Cash, Ending	<u>\$ 80,043</u>	<u>\$ 87,792</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Law Enforcement Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual for the Year Ended December 31, 2020)

		Current Year		Variance-
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 3,395,619	\$ 3,611,939	\$ 3,573,333	\$ 38,606
Delinquent taxes	74,261	70,684	35,000	35,684
Motor vehicle taxes	440,252	488,384	489,633	[1,249]
Recreational vehicle taxes	10,114	12,354	10,310	2,044
Commercial truck fees	19,686	21,056	38,299	[17,243]
Process fees	7,756	11,776	10,000	1,776
Miscellaneous	2,236	5,420	1,500	3,920
Boarding fees - prisoners	60,200	57,923	10,000	47,923
Transfers in	-	62,523	-	62,523
Total Receipts	<u>4,010,124</u>	<u>4,342,059</u>	<u>\$ 4,168,075</u>	<u>\$ 173,984</u>
Expenditures				
Personal services	1,916,987	2,115,685	\$ 3,474,789	\$ [1,359,104]
Contractual services	1,553,751	1,674,188	519,200	1,154,988
Commodities	174,361	260,713	266,378	[5,665]
Capital outlay	38,079	2,860	-	2,860
Transfers out	240,000	250,000	-	250,000
Total Expenditures	<u>3,923,178</u>	<u>4,303,446</u>	<u>\$ 4,260,367</u>	<u>\$ 43,079</u>
Receipts Over [Under] Expenditures	86,946	38,613		
Unencumbered Cash, Beginning	<u>5,722</u>	<u>92,668</u>		
Unencumbered Cash, Ending	<u>\$ 92,668</u>	<u>\$ 131,281</u>		

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
MCM Agreement Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Agreement income	\$ 40,000	\$ 40,000
Total Receipts	<u>40,000</u>	<u>40,000</u>
Expenditures		
Contractual services	<u>206,387</u>	<u>-</u>
Total Expenditures	<u>206,387</u>	<u>-</u>
Receipts Over [Under] Expenditures	[166,387]	40,000
Unencumbered Cash, Beginning	<u>200,000</u>	<u>33,613</u>
Unencumbered Cash, Ending	<u>\$ 33,613</u>	<u>\$ 73,613</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
 Noxious Weed Capital Outlay Fund \*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers In	\$ -	\$ 66,549
Total Receipts	<u>-</u>	<u>66,549</u>
Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	66,549
Unencumbered Cash, Beginning	<u>12,532</u>	<u>12,532</u>
Unencumbered Cash, Ending	<u>\$ 12,532</u>	<u>\$ 79,081</u>

\* This fund is not required to be budgeted.



Jefferson County, Kansas  
Public Works Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

		Current Year		Variance-
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 4,909,349	\$ 4,168,812	\$ 4,248,443	\$ [79,631]
Delinquent taxes	116,304	104,341	50,000	54,341
Motor vehicle taxes	715,376	709,887	707,925	1,962
Recreational vehicle taxes	16,437	17,872	14,907	2,965
Commercial truck fees	31,996	30,444	55,374	[24,930]
Highway funds from state	711,556	806,611	800,000	6,611
Federal flood control	14,456	5,448	10,000	[4,552]
Permits	1,700	3,500	25,000	[21,500]
Sale of used supplies	218,637	146,842	160,000	[13,158]
Reimbursements	131,760	259,426	262,000	[2,574]
Miscellaneous	742,210	144,091	40,000	104,091
Total Receipts	<u>7,609,781</u>	<u>6,397,274</u>	<u>\$ 6,373,649</u>	<u>\$ 23,625</u>
Expenditures				
Personal services	1,619,054	1,706,173	\$ 2,915,144	\$ [1,208,971]
Contractual	2,469,849	1,859,163	1,124,070	735,093
Commodities	2,810,150	2,913,490	3,133,366	[219,876]
Capital outlay	282,572	352,936	320,000	32,936
Transfers out	30,000	1,065,753	415,000	650,753
Total Expenditures	<u>7,211,625</u>	<u>7,897,515</u>	<u>\$ 7,907,580</u>	<u>\$ [10,065]</u>
Receipts Over [Under] Expenditures	398,156	[1,500,241]		
Unencumbered Cash, Beginning	<u>1,262,411</u>	<u>1,660,567</u>		
Unencumbered Cash, Ending	<u>\$ 1,660,567</u>	<u>\$ 160,326</u>		

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
 Road Improvement District #1 - Special Fund \*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Taxes and Shared Revenues:		
Specials tax	\$ 2,850	\$ 2,850
Total Receipts	<u>2,850</u>	<u>2,850</u>
Expenditures		
Contractual services	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	2,850	2,850
Unencumbered Cash, Beginning	<u>11,550</u>	<u>14,400</u>
Unencumbered Cash, Ending	<u>\$ 14,400</u>	<u>\$ 17,250</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Special Alcohol Program Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
State alcohol taxes	\$ 24,669	\$ 38,321
Total Receipts	<u>24,669</u>	<u>38,321</u>
Expenditures		
Appropriations	<u>85,500</u>	<u>40,000</u>
Total Expenditures	<u>85,500</u>	<u>40,000</u>
Receipts Over [Under] Expenditures	[60,831]	[1,679]
Unencumbered Cash, Beginning	<u>138,066</u>	<u>77,235</u>
Unencumbered Cash, Ending	<u>\$ 77,235</u>	<u>\$ 75,556</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Special Law Enforcement Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Drug forfeiture	\$ 18,501	\$ 22,685
Miscellaneous	<u>5,124</u>	<u>5,270</u>
Total Receipts	<u>23,625</u>	<u>27,955</u>
Expenditures		
Contractual services	<u>3,148</u>	<u>43,857</u>
Total Expenditures	<u>3,148</u>	<u>43,857</u>
Receipts Over [Under] Expenditures	20,477	[15,902]
Unencumbered Cash, Beginning	<u>149,000</u>	<u>169,477</u>
Unencumbered Cash, Ending	<u>\$ 169,477</u>	<u>\$ 153,575</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Special Parks and Recreation Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
State alcohol taxes	\$ 9,704	\$ 15,059
Total Receipts	<u>9,704</u>	<u>15,059</u>
Expenditures		
Transfers out	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	9,704	15,059
Unencumbered Cash, Beginning	<u>181,773</u>	<u>191,477</u>
Unencumbered Cash, Ending	<u>\$ 191,477</u>	<u>\$ 206,536</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Special Road and Bridge Machinery Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 30,000	\$ 850,000
Miscellaneous	<u>-</u>	<u>59,360</u>
Total Receipts	<u>30,000</u>	<u>909,360</u>
Expenditures		
Equipment	<u>281,126</u>	<u>-</u>
Total Expenditures	<u>281,126</u>	<u>-</u>
Receipts Over [Under] Expenditures	[251,126]	909,360
Unencumbered Cash, Beginning	<u>534,081</u>	<u>282,955</u>
Unencumbered Cash, Ending	<u>\$ 282,955</u>	<u>\$ 1,192,315</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Technology - Register of Deeds Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 35,840	\$ 39,397
Total Receipts	<u>35,840</u>	<u>39,397</u>
Expenditures		
Contractual	16,759	25,004
Capital outlay	-	-
Total Expenditures	<u>16,759</u>	<u>25,004</u>
Receipts Over [Under] Expenditures	19,081	14,393
Unencumbered Cash, Beginning	<u>85,378</u>	<u>104,459</u>
Unencumbered Cash, Ending	<u>\$ 104,459</u>	<u>\$ 118,852</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
 Driver's License County Fees Fund \*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ 5,043	\$ 4,485
Total Receipts	<u>5,043</u>	<u>4,485</u>
Expenditures		
Capital outlay	94	47
Commodities	10	-
Transfer out	<u>6,000</u>	<u>5,000</u>
Total Expenditures	<u>6,104</u>	<u>5,047</u>
Receipts Over [Under] Expenditures	[1,061]	[562]
Unencumbered Cash, Beginning	<u>2,129</u>	<u>1,068</u>
Unencumbered Cash, Ending	<u>\$ 1,068</u>	<u>\$ 506</u>

\* This fund is not required to be budgeted.



Jefferson County, Kansas  
 Health Insurance Reserve Fund \*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 128,000	\$ 101,262
Miscellaneous	<u>-</u>	<u>169,052</u>
Total Receipts	<u>128,000</u>	<u>270,314</u>
Expenditures		
Contractual services	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	128,000	270,314
Unencumbered Cash, Beginning	<u>186,016</u>	<u>314,016</u>
Unencumbered Cash, Ending	<u>\$ 314,016</u>	<u>\$ 584,330</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Bond and Interest Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Year Ended December 31, 2020)

		Current Year		Variance-
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 256,245	\$ 393,521	\$ 389,268	\$ 4,253
Delinquent taxes	9,191	7,261	5,000	2,261
Motor vehicle taxes	56,359	37,941	38,242	[301]
Recreational vehicle taxes	1,281	935	778	157
Commercial truck fees	2,491	1,589	1,578	11
Total Receipts	<u>325,567</u>	<u>441,247</u>	<u>\$ 434,866</u>	<u>\$ 6,381</u>
Expenditures				
Principal	370,000	375,000	\$ 375,000	\$ -
Interest	53,880	46,430	46,430	-
Cash basis reserve	-	-	75,000	[75,000]
Total Expenditures	<u>423,880</u>	<u>421,430</u>	<u>\$ 496,430</u>	<u>\$ [75,000]</u>
Receipts Over [Under] Expenditures	[98,313]	19,817		
Unencumbered Cash, Beginning	<u>162,258</u>	<u>63,945</u>		
Unencumbered Cash, Ending	<u>\$ 63,945</u>	<u>\$ 83,762</u>		

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
Fairway Drive Improvement Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Contractual	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>2,563</u>	<u>2,563</u>
Unencumbered Cash, Ending	<u>\$ 2,563</u>	<u>\$ 2,563</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Northwind Drive Improvement Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Taxes and Shared Revenues:		
Special assessments	\$ 14,699	\$ 14,700
Total Receipts	<u>14,699</u>	<u>14,700</u>
Expenditures		
Principal	7,945	8,362
Interest	<u>6,005</u>	<u>5,588</u>
Total Expenditures	<u>13,950</u>	<u>13,950</u>
Receipts Over [Under] Expenditures	749	750
Unencumbered Cash, Beginning	<u>10,898</u>	<u>11,647</u>
Unencumbered Cash, Ending	<u>\$ 11,647</u>	<u>\$ 12,397</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
 Capital Improvement Fund \*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursement	\$ -	\$ 12,000
Transfers in	<u>131,048</u>	<u>259,549</u>
Total Receipts	<u>131,048</u>	<u>271,549</u>
Expenditures		
Capital outlay	<u>53,787</u>	<u>70,476</u>
Total Expenditures	<u>53,787</u>	<u>70,476</u>
Receipts Over [Under] Expenditures	77,261	201,073
Unencumbered Cash, Beginning	<u>1,777,554</u>	<u>1,854,815</u>
Unencumbered Cash, Ending	<u>\$ 1,854,815</u>	<u>\$ 2,055,888</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Landfill Access Road Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021 and 2020

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
User fee	\$ -	\$ 78,157
Reimbursements	<u>65,811</u>	<u>-</u>
Total Receipts	<u>65,811</u>	<u>78,157</u>
Expenditures		
Contractual services	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	65,811	78,157
Unencumbered Cash, Beginning	<u>144,133</u>	<u>209,944</u>
Unencumbered Cash, Ending	<u>\$ 209,944</u>	<u>\$ 288,101</u>

\* This fund is not required to be budgeted.

Jefferson County, Kansas  
Agency Funds  
Summary of Receipts and Disbursements - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Distributable Funds:				
Advance Tax	\$ 124	\$ -	\$ -	\$ 124
Collection Agency	231	-	-	231
Commercial Vehicle Fees	-	274,631	274,474	157
County Property Sale	109,782	38,857	4,121	144,518
Current Tax	15,457,677	30,075,020	28,196,911	17,335,786
Flood Control	-	54,478	54,478	-
Motor Vehicle, Personal Property Tax	34,406	3,172,429	3,173,572	33,263
Prior Years Taxes	3	-	-	3
Recreational Vehicle Tax	366	99,313	99,257	422
Severance Tax	-	252	252	-
Tax Sale	54,612	-	-	54,612
Treasurer's Holding	8,524	10,722	1,168	18,078
Total Distributable Funds	15,665,725	33,725,702	31,804,233	17,587,194
State Funds:				
Institutional Building	2,187	110,607	110,480	2,314
State Educational Building	4,374	221,106	220,852	4,628
Total State Funds	6,561	331,713	331,332	6,942
Subdivision Funds:				
Cemetery Districts	2,760	132,198	132,012	2,946
Cities	39,446	1,921,190	1,922,660	37,976
Drainage and Watershed Districts	31,431	225,787	217,265	39,953
Library Districts	7,215	301,994	301,305	7,904
School Districts	227,802	10,181,849	10,276,482	133,169
Sewer Districts	266,092	2,817,259	2,739,911	343,440
Special Districts	247,978	637,095	531,786	353,287
Townships	28,691	1,372,910	1,371,754	29,847
Total Subdivision Funds	851,415	17,590,282	17,493,175	948,522

See independent auditor's report on the financial statements.

Jefferson County, Kansas  
Agency Funds (Continued)  
Summary of Receipts and Disbursements - Actual  
Regulatory Basis  
For the Year Ended December 31, 2021

	Restated Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Other Funds:				
County Attorney Federal Forfeiture	\$ 221	\$ -	\$ -	\$ 221
Driver's license fees	158	32,017	32,175	-
Fish and Game Licenses	-	2,583	2,604	[21]
Heritage Trust Fund	4,776	19,699	19,868	4,607
Jefferson County Home Health and Hospice	20,999	47	-	21,046
Land Bank Operating	12,759	3,600	298	16,061
Long and Short	3,068	1,322	74	4,316
Motor Vehicle License Fee	2,422	1,369,208	1,369,201	2,429
Motor Vehicle Sales Tax	91,601	1,439,576	1,417,866	113,311
NEK Library	4,820	194,650	194,241	5,229
Overpayments	11,735	44,450	44,450	11,735
Payroll Clearing	6,229	7,090,278	7,084,744	11,763
Personal Property Warrant	286	2,618	2,582	322
Prosecutor Training and Assistance	1,384	969	809	1,544
Special Prosecutor's Trust Fund	1,162	-	-	1,162
Stray Animal	-	719	719	-
Worthless Check Trust Fund	1,890	10	-	1,900
	<u>163,510</u>	<u>10,201,746</u>	<u>10,169,631</u>	<u>195,625</u>
Total Other Funds				
	<u>163,510</u>	<u>10,201,746</u>	<u>10,169,631</u>	<u>195,625</u>
County Offices:				
Schedule 4	<u>131,304</u>	<u>934,807</u>	<u>691,213</u>	<u>374,898</u>
Total Agency Funds	<u>\$ 16,818,515</u>	<u>\$ 62,784,250</u>	<u>\$ 60,489,584</u>	<u>\$ 19,113,181</u>



Jefferson County, Kansas  
 Agency Funds - County Offices  
 Summary of Receipts and Disbursements - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2021

	<u>District Court</u>	<u>County Sheriff</u>	<u>Law Library</u>	<u>Inmate</u>	<u>4-H Fair Board</u>	<u>Total</u>
Receipts						
Cash bonds	\$ -	\$ 38,466	\$ -	\$ -	\$ -	\$ 38,466
Fees	171,430	-	7,651	-	-	179,081
Fines	83,197	-	-	-	-	83,197
Reimbursements and refunds	91,345	-	-	-	-	91,345
Restitution	288,020	-	-	-	-	288,020
Miscellaneous	-	-	-	53,029	201,669	254,698
Total Receipts	<u>633,992</u>	<u>38,466</u>	<u>7,651</u>	<u>53,029</u>	<u>201,669</u>	<u>934,807</u>
Disbursements						
Cash bonds	-	38,465	-	-	-	38,465
Fees	164,675	-	-	-	-	164,675
Fines	83,197	-	-	-	-	83,197
Reimbursement and refunds	121,156	-	-	-	-	121,156
Restitution	61,130	-	-	-	-	61,130
Miscellaneous	-	-	6,112	46,730	169,748	222,590
Total Disbursements	<u>430,158</u>	<u>38,465</u>	<u>6,112</u>	<u>46,730</u>	<u>169,748</u>	<u>691,213</u>
Receipts Over [Under] Disbursements	203,834	1	1,539	6,299	31,921	243,594
Unencumbered Cash, Beginning, Restated	<u>46,158</u>	<u>163</u>	<u>9,356</u>	<u>33,694</u>	<u>41,933</u>	<u>131,304</u>
Unencumbered Cash, Ending	<u>\$249,992</u>	<u>\$ 164</u>	<u>\$10,895</u>	<u>\$39,993</u>	<u>\$ 73,854</u>	<u>\$ 374,898</u>

Jefferson County, Kansas  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Homeland Security</u>		
Passed Through Kansas Department of Administration:		
Flood Insurance	97.022	\$ 54,478
Passed Through Kansas Adjutant General's Office:		
Emergency Management Performance Grant	97.042	47,752
Total U.S. Department of Homeland Security		102,230
<u>U.S. Department of Health and Human Services</u>		
Public Health Emergency Preparedness	93.069	9,339
Special Programs for the Aging, Title III, Part C, Nutritional Services	93.074	9,337
Immunization Cooperative Agreements	93.268	18,189
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	231,617
Maternal and Child Health Services Block Grant	93.994	6,876
Total U.S. Department of Health and Human Services		275,358
<u>U.S. Department of Agriculture</u>		
Passed Through Kansas Department of Health and Environment:		
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	52,908
Total U.S. Department of Agriculture		52,908
<u>U.S. Department of Transportation</u>		
Passed Through Kansas Department of Transportation:		
Highway Planning & Construction Cluster		
Highway Planning & Construction	20.205	61,746
Total Highway Planning & Construction Cluster		61,746
Total U.S. Department of Transportation		61,746
<u>U.S. Department of the Treasury</u>		
Passed Through Kansas Governor's Office:		
Coronavirus Relief Fund	21.019	370,400
Coronavirus State and Local Fiscal Recovery Funds	21.027	27,215
Total U.S. Department of the Treasury		397,615
Total Expenditures of Federal Awards		\$ 889,857

## JEFFERSON COUNTY, KANSAS

### Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2021

#### 1. Organization

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

#### 2. Basis of Presentation

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

#### 3. Local Government Contributions

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

#### 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the County's grant programs for economy and efficiency and program results that may result in disallowed costs to the County. However, management does not believe such audits would result in any disallowed costs that would be material to the County financial position as of December 31, 2021.

#### 5. Outstanding Loans

The County did not have any outstanding loans under any federal grants as of December 31, 2021.

#### 6. Pass Through Numbers

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

Jefferson County, Kansas  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
Dollar threshold used to distinguish between type A and type B programs:	<u>          \$750,000          </u>
Auditee qualified as low-risk auditee?	<u>          </u> Yes <u>      X      </u> No

Jefferson County, Kansas  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2021

Section II - Financial Statement Findings

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Status</u>
Not Applicable	2021-1	Physical and accounting control over cash receipts not segregated adequately for the Ambulance Department.	Recommended Practices	Not Determined	Redesign system to adequately separate duties. We recommend that physical control over ambulance receipts be adequately segregated. Individuals posting and reconciling deposits should not be billing and handling receipts.	Repeated at 2021-1

Current Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>
Not Applicable	2021-1	Physical and accounting control over cash receipts not segregated adequately for the Ambulance Department.	Recommended Practices	Not Determined	Redesign system to adequately separate duties. We recommend that physical control over ambulance receipts be adequately segregated. Individuals posting and reconciling deposits should not be billing and handling receipts.	See Corrective Action Plan

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

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

Board of County Commissioners  
Jefferson County, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Jefferson 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 September 15, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs (2021-1) that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Response to Findings

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

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gordon CPA LLC

Certified Public Accountant  
Lawrence, Kansas

September 15, 2022

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

Board of County Commissioners  
Jefferson County, Kansas

Report on Compliance for Each Major Federal Program

Report on Opinion on Each Major Federal Program

We have audited the compliance of Jefferson County, Kansas (the County), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 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 requirement referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grants agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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



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

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

#### Other Matters

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

#### Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the County as of and for the year ended December 31, 2021, and have issued our report thereon dated September 15, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Gordon CPA LLC*

Certified Public Accountant  
Lawrence, Kansas

September 15, 2022