

**DONIPHAN COUNTY, KANSAS**

**STATUTORY BASIS FINANCIAL STATEMENTS**  
For the year ended December 31, 2011

And

**INDEPENDENT AUDITORS' REPORT**

**Long CPA, PA**  
**A Professional Association**  
**Certified Public Accountants**

# DONIPHAN COUNTY, KANSAS

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Board of County Commissioners  
Doniphan County, Kansas

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of the individual funds of Doniphan County, Kansas as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the County has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do 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, 2011, or the changes in its financial position for the year then ended.

In our opinion the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the County as of December 31, 2011, and its cash receipts and expenditures, budgetary comparisons, and changes in long-term debt and long-term debt maturities for the year then ended, on the basis of accounting described in Note 1.

*Long CPA, PA*

Long CPA, PA  
A Professional Association  
Certified Public Accountant

July 21, 2012

**DONIPHAN COUNTY, KANSAS**  
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
 For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
General	\$ 321,052	\$ 0	\$ 2,465,215	\$ 2,039,412	\$ 746,855	\$	\$ 746,855
Special Revenue Funds							
Road and Bridges Fund	216,645	0	1,984,535	2,091,193	109,987		109,987
Capital Improvement Fund	108,633	0	137,424	24,727	221,330		221,330
Employee Benefits Fund	68,816	0	548,652	451,817	165,651		165,651
Extension Council Fund	0	0	112,446	112,263	183		183
Community Mental Health Fund	0	0	28,490	28,490	0		0
Mental Health Workshop Fund	114	0	31,010	30,865	259		259
Conservation District Fund	636	0	26,286	25,951	971		971
Community College Fund	18	0	1	0	19		19
Appraiser's Costs Fund	48,827	0	169,533	168,431	49,929		49,929
Noxious Weed Fund	41,445	0	48,956	59,503	30,898		30,898
Noxious Weed Chemical Fund	111,380	0	53,760	75,294	89,846		89,846
Fair Fund	0	0	17,129	17,114	15		15
Economic Development Fund	56,523	0	69,093	82,084	43,532		43,532
Elderly Services Fund	79,717	0	191,409	218,497	52,629		52,629
Local Alcoholic Fund	391	0	1,752	1,119	1,024		1,024
Diversion Fund	66,695	0	10,028	1,940	74,783		74,783
Direct Election Fund	30,406	0	23,263	28,918	24,751		24,751
Title III C-1 Fund	0	0	175,368	175,368	0		0
Title III C-2 Fund	0	0	124,759	124,759	0		0
Title III B Fund	111	0	98,140	98,008	243		243
911 Telephone Surcharge Fund	52,794	0	83,722	85,320	51,196		51,196
PEMA Fund	150,239	0	74,312	106,954	117,597		117,597
New Sales Tax Fund	609,392	0	403,298	371,755	640,935		640,935
Debt Service							
Bond and Interest Fund	8,845	0	182,588	188,087	3,346		3,346
<b>Proprietary Type Funds:</b>							
Enterprise Funds							
NEK Central Kitchen Fund	8,455	0	229,916	238,140	231		231
Health Fund	521,277	0	690,574	775,187	436,664		436,664
Solid Waste Fund	402,551	0	15,352	14,600	403,303		403,303
Subtotal	2,904,962	0	7,997,011	7,635,796	3,266,177	0	3,266,177
<b>Component Units:</b>							
Component Unit - Extension Council	81,326	0	151,209	148,959	83,576	0	83,576
<b>Total Reporting Entity</b>	<b>\$ 2,986,288</b>	<b>\$ 0</b>	<b>\$ 8,148,220</b>	<b>\$ 7,784,755</b>	<b>\$ 3,349,753</b>	<b>\$ 0</b>	<b>\$ 3,349,753</b>
<b>Composition of Cash</b>							
Checking Accounts							\$ 7,788,045
Savings Accounts							2,977,678
Petty Cash							3,249
Municipal Investment Pool							83,576
Certificates of Deposit							10,852,548
Total Component Units							7,502,795
Total Cash							\$ 3,349,753
Agency Funds per Statement 4							
Total Reporting Entity							\$ 3,349,753

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

**DONIPHAN COUNTY, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 For the Year Ended December 31, 2011

Funds	Certified Budget	Adjustments to		Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
		Comply with Legal Max	Legal Max				
<b>Governmental Type Funds</b>							
General	\$ 2,237,948	\$ 0	\$ 0	\$ 0	\$ 2,237,948	\$ 2,039,412	\$ 198,536
Special Revenue Funds							
Road and Bridge Fund	2,240,638	0	0	0	2,240,638	2,091,193	149,445
Capital Improvement Fund	124,500	0	0	0	124,500	24,727	99,773
Employee Benefits Fund	510,411	0	0	0	510,411	451,817	58,594
Extension Council Fund	112,775	0	0	0	112,775	112,263	512
Community Mental Health Fund	28,710	0	0	0	28,710	28,490	220
Mental Health Workshop Fund	31,092	0	0	0	31,092	30,865	227
Conservation District Fund	26,400	0	0	0	26,400	25,951	449
Community College Fund	18	0	0	0	18	0	18
Appraiser's Costs Fund	180,601	0	0	0	180,601	168,431	12,170
Noxious Weed Fund	68,209	0	0	0	68,209	59,503	8,706
Noxious Weed Chemical Fund	106,089	0	0	0	106,089	75,294	30,795
Fair Fund	17,218	0	0	0	17,218	17,114	104
Economic Development Fund	103,201	0	0	0	103,201	82,084	21,117
Elderly Services Fund	220,933	0	0	0	220,933	218,497	2,436
Local Alcoholic Fund	2,650	0	0	0	2,650	1,119	1,531
Diversion Fund	20,000	0	0	0	20,000	1,940	18,060
Direct Election Fund	44,744	0	0	0	44,744	28,918	15,826
Debt Service							
Bond and Interest	193,446	0	0	0	193,446	188,087	5,359
<b>Proprietary Type Funds:</b>							
Enterprise Funds							
NEK Central Kitchen	274,581	0	0	0	274,581	238,140	36,441
Health Fund	824,187	0	0	0	824,187	775,187	49,000
Solid Waste Fund	14,200	0	0	0	14,200	14,600	(400)

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

DONIPHAN COUNTY, KANSAS  
GENERAL FUND

Statement 3

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,760,085	\$ 1,783,390	\$ (23,305)
Delinquent tax	8,333		8,333
Motor vehicle tax	111,100	115,942	(4,842)
RV tax	2,633	2,685	(52)
16/20M vehicle tax		19,339	(19,339)
Gross earnings (intangible) tax	24,597	12,798	11,799
Official fees	166,281	140,000	26,281
Inmate fees	285,760	115,000	170,760
City contribution			0
Miscellaneous revenues	9,102	16,000	(6,898)
Use of property	2,662	5,000	(2,338)
Slider tax			0
Interest income	94,662	9,050	85,612
Operating transfers			0
<b>Total Cash Receipts</b>	<u>2,465,215</u>	<u>2,219,204</u>	<u>246,011</u>
<b>EXPENDITURES</b>			
County Clerk			
Salaries	88,305	107,107	18,802
Contractual	14,958	25,000	10,042
Commodities			0
Capital Outlay		2,000	2,000
County Commission			
Salaries	37,262	45,000	7,738
Contractual	6,478	5,000	(1,478)
Commodities			0
Capital Outlay			0
County Treasurer			
Salaries	144,696	138,000	(6,696)
Contractual	23,713	26,000	2,287
Commodities			0
Capital Outlay		2,000	2,000
District Court			
Salaries			0
Contractual	37,779	66,719	28,940
Commodities	4,368	8,300	3,932
Capital Outlay		7,500	7,500
911 Dispatch			
Salaries	158,283	179,528	21,245
Contractual	9,295	18,994	9,699
Commodities	1,376	4,500	3,124
Capital Outlay		15,000	15,000
Emergency Services			
Salaries	47,556	46,415	(1,141)
Contractual	11,287	6,858	(4,429)
Commodities		375	375
Capital Outlay	600	5,000	4,400

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

**DONIPHAN COUNTY, KANSAS**  
**GENERAL FUND**

Statement 3

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	Actual	Budget	Variance- Favorable (Unfavorable)
Law Enforcement			
Salaries	474,629	461,548	(13,081)
Contractual	221,222	244,400	23,178
Commodities	49,347	50,000	653
Capital Outlay	12,003	23,000	10,997
Register of Deeds			
Salaries	71,919	70,400	(1,519)
Contractual	46,501	42,250	(4,251)
Commodities			0
Capital Outlay			0
Road and Bridge			
Salaries	42,286	42,600	314
Contractual	2,704	1,500	(1,204)
Commodities	1,246	1,500	254
Capital Outlay	923	3,500	2,577
Courthouse - General			
Salaries	58,234	41,500	(16,734)
Contractual	150,657	210,000	59,343
Commodities			0
Capital Outlay			0
Special MVT			
Salaries		65,000	65,000
Contractual		5,000	5,000
Commodities			0
Capital Outlay		2,000	2,000
County Attorney/Counselor			
Salaries	88,618	115,749	27,131
Contractual	5,440	4,000	(1,440)
Commodities		4,000	4,000
Capital Outlay			0
Health			
Salaries	600	600	0
Contractual	10,016	15,500	5,484
Commodities			0
Capital Outlay			0
Capital Outlay			0
Neighborhood revitalization	70,654	44,605	(26,049)
Contingency		80,000	80,000
Operating transfers	146,457		(146,457)
Adjustment for qualifying budget credits			0
<b>Total Expenditures</b>	<b>2,039,412</b>	<b>\$ 2,237,948</b>	<b>\$ 198,536</b>
Receipts Over (Under) Expenditures	425,803		
Unencumbered Cash, Beginning	321,052		
Prior Year Cancelled Encumbrances	0		
<b>Unencumbered Cash, Ending</b>	<b>\$ 746,855</b>		

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

**DONIPHAN COUNTY, KANSAS**  
**ROAD AND BRIDGE FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,376,336	\$ 1,384,556	\$ (8,220)
Delinquent tax	9,279		9,279
Motor vehicle tax	123,965	128,939	(4,974)
RV tax	2,931	2,986	(55)
16/20M vehicle tax	18,389	21,507	(3,118)
State aid/grants	339,758	400,000	(60,242)
Federal aid/grants	106,954		106,954
Miscellaneous revenues	6,923		6,923
Operating transfers		205,000	(205,000)
	<u>1,984,535</u>	<u>2,142,988</u>	<u>(158,453)</u>
<b>EXPENDITURES</b>			
Personnel services	790,691	765,000	(25,691)
Contractual services	93,030	120,000	26,970
Commodities	365,556	400,000	34,444
Capital Outlay	787,062	906,500	119,438
Neighborhood revitalization	54,854	49,138	(5,716)
Contingency			0
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>2,091,193</u>	<u>\$ 2,240,638</u>	<u>\$ 149,445</u>
Receipts Over (Under) Expenditures	(106,658)		
Unencumbered Cash, Beginning	216,645		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<b><u>\$ 109,987</u></b>		

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

**DONIPHAN COUNTY, KANSAS**  
**CAPITAL IMPROVEMENTS FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	Actual	Budget	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Miscellaneous revenues	\$ 424	\$ 20,000	\$ (19,576)
Operating transfers	137,000	4,500	132,500
<b>Total Cash Receipts</b>	<b>137,424</b>	<b>24,500</b>	<b>112,924</b>
<b>EXPENDITURES</b>			
K-7 Improvments		100,000	100,000
Capital outlay	24,727	24,500	(227)
Operating transfers			0
Adjustment for qualifying budget credits			0
<b>Total Expenditures</b>	<b>24,727</b>	<b>\$ 124,500</b>	<b>\$ 99,773</b>
 Receipts Over (Under) Expenditures	 112,697		
Unencumbered Cash, Beginning	108,633		
Prior Year Cancelled Encumbrances	0		
 <b>Unencumbered Cash, Ending</b>	 <b>\$ 221,330</b>		

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

**DONIPHAN COUNTY, KANSAS**  
**EMPLOYEE BENEFITS FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 403,790	\$ 408,640	\$ (4,850)
Delinquent tax	1,647		1,647
Motor vehicle tax	22,062	22,879	(817)
RV tax	521	530	(9)
16/20M vehicle tax	3,402	3,816	(414)
Reimbursements	87,594	10,000	77,594
Miscellaneous revenues	29,636	25,000	4,636
Operating transfers			0
	<u>548,652</u>	<u>470,865</u>	<u>77,787</u>
<b>EXPENDITURES</b>			
FICA	171,474	180,000	8,526
Unemployment	2,007	47,000	44,993
Insurance	347	3,000	2,653
Retirement	160,312	196,175	35,863
Workers' compensation	101,486	75,000	(26,486)
Neighborhood revitalization	16,191	9,236	6,955
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>451,817</u>	<u>\$ 510,411</u>	<u>\$ 72,504</u>
Receipts Over (Under) Expenditures	96,835		
Unencumbered Cash, Beginning	68,816		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 165,651</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**EXTENSION COUNCIL FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 100,843	\$ 101,319	\$ (476)
Delinquent tax	694		694
Motor vehicle tax	9,265	9,627	0
RV tax	219	223	0
16/20M vehicle tax	1,425	1,606	(181)
Miscellaneous revenues			0
Operating transfers			0
	<u>112,446</u>	<u>112,775</u>	<u>37</u>
<b>EXPENDITURES</b>			
Appropriations	108,248	108,248	0
Neighborhood revitalization	4,015	4,527	512
Adjustment for qualifying budget credits			0
	<u>112,263</u>	<u>\$ 112,775</u>	<u>\$ 512</u>
Receipts Over (Under) Expenditures	183		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 183</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**COMMUNITY MENTAL HEALTH FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 25,607	\$ 25,781	\$ (174)
Delinquent tax	172		172
Motor vehicle tax	2,299	2,385	(86)
RV tax	55	55	0
16/20M vehicle tax	357	398	(41)
Miscellaneous revenues		91	(91)
Operating transfers			0
Total Cash Receipts	<u>28,490</u>	<u>28,710</u>	<u>(220)</u>
<b>EXPENDITURES</b>			
Payment to KANZA	27,470	27,592	122
Neighborhood revitalization rebate	1,020	1,118	98
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>28,490</u>	<u>\$ 28,710</u>	<u>\$ 220</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 0</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**MENTAL HEALTH WORKSHOP FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 27,761	\$ 27,897	\$ (136)
Delinquent tax	194		194
Motor vehicle tax	2,589	2,695	(106)
RV tax	62	62	0
16/20M vehicle tax	404	448	(44)
Miscellaneous revenues			0
Operating transfers			0
	<u>31,010</u>	<u>31,102</u>	<u>(92)</u>
<b>EXPENDITURES</b>			
Payment to DCSW	29,760	29,760	0
Neighborhood revitalization	1,105	1,332	227
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>30,865</u>	<u>\$ 31,092</u>	<u>\$ 227</u>
Receipts Over (Under) Expenditures	145		
Unencumbered Cash, Beginning	114		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 259</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**CONSERVATION DISTRICT FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 23,855	\$ 24,020	\$ (165)
Delinquent tax	453		453
Motor vehicle tax	1,932	2,000	(68)
RV tax	46	46	0
16/20M vehicle tax		334	(334)
Miscellaneous revenues			0
Operating transfers			0
	<u>26,286</u>	<u>26,400</u>	<u>(114)</u>
<b>EXPENDITURES</b>			
Appropriations	25,000	25,000	0
Neighborhood revitalization	951	1,400	449
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>25,951</u>	<u>\$ 26,400</u>	<u>\$ 449</u>
Receipts Over (Under) Expenditures	335		
Unencumbered Cash, Beginning	636		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 971</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**COMMUNITY COLLEGE FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
16/20M vehicle tax			0
Miscellaneous revenues	1		1
Operating transfers			0
	<u>1</u>	<u>0</u>	<u>1</u>
Total Cash Receipts			
<b>EXPENDITURES</b>			
Appropriations		18	18
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>0</u>	<u>18</u>	<u>18</u>
Total Expenditures			
Receipts Over (Under) Expenditures	1		
Unencumbered Cash, Beginning	18		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 19</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**APPRAISER'S COSTS FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 144,165	\$ 144,821	\$ (656)
Delinquent tax	1,073		1,073
Motor vehicle tax	14,307	14,893	(586)
RV tax	338	345	(7)
16/20M vehicle tax	2,152	2,484	(332)
Miscellaneous revenues	7,498	3,000	4,498
Operating transfers			0
	<u>169,533</u>	<u>165,543</u>	<u>3,990</u>
<b>EXPENDITURES</b>			
Personnel services	128,416	131,235	2,819
Contractual services	23,241	24,400	1,159
Commodities	11,035	13,500	2,465
Capital Outlay		5,000	5,000
Neighborhood revitalization	5,739	6,466	727
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>168,431</u>	<u>\$ 180,601</u>	<u>\$ 12,170</u>
Receipts Over (Under) Expenditures	1,102		
Unencumbered Cash, Beginning	48,827		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 49,929</u>		

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

## DONIPHAN COUNTY, KANSAS

## NOXIOUS WEED FUND

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	Actual	Budget	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 41,786	\$ 41,818	\$ (32)
Delinquent tax	318		318
Motor vehicle tax	4,264	4,420	(156)
RV tax	101	102	(1)
16/20M vehicle tax	665	737	(72)
State payment			0
Charges for services	1,822		1,822
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>48,956</u>	<u>47,077</u>	<u>1,879</u>
<b>EXPENDITURES</b>			
Personnel services	45,506	46,270	764
Contractual services	6,092	15,000	8,908
Commodities	6,247	2,000	(4,247)
Capital Outlay		3,000	3,000
Neighborhood revitalization	1,658	1,939	(281)
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>59,503</u>	<u>\$ 68,209</u>	<u>\$ 8,144</u>
Receipts Over (Under) Expenditures	(10,547)		
Unencumbered Cash, Beginning	41,445		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 30,898</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**NOXIOUS WEED CHEMICAL FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 6,191	\$ 5,967	\$ 224
Delinquent tax	246		246
Motor vehicle tax	3,236	3,397	(161)
RV tax	77	79	(2)
16/20M vehicle tax	454	567	(113)
Charges for services	43,556	40,000	3,556
Miscellaneous revenues			0
Operating transfers			0
	<u>53,760</u>	<u>50,010</u>	<u>3,750</u>
<b>EXPENDITURES</b>			
Personnel services			0
Contractual services	31,073	85,000	53,927
Commodities	43,985	20,000	(23,985)
Capital Outlay			0
Neighborhood revitalization	236	1,089	853
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>75,294</u>	<u>\$ 106,089</u>	<u>\$ 30,795</u>
Receipts Over (Under) Expenditures	(21,534)		
Unencumbered Cash, Beginning	111,380		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 89,846</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**FAIR FUND**  
**Statement of Cash Receipts and Expenditures - Actual and Budget**  
**For the Year Ended December 31, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 15,383	\$ 15,486	\$ (103)
Delinquent tax	105		105
Motor vehicle tax	1,400	1,455	(55)
RV tax	33	34	(1)
16/20M vehicle tax	208	243	(35)
Miscellaneous revenues			0
Operating transfers			0
	<u>17,129</u>	<u>17,218</u>	<u>(89)</u>
<b>EXPENDITURES</b>			
Appropriations	16,500	16,500	0
Neighborhood revitalization	614	718	104
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>17,114</u>	<u>\$ 17,218</u>	<u>\$ 104</u>
Receipts Over (Under) Expenditures	15		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 15</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**ECONOMIC DEVELOPMENT FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 63,014	\$ 63,707	\$ (693)
Delinquent tax	340		340
Motor vehicle tax	4,505	4,693	(188)
RV tax	107	109	(2)
16/20M vehicle tax	757	783	(26)
Miscellaneous revenues	370	365	5
City contribution			0
Operating transfers			0
	<u>69,093</u>	<u>69,657</u>	<u>(564)</u>
<b>EXPENDITURES</b>			
Appropriations	79,561	100,022	20,461
Commodities			0
Refunding distribution			0
Neighborhood revitalization	2,523	3,179	656
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>82,084</u>	<u>\$ 103,201</u>	<u>\$ 21,117</u>
Receipts Over (Under) Expenditures	(12,991)		
Unencumbered Cash, Beginning	56,523		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 43,532</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**ELDERLY SERVICES FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 168,973	\$ 169,460	\$ (487)
Delinquent tax	1,170		1,170
Motor vehicle tax	15,679	16,240	(561)
RV tax	370	376	(6)
16/20M vehicle tax	2,440	2,709	(269)
Grant funds	1,000		1,000
Reimbursements	1,777		1,777
Operating transfers			0
	<u>191,409</u>	<u>188,785</u>	<u>2,624</u>
<b>EXPENDITURES</b>			
Personnel services	20,614	17,860	(2,754)
Contractual services	3,410	3,188	(222)
Commodities	4,296	7,847	3,551
Capital Outlay		1,800	1,800
Neighborhood revitalization	6,713	7,744	(1,031)
Operating transfers	183,464	182,494	(970)
Adjustment for qualifying budget credits			0
	<u>218,497</u>	<u>\$ 220,933</u>	<u>\$ 374</u>
Receipts Over (Under) Expenditures	(27,088)		
Unencumbered Cash, Beginning	79,717		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 52,629</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**LOCAL ALCOHOLIC LIQUOR FUND**  
**Statement of Cash Receipts and Expenditures - Actual and Budget**  
**For the Year Ended December 31, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
State distributions	\$ 1,752	\$ 2,650	\$ (898)
Interest income			0
Operating transfers			0
	<u>1,752</u>	<u>2,650</u>	<u>(898)</u>
<b>Total Cash Receipts</b>	<u>1,752</u>	<u>2,650</u>	<u>(898)</u>
<b>EXPENDITURES</b>			
Special alcohol and drug	1,119	2,650	1,531
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>1,119</u>	<u>2,650</u>	<u>1,531</u>
<b>Total Expenditures</b>	<u>1,119</u>	<u>\$ 2,650</u>	<u>\$ 1,531</u>
Receipts Over (Under) Expenditures	633		
Unencumbered Cash, Beginning	391		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 1,024</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**DIVERSION FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Fees	\$ 10,028	\$ 17,000	\$ (6,972)
Operating transfers			0
<b>Total Cash Receipts</b>	<u>10,028</u>	<u>17,000</u>	<u>(6,972)</u>
<b>EXPENDITURES</b>			
Contractual	1,940	20,000	18,060
Operating transfers			0
Adjustment for qualifying budget credits			0
<b>Total Expenditures</b>	<u>1,940</u>	<u>\$ 20,000</u>	<u>\$ 18,060</u>
Receipts Over (Under) Expenditures	8,088		
Unencumbered Cash, Beginning	66,695		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 74,783</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**DIRECT ELECTION FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 18,258	\$ 18,175	\$ 83
Delinquent tax	270		270
Motor vehicle tax	3,583	3,748	(165)
RV tax	85	87	(2)
16/20M vehicle tax	521	625	(104)
Miscellaneous revenues	546		546
Operating transfers			0
	<u>23,263</u>	<u>22,635</u>	<u>628</u>
<b>EXPENDITURES</b>			
Personnel services	3,700	3,600	(100)
Contractual services	24,408	36,625	12,217
Commodities	92	250	158
Capital Outlay		3,180	3,180
Neighborhood revitalization	718	1,089	371
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>28,918</u>	<u>\$ 44,744</u>	<u>\$ 15,826</u>
Receipts Over (Under) Expenditures	(5,655)		
Unencumbered Cash, Beginning	30,406		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 24,751</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**BOND AND INTEREST FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 41,762	\$ 41,490	\$ 272
Delinquent tax	267		267
Motor vehicle tax	3,585	3,643	(58)
RV tax	84	84	0
16/20M vehicle tax	715	608	107
Miscellaneous revenues	136,175	136,175	0
Operating transfers		11,367	0
	<u>182,588</u>	<u>193,367</u>	<u>588</u>
<b>EXPENDITURES</b>			
Principal	145,000	145,000	0
Interest	41,445	41,446	1
Cash basis reserve		2,000	2,000
Neighborhood revitalization	1,642	5,000	3,358
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>188,087</u>	<u>\$ 193,446</u>	<u>\$ 5,359</u>
Receipts Over (Under) Expenditures	(5,499)		
Unencumbered Cash, Beginning	8,845		
Prior Year Cancelled Encumbrances	0		
	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<b>\$ 3,346</b>		

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

**DONIPHAN COUNTY, KANSAS**  
**NEK CENTRAL KITCHEN FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Charges for services	\$ 215,959	\$ 257,625	\$ (41,666)
Miscellaneous revenues			0
Operating transfers	<u>13,957</u>		<u>13,957</u>
<b>Total Cash Receipts</b>	<u>229,916</u>	<u>257,625</u>	<u>(27,709)</u>
<b>EXPENDITURES</b>			
Personnel services	78,624	77,954	(670)
Commodities	157,247	187,856	30,609
Contractual services	2,269	521	(1,748)
Capital outlay		8,250	8,250
Operating transfers			0
Adjustment for qualifying budget credits			<u>0</u>
<b>Total Expenditures</b>	<u>238,140</u>	<u>\$ 274,581</u>	<u>\$ 36,441</u>
 Receipts Over (Under) Expenditures	 (8,224)		
Unencumbered Cash, Beginning	8,455		
Prior Year Cancelled Encumbrances	<u>0</u>		
 <b>Unencumbered Cash, Ending</b>	 <u>\$ 231</u>		

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

**DONIPHAN COUNTY, KANSAS**  
**HEALTH FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 39,789	\$ 40,000	\$ (211)
Delinquent tax	280		280
Motor vehicle tax	3,733	3,879	(146)
RV tax	88	90	(2)
16/20M vehicle tax	557	647	(90)
Miscellaneous revenues	16,970	108,805	(91,835)
Charges for services	629,157	485,645	143,512
Operating transfers			0
	<u>690,574</u>	<u>639,066</u>	<u>51,508</u>
<b>EXPENDITURES</b>			
Personnel services	535,503	587,850	52,347
Contractual services	171,775	180,289	8,514
Commodities	56,892	55,000	(1,892)
Capital Outlay	4,934		(4,934)
Neighborhood revitalization	1,583	1,048	535
Miscellaneous			0
Operating transfers	4,500		(4,500)
Adjustment for qualifying budget credits			0
	<u>775,187</u>	<u>\$ 824,187</u>	<u>\$ 50,070</u>
Receipts Over (Under) Expenditures	(84,613)		
Unencumbered Cash, Beginning	521,277		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<b>\$ <u>436,664</u></b>		

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

**DONIPHAN COUNTY, KANSAS**  
**SOLID WASTE FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Charges for services	\$ 15,352	\$ 14,300	\$ 1,052
Rent			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	15,352	14,300	1,052
<b>EXPENDITURES</b>			
Personnel services			0
Contractual services	14,359	14,200	(159)
Commodities	92		(92)
Capital Outlay			0
Operating transfers	149		(149)
Adjustment for qualifying budget credits			0
	<hr/>	<hr/>	<hr/>
Total Expenditures	14,600	\$ 14,200	\$ (400)
Receipts Over (Under) Expenditures	752		
Unencumbered Cash, Beginning	402,551		
Prior Year Cancelled Encumbrances	0		
	<hr/>		
<b>Unencumbered Cash, Ending.</b>	<b>\$ 403,303</b>		

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

**DONIPHAN COUNTY, KANSAS**  
**ANY NONBUDGETED FUNDS**  
**Statement of Cash Receipts and Expenditures**  
**For the Year Ended December 31, 2011**

	Title III C-1 Fund	Title III C-2 Fund
<b>CASH RECEIPTS</b>		
Program income	\$ 46,871	\$ 28,064
Grant	21,150	15,457
Intergovernmental revenues	14,977	15,764
Charges for services		
Miscellaneous revenues		1,367
Operating transfers	92,370	64,107
 Total Cash Receipts	 175,368	 124,759
<b>EXPENDITURES</b>		
Personnel services	61,078	45,713
Contractual services	26,630	3,948
Commodities	87,660	75,098
Capital Outlay		
Miscellaneous		
Operating transfers		
Adjustment for qualifying budget credits		
 Total Expenditures	 175,368	 124,759
 Receipts Over (Under) Expenditures	 0	 0
Unencumbered Cash, Beginning	-	-
Prior Year Cancelled Encumbrances	0	0
 <b>Unencumbered Cash, Ending</b>	 <b>\$ 0</b>	 <b>\$ 0</b>

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

**DONIPHAN COUNTY, KANSAS**  
**ANY NONBUDGETED FUNDS**  
Statement of Cash Receipts and Expenditures  
For the Year Ended December 31, 2011

	Title III - B Fund	911 Telephone Surcharge Fund
<b>CASH RECEIPTS</b>		
Program income	\$ 9,434	\$
Grant		
Intergovernmental revenues	51,522	
Charges for services		83,722
Miscellaneous revenues	10,197	
Operating transfers	26,987	
<b>Total Cash Receipts</b>	<b>98,140</b>	<b>83,722</b>
<b>EXPENDITURES</b>		
Personnel services	72,192	
Contractual services	7,961	
Commodities	17,855	85,320
Capital Outlay		
Miscellaneous		
Operating transfers		
Adjustment for qualifying budget credits		
<b>Total Expenditures</b>	<b>98,008</b>	<b>85,320</b>
Receipts Over (Under) Expenditures	132	(1,598)
Unencumbered Cash, Beginning	111	52,794
Prior Year Cancelled Encumbrances	0	0
<b>Unencumbered Cash, Ending</b>	<b>\$ 243</b>	<b>\$ 51,196</b>

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

**DONIPHAN COUNTY, KANSAS**  
**ANY NONBUDGETED FUNDS**  
**Statement of Cash Receipts and Expenditures**  
**For the Year Ended December 31, 2011**

	FEMA	New Sales Tax Fund
<b>CASH RECEIPTS</b>		
Program income	\$	\$
Grant	74,312	
Intergovernmental revenues		403,298
Charges for services		
Miscellaneous revenues		
Operating transfers		
<b>Total Cash Receipts</b>	<b>74,312</b>	<b>403,298</b>
<b>EXPENDITURES</b>		
Personnel services		
Contractual services		
Commodities		
Capital Outlay		371,755
Miscellaneous	106,954	
Operating transfers		
Adjustment for qualifying budget credits		
<b>Total Expenditures</b>	<b>106,954</b>	<b>371,755</b>
Receipts Over (Under) Expenditures	(32,642)	31,543
Unencumbered Cash, Beginning	150,239	609,392
Prior Year Cancelled Encumbrances	0	0
<b>Unencumbered Cash, Ending</b>	<b>\$ 117,597</b>	<b>\$ 640,935</b>

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

**DONIPHAN COUNTY, KANSAS**  
**COMPONENT UNIT - EXTENSION COUNCIL**  
**Statement of Cash Receipts and Expenditures - Actual and Budget**  
**For the Year Ended December 31, 2011**

	Actual	Budget	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Intergovernmental	\$ 146,000	\$ 146,000	\$ 0
Charges for services			0
Reimbursements	5,209	10,000	(4,791)
Operating transfers			0
	151,209	156,000	(4,791)
<b>EXPENDITURES</b>			
Personnel services	124,186	123,600	
Contractual services	7,426	8,700	
Commodities	17,347	18,700	
Capital Outlay		5,000	
Operating transfers			0
Adjustment for qualifying budget credits			0
	148,959	\$ 156,000	\$ 0
Receipts Over (Under) Expenditures	2,250		
Unencumbered Cash, Beginning	81,326		
Prior Year Cancelled Encumbrances	0		
<b>Unencumbered Cash, Ending</b>	<b>\$ 83,576</b>		

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

**DONIPHAN COUNTY, KANSAS**  
**AGENCY FUNDS**  
**Statement of Cash Receipts and Cash Disbursements**  
**For the Year Ended December 31, 2011**

<u>Agency Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
District court	\$ 36,902	249,696	240,759	\$ 45,839
Sheriff	0	365,295	365,295	0
Taxation accounts	<u>7,245,694</u>	<u>25,194,978</u>	<u>24,983,716</u>	<u>7,456,956</u>
Total	<u>\$ 7,282,596</u>	<u>\$ 25,809,969</u>	<u>\$ 25,589,770</u>	<u>\$ 7,502,795</u>

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

# DONIPHAN COUNTY, KANSAS

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – Summary of Significant Accounting Policies

#### Financial Reporting Entity

Doniphan County, Kansas is a municipal corporation governed by a three member commission. The county as an entity has been defined to include, on a combined basis, (a) Doniphan County, Kansas (b) organizations for which the County is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the county are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These financial statements present the County and its component unit, an entity for which the County is considered to be financially accountable. The discretely presented component unit is reported in a separate row in Statement 1 to emphasize it is legally separate from the County. The discretely presented component unit has a December 31 year end.

#### Component Unit that is Discretely Presented

The Extension Council serves the citizens within the County's jurisdiction. Because the Extension Council is not a separate taxing entity, the County levies tax for the Extension Council's operations. The County appropriated \$108,248 to the Extension Council in 2011. The Extension Council is presented as a governmental fund type. Complete financial statements for the Extension Council may be obtained at the Doniphan County Courthouse, Troy, Kansas.

#### Related Organizations

Organizations for which the County as primary government is accountable because it appoints a voting majority of the other organization's boards, but is not financially accountable, are related organizations. The following are related organizations of the County as defined above:

Fire Districts No. 1, No. 2, No. 3, No.4, and No.5

#### Fund Descriptions

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

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Fund Descriptions (continued)

The following types of funds comprise the financial activities of the county for the year 2011:

Governmental Funds

General Fund – To account for the resources except those required to be accounted for in another fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds – To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, and the financing of special assessments which are general obligations of the county.

Capital Projects Funds – To account for the resources and expenditures of a specific capital project.

Proprietary Funds

Enterprise Funds – To account for those operations that are financed and operated in a manner similar to private business or where the city has decided that the determination of revenues earned and costs incurred is necessary for management accountability.

Fiduciary Funds

Trust and Agency Funds – To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include agency funds.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Statutory Basis of Accounting (continued)**

recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

**Departure from Generally Accepted Accounting Principles (GAAP)**

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursement, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenues and matured principle and interest payable, and reservations of fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with United States generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

# DONIPHAN COUNTY, KANSAS

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – Summary of Significant Accounting Policies (Continued)

#### Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

#### Property Tax

The county clerk calculated the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to, and prepares tax statements for, the county treasurer who receives payment.

Taxes become a lien against all property November 1<sup>st</sup>. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 21<sup>st</sup> and June 21<sup>st</sup>.

Taxes levied to finance the budget are made available to the county after January 1<sup>st</sup> and are distributed by the county treasurer per statutes. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

#### Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. 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 1<sup>st</sup>.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Budgetary Information (continued)**

4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues 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. There were amendments to the FEMA and Solid Waste Funds during the year 2011.

The statutes permit transferring budgeted amounts between accounts 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 statements 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 modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the city for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds and trust funds and certain special revenue funds.

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.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

**NOTE 2 – Deposits and Investments**

**Compliance with County Resolutions**

K.S.A. 19-229 as affirmed by AGO 99-18, gives the board of county commissioners exclusive control over all county expenditures.

**Deposits**

K.S.A. 9-1401 establishes the depositories which may be used by the government. The statute requires banks eligible to hold the government's funds have a main or branch bank in the county in which the government is located 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 government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the government's investments 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 government has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk**

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

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. State statutes require the government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2011.

At December 31, 2011, the government's carrying amount of deposits was \$10,852,548 and the bank balance was \$11,272,438. The bank balance was held by nine banks not resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the government's name.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

**NOTE 2 – Deposits and Investments(continued)**

**Custodial Credit Risk – Investments**

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

**NOTE 3 – Defined Benefit Pension Plan**

**Plan Description** – Doniphan county, Kansas 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. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

**Funding Policy** – K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414 (h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERs is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERs employers. The average employer rate established by statute for January 1, 2011 to December 31, 2011 was 7.74%. The Doniphan County, Kansas employer contributions to KPERs for the years ended December 31, 2011, 2010, and 2009 were \$105,691, \$96,412, and \$92,140, respectively, equal to the statutory required contributions for each year.

**NOTE 4 – Risk Management**

The county is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

**NOTE 5 – Compliance with Kansas Statutes**

There was a violation of K.S.A. 79-2935, the Kansas Budget law, in the Solid Waste Fund during the period under examination.

**NOTE 6 – Jointly Governed Organizations**

The County, in conjunction with certain cities within Doniphan County, and the Doniphan County Chamber of Commerce created the Doniphan County Economic Development Commission. The County appoints one member to the commission's board of directors. The Commission is to provide economic development services to governments and businesses within the County. The transactions of the Commission are accounted for in an agency fund of the County. In March of 1998, the Highland Community College took over the routine operations of the Commission. It is the County's opinion that the Commission will not constitute a material financial burden to the County.

**NOTE 7 – Solid Waste Transfer Station**

The County entered into an agreement with Deffenbaugh Industries, Inc. (DII) on October 31, 1994 to construct a solid waste transfer station at the site of the landfill. The agreement allows DII to operate the transfer station for 20 years while paying the County a host fee. The county has the option to purchase the transfer station at five year intervals over that period with ownership passing to the County after 20 years has elapsed. The transfer station began operation in 1996.

**NOTE 8 – Interfund Transactions**

Operating Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Health Fund	Capital Improvement	K.S.A. 79-2934	\$ 4,500
Elderly Fund	Title IIIC-I	K.S.A. 12-1680	92,370
Elderly Fund	Title IIIC-II	K.S.A. 12-1680	64,107
Elderly Fund	Title IIIB	K.S.A. 12-1680	26,987
General Fund	NEK Central Kitchen	K.S.A. 79-2934	13,957
General Fund	Capital Improvement	K.S.A. 79-2934	132,500

DONIPHAN COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

**NOTE 9 – Compensated Absences**

City employees receive vacation and sick leave benefits. Vacations benefits accrue on a monthly basis and an annual carryover caps the number of days transferred from year to year. Upon termination, employees are compensated for any unused vacation leave. Sick leave accrues on a monthly basis up to a maximum. Upon termination, employees are not compensated for any unused sick leave. This amount has not been recorded in the financial statements due to its immaterial nature.

**NOTE 10 – Other Post Employment Benefits**

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care 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. There is no cost to the government under this program.

**NOTE 11 – Subsequent Events Review**

Subsequent events for management's review have been evaluated through July 21, 2012. The date in the prior sentence is the date the financial statements were available to be issued.

**NOTE 12 – Long Term Debt**

The schedule of long term debt and current maturities for the next five years is detailed in the following schedule.

**DONIPHAN COUNTY, KANSAS**  
Statement of Changes in Long-Term Debt  
For the Year Ended December 31, 2011

Note 12- Long Term Debt  
Changes in long-term liabilities for Doniphan County, Kansas for the year ended December 31, 2011 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds 2003 Issue	3.20%	4/15/03	350,000	10/1/13	\$ 105,000	\$	\$ 35,000	\$ (35,000)	\$ 70,000	\$ 3,710
Revenue Bonds 2008 Issue	3.40%	1/18/08	1,200,000	4/1/18	1,005,000		110,000	(110,000)	895,000	37,736
Capital Leases Trucks and equipment refinance	3.95%	11/23/04	413,136	1/1/11	8,947		8,947	(8,947)	0	1,905
<b>Total Long Term Debt</b>					<u>\$ 1,118,947</u>	<u>\$ 0</u>	<u>\$ 153,947</u>	<u>\$ (153,947)</u>	<u>\$ 965,000</u>	<u>\$ 43,351</u>

Current maturities of long-term debt and interest for the next five years and in five year increments throughout maturity are as follows:

	2012	2013	2014	2015	2016	2017-2018	Total
<b>Principal</b>							
General Obligation Bonds	\$ 35,000	\$ 35,000	\$	\$	\$	\$	\$ 70,000
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases							0
Revenue Bonds	110,000	115,000	120,000	130,000	135,000	285,000	895,000
No-Fund Warrants							0
Temporary Notes							0
<b>Total Principal</b>	<u>145,000</u>	<u>150,000</u>	<u>120,000</u>	<u>130,000</u>	<u>135,000</u>	<u>285,000</u>	<u>965,000</u>
<b>Interest</b>							
General Obligation Bonds	2,538	1,295					3,833
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases							0
Revenue Bonds	33,720	29,500	24,976	20,035	14,667	12,040	134,938
No-Fund Warrants							0
Temporary Notes							0
<b>Total Interest</b>	<u>36,258</u>	<u>30,795</u>	<u>24,976</u>	<u>20,035</u>	<u>14,667</u>	<u>12,040</u>	<u>138,771</u>
<b>Total Principal and Interest</b>	<u>\$ 181,258</u>	<u>\$ 180,795</u>	<u>\$ 144,976</u>	<u>\$ 150,035</u>	<u>\$ 149,667</u>	<u>\$ 297,040</u>	<u>\$ 1,103,771</u>