

BROWN COUNTY, KANSAS

FINANCIAL STATEMENTS

December 31, 2012

This page intentionally left blank.

Brown County, Kansas
FINANCIAL STATEMENTS
December 31, 2012

Table of Contents

| | <u>Page</u> |
|---|-------------|
| INTRODUCTORY SECTION | |
| Table of Contents | i - ii |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 1 - 2 |
| Summary Statement of Cash Receipts, Expenditures and Unencumbered Cash | 3 |
| Notes to the Financial Statements | 4 – 10 |
| Schedule 1 | |
| Summary of Expenditures - Actual and Budget | 11 |
| Schedule 2 | |
| Schedule of Cash Receipts and Expenditures - Actual and Budget or Actual Only | |
| Governmental Type Funds: | |
| General Fund | 12 |
| Road and Bridge Fund | 13 |
| Special Machinery Fund | 14 |
| Health Fund | 15 |
| Historical Society Fund | 16 |
| Employee Benefits Fund | 17 |
| Election Fund | 18 |
| Extension Council Fund | 19 |
| Mental Health Fund | 20 |
| Mental Retardation Fund | 21 |
| Capital Improvement Fund | 22 |
| Technology Fund | 23 |
| Conservation Fund | 24 |
| Tax Increment Financing Fund | 25 |
| Appraisers Fund | 26 |
| Neighborhood Revitalization Fund | 27 |
| Ambulance Fund | 28 |
| Noxious Weed Fund | 29 |
| Alcohol Fund | 30 |
| Drug Forfeiture Fund | 31 |
| Special Parks and Recreation Fund | 32 |
| Worthless Checks Fund | 33 |
| Diversion Fund | 34 |
| 911 Fund | 35 |
| Wireless 911 Fund | 36 |
| BR CA Drug Forfeiture Fund | 37 |
| Capital Projects Fund | 38 |
| Federal ACE Fund | 39 |
| Juvenile Justice Prevention Fund | 40 |

Brown County, Kansas
FINANCIAL STATEMENTS
December 31, 2012

Table of Contents - Continued

| | <u>Page</u> |
|---|-------------|
| Schedule 2 (Continued) | |
| Schedule of Cash Receipts and Expenditures - Actual and Budget or Actual Only (Continued) | |
| Juvenile Justice Core Fund | 41 |
| Federal Match Fund | 42 |
| Adult Community Corrections Fund | 43 |
| Sheriff's Income Fund | 44 |
| CC123 Fund | 45 |
| Public Building Commission Fund | 46 |
| Bond and Interest Fund | 47 |
| Business Funds: | |
| Services for the Elderly Fund | 48 |
| Solid Waste Fund | 49 |
| Schedule 3 | |
| Schedule of Cash Receipts and Expenditures Related Municipal Entity - Actual | 50 |
| Schedule 4 | |
| Schedule of Cash Receipts and Expenditures - Actual | |
| Agency Funds | 51 |



MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Brown County, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of Brown County, Kansas, (the County) as of and for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

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 to meet the financial reporting requirements of the State of Kansas. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement 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 and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the County to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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.

www.mizehouser.com ■ mhco@mizehouser.com

534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f
534 S Kansas Ave, Suite 400 ■ Topeka, KS 66603-3454 ■ 785.234.5573 p ■ 785.234.1037 f
7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f
211 E Eighth, Suite A ■ Lawrence, KS 66044-9907 ■ 785.842.8844 p ■ 785.842.9049 f

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the 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, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the 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, 2012, 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.

Report on 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, schedule of regulatory basis receipts and expenditures-related municipal entity, schedule of cash receipts and expenditures – agency funds (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. 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.

Mize Houser & Company PA

August 21, 2013

Brown County, Kansas
 Summary Statement of Cash Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended December 31, 2012

| Funds | Beginning Unencumbered Cash Balance | Prior Period Adjustment | Cash Receipts | Expenditures | Ending Unencumbered Cash Balance | Outstanding Encumbrances and Accounts Payable | Ending Cash Balance |
|--|---|-------------------------------|---------------------|---------------------|--|--|---------------------------|
| Governmental Type Funds: | | | | | | | |
| General Funds: | | | | | | | |
| General | \$ 1,733,987 | \$ 1,000 | \$ 2,690,133 | \$ 2,681,290 | \$ 1,743,830 | \$ - | \$ 1,743,830 |
| Special Purpose Funds: | | | | | | | |
| Road and Bridge | 377,318 | - | 2,331,617 | 2,291,957 | 416,978 | - | 416,978 |
| Special Machinery | 120,874 | - | 110,000 | - | 230,874 | - | 230,874 |
| Health | 9,915 | - | 52,868 | 61,450 | 1,333 | - | 1,333 |
| Historical Society | 3,613 | - | 16,998 | 20,000 | 611 | - | 611 |
| Employee Benefits | 491,050 | - | 875,322 | 824,535 | 541,837 | - | 541,837 |
| Election | 35,997 | - | 64,892 | 82,150 | 18,739 | - | 18,739 |
| Extension Council | 11,762 | - | 78,755 | 88,888 | 1,629 | - | 1,629 |
| Mental Health | 9,801 | - | 59,964 | 67,680 | 2,085 | - | 2,085 |
| Mental Retardation | 5,792 | - | 27,134 | 27,052 | 5,874 | - | 5,874 |
| Capital Improvement | 728,286 | - | 148,849 | 117,915 | 759,220 | - | 759,220 |
| Technology | 51,696 | - | 12,616 | 12,352 | 51,960 | - | 51,960 |
| Conservation | 3,920 | - | 21,733 | 25,000 | 653 | - | 653 |
| Tax Increment Financing | 13,232 | - | - | 13,232 | - | - | - |
| Appraisers | 70,777 | - | 122,938 | 151,052 | 42,663 | - | 42,663 |
| Neighborhood Revitalization | - | - | 178,869 | 178,869 | - | - | - |
| Ambulance | 16,667 | - | 85,452 | 99,900 | 2,219 | - | 2,219 |
| Noxious Weed | 103,236 | - | 59,303 | 94,263 | 68,276 | - | 68,276 |
| Alcohol | 5,375 | - | 4,345 | - | 9,720 | - | 9,720 |
| Drug Forfeiture | 36,581 | - | 167 | 6,767 | 29,981 | - | 29,981 |
| Special Parks and Recreation | 577 | - | 9,049 | 9,000 | 626 | - | 626 |
| Worthless Checks | 123 | - | 867 | - | 990 | - | 990 |
| Diversion | 4,398 | - | 11,290 | 9,284 | 6,404 | - | 6,404 |
| 911 | 77,560 | - | 8,432 | 39,816 | 46,176 | - | 46,176 |
| Wireless 911 | 68,567 | - | 37,928 | 13,940 | 92,555 | - | 92,555 |
| BR CA Drug Forfeiture | 2,208 | - | - | - | 2,208 | - | 2,208 |
| Capital Projects | - | - | 48,903 | - | 48,903 | - | 48,903 |
| Federal ACE | - | - | 7,932 | 5,859 | 2,073 | - | 2,073 |
| Juvenile Justice Prevention | 7,455 | - | 16,327 | 5,033 | 18,749 | - | 18,749 |
| Juvenile Justice Core | 48,834 | - | 312,267 | 331,204 | 29,897 | - | 29,897 |
| Federal Match | [1,493] | - | 1,593 | - | 100 | - | 100 |
| Adult Community Corrections | 3,808 | - | 233,035 | 217,492 | 19,351 | - | 19,351 |
| Sheriff's Income | 27,066 | - | 10,384 | 9,126 | 28,324 | - | 28,324 |
| CC123 | 1,107 | - | 5,512 | 6,159 | 460 | - | 460 |
| Public Building Commission | 121,555 | - | 155 | 121,710 | - | - | - |
| Debt Service Fund: | | | | | | | |
| Bond and Interest | 872,411 | - | 860,350 | 479,013 | 1,253,748 | - | 1,253,748 |
| Business Funds: | | | | | | | |
| Services for the Elderly | 37,034 | - | 79,364 | 99,103 | 17,295 | - | 17,295 |
| Solid Waste | 11,879 | - | 633,067 | 676,291 | [31,345] | 35,800 | 4,455 |
| Total Primary Government | 5,112,968 | 1,000 | 9,218,410 | 8,867,382 | 5,464,996 | 35,800 | 5,500,796 |
| Related Municipal Entity: | | | | | | | |
| Extension Council | 117,357 | - | 114,201 | 94,856 | 136,702 | - | 136,702 |
| Total Reporting Entity (Excluding Agency Funds) | \$ 5,230,325 | \$ 1,000 | \$ 9,332,611 | \$ 8,962,238 | \$ 5,601,698 | \$ 35,800 | \$ 5,637,498 |
| COMPOSITION OF CASH: | | | | | | | |
| Citizens State Bank and Trust - Checking | | | | | | | \$ 115,740 |
| Morrill & Janes Bank - Checking | | | | | | | 14,864,836 |
| Micro Loan Repay - Checking | | | | | | | 62,451 |
| District Court | | | | | | | 334,925 |
| Law Library - Checking | | | | | | | 13,643 |
| Extension Council - Checking | | | | | | | 126,702 |
| Extension Council - Certificate of Deposit | | | | | | | 10,000 |
| Sheriff's Account - Checking | | | | | | | 8,438 |
| Jail Income Account - Checking | | | | | | | 28,555 |
| Inmate Account - Checking | | | | | | | 18,890 |
| Cash on Hand | | | | | | | 500 |
| Total Cash | | | | | | | 15,584,680 |
| Less Agency Funds per Statement 5 | | | | | | | 9,947,182 |
| Total Reporting Entity (excluding Agency Funds) | | | | | | | \$ 5,637,498 |

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

Brown County, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Brown County, Kansas, is a municipal corporation governed by an elected three-member commission. These financial statements present Brown County (the primary government) and the financial data of the related municipal entity of Brown County. A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as related municipal entity. The County's related municipal entity is the Extension Council.

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 revenues 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.

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, 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 revenue and matured principal and interest payable, and reservations of the 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 accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the City are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements.

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording cash 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.

Brown County, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Regulatory Basis Fund Types (Continued)

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

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than expendable trusts or for major capital projects) that are intended for specific purposes.

Debt Service Funds – is used to account for the accumulation of cash for, and the payment of, principal, interest and other related costs of the City's debt.

Business Funds - to account for operations that are financed and operated in a manner similar to private business enterprises - where the stated intent is that the costs (expenses, including depreciation of providing goods or services to the general public on a continuing basis) be financed or recovered primarily through user charges - or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Agency Funds - to account for assets held by a governmental unit as an agent for individuals, private organizations, other governmental units, and/or other funds. These include agency funds.

Related Municipal Entity

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 \$88,888 to the Extension Council in 2012. The Extension Council is presented as a governmental fund type. Complete financial statements for the Extension Council may be obtained at the Brown County Courthouse, Hiawatha, Kansas.

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 1st.
2. Publication in the 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 the notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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 2012 budget was not amended.

Brown County, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Information (Continued)

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 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 regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City 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 certain special purpose, capital project, business, and agency 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.

Ad Valorem Tax Revenues

The determination of assessed valuations and collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

All legal annual operating budgets are prepared using the statutory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality 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, 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.

Brown County, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 - DEPOSITS

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

Investments. K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices. As of December 31, 2012, the County held no such investments.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, 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."

At December 31, 2012, the County's carrying amount of deposits was \$15,584,680 and the bank balance was \$16,379,472. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance, \$912,709 was covered by federal depository insurance, \$15,444,420 was collateralized with securities held by the pledging financial institutions' agents in the County's name, and the balance of \$22,343 was unsecured at December 31, 2012, which is a violation of K.S.A. 9-1402.

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

NOTE 3 - LONG-TERM DEBT

KANZA Debt

Long-term debt of the County consists of a bank note and lease purchase agreements with Kanza Mental Health and Guidance Center, Inc. (KANZA) to acquire facilities for KANZA. This borrowing is secured by the facilities that they are financing. Payoff of the bank note is scheduled for 2013 and the payoff of the lease purchase agreement is scheduled for 2014. KANZA is responsible for all payments.

| | Interest Rate | Beginning Balance January 1, 2012 | Additions | Payments | Ending Balance December 31, 2012 |
|-----------|------------------|--|-------------|------------------|---|
| Lease | 6.00% | \$ 59,327 | \$ - | \$ 28,946 | \$ 30,381 |
| Bank Note | 4.50% | 60,885 | - | 21,835 | 39,050 |
| | | <u>\$ 120,212</u> | <u>\$ -</u> | <u>\$ 50,781</u> | <u>\$ 69,431</u> |

Brown County, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - LONG-TERM DEBT (Continued)

On February 1, 2009 the County adopted a resolution to issue a Revenue Bond, Series 2009 for the principal amount of \$4,400,000. The final maturity on the bonds is June 1, 2020. The purpose of this issuance is to fund the construction of the jail/detention facility. The payment schedule for the new issuance is as follows:

| Year Ending <u>December 31,</u> | <u>Principal</u> | <u>Interest</u> |
|------------------------------------|---------------------|-------------------|
| 2013 | \$ 365,000 | \$ 115,013 |
| 2014 | 380,000 | 104,750 |
| 2015 | 400,000 | 93,050 |
| 2016 | 415,000 | 80,825 |
| 2017 | 430,000 | 66,000 |
| 2018-2020 | <u>1,435,000</u> | <u>87,900</u> |
| Total | <u>\$ 3,425,000</u> | <u>\$ 547,538</u> |

Horton Community Hospital

The County entered into an agreement with Horton Community Hospital (HCC), where HCC agrees to provide ambulance services to the County. This agreement is scheduled for January 1, 2012 through December 31, 2016. Under this agreement the County will subsidize HCC in the amount of \$49,950 per year less \$450 per month to satisfy the purchase of ambulance equipment.

NOTE 4 - INTERFUND TRANSACTIONS

The following transfers were made during 2012:

| <u>Fund</u> | <u>In</u> | <u>Out</u> |
|----------------------------------|-------------------|-------------------|
| General Fund | \$ - | \$ 132,769 |
| Election Fund | - | 6,000 |
| Capital Improvement Fund | 143,000 | - |
| Road & Bridge Fund | - | 85,000 |
| Special Machinery Fund | 85,000 | - |
| Technology Fund | 62 | - |
| Appraisers Fund | 3,207 | - |
| Bond & Interest Fund | 121,710 | - |
| Public Building Commission Fund | - | 121,710 |
| Federal ACE Fund | 2,432 | - |
| Juvenile Justice Prevention Fund | - | 2,432 |
| Services for the Elderly Fund | - | 7,500 |
| | <u>\$ 355,411</u> | <u>\$ 355,411</u> |

Brown County, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 - 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.* 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. The report may be obtained by writing to KPERS (611 South Kansas Avenue, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-419 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The County employer contribution to KPERS for the years ending December 31, 2012, 2011 and 2010 were \$209,394, \$190,596, and \$163,795 respectively, equal to the required contributions for each year.

NOTE 6 - COMPENSATED ABSENCES

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

Vacation accumulates on a sliding scale based on length of employment, carries over to the following year and will be paid upon termination. Sick leave accumulates with up to 260 hours being paid upon termination of employment.

The liability for accrued vacation and sick leave payable at December 31, 2012 is \$148,559.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The County participates in various federal and state grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for the reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

The County is involved in various lawsuits arising in the ordinary course of business. Management expects a favorable outcome in these matters. In the event of an unfavorable outcome, the County management believes any potential losses will not have a material impact on the financial position of the County.

NOTE 8 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the past three years.

Brown County, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012

NOTE 9 - JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with six other counties in northeast Kansas formed the Housing Authority of Brown County, Kansas. Each County appoints one member to the Authority's governing board. The Authority is to provide an entity for obtaining Section 8 and other housing assistance from the federal government for the provision of housing to low-income renters within the seven county areas. The Authority does not constitute a direct financial burden on the County and it is not anticipated that this will change.

NOTE 10 - SUBSEQUENT EVENTS

On February 19, 2013, the County entered into a three year lease purchase agreement for a Loader Backhoe, with a final maturity of February 19, 2016. The lease interest rate is 1.90%, with a purchase price of \$78,873.

Brown County, Kansas
 Schedule of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

| <u>Funds</u> | <u>Certified Budget</u> | <u>Adjustment for Qualifying Budget Credits</u> | <u>Total Budget for Comparison</u> | <u>Expenditures Chargeable to Current Year Budget</u> | <u>Variance Over [Under]</u> |
|---------------------------------|-----------------------------|---|--|---|--------------------------------------|
| Governmental Type Funds: | | | | | |
| General Funds: | | | | | |
| General | \$ 3,048,727 | \$ - | \$ 3,048,727 | \$ 2,681,290 | \$ 367,437 |
| Special Purpose Funds: | | | | | |
| Road and Bridge | 2,494,810 | - | 2,494,810 | 2,291,957 | 202,853 |
| Health | 61,450 | - | 61,450 | 61,450 | - |
| Historical Society | 20,000 | - | 20,000 | 20,000 | - |
| Employee Benefits | 1,152,000 | - | 1,152,000 | 824,535 | 327,465 |
| Election | 86,200 | - | 86,200 | 82,150 | 4,050 |
| Extension Council | 88,888 | - | 88,888 | 88,888 | - |
| Mental Health | 67,680 | - | 67,680 | 67,680 | - |
| Mental Retardation | 27,052 | - | 27,052 | 27,052 | - |
| Technology | 22,000 | - | 22,000 | 12,352 | 9,648 |
| Conservation | 25,000 | - | 25,000 | 25,000 | - |
| Appraisers | 159,420 | - | 159,420 | 151,052 | 8,368 |
| Ambulance | 99,900 | - | 99,900 | 99,900 | - |
| Noxious Weed | 135,500 | - | 135,500 | 94,263 | 41,237 |
| Alcohol | 25,000 | - | 25,000 | - | 25,000 |
| Special Parks and Recreation | 10,000 | - | 10,000 | 9,000 | 1,000 |
| 911 | 75,000 | - | 75,000 | 39,816 | 35,184 |
| Wireless 911 | 100,000 | - | 100,000 | 13,940 | 86,060 |
| Business Funds: | | | | | |
| Services for the Elderly | 102,675 | - | 102,675 | 99,103 | 3,572 |
| Solid Waste | 856,066 | - | 856,066 | 676,291 | 179,775 |
| Total Primary Government | <u>\$ 8,657,368</u> | <u>\$ -</u> | <u>\$ 8,657,368</u> | <u>\$ 7,365,719</u> | <u>\$ 1,291,649</u> |

See independent auditor's report on the financial statements.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
General Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|--|---------------------|---------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 1,401,772 | \$ 1,407,057 | \$ [5,285] |
| Intergovernmental | 816,050 | 709,075 | 106,975 |
| Fines and fees | 192,072 | 139,455 | 52,617 |
| Use of money and property | 117,980 | 100,000 | 17,980 |
| Reimbursements | 90,904 | - | 90,904 |
| Miscellaneous | <u>71,355</u> | <u>-</u> | <u>71,355</u> |
| Total Cash Receipts | <u>2,690,133</u> | <u>\$ 2,355,587</u> | <u>\$ 334,546</u> |
| Expenditures | | | |
| County Commissioners | 349,152 | \$ 500,000 | \$ 150,848 |
| County Clerk | 111,662 | 117,820 | 6,158 |
| County Treasurer | 184,776 | 188,600 | 3,824 |
| County Attorney | 108,620 | 108,930 | 310 |
| Register of Deeds | 67,960 | 70,460 | 2,500 |
| Sheriff | 767,029 | 550,000 | [217,029] |
| Janitor | 152,524 | 250,000 | 97,476 |
| District Court | 106,277 | 92,332 | [13,945] |
| Coroner | 13,596 | 10,000 | [3,596] |
| Computer | 75,852 | 139,785 | 63,933 |
| Jail | 515,690 | 660,000 | 144,310 |
| Miscellaneous | 95,383 | 285,800 | 190,417 |
| Transfers out | <u>132,769</u> | <u>75,000</u> | <u>[57,769]</u> |
| Total Expenditures | <u>2,681,290</u> | <u>\$ 3,048,727</u> | <u>\$ 367,437</u> |
| Receipts Over [Under] Expenditures | <u>8,843</u> | | |
| Unencumbered Cash, Beginning | 1,733,987 | | |
| Prior Period Adjustment | <u>1,000</u> | | |
| Unencumbered Cash, Beginning, Restated | <u>1,734,987</u> | | |
| Unencumbered Cash, Ending | <u>\$ 1,743,830</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Road and Bridge Fund
 Regulatory Basis
 For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over [Under] |
|------------------------------------|-------------------|---------------------|-----------------------------|
| Cash Receipts | | | |
| Taxes | \$ 1,816,997 | \$ 1,825,386 | \$ [8,389] |
| Intergovernmental | 514,620 | 440,938 | 73,682 |
| Total Cash Receipts | <u>2,331,617</u> | <u>\$ 2,266,324</u> | <u>\$ 65,293</u> |
| Expenditures | | | |
| Personal services | 328,053 | \$ 364,810 | \$ 36,757 |
| Contractual services | 136,513 | 165,000 | 28,487 |
| Commodities | 1,742,391 | 1,866,000 | 123,609 |
| Transfers out | 85,000 | 99,000 | 14,000 |
| Total Expenditures | <u>2,291,957</u> | <u>\$ 2,494,810</u> | <u>\$ 202,853</u> |
| Receipts Over [Under] Expenditures | 39,660 | | |
| Unencumbered Cash, Beginning | <u>377,318</u> | | |
| Unencumbered Cash, Ending | <u>\$ 416,978</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Special Machinery Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|-------------------|
| Cash Receipts | |
| Transfer in | \$ 85,000 |
| Reimbursements | <u>25,000</u> |
| Total Cash Receipts | <u>110,000</u> |
| Expenditures | |
| Capital outlay | <u>-</u> |
| Total Expenditures | <u>-</u> |
| Receipts Over [Under] Expenditures | 110,000 |
| Unencumbered Cash, Beginning | <u>120,874</u> |
| Unencumbered Cash, Ending | <u>\$ 230,874</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Health Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|-----------------|------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 52,868 | \$ 52,533 | \$ 335 |
| Total Cash Receipts | <u>52,868</u> | <u>\$ 52,533</u> | <u>\$ 335</u> |
| Expenditures | | | |
| Appropriation | 61,450 | \$ 61,450 | \$ - |
| Total Expenditures | <u>61,450</u> | <u>\$ 61,450</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | [8,582] | | |
| Unencumbered Cash, Beginning | <u>9,915</u> | | |
| Unencumbered Cash, Ending | <u>\$ 1,333</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Historical Society Fund
 Regulatory Basis
 For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|---------------|------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 16,998 | \$ 16,892 | \$ 106 |
| Total Cash Receipts | <u>16,998</u> | <u>\$ 16,892</u> | <u>\$ 106</u> |
| Expenditures | | | |
| Appropriation | <u>20,000</u> | <u>\$ 20,000</u> | <u>\$ -</u> |
| Total Expenditures | <u>20,000</u> | <u>\$ 20,000</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | [3,002] | | |
| Unencumbered Cash, Beginning | <u>3,613</u> | | |
| Unencumbered Cash, Ending | <u>\$ 611</u> | | |

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Employee Benefits Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over [Under] |
|------------------------------------|-------------------|---------------------|-----------------------------|
| Cash Receipts | | | |
| Taxes | \$ 853,003 | \$ 856,022 | \$ [3,019] |
| Paid in | 21,291 | - | 21,291 |
| Reimbursements | <u>1,028</u> | <u>-</u> | <u>1,028</u> |
| Total Cash Receipts | <u>875,322</u> | <u>\$ 856,022</u> | <u>\$ 19,300</u> |
| Expenditures | | | |
| Social security | 158,354 | \$ 160,000 | \$ 1,646 |
| Retirement | 185,915 | 175,000 | [10,915] |
| Workmen's compensation | 50,473 | 80,000 | 29,527 |
| Unemployment insurance | 9,216 | 12,000 | 2,784 |
| Health insurance | <u>420,577</u> | <u>725,000</u> | <u>304,423</u> |
| Total Expenditures | <u>824,535</u> | <u>\$ 1,152,000</u> | <u>\$ 327,465</u> |
| Receipts Over [Under] Expenditures | 50,787 | | |
| Unencumbered Cash, Beginning | <u>491,050</u> | | |
| Unencumbered Cash, Ending | <u>\$ 541,837</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Election Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over [Under] |
|------------------------------------|------------------|------------------|-----------------------------|
| Cash Receipts | | | |
| Taxes | \$ 62,218 | \$ 61,983 | \$ 235 |
| Reimbursements | <u>2,674</u> | <u>-</u> | <u>2,674</u> |
| Total Cash Receipts | <u>64,892</u> | <u>\$ 61,983</u> | <u>\$ 2,909</u> |
| Expenditures | | | |
| Personal services | 34,738 | \$ 27,200 | \$ [7,538] |
| Contractual services | 32,591 | 46,000 | 13,409 |
| Commodities | 8,821 | 13,000 | 4,179 |
| Transfer out | <u>6,000</u> | <u>-</u> | <u>[6,000]</u> |
| Total Expenditures | <u>82,150</u> | <u>\$ 86,200</u> | <u>\$ 4,050</u> |
| Receipts Over [Under] Expenditures | [17,258] | | |
| Unencumbered Cash, Beginning | <u>35,997</u> | | |
| Unencumbered Cash, Ending | <u>\$ 18,739</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Extension Council Fund
 Regulatory Basis
 For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|-----------------|------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 78,755 | \$ 78,367 | \$ 388 |
| Total Cash Receipts | <u>78,755</u> | <u>\$ 78,367</u> | <u>\$ 388</u> |
| Expenditures | | | |
| Appropriation | 88,888 | \$ 88,888 | \$ - |
| Total Expenditures | <u>88,888</u> | <u>\$ 88,888</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | [10,133] | | |
| Unencumbered Cash, Beginning | <u>11,762</u> | | |
| Unencumbered Cash, Ending | <u>\$ 1,629</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Mental Health Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over [Under] |
|------------------------------------|-----------------|------------------|-----------------------------|
| Cash Receipts | | | |
| Taxes | \$ 59,964 | \$ 59,478 | \$ 486 |
| Total Cash Receipts | <u>59,964</u> | <u>\$ 59,478</u> | <u>\$ 486</u> |
| Expenditures | | | |
| Appropriation | <u>67,680</u> | \$ 67,680 | \$ - |
| Total Expenditures | <u>67,680</u> | <u>\$ 67,680</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | [7,716] | | |
| Unencumbered Cash, Beginning | <u>9,801</u> | | |
| Unencumbered Cash, Ending | <u>\$ 2,085</u> | | |

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Mental Retardation Fund
 Regulatory Basis
 For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over [Under] |
|------------------------------------|-----------------|------------------|-----------------------------|
| Cash Receipts | | | |
| Taxes | \$ 27,134 | \$ 27,052 | \$ 82 |
| Total Cash Receipts | <u>27,134</u> | <u>\$ 27,052</u> | <u>\$ 82</u> |
| Expenditures | | | |
| Appropriation | <u>27,052</u> | \$ 27,052 | \$ - |
| Total Expenditures | <u>27,052</u> | <u>\$ 27,052</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | 82 | | |
| Unencumbered Cash, Beginning | <u>5,792</u> | | |
| Unencumbered Cash, Ending | <u>\$ 5,874</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Capital Improvement Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|-------------------|
| Cash Receipts | |
| Reimbursements | \$ 5,849 |
| Transfers in | <u>143,000</u> |
| Total Cash Receipts | <u>148,849</u> |
| Expenditures | |
| Contractual services | 73,565 |
| Commodities | 21,653 |
| Capital outlay | <u>22,697</u> |
| Total Expenditures | <u>117,915</u> |
| Receipts Over [Under] Expenditures | 30,934 |
| Unencumbered Cash, Beginning | <u>728,286</u> |
| Unencumbered Cash, Ending | <u>\$ 759,220</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Technology Fund
 Regulatory Basis
 For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|------------------|------------------|------------------------------------|
| Cash Receipts | | | |
| Intergovernmental | \$ 12,554 | \$ 12,832 | \$ [278] |
| Transfer in | <u>62</u> | <u>-</u> | <u>62</u> |
| Total Cash Receipts | <u>12,616</u> | <u>\$ 12,832</u> | <u>\$ [216]</u> |
| Expenditures | | | |
| Contractual services | <u>12,352</u> | <u>\$ 22,000</u> | <u>\$ 9,648</u> |
| Total Expenditures | <u>12,352</u> | <u>\$ 22,000</u> | <u>\$ 9,648</u> |
| Receipts Over [Under] Expenditures | 264 | | |
| Unencumbered Cash, Beginning | <u>51,696</u> | | |
| Unencumbered Cash, Ending | <u>\$ 51,960</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Conservation Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|---------------|------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 21,733 | \$ 21,588 | \$ 145 |
| Total Cash Receipts | <u>21,733</u> | <u>\$ 21,588</u> | <u>\$ 145</u> |
| Expenditures | | | |
| Appropriations | <u>25,000</u> | <u>\$ 25,000</u> | <u>\$ -</u> |
| Total Expenditures | <u>25,000</u> | <u>\$ 25,000</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | [3,267] | | |
| Unencumbered Cash, Beginning | <u>3,920</u> | | |
| Unencumbered Cash, Ending | <u>\$ 653</u> | | |

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual
 Tax Increment Financing Fund*
 Regulatory Basis
 For the Year Ended December 31, 2012

| | |
|------------------------------------|--------------|
| Cash Receipts | |
| Paid in | \$ _____ - |
| Total Cash Receipts | _____ - |
| Expenditures | |
| Paid out | _____ 13,232 |
| Total Expenditures | _____ 13,232 |
| Receipts Over [Under] Expenditures | [13,232] |
| Unencumbered Cash, Beginning | _____ 13,232 |
| Unencumbered Cash, Ending | \$ _____ - |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Appraisers Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|--|----------------------|-------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 119,731 | \$ 114,466 | \$ 5,265 |
| Transfer in | <u>3,207</u> | <u>-</u> | <u>3,207</u> |
| Total Cash Receipts | <u>122,938</u> | <u>\$ 114,466</u> | <u>\$ 8,472</u> |
| Expenditures | | | |
| Personal services | 131,263 | \$ 130,670 | \$ [593] |
| Contractual services | 12,401 | 14,075 | 1,674 |
| Capital outlay | - | 7,500 | 7,500 |
| Commodities | <u>7,388</u> | <u>7,175</u> | <u>[213]</u> |
| Total Expenditures | <u>151,052</u> | <u>\$ 159,420</u> | <u>\$ 8,368</u> |
| Receipts Over [Under] Expenditures | [28,114] | | |
| Unencumbered Cash, Beginning | <u>70,777</u> | | |
| Unencumbered Cash, Ending | <u>\$ 42,663</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
Neighborhood Revitalization Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|----------------|
| Cash Receipts | |
| Paid in | \$ 178,869 |
| Total Cash Receipts | <u>178,869</u> |
| Expenditures | |
| Paid out | <u>178,869</u> |
| Total Expenditures | <u>178,869</u> |
| Receipts Over [Under] Expenditures | - |
| Unencumbered Cash, Beginning | <u>-</u> |
| Unencumbered Cash, Ending | <u>\$ -</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Ambulance Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|-----------------|------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 85,452 | \$ 84,990 | \$ 462 |
| Total Cash Receipts | <u>85,452</u> | <u>\$ 84,990</u> | <u>\$ 462</u> |
| Expenditures | | | |
| Appropriation | 99,900 | \$ 99,900 | \$ - |
| Total Expenditures | <u>99,900</u> | <u>\$ 99,900</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | [14,448] | | |
| Unencumbered Cash, Beginning | <u>16,667</u> | | |
| Unencumbered Cash, Ending | <u>\$ 2,219</u> | | |

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Noxious Weed Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|------------------|-------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 30,375 | \$ 28,028 | \$ 2,347 |
| Customer charges | <u>28,928</u> | <u>35,000</u> | <u>[6,072]</u> |
| Total Cash Receipts | <u>59,303</u> | <u>\$ 63,028</u> | <u>\$ [3,725]</u> |
| Expenditures | | | |
| Personal services | 31,349 | \$ 32,500 | \$ 1,151 |
| Contractual services | 4,976 | 6,200 | 1,224 |
| Commodities | 57,938 | 93,800 | 35,862 |
| Capital outlay | <u>-</u> | <u>3,000</u> | <u>3,000</u> |
| Total Expenditures | <u>94,263</u> | <u>\$ 135,500</u> | <u>\$ 41,237</u> |
| Receipts Over [Under] Expenditures | [34,960] | | |
| Unencumbered Cash, Beginning | <u>103,236</u> | | |
| Unencumbered Cash, Ending | <u>\$ 68,276</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Alcohol Fund
 Regulatory Basis
 For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|--|-----------------|------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 4,345 | \$ 27,225 | \$ [22,880] |
| Total Cash Receipts | <u>4,345</u> | <u>\$ 27,225</u> | <u>\$ [22,880]</u> |
| Expenditures | | | |
| Appropriations | - | \$ 25,000 | \$ 25,000 |
| Total Expenditures | <u>-</u> | <u>\$ 25,000</u> | <u>\$ 25,000</u> |
| Receipts Over [Under] Expenditures | 4,345 | | |
| Unencumbered Cash, Beginning | <u>5,375</u> | | |
| Unencumbered Cash, Ending | <u>\$ 9,720</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual
 Drug Forfeiture Fund*
 Regulatory Basis
 For the Year Ended December 31, 2012

| | |
|------------------------------------|------------------|
| Cash Receipts | |
| Paid in | \$ 167 |
| Total Cash Receipts | <u>167</u> |
| Expenditures | |
| Commodities | 3,506 |
| Contractual services | <u>3,261</u> |
| Total Expenditures | <u>6,767</u> |
| Receipts Over [Under] Expenditures | [6,600] |
| Unencumbered Cash, Beginning | <u>36,581</u> |
| Unencumbered Cash, Ending | <u>\$ 29,981</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Special Parks and Recreation Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|--|-------------------|------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 9,049 | \$ 10,000 | \$ [951] |
| Total Cash Receipts | <u>9,049</u> | <u>\$ 10,000</u> | <u>\$ [951]</u> |
| Expenditures | | | |
| Appropriation | <u>9,000</u> | \$ 10,000 | \$ 1,000 |
| Total Expenditures | <u>9,000</u> | <u>\$ 10,000</u> | <u>\$ 1,000</u> |
| Receipts Over [Under] Expenditures | 49 | | |
| Unencumbered Cash, Beginning | <u>577</u> | | |
| Unencumbered Cash, Ending | <u>\$ 626</u> | | |

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
Worthless Checks Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|---------------|
| Cash Receipts | |
| Paid in | \$ 867 |
| Total Cash Receipts | <u>867</u> |
| Expenditures | |
| Contractual services | <u>-</u> |
| Total Expenditures | <u>-</u> |
| Receipts Over [Under] Expenditures | 867 |
| Unencumbered Cash, Beginning | <u>123</u> |
| Unencumbered Cash, Ending | <u>\$ 990</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
Diversion Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|-----------------|
| Cash Receipts | |
| District Court | \$ 11,290 |
| Total Cash Receipts | <u>11,290</u> |
| Expenditures | |
| Contractual services | 8,385 |
| Commodities | <u>899</u> |
| Total Expenditures | <u>9,284</u> |
| Receipts Over [Under] Expenditures | 2,006 |
| Unencumbered Cash, Beginning | <u>4,398</u> |
| Unencumbered Cash, Ending | <u>\$ 6,404</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 911 Fund
 Regulatory Basis
 For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|------------------|------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 8,432 | \$ 55,000 | \$ [46,568] |
| Total Cash Receipts | <u>8,432</u> | <u>\$ 55,000</u> | <u>\$ [46,568]</u> |
| Expenditures | | | |
| Contractual services | <u>39,816</u> | \$ 75,000 | \$ 35,184 |
| Total Expenditures | <u>39,816</u> | <u>\$ 75,000</u> | <u>\$ 35,184</u> |
| Receipts Over [Under] Expenditures | [31,384] | | |
| Unencumbered Cash, Beginning | <u>77,560</u> | | |
| Unencumbered Cash, Ending | <u>\$ 46,176</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Wireless 911 Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|------------------|-------------------|------------------------------------|
| Cash Receipts | | | |
| Paid in | \$ 37,928 | \$ 100,000 | \$ [62,072] |
| Total Cash Receipts | <u>37,928</u> | <u>\$ 100,000</u> | <u>\$ [62,072]</u> |
| Expenditures | | | |
| Contractual services | 11,240 | \$ 100,000 | \$ 88,760 |
| Commodities | <u>2,700</u> | - | <u>[2,700]</u> |
| Total Expenditures | <u>13,940</u> | <u>\$ 100,000</u> | <u>\$ 86,060</u> |
| Receipts Over [Under] Expenditures | 23,988 | | |
| Unencumbered Cash, Beginning | <u>68,567</u> | | |
| Unencumbered Cash, Ending | <u>\$ 92,555</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual
 BR CA Drug Forfeiture Fund*
 Regulatory Basis
 For the Year Ended December 31, 2012

| | |
|------------------------------------|-----------------|
| Cash Receipts | |
| Paid in | \$ - |
| Total Cash Receipts | <u>-</u> |
| Expenditures | |
| Contractual services | <u>-</u> |
| Total Expenditures | <u>-</u> |
| Receipts Over [Under] Expenditures | - |
| Unencumbered Cash, Beginning | <u>2,208</u> |
| Unencumbered Cash, Ending | <u>\$ 2,208</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
Capital Projects Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|------------------|
| Cash Receipts | |
| Paid in | <u>\$ 48,903</u> |
| Total Cash Receipts | <u>48,903</u> |
| Expenditures | |
| Contractual services | <u>-</u> |
| Total Expenditures | <u>-</u> |
| Receipts Over [Under] Expenditures | 48,903 |
| Unencumbered Cash, Beginning | <u>-</u> |
| Unencumbered Cash, Ending | <u>\$ 48,903</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual
 Federal ACE Fund*
 Regulatory Basis
 For the Year Ended December 31, 2012

| | |
|------------------------------------|-----------------|
| Cash Receipts | |
| Grant | \$ 5,500 |
| Transfers in | <u>2,432</u> |
| Total Cash Receipts | <u>7,932</u> |
| | |
| Expenditures | |
| Personal services | 5,369 |
| Commodities | <u>490</u> |
| Total Expenditures | <u>5,859</u> |
| | |
| Receipts Over [Under] Expenditures | 2,073 |
| | |
| Unencumbered Cash, Beginning | <u>-</u> |
| | |
| Unencumbered Cash, Ending | <u>\$ 2,073</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
Juvenile Justice Prevention Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|------------------|
| Cash Receipts | |
| Paid in | \$ 16,327 |
| Total Cash Receipts | <u>16,327</u> |
| Expenditures | |
| Personal services | 2,299 |
| Miscellaneous | 302 |
| Transfers out | <u>2,432</u> |
| Total Expenditures | <u>5,033</u> |
| Receipts Over [Under] Expenditures | 11,294 |
| Unencumbered Cash, Beginning | <u>7,455</u> |
| Unencumbered Cash, Ending | <u>\$ 18,749</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual
 Juvenile Justice Core Fund*
 Regulatory Basis
 For the Year Ended December 31, 2012

| | |
|------------------------------------|------------------|
| Cash Receipts | |
| Paid in | \$ 312,267 |
| Total Cash Receipts | <u>312,267</u> |
| Expenditures | |
| Personal services | 216,199 |
| Contractual services | 33,746 |
| Commodities | 15,974 |
| Miscellaneous | <u>65,285</u> |
| Total Expenditures | <u>331,204</u> |
| Receipts Over [Under] Expenditures | [18,937] |
| Unencumbered Cash, Beginning | <u>48,834</u> |
| Unencumbered Cash, Ending | <u>\$ 29,897</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
Federal Match Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|-----------------|
| Cash Receipts | |
| Reimbursements | <u>\$ 1,593</u> |
| Total Cash Receipts | <u>1,593</u> |
| Expenditures | |
| Personal services | <u>-</u> |
| Total Expenditures | <u>-</u> |
| Receipts Over [Under] Expenditures | 1,593 |
| Unencumbered Cash, Beginning | <u>[1,493]</u> |
| Unencumbered Cash, Ending | <u>\$ 100</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Adult Community Corrections Fund*
 Regulatory Basis
 For the Year Ended December 31, 2012

| | |
|------------------------------------|------------------|
| Cash Receipts | |
| Paid in | \$ 233,035 |
| Total Cash Receipts | <u>233,035</u> |
| Expenditures | |
| Personal services | 158,704 |
| Commodities | 19,807 |
| Contractual services | 6,062 |
| Miscellaneous | <u>32,919</u> |
| Total Expenditures | <u>217,492</u> |
| Receipts Over [Under] Expenditures | 15,543 |
| Unencumbered Cash, Beginning | <u>3,808</u> |
| Unencumbered Cash, Ending | <u>\$ 19,351</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
Sheriff's Income Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|------------------|
| Cash Receipts | |
| Paid in | <u>\$ 10,384</u> |
| Total Cash Receipts | <u>10,384</u> |
| Expenditures | |
| Miscellaneous | <u>9,126</u> |
| Total Expenditures | <u>9,126</u> |
| Receipts Over [Under] Expenditures | 1,258 |
| Unencumbered Cash, Beginning | <u>27,066</u> |
| Unencumbered Cash, Ending | <u>\$ 28,324</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
CC123 Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|---------------|
| Cash Receipts | |
| Paid in | \$ 5,512 |
| Total Cash Receipts | <u>5,512</u> |
| Expenditures | |
| Contractual | <u>6,159</u> |
| Total Expenditures | <u>6,159</u> |
| Receipts Over [Under] Expenditures | [647] |
| Unencumbered Cash, Beginning | <u>1,107</u> |
| Unencumbered Cash, Ending | <u>\$ 460</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
Public Building Commission Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|--------------------|
| Cash Receipts | |
| Use of money and property | \$ 155 |
| Total Cash Receipts | <u>155</u> |
| Expenditures | |
| Transfer out | <u>121,710</u> |
| Total Expenditures | <u>121,710</u> |
| Receipts Over [Under] Expenditures | [121,555] |
| Unencumbered Cash, Beginning | <u>121,555</u> |
| Unencumbered Cash, Ending | <u><u>\$ -</u></u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual
Bond and Interest Fund*
Regulatory Basis
For the Year Ended December 31, 2012

| | |
|------------------------------------|---------------------|
| Cash Receipts | |
| Paid in | \$ 738,640 |
| Transfers in | <u>121,710</u> |
| Total Cash Receipts | <u>860,350</u> |
| | |
| Expenditures | |
| Lease payment | <u>479,013</u> |
| Total Expenditures | <u>479,013</u> |
| | |
| Receipts Over [Under] Expenditures | 381,337 |
| | |
| Unencumbered Cash, Beginning | <u>872,411</u> |
| | |
| Unencumbered Cash, Ending | <u>\$ 1,253,748</u> |

* This fund is not required to be budgeted.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Services for the Elderly Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|------------------|-------------------|------------------------------------|
| Cash Receipts | | | |
| Taxes | \$ 73,500 | \$ 71,151 | \$ 2,349 |
| Charges to customers | - | 14,000 | [14,000] |
| Reimbursement | <u>5,864</u> | <u>-</u> | <u>5,864</u> |
| Total Cash Receipts | <u>79,364</u> | <u>\$ 85,151</u> | <u>\$ [5,787]</u> |
| Expenditures | | | |
| Personal services | 58,262 | \$ 53,000 | \$ [5,262] |
| Commodities | 9,010 | 25,000 | 15,990 |
| Contractual services | 23,362 | 17,175 | [6,187] |
| Miscellaneous | 969 | 7,500 | 6,531 |
| Transfers out | <u>7,500</u> | <u>-</u> | <u>[7,500]</u> |
| Total Expenditures | <u>99,103</u> | <u>\$ 102,675</u> | <u>\$ 3,572</u> |
| Receipts Over [Under] Expenditures | [19,739] | | |
| Unencumbered Cash, Beginning | <u>37,034</u> | | |
| Unencumbered Cash, Ending | <u>\$ 17,295</u> | | |

See independent auditor's report on the financial statements.

Brown County, Kansas
Schedule of Cash Receipts and Expenditures - Actual and Budget
Solid Waste Fund
Regulatory Basis
For the Year Ended December 31, 2012

| | <u>Actual</u> | <u>Budget</u> | Variance Over <u>[Under]</u> |
|------------------------------------|--------------------|-------------------|------------------------------------|
| Cash Receipts | | | |
| Paid in | \$ 6,650 | \$ - | \$ 6,650 |
| Landfill fees | 624,329 | 750,000 | [125,671] |
| Miscellaneous | <u>2,088</u> | <u>100,000</u> | <u>[97,912]</u> |
| Total Cash Receipts | <u>633,067</u> | <u>\$ 850,000</u> | <u>\$ [216,933]</u> |
| Expenditures | | | |
| Personal services | 78,720 | \$ 75,066 | \$ [3,654] |
| Commodities | 18,377 | 20,215 | 1,838 |
| Contractual services | 529,415 | 716,225 | 186,810 |
| Capital outlay | <u>49,779</u> | <u>44,560</u> | <u>[5,219]</u> |
| Total Expenditures | <u>676,291</u> | <u>\$ 856,066</u> | <u>\$ 179,775</u> |
| Receipts Over [Under] Expenditures | [43,224] | | |
| Unencumbered Cash, Beginning | <u>11,879</u> | | |
| Unencumbered Cash, Ending | <u>\$ [31,345]</u> | | |

See independent auditor's report on the financial statements.

SCHEDULE 3

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual
 Related Municipal Entity - Extension Council
 Regulatory Basis
 For the Year Ended December 31, 2012

| | |
|------------------------------------|-------------------|
| Cash Receipts | |
| County appropriations | \$ 88,888 |
| State salary reimbursement | 19,344 |
| Education services | 5,511 |
| Interest and miscellaneous | <u>458</u> |
| Total Cash Receipts | <u>114,201</u> |
| Expenditures | |
| Personal services | 65,997 |
| Contractual | 20,472 |
| Commodities | 7,564 |
| Capital outlay | <u>823</u> |
| Total Expenditures | <u>94,856</u> |
| Receipts Over [Under] Expenditures | 19,345 |
| Unencumbered Cash, Beginning | <u>117,357</u> |
| Unencumbered Cash, Ending | <u>\$ 136,702</u> |

See independent auditor's report on the financial statements.

Brown County, Kansas
 Schedule of Cash Receipts and Expenditures - Actual
 Agency Funds
 Regulatory Basis
 For the Year Ended December 31, 2012

| | <u>Beginning Cash Balance</u> | <u>Receipts</u> | <u>Expenditures</u> | <u>Ending Cash Balance</u> |
|--------------------------------|-----------------------------------|----------------------|----------------------|--------------------------------|
| Other Funds: | | | | |
| Taxation and Clearing Accounts | \$ 8,806,922 | \$ 21,293,246 | \$ 20,954,421 | \$ 9,145,747 |
| Inmate Account | 12,220 | 33,325 | 26,655 | 18,890 |
| Micro Loan Account | 59,153 | 3,298 | - | 62,451 |
| District Court | 334,258 | 659,470 | 658,803 | 334,925 |
| Law Library | 5,175 | 8,844 | 376 | 13,643 |
| Community Corrections | 6,796 | 51,427 | 49,785 | 8,438 |
| Special MVT | 46,874 | 94,551 | 87,846 | 53,579 |
| Other Clearing Accounts | <u>317,297</u> | <u>6,336,631</u> | <u>6,344,419</u> | <u>309,509</u> |
| Total Agency Funds | <u>\$ 9,588,695</u> | <u>\$ 28,480,792</u> | <u>\$ 28,122,305</u> | <u>\$ 9,947,182</u> |

See independent auditor's report on the financial statements.