

CHEYENNE COUNTY, KANSAS
St. Francis, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2012

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

CHEYENNE COUNTY, KANSAS
 St. Francis, Kansas
 Financial Statement and Regulatory-Required
 Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2012

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards	4
Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance With OMB A-133	6
 <u>Financial Section</u>	
STATEMENT 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash	8
Composition of Cash	10
Notes to the Financial Statement	11
 <u>Regulatory-Required Supplementary Information</u>	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	19
SCHEDULE 2	
Schedule of Receipts and Expenditures – Actual and Budget	
General	20
Road and Bridge	26
Bridge Building	27
Noxious Weed	28
Noxious Weed Capital Outlay	29
Prairie Dog	30
Health Grants	31
Special Alcohol Program	32
Special Parks and Recreation	33
E 911	34
Hospital	35
Rural Fire District	36
Schedule of Receipts and Expenditures - Actual	
Special Machinery and Equipment	37
Multi-Year Capital Improvement	37
Special Fire Equipment	37
County Equipment	37
Prosecuting Attorney's Training	38
Prosecuting Attorney's Diversion	38
County Attorney's Bad Check	38
Prosecution	38
Register of Deeds Technology	39
Motor Vehicle	39
Oil & Gas Depletion	39

Table of Contents (Continued)

	<u>Page Number</u>
Landfill Closure Trust	39
Ambulance Memorial	40
Handicap Equipment	40
Gift Annuity	40
Airport Improvement Project	40
Schedule of Receipts and Expenditures – Related Municipal Entity	
Fair Board	41
Airport Board	42
SCHEDULE 3	
Summary of Receipts and Disbursements - Agency Funds	42
<u>Single Audit Section</u>	
SCHEDULE 4	
Schedule of Expenditures of Federal Awards	46
SCHEDULE 5	
Schedule of Findings and Questioned Costs	48



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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Cheyenne County, Kansas
St. Francis, Kansas 67756

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

Management's Responsibility for the Financial Statement

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

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, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the applicable audit requirements of the Kansas Municipal Audit and Accounting Guide. Those standards and the Kansas Municipal Audit and Accounting Guide 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 Cheyenne County, Kansas 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 the accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 Cheyenne County, Kansas 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 Cheyenne County, Kansas 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 and regulatory basis summary of receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The schedule of expenditures of federal awards (Schedule 4 as listed in the table of contents) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

The 2011 Actual column presented in the individual fund schedules or regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 basic financial statement upon which prior auditors rendered an unqualified opinion dated December 20, 2012. The 2011 basic financial statement and the accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was to be derived from and relate directly to the underlying accounting and other records used to prepare the 2011 basic financial statement. The 2011 comparative information was to be subjected to the auditing procedures applied in the audit of the 2011 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 2011 basic financial statement or to the 2011 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In the prior auditor's opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement as a whole, on the basis of accounting described in Note 3.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 12, 2015, on our consideration of Cheyenne County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Cheyenne County's internal control over financial reporting and compliance.

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
January 12, 2015



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

To the Board of County Commissioners
Cheyenne County, Kansas
St. Francis, KS 67756

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statement of Cheyenne County (County) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 12, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. Those are listed as 2012-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

To the Board of County Commissioners
Cheyenne County, Kansas
Page Two

Cheyenne County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of the governing body and management of the County, others within the entity, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
January 12, 2015



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of County Commissioners
Cheyenne County, Kansas
Cheyenne, KS 67756

Report on Compliance for Each Major Federal Program

We have audited Cheyenne County's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program have occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of governing body and management, others within the entity, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
January 12, 2015

CHEYENNE COUNTY, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2012

Funds	Beginning	Prior Year	Receipts	Expenditures	Ending	Add	Ending
	Unencumbered	Cancelled			Unencumbered	Encumbrances and Accounts Payable	
	Cash Balance	Encumbrances			Cash Balance		Cash Balance
Governmental Type Funds:							
General	\$ (497,067)	0	3,153,567	3,553,501	(897,001)	441,136	(455,865)
Special Purpose Funds							
Road and Bridge	0	0	1,160,545	918,110	242,435	14,207	256,642
Bridge Building	50,756	0	26,447	53,696	23,507	0	23,507
Noxious Weed	(2,771)	0	34,673	26,832	5,070	341	5,411
Noxious Weed Capital Outlay	8,732	0	50,700	17,000	42,432	0	42,432
Prairie Dog	7,799	0	1,530	1,061	8,268	0	8,268
Health Grants	13,797	0	33,394	31,105	16,086	0	16,086
Special Alcohol	0	0	4,831	4,831	0	0	0
Parks and Recreation	6,076	0	1,849	0	7,925	0	7,925
E 911	11,614	0	42,925	12,724	41,815	54	41,869
Hospital	86,509	0	815,270	846,422	55,357	0	55,357
Rural Fire District	(6,073)	0	33,767	60,764	(33,070)	770	(32,300)
Special Machinery	199,539	0	241,648	0	441,187	0	441,187
Multi-Year Capital Improvement	77,954	0	0	0	77,954	0	77,954
Special Fire Equipment	15,899	0	47,425	14,283	49,041	0	49,041
County Equipment Reserve	383,138	0	0	383,138	0	0	0
Prosecuting Attorney's Training	892	0	232	99	1,025	0	1,025
Prosecuting Attorney's Diversion	3,198	0	3,525	315	6,408	0	6,408
County Attorney's Bad Check	1,021	0	110	0	1,131	0	1,131
Prosecution	3,141	0	1,018	0	4,159	0	4,159
Register of Deeds Technology	20,577	0	6,528	7,388	19,717	0	19,717
Motor Vehicle Fund	0	0	34,025	20,619	13,406	0	13,406
Oil & Gas Valuation Depletion	0	0	60,811	0	60,811	0	60,811
EMS Memorial	6,494	0	4,359	7,589	3,264	1,800	5,064
Handicap Equipment	895	0	90	0	985	0	985
Gift Annuity	13,337	0	0	1,500	11,837	0	11,837
Capital Project Funds							
Airport Improvement Project	0	0	1,528,140	1,675,481	(147,341)	0	(147,341)
Trust Funds							
Landfill Closure Trust Fund	209,245	0	16,026	0	225,271	0	225,271
Total Primary Government	<u>614,702</u>	<u>0</u>	<u>7,303,435</u>	<u>7,636,458</u>	<u>281,679</u>	<u>458,308</u>	<u>739,987</u>

(Continued)

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

CHEYENNE COUNTY, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Related Municipal Entities:							
Fair Board	13,101	0	153,874	140,409	26,566	0	26,566
Airport Board	<u>8,743</u>	<u>0</u>	<u>23,020</u>	<u>18,737</u>	<u>13,026</u>	<u>0</u>	<u>13,026</u>
Total Reporting Entity (Excluding Agency Funds)	\$ <u><u>636,546</u></u>	<u><u>0</u></u>	<u><u>7,480,329</u></u>	<u><u>7,795,604</u></u>	<u><u>321,271</u></u>	<u><u>458,308</u></u>	<u><u>779,579</u></u>

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

CHEYENNE COUNTY, KANSAS

STATEMENT 1

Composition of Cash

Page 3

Regulatory Basis

December 31, 2012

Cash on Hand		
Treasurer	\$	400
Bankwest, St. Francis, Kansas		
Money Market Account		415,410
Checking Account		863,841
Checking Account - Law Library		1,287
CDARS		225,000
First National Bank, St. Francis, Kansas		
Money Market Account		53,480
Checking Account		1,104,075
Checking Account - Register of Deeds Tech Fund		19,717
Checking Account - Ambulance Memorial		5,064
Checking Account - E-911		41,869
Checking Account - Sheriff Debit Card		500
Checking Account - Ambulance Debit Card		1,300
Checking Account - Employee Benefit Claims		16,773
Checking Account - District Court		952
Certificates of Deposit		225,000
Landfill Closure Trust		225,271
Western State Bank, St. Francis, Kansas		
Money Market Account		340,903
Checking Account		954,791
Certificates of Deposit		<u>400,000</u>
Total Cash and Investments		4,895,633
Less Agency Funds - Schedule 3		<u>(4,155,646)</u>
Total Primary Government		<u>739,987</u>
Related Municipal Entities:		
Fair Board:		
Bankwest, St. Francis, Kansas		
Now Account		16,895
Western State Bank, St. Francis, Kansas		
Checking Account		9,520
First National Bank, St. Francis, Kansas		
Savings Account		<u>151</u>
Total Fair Board		26,566
Airport Board		
Bankwest, St. Francis, Kansas		
Now Account		<u>13,026</u>
Total Related Municipal Entities		<u>39,592</u>
Total Reporting Entity per Statement 1	\$	<u><u>779,579</u></u>

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

CHEYENNE COUNTY, KANSAS

Notes to the Financial Statement

December 31, 2012

1. Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Cheyenne County is a municipal corporation governed by an elected three-member commission. This regulatory financial statement presents Cheyenne County (the municipality) and its related municipal entities. The related municipal entities are included in the County's reporting entity because it was established to benefit the County and/or its constituents.

Cheyenne County Fair Board. The Cheyenne County Fair Board is organized and operated under K.S.A. 2-132 to operate a county free fair to promote education, and to encourage improvement in agriculture, horticulture, livestock, poultry, dairy products, liberal arts, mechanical fabrics, fine arts, domestic activities and 4-H club activities. The Fair Board is appointed by the County Commission to oversee operations. Unaudited financial reports for the Cheyenne County Fair Board can be obtained by contacting the Treasurer at PO Box 785, St. Francis, KS 67756.

Cheyenne County Airport Board. The Cheyenne County Airport Board is appointed by the County Commission to oversee the operations of the airport. Unaudited financial statements for the Cheyenne County Airport Board can be obtained by contacting the Treasurer at PO Box 827, St. Francis, KS 67756.

The related municipal entity below is not included in the County's financial statement but is a related municipal entity because it was established to benefit the County and/or its constituents.

Cheyenne County Hospital Board. The Cheyenne County Hospital Board is appointed by the County Commission to oversee the operation of the county's hospital. The hospital can sue and be sued, and can buy, sell or lease real property. The County annually levies a tax for the maintenance of the hospital. The Hospital Board must obtain approval from the County Commission for bond issuances. Cheyenne County Hospital issues separately audited financial statements that may be obtained from the Chief Financial Officer, 210 W. 1st Street, St. Francis, KS 67756.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the County for the year 2012:

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

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

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

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

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regularly 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 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 regulatory basis of accounting.

Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of 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 regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments during the year ended December 31, 2012.

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, regulatory receipts 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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds and the following special purpose funds: Special Bridge, Special Machinery and Equipment, Special Fire Equipment, County Equipment Reserve, Prosecuting Attorney's Training, Prosecuting Attorney's Diversion, County Attorney's Bad Check,

Prosecution, Register of Deeds Technology, Motor Vehicle, Oil and Gas Depletion, Ambulance Memorial, Handicap Equipment and Gift Annuity.

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.

2. **Stewardship, Compliance and Accountability**

Compliance with Kansas Statutes

Budget Violations. K.S.A. 79-2935 states that it is unlawful for the governing body of any taxing subdivision or municipality to create indebtedness in excess of the total amount of the adopted budget for the budget year. The General, Noxious Weed Capital Outlay, E 911, Hospital and Rural Fire District Fund exceeded the adopted budget, which appears to be in violation of Kansas statutes.

Cash Basis Compliance. K.S.A. 10-1113 requires that no indebtedness be created for a fund in excess of available monies in that fund. The general and rural fire district funds incurred indebtedness in excess of the available cash balances by \$897,001 and \$33,070, respectively. This appears to be in violation of Kansas statutes. The airport improvement fund has incurred indebtedness in excess of the available cash balances by \$147,341. This deficient cash balance will be eliminated when the grant proceeds are received subsequent to December 31, 2012. Although not specifically allowed as an exception to the cash basis law in the statutes, the State of Kansas, Division of Accounts and Reports, as a matter of practice, has allowed deficit fund balances as long as the fund is subsequently reimbursed by federal or state grant proceeds.

Register of Deeds Compliance. County Register of Deeds did not report and remit the mortgage registration fees daily to the County Treasurer as required by K.S.A. 79-3104, however, they are remitted weekly.

Quarterly Heritage Trust Fund Fee Reports. K.S.A. 79-3107b requires the county treasurer to file quarterly heritage fee trust fund reports and remit monies to the state treasurer by the 15th day following the end of the quarter. The County did not file quarterly reports timely for all quarterly reports. This appears to be a violation of this statute.

Special Motor Vehicle Fund. K.S.A. 8-145 states that the balance remaining in such fund and the close of the calendar year shall be withdrawn and credited the general fund of the county prior to June 1 of the following calendar year. The 2012 balance in the special motor vehicle fund was not transferred to the general fund by June 1 which appears to be a violation of this statute.

Depository Security. K.S.A. 9-1402 requires that before any deposit of public monies or funds be made by any municipality with any bank, savings and loan association or savings bank, such municipality shall obtain security for such deposit. We noted that as of December 31, 2012 that deposits did not appear to be adequately secured. This appears to be a violation this statute.

3. **Deposits and Investments**

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

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.

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 not designated any "peak periods" with eligible depositories. All deposits were not legally secured at December 31, 2012.

At December 31, 2012, the County's carrying amount of deposits was \$4,669,962 and the bank balance was \$4,957,945. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$2,595,511 was covered by federal depository insurance \$225,000 was covered by federal depository insurance in the Certificate of Deposit Account Registry Service (CDARS), \$1,650,432 was collateralized with securities held by the pledging financial institutions' agents in the County's name and \$487,002 was unsecured.

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. At December 31, 2012, the County held no investments except for certificates of deposit which are considered as a component of deposits.

4. **Defined Benefit Pension Plan**

Plan Description. Cheyenne County participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. 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 South Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 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. 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. Kansas law sets a limitation on annual increases in the employer contribution rates.

5. **Defined Contribution Pension Plan**

The County participates in the Kansas Public Employees Deferred Compensation Plan. Employees become eligible for participation in the plan upon hire. The County does not contribute to the plan and employees may contribute up to a maximum amount calculated under section 457 of the Internal Revenue

Service Code. Participants vest at service inception and are entitled to 100 percent of vested contributions.

6. **Other Long-Term Obligations from Operations**

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the County under this program.

Compensated Absences. The County's compensated absence policy permits full time employees to accumulate vacation time at the rate of twelve days per year for those continuously employed one to ten years and eighteen days per year for those continuously employed ten years or more. Vacation days must be taken by December 31 of each calendar year. Any unused vacations days may not be carried over to the next calendar year unless given approval by the Board of County Commissioners. No employee shall be paid for more than eighteen days of unused vacation at the termination of employment.

The County's full time employees accumulate sick leave at the rate of four hours per month. Employees are entitled to accumulate sick leave up to forty-five days or 360 hours. All full time employees are also granted four personal days annually. Any unused personal leave days shall revert back to sick leave at the end of the year. Accumulated sick leave is forfeited upon termination.

7. **Interfund Transactions**

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
County Equipment Reserve	Special Machinery and Equipment	K.S.A. 68-141g	241,648
County Equipment Reserve	General	K.S.A. 19-119	43,365
County Equipment Reserve	Noxious Weed Capital Outlay	K.S.A. 2-1318	50,700
County Equipment Reserve	Special Fire Equipment	K.S.A. 19-119	47,426

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, injuries to employees, and natural disaster. The County continues to carry commercial insurance for all other risk of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. **Claims and Judgments**

The County participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of the date of this report, the grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

During the ordinary course of its operations the County is a party to various claims, legal actions, and complaints. It is the opinion of the County's management and legal counsel that these matters are not anticipated to have a material financial impact on the County.

10. **Capital Projects**

At year end, capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	<u>Project Authorization</u>	<u>Disbursements and Accounts Payable to Date</u>
Airport Improvement	\$ 3,537,000	3,449,846

11. **Liability for Landfill Closure and Post Closure Costs**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. In addition to current year expenditures relating to the operation of the landfill, as provided in the General Fund in this financial statement, the County is incurring a liability based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste.

The engineer estimates of closure and post-closure care liability at year-end would be \$377,276. This liability is based on the use of 51.62 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$353,595 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2012. The County expects the landfill to continue to operate for approximately thirty-four years. Actual costs may be higher due to inflation, changes in technology or in regulations.

The County established a Trust of October 8, 1998 for the benefit of Cheyenne County and the State of Kansas to accumulate moneys to pay the closure and post closure care cost of the landfill. The Trust agreement provides for annual payments of variable amounts to be made by Cheyenne County. The payment required under the Trust agreement for 2012 was \$15,738.

The County is required by State and Federal laws and regulations to make annual contributions to a trust to finance closure and post closure care. The County is in compliance with these requirements and at December 31, 2012 cash of \$225,271 was held for these purposes. This is reported in the Landfill Closure Trust Fund in Schedule 2 of the County's financial statement. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

12. **Subsequent Events**

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

13. Long-term Debt

Changes in long-term liabilities for Cheyenne County, Kansas for the year ended December 31, 2012, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	End of Year	Balance Interest Paid
Capital Leases:									
Landfill Compactor	2.95%	10/31/2012	165,000	1/31/2015	<u>0</u>	<u>165,000</u>	<u>65,000</u>	<u>100,000</u>	<u>0</u>
KDCH Loans:									
CDBG 06-BF-R06	4.75%	7/1/2007	653,000	12/1/2013	<u>268,016</u>	<u>0</u>	<u>124,916</u>	<u>143,100</u>	<u>9,196</u>
Total Contractual Indebtedness					\$ <u>268,016</u>	<u>165,000</u>	<u>189,916</u>	<u>243,100</u>	<u>9,196</u>

Current maturities of long-term debt and interest for the next five years through maturity are as follows:

	2013	2014	2015	2016	2017	2018-2022	Total
PRINCIPAL							
Capital Leases							
Landfill Compactor	<u>33,818</u>	<u>32,610</u>	<u>33,572</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
KDCH Loans							
CDBG 06-BF-R06	<u>143,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>143,100</u>
Total Principal	<u>176,918</u>	<u>32,610</u>	<u>33,572</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>243,100</u>
INTEREST							
Capital Leases							
Landfill Compactor	<u>744</u>	<u>1,952</u>	<u>990</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,686</u>
KDCH Loans							
CDBG 06-BF-R06	<u>3,204</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,204</u>
Total Interest	<u>3,948</u>	<u>1,952</u>	<u>990</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,890</u>
Total Principal and Interest	\$ <u>180,866</u>	<u>34,562</u>	<u>34,562</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>249,990</u>

CHEYENNE COUNTY, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

CHEYENNE COUNTY, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
For the Year Ended December 31, 2012

SCHEDULE 1

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:					
General	\$ 2,785,536	0	2,785,536	3,553,501	767,965
Special Purpose Funds					
Road and Bridge	1,173,125	35,644	1,208,769	918,110	(290,659)
Special Bridge	83,025	0	83,025	53,696	(29,329)
Noxious Weed	39,042	0	39,042	26,832	(12,210)
Noxious Weed Capital Outlay	0	0	0	17,000	17,000
Prairie Dog	10,826	0	10,826	1,061	(9,765)
Health Grants	54,000	0	54,000	31,105	(22,895)
Special Alcohol	5,600	0	5,600	4,831	(769)
Parks and Recreation	7,431	0	7,431	0	(7,431)
E 911	0	0	0	12,724	12,724
Hospital	837,000	0	837,000	846,422	9,422
Rural Fire District	36,500	0	36,500	60,764	24,264

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

GENERAL FUND

Page 1

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Receipts:					
Taxes					
Ad Valorem	\$ 1,837,777	2,028,597	2,062,977	(34,380)	
Delinquent	16,145	18,463	2,000	16,463	
Motor Vehicle	99,417	171,254	195,791	(24,537)	
Recreational Vehicle	2,319	2,852	4,928	(2,076)	
16/20M Vehicle	7,653	8,623	8,953	(330)	
Intangible Tax	15,768	13,955	20,200	(6,245)	
Intergovernmental					
Liquor Tax	1,851	1,849	900	949	
Sales Tax	206,463	221,364	220,000	1,364	
Mineral Production Tax	29,031	21,626	38,000	(16,374)	
Licenses, Fees and Permits					
Vehicle Inspection Fees	3,642	5,526	3,400	2,126	
Mortgage Registration Fees	32,912	45,338	25,000	20,338	
County Officer Fees	13,225	15,820	19,000	(3,180)	
Antique Fees	1,300	1,350	300	1,050	
Filing Fees	85	1,522	100	1,422	
Game Licenses	254	255	300	(45)	
Charges for Services:					
Ambulance Fees	126,456	101,718	130,000	(28,282)	
Appraiser Fees	721	0	1,100	(1,100)	
Law Enforcement Contract	34,000	34,000	34,000	0	
Solid Waste Fee	69,898	78,886	70,000	8,886	
Emergency Preparedness	23,025	0	42,100	(42,100)	
Interest on Idle Funds	6,064	2,880	40,000	(37,120)	
Interest on Delinquent Taxes	0	0	5,000	(5,000)	
Interest on Current Taxes	12,441	10,167	3,000	7,167	
Interest on Motor Vehicle Taxes	775	619	400	219	
Miscellaneous	63,195	48,588	14,000	34,588	
Grants	309,159	6,802	0	6,802	
CDBG Loan Repayment	146,304	134,112	146,300	(12,188)	
Reimbursed Expenses	30,132	63,750	0	63,750	
Reimbursement from Airport Project Fund	0	70,286	0	70,286	
Transfer from Equipment Reserve	0	43,365	15,000	28,365	
Transfer from Motor Vehicle Fund	8,440	0	0	0	
Total Receipts	<u>3,098,452</u>	<u>3,153,567</u>	<u>3,102,749</u>	<u>50,818</u>	

(Continued)

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

GENERAL FUND

Page 2

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
(Continued)					
Expenditures:					
County Commissioners					
Personal Services	\$ 34,812	35,334	35,424	(90)	
Contractual Services	2,570	1,422	4,000	(2,578)	
Commodities	0	721	400	321	
Total	<u>37,382</u>	<u>37,477</u>	<u>39,824</u>	<u>(2,347)</u>	
County Clerk					
Personal Services	61,930	63,137	63,235	(98)	
Contractual Services	1,578	1,556	2,565	(1,009)	
Commodities	2,741	3,358	3,300	58	
Total	<u>66,249</u>	<u>68,051</u>	<u>69,100</u>	<u>(1,049)</u>	
County Treasurer					
Personal Services	49,669	52,663	55,409	(2,746)	
Contractual Services	3,814	7,130	5,000	2,130	
Commodities	1,632	3,060	4,000	(940)	
Capital Outlay	0	750	1,500	(750)	
Transfer to Equipment Reserve	0	0	500	(500)	
Total	<u>55,115</u>	<u>63,603</u>	<u>66,409</u>	<u>(2,806)</u>	
County Attorney					
Personal Services	48,007	37,644	48,091	(10,447)	
Contractual Services	4,095	19,236	2,000	17,236	
Commodities	747	0	2,000	(2,000)	
Capital Outlay	0	0	700	(700)	
Total	<u>52,849</u>	<u>56,880</u>	<u>52,791</u>	<u>4,089</u>	
Register of Deeds					
Personal Services	39,413	39,904	42,447	(2,543)	
Contractual Services	1,780	2,516	4,300	(1,784)	
Commodities	1,014	231	1,750	(1,519)	
Capital Outlay	0	1,361	2,000	(639)	
Total	<u>42,207</u>	<u>44,012</u>	<u>50,497</u>	<u>(6,485)</u>	

(Continued)

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

GENERAL FUND

Page 3

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

(Continued)	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Sheriff					
Personal Services	\$ 180,782	200,198	177,508		22,690
Contractual Services	18,258	17,005	25,000		(7,995)
Commodities	25,859	27,831	35,000		(7,169)
Investigations	7,684	71	300		(229)
Capital Outlay	306	420	8,000		(7,580)
Transfer to Equipment Reserve	0	0	10,000		(10,000)
Total	<u>232,889</u>	<u>245,525</u>	<u>255,808</u>		<u>(10,283)</u>
Ambulance					
Personal Services	82,170	83,479	94,679		(11,200)
Contractual Services	20,031	31,129	34,700		(3,571)
Commodities	18,668	34,960	30,000		4,960
Capital Outlay	16,488	12,656	1,000		11,656
Transfer to Equipment Reserve	0	0	9,000		(9,000)
Total	<u>137,357</u>	<u>162,224</u>	<u>169,379</u>		<u>(7,155)</u>
Judicial					
Contractual Services	9,758	10,637	11,200		(563)
Commodities	1,901	1,859	3,200		(1,341)
Capital Outlay	1,293	7,957	1,800		6,157
Court Services	16,601	13,218	14,000		(782)
Detention - Juveniles	1,064	807	2,500		(1,693)
Detention - Adults	21,245	26,885	12,500		14,385
Total	<u>51,862</u>	<u>61,363</u>	<u>45,200</u>		<u>16,163</u>
Courthouse					
Personal Services	26,280	26,056	26,999		(943)
Contractual Services	91,129	86,483	94,000		(7,517)
Commodities	5,113	6,053	7,500		(1,447)
Capital Outlay	1,580	2,250	2,000		250
Total	<u>124,102</u>	<u>120,842</u>	<u>130,499</u>		<u>(9,657)</u>
Appraisal					
Personal Services	67,225	60,099	80,969		(20,870)
Contractual Services	12,903	32,077	24,000		8,077
Commodities	3,457	5,787	5,000		787
Capital Outlay	854	1,619	2,000		(381)
Total	<u>84,439</u>	<u>99,582</u>	<u>111,969</u>		<u>(12,387)</u>

(Continued)

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

GENERAL FUND

Page 4

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

(Continued)	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Emergency Preparedness					
Personal Services	\$ 45,260	46,351	35,931		10,420
Contractual Services	12,495	12,570	12,500		70
Commodities	109	452	1,100		(648)
Capital Outlay	8,185	0	1,100		(1,100)
Transfer to Equipment Reserve	0	0	500		(500)
Total	<u>66,049</u>	<u>59,373</u>	<u>51,131</u>		<u>8,242</u>
Election					
Personal Services	239	781	300		481
Contractual Services	8,039	15,453	14,000		1,453
Commodities	322	797	1,000		(203)
Capital Outlay	597	0	0		0
Total	<u>9,197</u>	<u>17,031</u>	<u>15,300</u>		<u>1,731</u>
Computer					
Personal Services	4,800	4,800	4,800		0
Contractual Services	63,878	60,086	60,000		86
Commodities	1,650	750	2,800		(2,050)
Total	<u>70,328</u>	<u>65,636</u>	<u>67,600</u>		<u>(1,964)</u>
Solid Waste Landfill					
Personal Services	39,526	40,681	37,981		2,700
Contractual Services	61,545	51,566	41,000		10,566
Commodities	11,086	15,914	22,000		(6,086)
Capital Outlay	0	65,000	0		65,000
Transfer to Equipment Reserve	0	0	15,000		(15,000)
Total	<u>112,157</u>	<u>173,161</u>	<u>115,981</u>		<u>57,180</u>
Dispatch					
Personal Services	161,041	145,453	144,272		1,181
Contractual Services	4,330	3,461	12,000		(8,539)
Commodities	3,274	1,746	4,000		(2,254)
Capital Outlay	2,140	348	900		(552)
Total	<u>170,785</u>	<u>151,008</u>	<u>161,172</u>		<u>(10,164)</u>

(Continued)

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

GENERAL FUND

Page 5

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
(Continued)					
Employee Benefits					
Social Security	95,952	100,649	98,000		2,649
Health Insurance	855,580	1,438,513	600,000		838,513
Retirement	87,744	98,854	89,000		9,854
Life Insurance	4,323	3,892	0		3,892
Other	(24)	54	8,700		(8,646)
Workers Compensation	50,155	79,914	50,000		29,914
Unemployment	10,614	1,140	10,000		(8,860)
Total	<u>1,104,344</u>	<u>1,723,016</u>	<u>855,700</u>		<u>867,316</u>
Services for the Aged					
Bird City Senior Center	3,390	3,390	3,390		0
St. Francis Senior Center	5,090	5,090	5,090		0
NWKS Council on Aging	3,810	5,000	5,000		0
Miscellaneous	9,142	0	0		0
Total	<u>21,432</u>	<u>13,480</u>	<u>13,480</u>		<u>0</u>
Health					
Health Department - Contracted	10,600	10,600	10,600		0
Health Officer	600	600	600		0
Autopsy Expenses	125	0	2,000		(2,000)
Total	<u>11,325</u>	<u>11,200</u>	<u>13,200</u>		<u>(2,000)</u>
Appropriations					
Airport Board	22,500	22,500	22,500		0
NWKS Juvenile Services	0	0	1,000		(1,000)
NW Environmental Protection	984	908	880		28
Fair Board	22,200	22,200	22,200		0
Historical Society	4,780	4,780	4,780		0
Mental Health	6,360	6,360	6,360		0
Mental Retardation	8,480	8,480	8,480		0
Conservation District	16,000	16,000	16,000		0
Western Kansas Child Advocacy	0	500	500		0
NWKS Domestic & Sexual Violence	0	750	750		0
Total	<u>81,304</u>	<u>82,478</u>	<u>83,450</u>		<u>(972)</u>

(Continued)

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

GENERAL FUND

Page 6

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

(Continued)	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Other					
Economic Development	10,100	10,100	10,100		0
NWKS Planning & Development	2,646	1,887	2,940		(1,053)
Capital Outlay	0	1,935	154,592		(152,657)
NWKS Recycling	6,788	5,452	10,000		(4,548)
Repayment of Fees Received	0	28,442	0		28,442
Other	14,613	11,114	3,114		8,000
Transfer to Multi-Year Capital Improvement Fund	0	0	90,000		(90,000)
Local Match Reimbursement to Airport Project Fund	0	91,431	0		91,431
CDBG Loan Repayment	146,304	134,112	146,300		(12,188)
Grant Expense	401,123	13,086	0		13,086
Total Other Expenditures	<u>581,574</u>	<u>297,559</u>	<u>417,046</u>		<u>(119,487)</u>
Total Expenditures	<u>3,112,946</u>	<u>3,553,501</u>	<u>2,785,536</u>		<u>767,965</u>
Receipts Over (Under) Expenditures	(14,494)	(399,934)			
Unencumbered Cash, Beginning	<u>(482,573)</u>	<u>(497,067)</u>			
Unencumbered Cash, Ending	\$ <u>(497,067)</u>	<u>(897,001)</u>			

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

ROAD AND BRIDGE FUND

Page 7

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Receipts:					
Taxes					
Ad Valorem	\$ 810,803	783,755	797,045		(13,290)
Delinquent	9,739	8,287	2,000		6,287
Motor Vehicle	67,455	81,215	86,357		(5,142)
16/20M Vehicle	5,676	1,359	3,949		(2,590)
Recreational Vehicle	1,564	5,657	2,174		3,483
Intangible Tax	4,639	4,396	6,600		(2,204)
Intergovernmental					
Special City-County Highway	223,118	230,855	220,000		10,855
County Equalization	1,502	1,336	45,000		(43,664)
Miscellaneous	0	0	10,000		(10,000)
Diesel Tax Refund	17,549	8,041	0		8,041
Reimbursed Expenses	4,111	35,644	0		35,644
Total Receipts	<u>1,146,156</u>	<u>1,160,545</u>	<u>1,173,125</u>		<u>(12,580)</u>
Expenditures:					
Personal Services	405,942	447,290	471,975		(24,685)
Contractual Services	66,821	51,776	60,100		(8,324)
Commodities	374,267	414,175	455,050		(40,875)
Capital Outlay	3,160	4,869	16,000		(11,131)
Transfer to Equipment Reserve	170,000	0	170,000		(170,000)
Transfer to Special Machinery and Equipment	126,539	0	0		0
Adjustment for Qualifying Budget Credits:					
Reimbursed Expenses	0	0	35,644		(35,644)
Total Expenditures	<u>1,146,729</u>	<u>918,110</u>	<u>1,208,769</u>		<u>(290,659)</u>
Receipts Over (Under) Expenditures	(573)	242,435			
Unencumbered Cash, Beginning	<u>573</u>	<u>0</u>			
Unencumbered Cash, Ending	\$ <u>0</u>	<u>242,435</u>			

CHEYENNE COUNTY, KANSAS
BRIDGE BUILDING FUND

SCHEDULE 2

Page 8

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	<u>2011</u>	<u>2012</u>		
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:				
Taxes				
Ad Valorem	\$ 46,708	20,891	21,209	(318)
Delinquent	618	416	100	316
Motor Vehicle	3,857	4,721	4,998	(277)
16/20M Vehicle	284	79	229	(150)
Recreational Vehicle	90	340	126	214
	<u>51,557</u>	<u>26,447</u>	<u>26,662</u>	<u>(215)</u>
Total Receipts				
Expenditures:				
Personal Services	3,273	23,804	25,375	(1,571)
Contractual Services	5,268	7,320	5,000	2,320
Commodities	173	22,572	22,000	572
Capital Outlay	39,870	0	0	0
Transfer to Multi-Year Capital Improvement Fund	0	0	30,650	(30,650)
	<u>48,584</u>	<u>53,696</u>	<u>83,025</u>	<u>(29,329)</u>
Total Expenditures				
Receipts Over (Under) Expenditures	2,973	(27,249)		
Unencumbered Cash, Beginning	<u>47,783</u>	<u>50,756</u>		
Unencumbered Cash, Ending	\$ <u>50,756</u>	<u>23,507</u>		

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

NOXIOUS WEED FUND

Page 9

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Receipts:					
Taxes					
Ad Valorem	\$ 25,207	26,309	26,729	(420)	
Delinquent	228	255	100	155	
Motor Vehicle	1,443	2,232	2,705	(473)	
16/20M Vehicle	224	37	124	(87)	
Recreational Vehicle	31	80	68	12	
Reimbursed Expenses	<u>6,968</u>	<u>5,760</u>	<u>6,000</u>	<u>(240)</u>	
Total Receipts	<u>34,101</u>	<u>34,673</u>	<u>35,726</u>	<u>(1,053)</u>	
Expenditures:					
Personal Services	11,736	17,332	17,042	290	
Contractual Services	3,935	3,531	7,000	(3,469)	
Commodities	<u>22,137</u>	<u>5,969</u>	<u>15,000</u>	<u>(9,031)</u>	
Total Expenditures	<u>37,808</u>	<u>26,832</u>	<u>39,042</u>	<u>(12,210)</u>	
Receipts Over (Under) Expenditures	(3,707)	7,841			
Unencumbered Cash, Beginning	<u>936</u>	<u>(2,771)</u>			
Unencumbered Cash, Ending	\$ <u><u>(2,771)</u></u>	<u><u>5,070</u></u>			

CHEYENNE COUNTY, KANSAS
NOXIOUS WEED CAPITAL OUTLAY FUND

SCHEDULE 2

Page 10

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011	2012	
	Actual	Actual	Budget
			Variance Over (Under)
Receipts:			
Transfer from Equipment Reserve	\$ 0	50,700	<u>0</u> <u>50,700</u>
Expenditures:			
Capital Outlay	0	17,000	<u>0</u> <u>17,000</u>
Receipts Over (Under) Expenditures	0	33,700	
Unencumbered Cash, Beginning	<u>8,732</u>	<u>8,732</u>	
Unencumbered Cash, Ending	\$ <u>8,732</u>	<u>42,432</u>	

CHEYENNE COUNTY, KANSAS

PRAIRIE DOG FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Receipts:					
Charge for Services	\$ 5,644	1,530	7,248		(5,718)
Total Receipts	<u>5,644</u>	<u>1,530</u>	<u>7,248</u>		<u>(5,718)</u>
Expenditures:					
Personal Services	1,200	200	1,304		(1,104)
Contractual Services	397	116	0		116
Commodities	<u>1,666</u>	<u>745</u>	<u>9,522</u>		<u>(8,777)</u>
Total Expenditures	<u>3,263</u>	<u>1,061</u>	<u>10,826</u>		<u>(9,765)</u>
Receipts Over (Under) Expenditures	2,381	469			
Unencumbered Cash, Beginning	<u>5,418</u>	<u>7,799</u>			
Unencumbered Cash, Ending	\$ <u>7,799</u>	<u>8,268</u>			

CHEYENNE COUNTY, KANSAS

HEALTH GRANTS FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012	
	Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Grants	<u>33,248</u>	<u>33,394</u>	<u>29,000</u>	<u>4,394</u>
Total Receipts	<u>33,248</u>	<u>33,394</u>	<u>29,000</u>	<u>4,394</u>
Expenditures:				
Contractual Services	<u>47,629</u>	<u>31,105</u>	<u>54,000</u>	<u>(22,895)</u>
Total Expenditures	<u>47,629</u>	<u>31,105</u>	<u>54,000</u>	<u>(22,895)</u>
Receipts Over (Under) Expenditures	(14,381)	2,289		
Unencumbered Cash, Beginning	<u>28,178</u>	<u>13,797</u>		
Unencumbered Cash, Ending	\$ <u>13,797</u>	<u>16,086</u>		

CHEYENNE COUNTY, KANSAS

SPECIAL ALCOHOL FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		
	Actual	Actual	Budget		Variance Over (Under)
Receipts:					
Liquor Tax	\$ 3,827	4,831	4,600		231
Expenditures:					
Contractual Services	3,827	4,831	5,600		(769)
Receipts Over (Under) Expenditures	0	0			
Unencumbered Cash, Beginning	0	0			
Unencumbered Cash, Ending	\$ 0	0			

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

SPECIAL PARKS AND RECREATION FUND

Page 14

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012	
	Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Liquor Tax	\$ 1,394	1,849	1,706	143
Expenditures:				
Appropriation	543	0	7,431	(7,431)
Receipts Over (Under) Expenditures	851	1,849		
Unencumbered Cash, Beginning	5,225	6,076		
Unencumbered Cash, Ending	\$ 6,076	7,925		

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

E 911 FUND

Page 15

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Receipts:					
911 Tax	\$ 15,840	42,887	0		42,887
Interest on Idle Funds	6	38	0		38
Total Receipts	<u>15,846</u>	<u>42,925</u>	<u>0</u>		<u>42,925</u>
Expenditures:					
Emergency Telephone Service	<u>7,480</u>	<u>12,724</u>	<u>0</u>		<u>12,724</u>
Receipts Over (Under) Expenditures	8,366	30,201			
Unencumbered Cash, Beginning	<u>3,248</u>	<u>11,614</u>			
Unencumbered Cash, Ending	\$ <u>11,614</u>	<u>41,815</u>			

CHEYENNE COUNTY, KANSAS

HOSPITAL FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Receipts:					
Taxes					
Ad Valorem	\$ 192,798	432,697	440,000		(7,303)
Delinquent	2,613	2,791	987		1,804
Motor Vehicle	14,864	20,321	20,524		(203)
16/20M Vehicle	185	342	938		(596)
Recreational Vehicle	366	1,676	517		1,159
Sales Tax	<u>330,857</u>	<u>357,443</u>	<u>374,000</u>		<u>(16,557)</u>
Total Receipts	<u>541,683</u>	<u>815,270</u>	<u>836,966</u>		<u>(21,696)</u>
Expenditures:					
Appropriation	210,825	457,827	463,000		(5,173)
Sales Tax	<u>300,942</u>	<u>388,595</u>	<u>374,000</u>		<u>14,595</u>
Total Expenditures	<u>511,767</u>	<u>846,422</u>	<u>837,000</u>		<u>9,422</u>
Receipts Over (Under) Expenditures	29,916	(31,152)			
Unencumbered Cash, Beginning	<u>56,593</u>	<u>86,509</u>			
Unencumbered Cash, Ending	\$ <u>86,509</u>	<u>55,357</u>			

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

RURAL FIRE DISTRICT FUND

Page 17

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
Receipts:					
Taxes					
Ad Valorem	\$ 33,729	30,897	34,060		(3,163)
Delinquent	365	170	10		160
Motor Vehicle	1,988	2,417	2,250		167
16/20M Vehicle	273	44	0		44
Recreational Vehicle	48	239	59		180
Miscellaneous	0	0	121		(121)
Total Receipts	<u>36,403</u>	<u>33,767</u>	<u>36,500</u>		<u>(2,733)</u>
Expenditures:					
Personal Services	12,185	24,080	10,000		14,080
Contractual Services	18,420	13,368	13,000		368
Commodities	12,146	23,066	3,500		19,566
Capital Outlay	0	250	8,000		(7,750)
Transfer to Equipment Reserve	0	0	2,000		(2,000)
Total Expenditures	<u>42,751</u>	<u>60,764</u>	<u>36,500</u>		<u>24,264</u>
Receipts Over (Under) Expenditures	(6,348)	(26,997)			
Unencumbered Cash, Beginning	<u>275</u>	<u>(6,073)</u>			
Unencumbered Cash, Ending	\$ <u>(6,073)</u>	<u>(33,070)</u>			

CHEYENNE COUNTY, KANSAS
 Any Nonbudgeted Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2012

	Special Machinery	Multi-Year Capital Improvement	Special Fire Equipment	County Equipment Reserve
Receipts:				
Transfer from Road & Bridge	0	0	0	0
Transfer from Equipment Reserve	241,648	0	47,425	0
Total Receipts	241,648	0	47,425	0
Expenditures:				
Transfer to Special Machinery	0	0	0	241,648
Transfer to Noxious Weed Capital Outlay	0	0	0	50,700
Transfer to Rural Fire Equipment	0	0	0	47,425
Transfer to General Fund	0	0	0	43,365
Capital Outlay	0	0	14,283	0
Total Expenditures	0	0	14,283	383,138
Receipts Over (Under) Expenditures	241,648	0	33,142	(383,138)
Unencumbered Cash, Beginning	199,539	77,954	15,899	383,138
Unencumbered Cash, Ending	\$ 441,187	77,954	49,041	0

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

Any Nonbudgeted Fund

Page 19

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended December 31, 2012

	Prosecuting Attorney's Training	Prosecuting Attorney's Diversion	County Attorney's Bad Check	Prosecution
Receipts:				
District Court Fees	\$ 232	3,525	0	0
Administrative Fees	<u>0</u>	<u>0</u>	<u>110</u>	<u>1,018</u>
Total Receipts	<u>232</u>	<u>3,525</u>	<u>110</u>	<u>1,018</u>
Expenditures:				
Contractual Services	99	315	0	0
Commodities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>99</u>	<u>315</u>	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	133	3,210	110	1,018
Unencumbered Cash, Beginning	<u>892</u>	<u>3,198</u>	<u>1,021</u>	<u>3,141</u>
Unencumbered Cash, Ending	\$ <u>1,025</u>	<u>6,408</u>	<u>1,131</u>	<u>4,159</u>

CHEYENNE COUNTY, KANSAS

SCHEDULE 2

Any Nonbudgeted Fund

Page 20

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended December 31, 2012

	Register of Deeds Technology	Motor Vehicle Fund	Oil & Gas Valuation Depletion Fund	Landfill Closure Trust Fund
Receipts:				
Technology Fees	\$ 6,498	0	0	0
Interest on Idle Funds	30	0	0	0
State of Kansas	0	0	60,811	0
Contributions	0	0	0	15,738
Interest on Idle Funds	0	0	0	288
Motor Vehicle Fees	0	37,113	0	0
Total Receipts	6,528	37,113	60,811	16,026
Expenditures:				
Personal Services	0	18,421	0	0
Contractual Services	0	2,799	0	0
Commodities	0	2,487	0	0
Capital Outlay	7,388	0	0	0
Transfer to General Fund	0	0	0	0
Total Expenditures	7,388	23,707	0	0
Receipts Over (Under) Expenditures	(860)	13,406	60,811	16,026
Unencumbered Cash, Beginning	20,577	0	0	209,245
Unencumbered Cash, Ending	\$ 19,717	13,406	60,811	225,271

CHEYENNE COUNTY, KANSAS
 Any Nonbudgeted Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2012

SCHEDULE 2
 Page 21

	Ambulance Memorial	Handicap Equipment	Gift Annuity	Airport Improvement Project
Receipts:				
Memorials	\$ 3,098	0	0	0
Donations	1,251	0	0	0
Interest Income	10	0	0	0
Federal Grants	0	0	0	1,436,709
Local Matching Reimbursement	0	0	0	91,431
Miscellaneous	0	90	0	0
Total Receipts	4,359	90	0	1,528,140
Expenditures:				
Non-Federal Expenditures				
Contractual Services	4,997	0	1,500	19,267
Commodities	792	0	0	0
Capital Outlay	1,800	0	0	72,164
Reimbursement to General Fund	0	0	0	70,286
Total Non-Federal Expenditures	7,589	0	1,500	161,717
Federal Expenditures				
Contractual Services	0	0	0	142,663
Capital Outlay	0	0	0	1,371,101
Total Federal Expenditures	0	0	0	1,513,764
Total Expenditures	7,589	0	1,500	1,675,481
Receipts Over (Under) Expenditures	(3,230)	90	(1,500)	(147,341)
Unencumbered Cash, Beginning	6,494	895	13,337	0
Unencumbered Cash, Ending	\$ 3,264	985	11,837	(147,341)

CHEYENNE COUNTY, KANSAS
 Related Municipal Entities
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2012

SCHEDULE 2
 Page 22

		Fair Board
Cash Receipts:		
County Appropriations	\$	22,200
Event Admissions		8,192
Rent		7,925
Premium Sale		93,603
Livestock Sale		18,108
Donations		3,826
Interest		<u>20</u>
Total Cash Receipts		<u>153,874</u>
Expenditures:		
Fair Premium and Awards		4,150
Repairs and Maintenance		11,563
Deposit Refund		6,525
Advertising		1,359
Premium Sale		93,770
Insurance		5,833
Judges		2,559
Utilities		5,512
Event Expenses		8,802
Office Expense		129
Other		<u>207</u>
Total Expenditures		<u>140,409</u>
Cash Receipts Over (Under) Expenditures		13,465
Unencumbered Cash, Beginning		<u>13,101</u>
Unencumbered Cash, Ending	\$	<u><u>26,566</u></u>

CHEYENNE COUNTY, KANSAS
 Related Municipal Entities
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2012

SCHEDULE 2
 Page 23

		Airport Board
Cash Receipts:		
County Appropriations	\$	22,500
Rent		500
Interest Income		20
Total Cash Receipts		23,020
Expenditures:		
Insurance		1,675
Repairs and Maintenance		15,647
Other		273
Utilities		1,142
Total Expenditures		18,737
Cash Receipts Over (Under) Expenditures		4,283
Unencumbered Cash, Beginning		8,743
Unencumbered Cash, Ending	\$	13,026

CHEYENNE COUNTY, KANSAS
 Agency Funds
 Schedule of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2012

SCHEDULE 3
 Page 1

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
DISTRIBUTABLE FUNDS:				
Current Tax	\$ 3,304,006	6,211,775	5,600,629	3,915,152
Delinquent Personal Property Tax	2,959	5,785	7,924	820
Advance Tax	4,631	48,818	48,153	5,296
16/20 M Trucks	18,852	44,540	25,877	37,515
Motor Vehicle Tax	91,060	508,142	465,460	133,742
Recreational Vehicle Tax	1,572	7,822	7,512	1,882
Real Estate Redemptions	5,602	53,318	50,043	8,877
Alcoholic Liquor Tax	0	8,530	8,530	0
Mineral Severance Tax	14,236	34,232	43,253	5,215
	<u>3,442,918</u>	<u>6,922,962</u>	<u>6,257,381</u>	<u>4,108,499</u>
STATE FUNDS:				
State Education Building	0	41,658	41,658	0
State Institutions Building	0	20,829	20,829	0
State General Fund	11	0	11	0
State Sales Tax	22,643	284,418	288,895	18,166
Heritage Trust	189	1,814	1,589	414
Motor Vehicle License	0	290,443	290,473	(30)
Motor Vehicle Report - DL	0	70	70	0
VIN Inspection	0	614	614	0
Driver's License	0	8,796	8,796	0
	<u>22,843</u>	<u>648,642</u>	<u>652,935</u>	<u>18,550</u>
SUBDIVISION FUNDS:				
Cities	(9,278)	481,720	484,489	(12,047)
Townships	15,051	0	0	15,051
School Districts	0	1,707,658	1,707,874	(216)
Cemeteries	0	41,627	41,627	0
Rural Fire Districts	0	299	299	0
Sunflower Extension District	0	90,282	90,282	0
Ground Water Special	0	63,720	63,720	0
NW Kansas Library	0	34,895	34,895	0
	<u>5,773</u>	<u>2,420,201</u>	<u>2,423,186</u>	<u>2,788</u>
OTHER AGENCY FUNDS:				
County Treasurer:				
Insufficient Check	0	570	570	0
Fish and Game Fund	194	5,993	6,010	177
Maps	0	975	975	0
Unclaimed Funds	0	2,129	675	1,454

CHEYENNE COUNTY, KANSAS
 Agency Funds
 Schedule of Receipts and Disbursements
 Regulatory Basis
For the Year Ended December 31, 2012

SCHEDULE 3
 Page 2

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
OTHER AGENCY FUNDS:				
Sheriff	30	13,387	13,417	0
Register of Deeds	0	72,646	72,646	0
Clerk of the District Court:				
Court Trust	1,152	78,322	78,522	952
Law Library	1,158	1,744	1,614	1,288
Total Other Agency Funds	<u>2,534</u>	<u>175,766</u>	<u>174,429</u>	<u>3,871</u>
Corporate Plan Employee Claims	<u>0</u>	<u>908,526</u>	<u>891,753</u>	<u>16,773</u>
Cafeteria Plan	<u>4,061</u>	<u>39,214</u>	<u>38,110</u>	<u>5,165</u>
Total Agency Funds	<u>\$ 3,478,129</u>	<u>11,115,311</u>	<u>10,437,794</u>	<u>4,155,646</u>

CHEYENNE COUNTY, KANSAS
SINGLE AUDIT SECTION
FOR THE YEAR ENDED DECMEBER 31, 2012

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Transportation		
Passed Through the Federal Aviation Administration		
Airport Improvement Program	20.106	1,513,764 *
Passed Through the Kansas Department of Transportation		
Kansas Dept of Transportation Highway Planning and Construction	20.205	<u>32,038</u>
Total U.S. Department of Transportation		<u>1,545,802</u>
U.S. Department of Homeland Security		
Passed through the Kansas Division of Emergency Management		
Emergency Management Performance Grants	97.042	<u>10,000</u>
U.S. Department of Health and Human Services		
Passed through the Kansas Department of Health & Environment		
Maternal and Child Health Services Block Grant to States	93.994	3,083
Public Health Emergency Preparedness	93.069	7,794
Center for Disease Control and Prevention	93.283	<u>1,300</u>
Total U.S. Department of Health and Human Services		<u>12,177</u>
Total Expenditures of Federal Awards		<u>\$ 1,567,979</u>

* Federal expenditures for the airport project were expended in the Airport Improvement Project fund.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Cheyenne County, Kansas, under programs of the federal government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards is prepared using the regulatory basis of accounting to comply with the cash basis laws of the State of Kansas. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

Note C - Local Government Contributions

Local cost sharing, as defined by the OMB Circular A-102, Attachment F, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENT

Type of auditors' report issued:

In accordance with the statutory basis of accounting described in Note 1 to the financial statement

Unqualified

Internal control over financial reporting:

- Material weaknesses identified? ___ Yes _x_ No
- Significant deficiencies identified that are not considered to be material weaknesses? _x_ Yes ___ No
- Noncompliance material to financial statement noted? ___ Yes _x_ No

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? ___ Yes _x_ No
- Significant deficiencies identified that are not considered to be material weaknesses? ___ Yes _x_ No

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

___ Yes _x_ No

Identification of major programs:

CFDA NUMBER
20.106

NAME OF FEDERAL PROGRAM
Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

___ Yes _x_ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

2012-1 Financial Statement Preparation

Condition: Management does not have the qualifications and training necessary to prepare the financial statement which would include the related footnote disclosures.

Criteria: Management must have controls over the preparation of the financial statement including footnote disclosures which would prevent or detect an omission/misstatement in the financial statement.

Effect: The control deficiency allows for omission/misstatements in the financial statement including footnotes that may not be prevented, detected, or corrected.

Recommendations: Management would need to attend training classes and annual continuing education classes to gain an understanding on proper and complete preparation of the financial statement and footnote disclosures and to be aware of all of the current accounting standards by purchasing annual accounting subscriptions.

Management's Response: We concur with the recommendation. However, the cost of annual subscription services and the continuing education/training classes do not make it practical to obtain the competency and expertise required to correct the deficiency.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Internal control findings – None found.

Compliance findings – None found.

Questioned costs – None found.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2011-3 Cash Management

Condition: The County receives progress billings which are used to prepare Form 271, requesting reimbursements. Many reimbursements were received prior to the disbursement being made.

Recommendation: County officials should attend a class on grant administration and reporting.

Status: An airport consultant with knowledge and experience with federal grant administration and reporting was contracted to oversee the airport project. The County expends federal reimbursements immediately after receiving the funds.

2011-4 Internal Controls over Grant Compliance

Condition: The County has no designated individual or group of individuals who are assigned the responsibility of establishing, maintaining and overseeing a system of internal controls over compliance with grant requirements.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

Recommendation: County officials should attend a class on grant administration and reporting. The County Commission should designate at least one individual to have the responsibility of establishing and maintaining internal control over grant compliance. The designated individual should receive appropriate training for establishing and maintaining internal control over grant compliance requirements.

Status: An airport consultant with knowledge and experience with federal grant administration and reporting was contracted to oversee the airport project.