

**DICKINSON COUNTY, KANSAS**

**FINANCIAL STATEMENT  
WITH INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**DICKINSON COUNTY, KANSAS**

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## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Dickinson County, Kansas

### Report on the Financial Statement

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Dickinson County, Kansas, the municipality, and Dickinson County Public Building Commission, a related municipal entity, as of and for the year ended December 31, 2012 and the related notes to the financial statement, which collectively comprise the County's basic 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 A 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.

### Auditors' 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 *Kansas Municipal Audit and Accounting Guide*. Those standards and guidance require that 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 auditors' 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 auditors consider 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 financial statement presentation.

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

MEMBERS:  
American Institute of  
Certified Public Accountants

Kansas Society of Certified  
Public Accountants



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

As described in Note A 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 describe in Note A and 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 Dickinson 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 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 A.

### 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 cash receipts and expenditures - actual or actual and budget, schedule of regulatory basis receipts and disbursements - agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards (see Single Audit Section in the table of contents) is presented for purposes of additional analysis as required by the 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 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 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 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 2012 basic financial statement or to the 2012 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 2012 supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note A.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2013, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope and testing of internal control over financial reporting and compliance and the results of that testing, and not 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 Dickinson County, Kansas' internal control over financial reporting and compliance.

Pottberg, Gassman & Hoffman, Chtd.

Pottberg, Gassman & Hoffman, Chartered  
Junction City, Kansas  
September 17, 2013

**DICKINSON COUNTY, KANSAS**

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Canceled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<b>Governmental Type Funds:</b>							
General Fund	\$ 975,122	-	6,563,293	6,164,080	1,374,335	65,712	1,440,047
<b>Special Purpose Funds:</b>							
Highway, Road & Bridge	264,646	-	2,801,654	2,860,595	205,705	45,294	250,999
Noxious Weed	414,045	-	508,564	540,156	382,453	22,888	405,341
Noxious Weed Capital Outlay	134,795	-	61,000	62,519	133,276	-	133,276
County Health	265,080	-	545,809	537,213	273,676	3,530	277,206
County Health Capital Outlay	20,021	-	10,000	7,503	22,518	-	22,518
Alcoholic Rehabilitation	37,001	-	7,296	8,541	35,756	-	35,756
Park & Recreation	-	-	534	-	534	-	534
Employee Benefit	99,123	-	2,167,582	2,009,046	257,659	-	257,659
Concealed Weapons	5,322	-	4,485	4,311	5,496	-	5,496
911	76,243	-	12,547	48,496	40,294	-	40,294
911 Wireless	85,140	-	6,705	24,435	67,410	-	67,410
DK CO 911	-	-	104,719	42,144	62,575	6,076	68,651
Diversion-Law Enforcement	40,208	-	20,933	40,692	20,449	86	20,535
EMS Building Grant	82,214	-	62,281	73,541	70,954	-	70,954
Attorney Forfeiture	11,948	-	2,020	2,720	11,248	-	11,248
Landfill Closure	110,000	-	-	-	110,000	-	110,000
Special Machinery	512,560	-	49,199	157,415	404,344	-	404,344
Prosecutor Trust	4,920	-	220	494	4,646	-	4,646
Drug Enforcement Cases	49,895	-	8,111	26,785	31,221	233	31,454
Emergency Mgt Performance Grant	2,762	-	-	-	2,762	-	2,762
Property Crime Compensation	16,380	-	-	-	16,380	-	16,380
Capital Improvements	30,855	-	61,000	-	91,855	-	91,855
Register of Deeds Technology	67,698	-	33,176	17,723	83,151	129	83,280
County Equipment Reserve	87,121	-	244,650	267,228	64,543	27,452	91,995
Task Force	313	-	-	-	313	-	313
Fingerprint & Booking	135	-	3,825	-	3,960	-	3,960
<b>Bond and Interest Funds:</b>							
County Bridge Bond & Interest	88,529	-	99	88,628	-	-	-
Health Bond & Interest	3,340	-	4,038	-	7,378	-	7,378

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

**DICKINSON COUNTY, KANSAS**

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Canceled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Capital Projects Funds:							
County Bridge Bond	\$ 6	-	-	6	-	-	-
EMS Building	28,630	-	-	28,630	-	-	-
Dickinson Co. Sewer District #3	-	-	1,109,000	222,344	886,656	479	887,135
Business Funds:							
Sanitation Landfill	256,435	-	615,863	563,467	308,831	34,929	343,760
Dickinson Co. Sewer District #1	18,666	-	2,231	2,535	18,362	115	18,477
Dickinson Co. Sewer District #2	18,545	-	14,354	17,137	15,762	-	15,762
Related Municipal Entity:							
EMS Building Bond & Interest	-	-	73,477	73,477	-	-	-
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,807,698</u>	<u>-</u>	<u>15,098,665</u>	<u>13,891,861</u>	<u>5,014,502</u>	<u>206,923</u>	<u>5,221,425</u>
Composition of Cash:							
				Checking Accounts			\$ 17,605,349
				Savings Accounts			43,688
				Treasurer Change Drawers			600
				Office Checking/Petty Cash/Change Funds			434,356
				Certificates of Deposit			<u>2,348,251</u>
				Total Cash			20,432,244
				Agency Funds Per Schedule 3 (Page 40)			<u>(15,210,819)</u>
				Total Reporting Entity (Excluding Agency Funds)			<u>\$ 5,221,425</u>

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

# DICKINSON COUNTY, KANSAS

## NOTES TO FINANCIAL STATEMENT DECEMBER 31, 2012

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying regulatory financial statement follows:

1. Municipal Financial Reporting Entity

Dickinson County, Kansas, is a municipal corporation governed by an elected three-member commission. This regulatory financial statement presents Dickinson County, Kansas (the municipality) and the Dickinson County Public Building Commission (PBC), a related municipal entity. The PBC is governed by the Dickinson County Commissioners and four members appointed by the Dickinson County Commissioners. The PBC is included in the county's reporting entity because it was established to benefit the county or its constituents. The financial statement does not include the financial data of any other related municipal entities.

The PBC has one fund and the County administers it. The PBC has no separate accounting policies.

2. Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific regulations, restrictions, or limitations. Certain funds contain restricted cash because their use is limited by debt covenants, statutory requirements, grant requirements or are held in a fiduciary or agency capacity.

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

Governmental Type Funds:

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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

Capital 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.

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

## DICKINSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENT DECEMBER 31, 2012

#### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 3. 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 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.

##### 4. Tax Cycle

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

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at a rate established by the State of Kansas. The interest rate was 7% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the County after January 1st and were distributed by the county treasurer periodically. At least 50% of the taxes levied were available in January. Delinquent tax collections were distributed throughout the year.

##### 5. Reimbursements

A reimbursement is an expenditure initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, the municipality records an expenditure in the reimbursing fund, and a reduction of expenditure in the reimbursed fund.

#### NOTE B – 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.

## DICKINSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENT DECEMBER 31, 2012

#### NOTE B – DEPOSITS AND INVESTMENTS (Continued)

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. The County had no investments in 2012.

*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". All deposits were legally secured at December 31, 2012.

At December 31, 2012, the County's carrying amount of deposits was \$20,430,320 and the bank balance was \$20,750,207. The bank balance was held by five banks resulting in a concentration of credit risk. Of the bank balance, \$5,240,925 was covered by federal depository insurance and \$15,509,282 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

#### NOTE C – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

##### 1. Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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 budget was amended for the EMS Building Bond and Interest, County Health Capital Outlay, Concealed Weapons, EMS Building Grant and Dickinson Co. Sewer District #1 funds on December 20, 2012.

**DICKINSON COUNTY, KANSAS**

**NOTES TO FINANCIAL STATEMENT**  
**DECEMBER 31, 2012**

**NOTE C – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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 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, trust funds, and the following special purpose funds:

Special Machinery  
State & Federal Grants  
Attorney Forfeiture  
Prosecutor Trust  
Drug Enforcement Cases  
Register of Deeds Technology  
Property Crime Compensation  
County Equipment Reserve  
Capital Improvements  
Landfill Closure

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

Kansas statutes do not require the Dickinson County Public Building Commission to prepare an annual budget since it does not levy property taxes.

2. Compliance with Kansas Statutes

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney.

Budget Law Compliance

K.S.A. 79-2935 provides that it shall be unlawful for the governing body to create indebtedness in any fund in excess of the adopted budget of expenditures of such fund.

For the year ended December 31, 2012, the following funds were in violation of this statute:

<u>Fund Name</u>	<u>Excess</u>
DK CO 911	\$ 42,144
County Bridge Bond & Interest	88,628

## DICKINSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENT DECEMBER 31, 2012

#### **NOTE C – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

##### Inventory of Personal Property

K.S.A. 19-2687 requires that the county clerk compile a comprehensive inventory listing of personal property and that the Commissioners view each item and check that it is on the inventory listing. As of July 31, 2013, a comprehensive inventory listing was not available for the Commissioners to verify. However, staff is in the process of establishing such a listing using the CIC Capital Assets software.

##### Fee Collections

Fees collected by county offices are required by K.S.A. 28-175 to be remitted to the county treasurer and credited to the county's general fund. The Sheriff's VIN fees, Offender Registration fees and Drivers License verification fees were not remitted to the County Treasurer.

#### **NOTE D – DEFINED BENEFIT PENSION PLAN**

*Plan description.* Dickinson County, participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing, multiple-employer defined benefit pension plans as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. The report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 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. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. 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 and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

#### **NOTE E – DEFERRED COMPENSATION PLAN**

The County offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code section 457. Waddell & Reed and Nationwide are the two plan administrators. The plans are available to all employees and permit them to defer a portion of their salary until future years. The County does not contribute to the plans.

**DICKINSON COUNTY, KANSAS**

NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012

**NOTE F – LONG-TERM DEBT**

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

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
<b>General Obligation Bonds:</b>										
Series 2009 Dickinson Co PBC-EMS	2.00 - 5.50%	2/6/2009	965,000	2/15/2029	\$ 910,000	-	30,000	(30,000)	880,000	43,477
<b>KDHE Loans:</b>										
Kansas Water Pollution Control Revolving Loan Fund	2.99%	1/12/2000	247,627	9/1/2019	121,130	-	13,616	(13,616)	107,514	3,226
<b>Temporary Notes:</b>										
Kansas Department of Transportation Transportation Revolving Fund	3.99%	6/26/2008	3,585,000	8/1/2013	1,244,650	-	700,310	(700,310)	544,340	46,577
Series 2012 - Sewer District No. 3	1.00%	7/3/2012	1,109,000	4/1/2013	-	1,109,000	-	1,109,000	1,109,000	-
<b>Capital Leases Payable:</b>										
2008 & 2009 Highliner Ambulances	2.99%	12/4/2009	318,986	2/1/2014	239,240	-	79,747	(79,747)	159,493	7,221
Computer Information Concepts Software	4.75%	10/13/2011	271,792	1/4/2015	225,317	-	-	-	225,317	-
Kenworth T370 Dump Truck (2)	3.20%	5/10/2012	268,948	5/31/2016	-	268,948	53,790	215,158	215,158	494
2012 International Terrastar Ambulance	3.19%	6/21/2012	188,133	2/1/2015	-	188,133	-	188,133	188,133	-
<b>Total Contractual Indebtedness</b>					<b>\$ 2,740,337</b>	<b>1,566,081</b>	<b>877,463</b>	<b>688,618</b>	<b>3,428,955</b>	<b>100,995</b>

## DICKINSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENT DECEMBER 31, 2012

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

	Year								<u>Total</u>
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018-2022</u>	<u>2023-2027</u>	<u>2028-2029</u>	
<b>PRINCIPAL</b>									
General Obligation Bonds:									
Seies 2009 Dickinson Co PBC-EMS	\$ 30,000	35,000	35,000	35,000	40,000	235,000	315,000	155,000	880,000
KDHE Loans:									
KS Water Pollution Control Rev Loan Fund	14,026	14,449	14,884	15,332	15,794	33,029	-	-	107,514
Temporary Notes:									
KDOT Transportation Revolving Fund	544,340	-	-	-	-	-	-	-	544,340
Series 2012 - Sewer District No. 3	1,109,000	-	-	-	-	-	-	-	1,109,000
Capital Leases Payable:									
2008 & 2009 Highliner Ambulances	79,747	79,746	-	-	-	-	-	-	159,493
Computer Information Concepts Software	71,649	75,052	78,616	-	-	-	-	-	225,317
Kenworth T370 Dump Truck (2)	53,790	53,790	53,790	53,788	-	-	-	-	215,158
2012 International Terrastar Ambulance	62,711	62,711	62,711	-	-	-	-	-	188,133
Total Principal	<u>1,965,263</u>	<u>320,748</u>	<u>245,001</u>	<u>104,120</u>	<u>55,794</u>	<u>268,029</u>	<u>315,000</u>	<u>155,000</u>	<u>3,428,955</u>
<b>INTEREST</b>									
General Obligation Bonds:									
Seies 2009 Dickinson Co PBC-EMS	42,540	41,440	40,171	38,815	37,285	156,945	87,275	8,663	453,134
KDHE Loans:									
KS Water Pollution Control Rev Loan Fund	2,851	2,463	2,065	1,654	1,230	1,139	-	-	11,402
Temporary Notes:									
KDOT Transportation Revolving Fund	20,385	-	-	-	-	-	-	-	20,385
Series 2012 - Sewer District No. 3	8,318	-	-	-	-	-	-	-	8,318
Capital Leases:									
2008 & 2009 Highliner Ambulances	4,783	2,385	-	-	-	-	-	-	7,168
Computer Information Concepts Software	10,703	7,299	3,734	-	-	-	-	-	21,736
Kenworth T370 Dump Truck (2)	6,872	5,154	3,436	1,723	-	-	-	-	17,185
2012 International Terrastar Ambulance	3,704	4,006	2,002	-	-	-	-	-	9,712
Total Interest	<u>100,156</u>	<u>62,747</u>	<u>51,408</u>	<u>42,192</u>	<u>38,515</u>	<u>158,084</u>	<u>87,275</u>	<u>8,663</u>	<u>549,040</u>
Total Principal and Interest	<u>\$ 2,065,419</u>	<u>383,495</u>	<u>296,409</u>	<u>146,312</u>	<u>94,309</u>	<u>426,113</u>	<u>402,275</u>	<u>163,663</u>	<u>3,977,995</u>

**DICKINSON COUNTY, KANSAS**

NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012

**NOTE G – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

*Other Post Employment Benefits.* As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality 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 municipality 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.

*Compensated Absences.* The County's policy regarding vacation leave allows employees to accumulate vacation time based on years of continuous service. Annual leave is calculated as follows:

Years of Continuous Service	Full-time <u>38.5 to 40 hrs/week</u>	Regular Part-time <u>30 to 38 hrs/week</u>	Half-time <u>20 to 30 hrs/week</u>	Part-time Less than <u>20 hrs/week</u>
Less than 1	-	-	-	-
1 to 9	80 hours	60 hours	40 hours	20 hours
10 to 14	120 hours	90 hours	60 hours	30 hours
15 to 24	160 hours	120 hours	80 hours	40 hours
Over 24	200 hours	150 hours	100 hours	50 hours

Vacation leave is available for use at the beginning of the year. Leave may be taken in increments of one-half hour. Employees are required to use all vacation awarded in the current year or it is forfeited at year-end unless carryover is approved by the Board of Commissioners. Upon termination of employment, an employee is entitled to pay for unused accrued vacation leave provided two weeks notice is given.

The County's policy regarding sick leave allows employees to accumulate sick leave based upon employment classification. Monthly accruals are as follows:

Full-time <u>38.5 to 40 hrs/week</u>	Regular Part-time <u>30 to 38 hrs/week</u>	Half-time <u>20 to 30 hrs/week</u>	Part-time Less than <u>20 hrs/week</u>
8 hours	6 hours	4 hours	2 hours

Sick leave benefits are calculated on the basis of a benefit year. An employee who begins employment before the 10<sup>th</sup> of the month shall earn a day of sick leave for the month. Sick leave may be taken in increments of one-half hour. Sick leave benefits accumulate to a total of 550 hours. Upon termination of employment, employees who provide two weeks notice are compensated at their current rate of pay for one-third of their accumulated sick leave.

The County has estimated the dollar amount of accumulated sick leave for 2012 of \$140,078.

The County's policy regarding personal leave allows employees time-off for personal business. Annual allowances are as follows:

Full-time <u>38.5 to 40 hrs/week</u>	Regular Part-time <u>30 to 38 hrs/week</u>	Half-time <u>20 to 30 hrs/week</u>	Part-time Less than <u>20 hrs/week</u>
16 hours	12 hours	8 hours	4 hours

**DICKINSON COUNTY, KANSAS**

NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2012

**NOTE G – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)**

Personal leave can be used in minimum increments of one-half hour. Employees are required to use all personal leave awarded in the current year or it is forfeited at year end unless carryover is approved by the department head.

The only estimate in this financial statement is in the calculation of the compensated absences balance. Actual results could differ from this estimate.

**NOTE H – CAPITAL PROJECTS**

	<u>Project Authorization</u>	<u>Cash Disbursements And Accounts Payable to Date</u>
EMS Building	\$1,041,420	\$981,117
Dickinson Co. Sewer District No. 3 (Detroit)	1,109,000	222,344

**NOTE I – INTERFUND TRANSACTIONS**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Motor Vehicle Operating	General	K.S.A. 8-145	\$ 89,086
County Bridge Bond B&I	General	K.S.A. 10-117a	88,628
General	Capital Improvements	K.S.A. 19-120	61,000
General	County Equipment Reserve	K.S.A. 19-119	233,000
County Bridge Bond	Highway, Road & Bridge	Close Fund	6
Highway, Road & Bridge	Special Machinery	K.S.A. 68-141g	25,000
Noxious Weed	Noxious Weed Capital Outlay	K.S.A. 2-1318	50,000
County Health	County Health Capital Outlay	K.S.A. 65-204	10,000
EMS Bldg. Gr. (Project)	EMS Building Grant	Close Fund	25,133

**NOTE J – 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 disasters. The County has been unable to obtain property and liability insurance at a cost it considered to be economically justifiable. For this reason, the County joined together with other counties in the State to participate in Kansas County Association Multi-Line Pool (KCAMP) and Kansas Workers Risk Cooperative for Counties (KWORCC) public entity risk pools currently operating as common risk management and insurance programs for participating members.

The County pays annual premiums to KCAMP for its property and liability insurance coverage and KWORCC for its workers' compensation insurance coverage. The agreement to participate provides that KCAMP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the self-insured amount for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KCAMP management.

The County continues to carry commercial insurance for its underground storage tanks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## **DICKINSON COUNTY, KANSAS**

### **NOTES TO FINANCIAL STATEMENT** **DECEMBER 31, 2012**

#### **NOTE K – RELATED PARTY TRANSACTIONS**

Dickinson County, Kansas rents the facility built by the Dickinson County Public Building Commission for an amount sufficient to cover the debt service payments made by the Commission. The rents are not calculated as arm's-length transactions. The lease agreement also requires the lessees to purchase insurance to cover the risk of loss of the facility.

#### **NOTE L – TEMPORARILY RESTRICTED CASH**

The County receives advances for some of their grant funds, while others are reimbursement based. An advance of \$3,583 from the Environmental Protective Agency Wraps grant is in the cash balance of the Sanitation Landfill, a business fund. An advance of \$111,990 from Health and Human Services Kansas Immunization Program is in the cash balance of County Health, a special purpose fund. These advances are expected to satisfy the grant restrictions and will be expended during 2013.

#### **NOTE M – LITIGATION**

As of September 17, 2013, the County is a party to a tort claim filed in District Court of Riley County, Kansas. The County has liability insurance coverage through Kansas County Association Multi-Line Pool (KCAMP). KCAMP has hired counsel to defend Dickinson County, Kansas. The case is proceeding through the discovery phase and soon will proceed to a settlement conference. An adverse opinion, if any, would be entirely covered by KCAMP.

#### **NOTE N – 2011 FINANCIAL DATA**

The amounts shown for 2011 in the regulatory-required supplementary information are included where practicable, only to provide a basis for comparison with 2012, and are not intended to present all information necessary for a fair presentation in accordance with the regulatory basis of accounting.

In 2012, several departments were added in the General fund to assist in tracking expenditures. The Jail and Sheriff are reported separately, the County Attorney and County Counselor are reported separately and the Administration department is further divided into Dispatch, Budget, Custodial, Emergency Management, GIS, Human Resources and Information Technology. The 2011 expenditures have not been reclassified for the additional departments in the regulatory-required supplementary information.

The Sheriff's department as reported in the regulatory-required supplementary information in the General fund includes a line titled Office Checking Accounts to report office expenditures paid out of checking accounts outside of the County's financial system. A corresponding amount of cash receipts was also added as indicated by the line titled Office Checking Accounts. The 2011 balances have not been restated for this change in reporting.

In 2012, the County changed the manner in which it records reimbursements. In 2011, a reimbursement was recorded as revenue in the fund receiving the reimbursement. In 2012, the reimbursement is recorded as a reduction of the original expenditure.

## **DICKINSON COUNTY, KANSAS**

### **NOTES TO FINANCIAL STATEMENT** **DECEMBER 31, 2012**

#### **NOTE O – SUBSEQUENT EVENTS**

On March 28, 2013, the County obtained \$1,120,000 in temporary financing from Farmers Bank & Trust to retire the maturing Series 2012 temporary notes obtained from UMB Bank N.A. When the Dickinson Co. Sewer District #3 project is complete, the temporary notes will be paid off with a Kansas Small Cities Community Development Block Grant, totaling \$182,000, a United States Department of Agriculture (USDA) Rural Development Grant totaling \$437,000 and a \$490,000 USDA Rural Development Loan payable over 40 years in the form of General Obligation bonds.

On April 15, 2013, the County signed an agreement with the Kansas Department of Transportation for a five-year loan totaling \$3,764,327 from the Transportation Revolving Fund to finance a highway overlay project covering 40 miles of various county roads.

On August 1, 2013, the County signed a Memorandum of Understanding with Pottawatomie County to provide for the transfer of approximately \$115,000 of grant funds from the United States Fish and Wildlife Service Fish Passage Program to Dickinson County. The money will be used to restore fish passage for the endangered Topeka Shiner fish in four locations in Dickinson County.

Subsequent events were evaluated through September 17, 2013, which is the date the financial statement was available to be issued.

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

**DICKINSON COUNTY, KANSAS**

SUMMARY 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</u>	<u>Variance - Over (Under)</u>
Governmental Type Funds:					
General Fund	\$ 6,505,366		6,505,366	6,164,080	(341,286)
Special Purpose Funds:					
Highway, Road & Bridge	3,146,276		3,146,276	2,860,595	(285,681)
Noxious Weed	881,977		881,977	540,156	(341,821)
Noxious Weed Capital Outlay	210,000		210,000	62,519	(147,481)
County Health	782,340		782,340	537,213	(245,127)
County Health Capital Outlay	7,600		7,600	7,503	(97)
Alcoholic Rehabilitation	20,000		20,000	8,541	(11,459)
Park & Recreation	1,000		1,000	-	(1,000)
Employee Benefit	2,311,109		2,311,109	2,009,046	(302,063)
Concealed Weapons	4,311		4,311	4,311	-
911	130,000		130,000	48,496	(81,504)
911 Wireless	90,000		90,000	24,435	(65,565)
DK CO 911	-		-	42,144	42,144
Diversion-Law Enforcement	87,000		87,000	40,692	(46,308)
EMS Building Grant	73,713		73,713	73,541	(172)
Attorney Forfeiture*					
Landfill Closure*					
Special Machinery*					
Prosecutor Trust*					
Drug Enforcement Cases*					
Emergency Mgt Performance Grant*					
Property Crime Compensation*					
Capital Improvements*					
Register of Deeds Technology*					
County Equipment Reserve*					
Task Force*					
Fingerprint & Booking*					
Bond and Interest Funds:					
County Bridge Bond & Interest	-		-	88,628	88,628
Health Bond & Interest	-		-	-	-

**DICKINSON COUNTY, KANSAS**  
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
Business Funds:					
Sanitation Landfill	\$ 727,884		727,884	563,467	(164,417)
Dickinson County Sewer District #1	2,535		2,535	2,535	-
Dickinson County Sewer District #2	18,137		18,137	17,137	(1,000)

\* Not Budgeted

## DICKINSON COUNTY, KANSAS

GENERAL 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)

<u>GENERAL FUND</u>	2011	2012		Variance - Over (Under)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 3,168,160	3,316,218	3,330,168	(13,950)
Delinquent Tax	53,183	35,781	35,000	781
Interest Charges on Taxes	50,564	71,077	55,000	16,077
Intangibles	72,174	68,423	60,235	8,188
Motor Vehicle Tax	375,103	418,679	384,072	34,607
Recreational Vehicle Tax	8,111	8,922	8,903	19
16/20M Vehicle Tax	11,576	13,009	12,232	777
Mineral Production Tax	387	387	250	137
Rental Vehicle Excise Tax	641	383	-	383
Intergovernmental Revenue				
Liquor Control	1,015	534	1,000	(466)
Federal Owned Entitlement Land	3,602	3,676	-	3,676
Local Sales Tax	1,139,609	1,250,415	975,000	275,415
Licenses and Fees				
Mortgage Registration Fees	227,667	275,921	200,000	75,921
Officer's Fees	37,187	33,506	52,000	(18,494)
Sheriff's Fees	197,625	193,466	180,000	13,466
Sheriff's Checking Accounts	-	33,270	-	33,270
VIN Inspections	5,080	-	-	-
Motor Vehicle Registration Fees	75,818	89,086	55,000	34,086
Antique Fees, Etc.	1,050	1,000	800	200
Use of Money and Property				
Interest on Investments	47,509	38,312	40,000	(1,688)
Other Receipts				
Grants	29,708	3,520	6,000	(2,480)
Administration Fees	28,137	30,780	33,000	(2,220)
Ambulance Service & Fees	573,358	560,018	600,000	(39,982)
Transient Guest Tax	474	724	500	224
Transfer from County Bridge Bond B&I	-	88,628	-	88,628
Miscellaneous	199,463	27,558	-	27,558
Total Cash Receipts	<u>6,307,201</u>	<u>6,563,293</u>	<u>6,029,160</u>	<u>534,133</u>

DICKINSON COUNTY, KANSAS

GENERAL 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)

<u>GENERAL FUND</u>	2011	2012		Variance - Over (Under)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Expenditures:				
Departmental Expenditures				
County Commission:				
Personal Services	\$ 39,121	39,098	41,513	(2,415)
Contractual Services	3,669	2,909	3,000	(91)
Commodities	331	-	100	(100)
Total	<u>43,121</u>	<u>42,007</u>	<u>44,613</u>	<u>(2,606)</u>
County Clerk:				
Personal Services	119,912	126,202	130,000	(3,798)
Contractual Services	1,601	2,030	5,300	(3,270)
Commodities	2,874	2,359	5,100	(2,741)
Total	<u>124,387</u>	<u>130,591</u>	<u>140,400</u>	<u>(9,809)</u>
County Treasurer:				
Personal Services	120,228	133,976	140,000	(6,024)
Contractual Services	4,548	8,716	8,500	216
Commodities	2,330	1,223	1,500	(277)
Total	<u>127,106</u>	<u>143,915</u>	<u>150,000</u>	<u>(6,085)</u>
County Attorney:				
Personal Services	249,441	236,762	240,602	(3,840)
Contractual Services	16,156	18,126	28,100	(9,974)
Commodities	8,129	7,476	13,500	(6,024)
Total	<u>273,726</u>	<u>262,364</u>	<u>282,202</u>	<u>(19,838)</u>
EMS:				
Personal Services	858,487	873,131	900,544	(27,413)
Contractual Services	65,569	60,172	62,150	(1,978)
Commodities	81,890	93,068	90,050	3,018
Capital Outlay	749	2,647	-	2,647
Total	<u>1,006,695</u>	<u>1,029,018</u>	<u>1,052,744</u>	<u>(23,726)</u>
Appraiser/Zoning:				
Personal Services	209,696	241,839	247,177	(5,338)
Contractual Services	23,794	23,441	30,125	(6,684)
Commodities	6,540	11,609	8,200	3,409
Total	<u>240,030</u>	<u>276,889</u>	<u>285,502</u>	<u>(8,613)</u>
Election:				
Personal Services	4,451	4,750	4,600	150
Contractual Services	23,909	43,250	79,600	(36,350)
Commodities	9,704	35,425	37,600	(2,175)
Total	<u>38,064</u>	<u>83,425</u>	<u>121,800</u>	<u>(38,375)</u>

DICKINSON COUNTY, KANSAS

GENERAL 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)

GENERAL FUND	2011	2012		Variance - Over (Under)
	Actual	Actual	Budget	
Departmental Expenditures				
Register of Deeds:				
Personal Services	\$ 88,228	68,982	70,088	(1,106)
Contractual Services	2,663	3,796	5,850	(2,054)
Commodities	10,054	1,522	3,600	(2,078)
Total	<u>100,945</u>	<u>74,300</u>	<u>79,538</u>	<u>(5,238)</u>
Sheriff:				
Personal Services	1,066,565	770,377	832,000	(61,623)
Contractual Services	199,745	94,976	92,400	2,576
Commodities	105,873	100,967	77,300	23,667
Capital Outlay	18,476	10,521	10,500	21
Office Checking Accounts	-	33,270	-	33,270
VIN Payments	680	-	-	-
Total	<u>1,391,339</u>	<u>1,010,111</u>	<u>1,012,200</u>	<u>(2,089)</u>
Clerk of District Court:				
Contractual Services	58,183	55,186	75,653	(20,467)
Commodities	23,057	41,256	22,300	18,956
Total	<u>81,240</u>	<u>96,442</u>	<u>97,953</u>	<u>(1,511)</u>
Department of Aging:				
Personal Services	31,042	31,368	34,000	(2,632)
Contractual Services	39,635	39,596	41,430	(1,834)
Commodities	28	142	400	(258)
Total	<u>70,705</u>	<u>71,106</u>	<u>75,830</u>	<u>(4,724)</u>
Coroner and Autopsy	<u>16,600</u>	<u>17,332</u>	<u>20,000</u>	<u>(2,668)</u>
County Counselor:				
Personal Services	-	22,465	25,000	(2,535)
Commodities	-	-	-	-
Total	<u>-</u>	<u>22,465</u>	<u>25,000</u>	<u>(2,535)</u>
Jail:				
Personal Services	-	279,355	316,000	(36,645)
Contractual Services	-	103,982	146,750	(42,768)
Commodities	-	7,415	15,700	(8,285)
Total	<u>-</u>	<u>390,752</u>	<u>478,450</u>	<u>(87,698)</u>
Dispatch:				
Personal Services	-	323,832	316,000	7,832
Contractual Services	-	2,601	2,500	101
Commodities	-	1,926	-	1,926
Total	<u>-</u>	<u>328,359</u>	<u>318,500</u>	<u>9,859</u>

DICKINSON COUNTY, KANSAS

GENERAL 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)

<u>GENERAL FUND</u>	<u>2011</u>	<u>2012</u>		<u>Variance -</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Departmental Expenditures				
Budget:				
Personal Services	\$ -	49,439	50,713	(1,274)
Contractual Services	-	803	525	278
Commodities	-	20	150	(130)
Total	-	<u>50,262</u>	<u>51,388</u>	<u>(1,126)</u>
Custodial:				
Personal Services	-	30,875	36,776	(5,901)
Contractual Services	-	9,559	22,800	(13,241)
Commodities	-	11,204	26,700	(15,496)
Total	-	<u>51,638</u>	<u>86,276</u>	<u>(34,638)</u>
Emergency Management:				
Personal Services	-	50,015	51,026	(1,011)
Contractual Services	-	7,268	8,100	(832)
Commodities	-	10,043	3,500	6,543
Total	-	<u>67,326</u>	<u>62,626</u>	<u>4,700</u>
GIS:				
Personal Services	-	88,499	89,486	(987)
Contractual Services	-	7,016	9,500	(2,484)
Commodities	-	2,145	850	1,295
Total	-	<u>97,660</u>	<u>99,836</u>	<u>(2,176)</u>
Human Resources:				
Personal Services	-	89,720	89,637	83
Contractual Services	-	8,307	7,550	757
Commodities	-	611	500	111
Total	-	<u>98,638</u>	<u>97,687</u>	<u>951</u>
Administration:				
Personal Services	802,814	110,011	135,435	(25,424)
Contractual Services	810,531	682,696	799,445	(116,749)
Commodities	63,423	88,815	110,100	(21,285)
Capital Outlay	225	-	-	-
Total	<u>1,676,993</u>	<u>881,522</u>	<u>1,044,980</u>	<u>(163,458)</u>
Information Technology:				
Personal Services	-	59,424	59,511	(87)
Contractual Services	-	54,350	62,280	(7,930)
Commodities	-	4,792	10,500	(5,708)
Total	-	<u>118,566</u>	<u>132,291</u>	<u>(13,725)</u>

DICKINSON COUNTY, KANSAS

GENERAL 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)

GENERAL FUND	2011	2012		Variance - Over (Under)
	Actual	Actual	Budget	
Departmental Expenditures				
General				
Personal Services	\$ 21,809	-	-	-
Reimbursement Payouts	133,978	266	-	266
Miscellaneous	1,896	-	-	-
Total	<u>157,683</u>	<u>266</u>	<u>-</u>	<u>266</u>
Other Expenditures				
Conservation District	25,000	25,000	25,000	-
Juvenile Detention Center	79,171	55,783	55,783	-
Regional Planning Commission	3,500	-	-	-
Flint Hills Task Force on Aging	10,404	9,987	9,987	-
Mental Retardation	110,000	110,000	110,000	-
Mental Health	60,365	62,780	62,780	-
Free Fair	40,000	40,000	40,000	-
Tri-County Fair	4,000	4,000	4,000	-
Extension Council	140,000	140,000	140,000	-
Historical	50,000	50,000	50,000	-
Transfer to Capital Improvements	28,155	61,000	30,000	31,000
Transfer to County Equipment Reserve	211,000	233,000	208,000	25,000
Miscellaneous	-	19,589	10,000	9,589
Neighborhood Revitalization Rebate	7,406	7,987	-	7,987
Total Expenditures	<u>6,117,635</u>	<u>6,164,080</u>	<u>6,505,366</u>	<u>(341,286)</u>
Cash Receipts Over (Under) Expenditures	189,566	399,213		
Unencumbered Cash, January 1	785,556	975,122		
Unencumbered Cash, December 31	<u>\$ 975,122</u>	<u>1,374,335</u>		

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
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)

<b><u>HIGHWAY, ROAD &amp; BRIDGE</u></b>	2011	2012		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts:				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$1,869,116	1,853,442	1,861,221	(7,779)
Delinquent Tax	21,122	20,231	18,000	2,231
Motor Vehicle Tax	184,913	232,875	226,891	5,984
Recreational Vehicle Tax	4,000	4,961	5,259	(298)
16/20 M Vehicle Tax	6,151	6,166	7,226	(1,060)
Rental Vehicle Excise Tax	306	227	-	227
Intergovernmental Revenue				
Special City & County Highway	597,000	581,931	646,896	(64,965)
Other Receipts				
Fuel Sales	152,046	25,611	50,000	(24,389)
Reimbursed/Miscellaneous Expenses	53,203	76,204	75,000	1,204
Transfer from County Bridge Bond	-	6	-	6
<b>Total Cash Receipts</b>	<b><u>2,887,857</u></b>	<b><u>2,801,654</u></b>	<b><u>2,890,493</u></b>	<b><u>(88,839)</u></b>
Expenditures:				
Personal Services	578,393	583,361	664,526	(81,165)
Contractual Services	69,341	45,024	38,750	6,274
Commodities	1,479,964	1,452,746	2,368,000	(915,254)
Capital Outlay	13,503	-	75,000	(75,000)
Revolving Loan - Principal	673,454	700,310	-	700,310
Revolving Loan - Interest	71,737	46,577	-	46,577
Revolving Loan - Service Fee	4,795	3,113	-	3,113
Transfer to Special Machinery	75,000	25,000	-	25,000
Neighborhood Revitalization Rebate	4,375	4,464	-	4,464
<b>Total Expenditures</b>	<b><u>2,970,562</u></b>	<b><u>2,860,595</u></b>	<b><u>3,146,276</u></b>	<b><u>(285,681)</u></b>
Cash Receipts Over (Under) Expenditures	(82,705)	(58,941)		
Unencumbered Cash, January 1	347,351	264,646		
Unencumbered Cash, December 31	<b><u>\$ 264,646</u></b>	<b><u>205,705</u></b>		

## DICKINSON COUNTY, KANSAS

## SPECIAL PURPOSE FUNDS

## 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)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
<b><u>NOXIOUS WEED</u></b>				
Cash Receipts:				
Ad Valorem Property Tax	\$ 254,381	267,165	268,284	(1,119)
Delinquent Tax	3,330	2,941	3,000	(59)
Motor Vehicle Tax	31,579	33,709	30,868	2,841
Recreational Vehicle Tax	683	718	715	3
16/20 M Vehicle Tax	1,067	1,045	983	62
Rental Vehicle Excise Tax	52	31	-	31
Sale of Chemicals/Reimbursements	186,654	202,955	200,000	2,955
<b>Total Cash Receipts</b>	<b><u>477,746</u></b>	<b><u>508,564</u></b>	<b><u>503,850</u></b>	<b><u>4,714</u></b>
Expenditures:				
Personal Services	145,030	152,810	193,877	(41,067)
Contractual Services	2,957	22,227	26,000	(3,773)
Commodities	284,230	314,476	452,100	(137,624)
Capital Outlay	15,320	-	210,000	(210,000)
Transfer to Capital Outlay	100,000	50,000	-	50,000
Neighborhood Revitalization Rebate	595	643	-	643
<b>Total Expenditures</b>	<b><u>548,132</u></b>	<b><u>540,156</u></b>	<b><u>881,977</u></b>	<b><u>(341,821)</u></b>
Cash Receipts Over (Under) Expenditures	(70,386)	(31,592)		
Unencumbered Cash, January 1	<u>484,431</u>	<u>414,045</u>		
Unencumbered Cash, December 31	<b><u>\$ 414,045</u></b>	<b><u>382,453</u></b>		
<b><u>NOXIOUS WEED CAPITAL OUTLAY</u></b>				
Cash Receipts:				
Transfer from Noxious Weed	\$ 100,000	50,000	210,000	(160,000)
Sale of Assets	-	11,000	-	11,000
<b>Total Cash Receipts</b>	<b><u>100,000</u></b>	<b><u>61,000</u></b>	<b><u>210,000</u></b>	<b><u>(149,000)</u></b>
Expenditures:				
Capital Outlay	-	62,519	210,000	(147,481)
Receipts Over (Under) Expenditures	100,000	(1,519)		
Unencumbered Cash, January 1	<u>34,795</u>	<u>134,795</u>		
Unencumbered Cash, December 31	<b><u>\$ 134,795</u></b>	<b><u>133,276</u></b>		

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
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)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
<b><u>COUNTY HEALTH</u></b>				
Cash Receipts:				
Ad Valorem Property Tax	\$ 8,217	35,014	35,118	(104)
Delinquent Tax	603	269	1,000	(731)
Motor Vehicle Tax	4,406	1,450	1,004	446
Recreational Vehicle Tax	96	31	23	8
16/20 M Vehicle Tax	306	-	32	(32)
Rental Vehicle Excise Tax	4	1	-	1
Grants	629,453	277,397	445,000	(167,603)
Charges for Services/Collections	164,924	231,647	175,000	56,647
Total Cash Receipts	<u>808,009</u>	<u>545,809</u>	<u>657,177</u>	<u>(111,368)</u>
Expenditures:				
Personal Services	252,458	237,777	242,000	(4,223)
Contractual Services	20,414	15,911	19,470	(3,559)
Commodities	127,282	94,795	135,700	(40,905)
Grant Expenditures	72,731	41,003	115,170	(74,167)
Kansas Children's Service League	223,835	137,584	270,000	(132,416)
Reimbursements/Refunds	730	-	-	-
Transfer to Capital Outlay	20,000	10,000	-	10,000
Refunds	-	59	-	59
Neighborhood Revitalization Rebate	19	84	-	84
Total Expenditures	<u>717,469</u>	<u>537,213</u>	<u>782,340</u>	<u>(245,127)</u>
Cash Receipts Over (Under) Expenditures	90,540	8,596		
Unencumbered Cash, January 1	174,540	265,080		
Unencumbered Cash, December 31	<u>\$ 265,080</u>	<u>273,676</u>		
<b><u>COUNTY HEALTH CAPITAL OUTLAY</u></b>				
Cash Receipts:				
Transfer from County Health	\$ 20,000	10,000	-	10,000
Expenditures:				
Capital Outlay	-	7,503	7,600	(97)
Cash Receipts Over (Under) Expenditures	20,000	2,497		
Unencumbered Cash, January 1	21	20,021		
Unencumbered Cash, December 31	<u>\$ 20,021</u>	<u>22,518</u>		

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
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 -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Over (Under)
<b><u>ALCOHOLIC REHABILITATION</u></b>				
Cash Receipts:				
Liquor Control	\$ 11,205	7,296	11,000	(3,704)
Expenditures:				
Commodities	895	-	-	-
Contractual Services	250	-	-	-
Appropriations	-	6,589	20,000	(13,411)
DARE Program	1,340	1,952	-	1,952
Total Expenditures	<u>2,485</u>	<u>8,541</u>	<u>20,000</u>	<u>(11,459)</u>
Cash Receipts Over (Under) Expenditures	8,720	(1,245)		
Unencumbered Cash, January 1	<u>28,281</u>	<u>37,001</u>		
Unencumbered Cash, December 31	<u>\$ 37,001</u>	<u>35,756</u>		
 <b><u>PARK &amp; RECREATION</u></b>				
Cash Receipts:				
Local Alcoholic Liquor Tax	\$ 1,015	534	1,000	(466)
Expenditures:				
Contractual Services	<u>1,015</u>	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
Cash Receipts Over (Under) Expenditures	-	534		
Unencumbered Cash, January 1	<u>-</u>	<u>-</u>		
Unencumbered Cash, December 31	<u>\$ -</u>	<u>534</u>		

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
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 -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
<b><u>EMPLOYEE BENEFIT</u></b>				
Cash Receipts:				
Ad Valorem Property Tax	\$ 1,734,556	1,907,914	1,915,956	(8,042)
Delinquent Tax	19,877	19,239	15,000	4,239
Motor Vehicle Tax	198,760	228,354	210,552	17,802
Recreational Vehicle Tax	4,297	4,866	4,880	(14)
16/20 M Vehicle Tax	5,886	6,974	6,705	269
Rental Vehicle Excise Tax	346	210	-	210
Miscellaneous	86	25	-	25
Total Cash Receipts	<u>1,963,808</u>	<u>2,167,582</u>	<u>2,153,093</u>	<u>14,489</u>
Expenditures:				
Social Security & Medicare	338,663	340,618	382,147	(41,529)
Remit to State - KPERS & KP&F	395,091	433,567	422,537	11,030
Remit to State - Unemployment	32,063	3,660	15,000	(11,340)
Medical Insurance Premiums	1,024,647	1,105,249	1,231,425	(126,176)
Workers' Compensation	176,186	121,357	260,000	(138,643)
Miscellaneous	76	-	-	-
Neighborhood Revitalization Rebate	4,060	4,595	-	4,595
Total Expenditures	<u>1,970,786</u>	<u>2,009,046</u>	<u>2,311,109</u>	<u>(302,063)</u>
Cash Receipts Over (Under) Expenditures	(6,978)	158,536		
Unencumbered Cash, January 1	106,101	99,123		
Unencumbered Cash, December 31	<u>\$ 99,123</u>	<u>257,659</u>		
<b><u>CONCEALED WEAPONS</u></b>				
Cash Receipts:				
Permit Fees	\$ 2,048	4,485	2,400	2,085
Expenditures:				
Capital Outlay	1,422	4,311	4,311	-
Cash Receipts Over (Under) Expenditures	626	174		
Unencumbered Cash, January 1	4,696	5,322		
Unencumbered Cash, December 31	<u>\$ 5,322</u>	<u>5,496</u>		

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
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)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	
<b>911</b>					
Cash Receipts:					
Phone Service Fees	\$ 54,361	12,547	55,000		(42,453)
Expenditures:					
Contractual Services	40,222	48,496	50,000		(1,504)
Commodities	998	-	50,000		(50,000)
Capital Outlay	23,430	-	30,000		(30,000)
Total Expenditures	<u>64,650</u>	<u>48,496</u>	<u>130,000</u>		<u>(81,504)</u>
Cash Receipts Over (Under) Expenditures	(10,289)	(35,949)			
Unencumbered Cash, January 1	86,532	76,243			
Unencumbered Cash, December 31	<u>\$ 76,243</u>	<u>40,294</u>			
<b>911 WIRELESS</b>					
Cash Receipts:					
Wireless Phone Service Fees	\$ 40,116	6,661	90,000		(83,339)
Grants	217,994	-	-		-
Interest Income	-	44	-		44
Total Cash Receipts	<u>258,110</u>	<u>6,705</u>	<u>90,000</u>		<u>(83,295)</u>
Expenditures:					
Contractual Services	21,341	23,837	-		23,837
Capital Outlay	9,218	598	90,000		(89,402)
Grant Expenditures	188,043	-	-		-
Total Expenditures	<u>218,602</u>	<u>24,435</u>	<u>90,000</u>		<u>(65,565)</u>
Cash Receipts Over (Under) Expenditures	39,508	(17,730)			
Unencumbered Cash, January 1	45,632	85,140			
Unencumbered Cash, December 31	<u>\$ 85,140</u>	<u>67,410</u>			
<b>DK CO 911</b>					
Cash Receipts:					
Phone Service Fees	\$ -	104,719	-		104,719
Expenditures:					
Contractual Services	-	41,166	-		41,166
Commodities	-	978	-		978
Total Expenditures	<u>-</u>	<u>42,144</u>	<u>-</u>		<u>42,144</u>
Cash Receipts Over (Under) Expenditures	-	62,575			
Unencumbered Cash, January 1	-	-			
Unencumbered Cash, December 31	<u>\$ -</u>	<u>62,575</u>			

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
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)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
<b><u>DIVERSION-LAW ENFORCEMENT</u></b>				
Cash Receipts:				
Fees	\$ 13,326	20,933	50,000	(29,067)
Sale of Assets	6,800	-	-	-
Total Cash Receipts	<u>20,126</u>	<u>20,933</u>	<u>50,000</u>	<u>(29,067)</u>
Expenditures:				
Diversion Expenditures	69,071	40,692	87,000	(46,308)
Cash Receipts Over (Under) Expenditures	(48,945)	(19,759)		
Unencumbered Cash, January 1	89,153	40,208		
Unencumbered Cash, December 31	<u>\$ 40,208</u>	<u>20,449</u>		
<b><u>EMS BUILDING GRANT</u></b>				
Cash Receipts:				
Ad Valorem Property Tax	\$ 104,224	26,561	26,718	(157)
Delinquent Tax	125	746	100	646
Motor Vehicle Tax	-	9,623	12,654	(3,031)
Recreational Vehicle Tax	-	205	293	(88)
16/20 M Vehicle Tax	-	-	403	(403)
Rental Vehicle Excise Tax	-	13	-	13
Transfer from EMS Bldg Grant (Project)	-	25,133	-	25,133
Total Cash Receipts	<u>104,349</u>	<u>62,281</u>	<u>40,168</u>	<u>22,113</u>
Expenditures:				
Rent to PBC	21,891	73,477	73,713	(236)
Neighborhood Revitalization Rebate	244	64	-	64
Total Expenditures	<u>22,135</u>	<u>73,541</u>	<u>73,713</u>	<u>(172)</u>
Cash Receipts Over (Under) Expenditures	82,214	(11,260)		
Unencumbered Cash, January 1	-	82,214		
Unencumbered Cash, December 31	<u>\$ 82,214</u>	<u>70,954</u>		

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
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>
<b><u>ATTORNEY FORFEITURE*</u></b>		
Cash Receipts:		
Collections	\$ 4,696	2,020
Expenditures:		
Commodities	30	-
Capital Outlay	-	2,720
Total Expenditures	<u>30</u>	<u>2,720</u>
Cash Receipts Over (Under) Expenditures	4,666	(700)
Unencumbered Cash, January 1	<u>7,282</u>	<u>11,948</u>
Unencumbered Cash, December 31	<u>\$ 11,948</u>	<u>11,248</u>
<b><u>LANDFILL CLOSURE*</u></b>		
Cash Receipts:		
Transfer from Landfill	\$ -	-
Expenditures:		
Contractual Services	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	<u>110,000</u>	<u>110,000</u>
Unencumbered Cash, December 31	<u>\$ 110,000</u>	<u>110,000</u>
<b><u>SPECIAL MACHINERY*</u></b>		
Cash Receipts:		
Transfer from Highway, Road & Bridge	\$ 75,000	25,000
Sale of Assets	53,850	16,500
Miscellaneous	12,784	7,699
Total Cash Receipts	<u>141,634</u>	<u>49,199</u>
Expenditures:		
Capital Outlay	<u>11,188</u>	<u>157,415</u>
Cash Receipts Over (Under) Expenditures	130,446	(108,216)
Unencumbered Cash, January 1	<u>382,114</u>	<u>512,560</u>
Unencumbered Cash, December 31	<u>\$ 512,560</u>	<u>404,344</u>

\* Not Budgeted

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
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>
<b><u>PROSECUTOR TRUST*</u></b>		
Cash Receipts:		
Proceeds from Cases	\$ 380	220
Expenditures:		
Commodities	-	494
Cash Receipts Over (Under) Expenditures	380	(274)
Unencumbered Cash, January 1	4,540	4,920
Unencumbered Cash, December 31	<u>\$ 4,920</u>	<u>4,646</u>
<b><u>DRUG ENFORCEMENT CASES*</u></b>		
Cash Receipts:		
State of Kansas	\$ 357	2,011
Sale of Assets	40,092	6,100
Total Cash Receipts	<u>40,449</u>	<u>8,111</u>
Expenditures:		
Contractual Services	214	-
Commodities	24,089	26,785
Total Expenditures	<u>24,303</u>	<u>26,785</u>
Cash Receipts Over (Under) Expenditures	16,146	(18,674)
Unencumbered Cash, January 1	33,749	49,895
Unencumbered Cash, December 31	<u>\$ 49,895</u>	<u>31,221</u>
<b><u>EMERGENCY MANAGEMENT PERFORMANCE GRANT*</u></b>		
Cash Receipts:		
State of Kansas	\$ -	-
Expenditures:		
Contractual Services	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	2,762	2,762
Unencumbered Cash, December 31	<u>\$ 2,762</u>	<u>2,762</u>

\* Not Budgeted

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
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>
<b><u>PROPERTY CRIME COMPENSATION*</u></b>		
Cash Receipts:		
Miscellaneous Receipts	\$ -	-
Expenditures:		
Compensation Paid to Crime Victims	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	16,380	16,380
Unencumbered Cash, December 31	<u>\$ 16,380</u>	<u>16,380</u>
<b><u>CAPITAL IMPROVEMENTS*</u></b>		
Cash Receipts:		
Delinquent Tax	\$ 1	-
Transfer from General Fund	28,155	61,000
Total Cash Receipts	<u>28,156</u>	<u>61,000</u>
Expenditures:		
Capital Outlay	-	-
Cash Receipts Over (Under) Expenditures	28,156	61,000
Unencumbered Cash, January 1	2,699	30,855
Unencumbered Cash, December 31	<u>\$ 30,855</u>	<u>91,855</u>
<b><u>REGISTER OF DEEDS TECHNOLOGY*</u></b>		
Cash Receipts:		
Fees	\$ 23,144	33,176
Expenditures:		
Personal Services	-	14,072
Purchases	10,345	3,651
Total Expenditures	<u>10,345</u>	<u>17,723</u>
Cash Receipts Over (Under) Expenditures	12,799	15,453
Unencumbered Cash, January 1	54,899	67,698
Unencumbered Cash, December 31	<u>\$ 67,698</u>	<u>83,151</u>

\* Not Budgeted

## DICKINSON COUNTY, KANSAS

SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
 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>
<b><u>COUNTY EQUIPMENT RESERVE*</u></b>		
Cash Receipts:		
Transfer from General Fund	\$ 211,000	233,000
Vehicle Sale Proceeds	7,600	11,650
Total Cash Receipts	<u>218,600</u>	<u>244,650</u>
Expenditures:		
Capital Outlay - EMS	90,829	117,917
Capital Outlay - Jail	48,245	27,452
Capital Outlay - Sheriff	-	86,722
Capital Outlay - Administration	39,327	35,137
Total Expenditures	<u>178,401</u>	<u>267,228</u>
Cash Receipts Over (Under) Expenditures	40,199	(22,578)
Unencumbered Cash, January 1	46,922	87,121
Unencumbered Cash, December 31	<u>\$ 87,121</u>	<u>64,543</u>
<b><u>TASK FORCE*</u></b>		
Cash Receipts:		
Agency Cash Balance	\$ -	-
Miscellaneous	-	-
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures:		
Contractual Services	-	-
Capital Outlay	519	-
Total Expenditures	<u>519</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	(519)	-
Unencumbered Cash, January 1	832	313
Unencumbered Cash, December 31	<u>\$ 313</u>	<u>313</u>
<b><u>FINGERPRINT &amp; BOOKING*</u></b>		
Cash Receipts:		
Fees	\$ 135	3,825
Expenditures:		
Contractual Services	-	-
Cash Receipts Over (Under) Expenditures	135	3,825
Unencumbered Cash, January 1	-	135
Unencumbered Cash, December 31	<u>\$ 135</u>	<u>3,960</u>

\* Not Budgeted

## DICKINSON COUNTY, KANSAS

BOND AND INTEREST FUNDS  
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)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
<b><u>COUNTY BRIDGE BOND &amp; INTEREST</u></b>				
Cash Receipts:				
Delinquent Tax	\$ 556	99	100	(1)
Expenditures:				
Transfer to General Fund	-	88,628	-	88,628
Cash Receipts Over (Under) Expenditures	556	(88,529)		
Unencumbered Cash, January 1	87,973	88,529		
Unencumbered Cash, December 31	\$ 88,529	-		
<b><u>HEALTH BOND &amp; INTEREST</u></b>				
Cash Receipts:				
Ad Valorem Property Tax	\$ 29,828	-	-	-
Delinquent Taxes	312	291	100	191
Motor Vehicle Tax	2,459	3,556	3,622	(66)
Recreational Vehicle Tax	53	76	84	(8)
16/20 M Vehicle Tax	82	82	115	(33)
Rental Vehicle Excise Tax	4	4	-	4
Interest Income	134	29	-	29
Total Cash Receipts	32,872	4,038	3,921	117
Expenditures:				
Principal on Loan	30,000	-	-	-
Interest on Loan	1,200	-	-	-
Commission Paid	5	-	-	-
Neighborhood Revitalization Rebate	70	-	-	-
Total Expenditures	31,275	-	-	-
Cash Receipts Over (Under) Expenditures	1,597	4,038		
Unencumbered Cash, January 1	1,743	3,340		
Unencumbered Cash, December 31	\$ 3,340	7,378		

## DICKINSON COUNTY, KANSAS

## CAPITAL PROJECTS FUNDS

## 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>
<b><u>COUNTY BRIDGE BOND*</u></b>		
Cash Receipts:		
Interest Income	\$ 5	-
Expenditures:		
Transfer to Highway, Road & Bridge	-	6
Cash Receipts Over (Under) Expenditures	5	(6)
Unencumbered Cash, January 1	1	6
Unencumbered Cash, December 31	<u>\$ 6</u>	<u>-</u>
<b><u>EMS BUILDING*</u></b>		
Cash Receipts:		
Miscellaneous	\$ -	-
Expenditures:		
Contractual Services	-	3,497
Capital Outlay	2,767	-
Transfer to EMS Building Grant (Special Purpose)	-	25,133
Total Expenditures	<u>2,767</u>	<u>28,630</u>
Cash Receipts Over (Under) Expenditures	(2,767)	(28,630)
Unencumbered Cash, January 1	31,397	28,630
Unencumbered Cash, December 31	<u>\$ 28,630</u>	<u>-</u>
<b><u>DICKINSON CO. SEWER DISTRICT #3 (DETROIT)*</u></b>		
Cash Receipts:		
Temporary Notes	\$ -	1,109,000
Expenditures:		
Project Expenditures	-	222,344
Cash Receipts Over (Under) Expenditures	-	886,656
Unencumbered Cash, January 1	-	-
Unencumbered Cash, December 31	<u>\$ -</u>	<u>886,656</u>

\* Not Budgeted

## DICKINSON COUNTY, KANSAS

BUSINESS FUNDS  
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 -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
<b><u>SANITATION LANDFILL</u></b>				
Cash Receipts:				
Charges for Services & Environmental Fees	\$ 632,886	534,215	680,000	(145,785)
Special Assessments	5,057	15,167	-	15,167
Grants	55,859	59,270	32,000	27,270
Delinquent Collections	267	448	-	448
Miscellaneous	-	6,763	-	6,763
Total Cash Receipts	<u>694,069</u>	<u>615,863</u>	<u>712,000</u>	<u>(96,137)</u>
Expenditures:				
Personal Services	34,702	18,660	43,274	(24,614)
Contractual Services	545,613	481,565	594,000	(112,435)
Commodities	22,739	47,712	50,610	(2,898)
Capital Outlay	12,341	-	40,000	(40,000)
Grant Expenditures	-	15,530	-	15,530
Total Expenditures	<u>615,395</u>	<u>563,467</u>	<u>727,884</u>	<u>(164,417)</u>
Cash Receipts Over (Under) Expenditures	78,674	52,396		
Unencumbered Cash, January 1	<u>177,761</u>	<u>256,435</u>		
Unencumbered Cash, December 31	<u>\$ 256,435</u>	<u>308,831</u>		
<b><u>DICKINSON COUNTY SEWER DISTRICT #1</u></b>				
Cash Receipts:				
Charges for Services	\$ 1,926	2,036	2,500	(464)
Delinquent Tax	263	-	-	-
Special Assessments	586	195	-	195
Total Cash Receipts	<u>2,775</u>	<u>2,231</u>	<u>2,500</u>	<u>(269)</u>
Expenditures:				
Operations	<u>471</u>	<u>2,535</u>	<u>2,535</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	2,304	(304)		
Unencumbered Cash, January 1	<u>16,362</u>	<u>18,666</u>		
Unencumbered Cash, December 31	<u>\$ 18,666</u>	<u>18,362</u>		

## DICKINSON COUNTY, KANSAS

BUSINESS FUNDS  
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>DICKINSON COUNTY SEWER DISTRICT #2</u>	2011	2012		Variance - Over (Under)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Special Assessments	\$ 13,617	13,598	14,000	(402)
Delinquent Special Assessments	-	83	-	83
User Fees	666	666	1,000	(334)
Interest Income	-	7	-	7
Total Cash Receipts	<u>14,283</u>	<u>14,354</u>	<u>15,000</u>	<u>(646)</u>
Expenditures:				
Principal on Loan	13,218	13,616	17,137	(3,521)
Interest on Loan	3,591	3,226	-	3,226
Loan Fees	328	295	-	295
Maintenance	-	-	1,000	(1,000)
Total Expenditures	<u>17,137</u>	<u>17,137</u>	<u>18,137</u>	<u>(1,000)</u>
Cash Receipts Over (Under) Expenditures	(2,854)	(2,783)		
Unencumbered Cash, January 1	<u>21,399</u>	<u>18,545</u>		
Unencumbered Cash, December 31	<u>\$ 18,545</u>	<u>15,762</u>		

DICKINSON COUNTY, KANSAS

AGENCY FUNDS  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Distributable Funds:				
Current Tax	\$ 13,514,347	22,726,723	22,463,993	13,777,077
Sterl Hall	100,711	856	1,512	100,055
Drivers License Exam Fees	10,691	71,908	73,402	9,197
Motor Vehicle Operating	86,349	182,611	183,557	85,403
Advance Tax	-	712	712	-
Delinquent Personal Tax	6,070	40,038	34,371	11,737
Delinquent Real Estate Tax	152,446	252,393	231,727	173,112
Partial Payment Bankruptcy	788	2,067	-	2,855
Tax Foreclosure	13,911	12,615	120	26,406
Escrow Program	38,386	68,438	53,485	53,339
Local Alcoholic Liquor Control	-	10,896	8,364	2,532
Recreational Vehicle	14,716	46,342	51,177	9,881
City Streets & County Highways	-	652,558	652,558	-
Refunding Warrants	(465)	837	374	(2)
Motor Vehicle Tax	684,212	2,227,275	2,409,614	501,873
Mineral Production Tax	-	1,089	773	316
Short & Long Fund	(124)	7	77	(194)
Insufficient Fund Checks	(764)	18,289	24,942	(7,417)
Rental Excise Tax	-	3,303	2,241	1,062
Game Licenses	645	15,994	15,908	731
Motor Vehicle Licenses	6,356	1,399,320	1,399,974	5,702
Sales Tax Motor Vehicles	13,393	217,740	225,811	5,322
Resident Sales Tax	3,210	28,970	29,943	2,237
Prosecutor's Training	5,705	3,392	4,669	4,428
Compensating Use Tax	19,279	240,260	245,042	14,497
Paid In/Out	-	2,757	2,757	-
Neighborhood Revitalization Rebate	-	48,648	48,648	-
Solomon Tax Increment Financing	-	125,066	125,066	-
Specials Clearing	-	2,532	2,532	-
Total Distributable Funds	<u>14,669,862</u>	<u>28,403,636</u>	<u>28,293,349</u>	<u>14,780,149</u>
State Funds:				
Educational Building	-	175,480	175,480	-
Institutional Building	-	87,691	87,691	-
State Motor Vehicle	26	34,728	34,754	-
State General	-	50	50	-
Total State Funds	<u>26</u>	<u>297,949</u>	<u>297,975</u>	<u>-</u>

DICKINSON COUNTY, KANSAS

AGENCY FUNDS  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Subdivision Funds:				
Schools	\$ 466	9,202,635	9,203,492	(391)
Townships	-	1,610,971	1,610,971	-
Cemeteries	62	188,771	188,832	1
Cities	(6,877)	4,492,040	4,488,628	(3,465)
Watersheds & Drainage	47	12,750	12,797	-
North Central Kansas Library	-	148,411	148,411	-
Hospital	34	277,693	277,727	-
Fire Districts	-	265,159	265,159	-
Red Bud Lake Improvement District	399	2,977	3,376	-
Other Counties	-	169	-	169
Total Subdivision Funds	<u>(5,869)</u>	<u>16,201,576</u>	<u>16,199,393</u>	<u>(3,686)</u>
Office Cash:				
County Clerk	100	-	-	100
Clerk of District Court	53,647	962,924	901,272	115,299
County Attorney	270	14	55	229
Health	135	-	-	135
Law Library	271,731	22,233	12,665	281,299
Noxious Weed	25	-	-	25
Register of Deeds	16,528	276,400	292,828	100
Sheriff	37,073	69,242	69,346	36,969
Waste Disposal	25	175	-	200
Total Office Cash	<u>379,534</u>	<u>1,330,988</u>	<u>1,276,166</u>	<u>434,356</u>
Total Agency Funds	<u>\$ 15,043,553</u>	<u>46,234,149</u>	<u>46,066,883</u>	<u>15,210,819</u>

## DICKINSON COUNTY, KANSAS

RELATED MUNICIPAL ENTITY  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
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>
<b><u>EMS BUILDING BOND &amp; INTEREST*</u></b>		
Cash Receipts:		
Rent	<u>\$ 21,891</u>	<u>73,477</u>
Expenditures:		
Principal Payment on Bond	30,000	30,000
Interest Payment on Bond	44,303	43,477
Fees	-	-
Total Expenditures	<u>74,303</u>	<u>73,477</u>
Cash Receipts Over (Under) Expenditures	(52,412)	-
Unencumbered Cash, January 1	<u>52,412</u>	-
Unencumbered Cash, December 31	<u>\$ -</u>	<u>-</u>

\* Not Budgeted

**SINGLE AUDIT**

**DICKINSON COUNTY, KANSAS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

<b>Federal Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Number</b>	<b>Federal Expenditures</b>
U.S. Department of Agriculture			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	WIC FFY 12 WIC FFY 13	\$ 61,568 <u>20,937</u> 82,505
Water and Waste Water Disposal Systems for Rural Communities	10.760		<u>221,744</u>
Total U.S. Department of Agriculture			<u>304,249</u>
U.S. Department of Justice			
Public Safety Partnership and Community Policing Grants	16.710		<u>1,647</u>
U.S. Environmental Protection Agency			
Passed Through Kansas Department of Health and Environment			
Nonpoint Source Implementation Grants	66.460	2008-W003 2012-W004	16,314 <u>31,457</u>
Total U.S. Environmental Protection Agency			<u>47,771</u>
U.S. Department of Health and Human Services			
Passed Through Kansas Department of Health and Environment			
Public Health Emergency Preparedness	93.069	SFY 12 SFY 13	3,594 <u>19,482</u> 23,076
Immunization Cooperative Agreements	93.268	SFY 12 SFY 13	2,774 <u>2,084</u> 4,858
Chronic Disease Risk Reduction	93.283	SFY 12	<u>18,099</u>
PPHF 2012 - Prevention and Public Health Fund - Capacity Building Assistance	93.539	SFY 12	<u>32,520</u>
Child Care and Development Block Grant	93.575	SFY 12	<u>6,285</u>
Medical Assistance Program	93.778	Medicaid; Title XIX	<u>68,792</u>
Maternal and Child Health Services Block Grant to States	93.994	SFY 12 SFY 13	12,302 <u>7,443</u> 19,745
Total U.S. Dept of Health and Human Services			<u>173,375</u>
U.S. Department of Homeland Security			
Passed through State of Kansas Adjutant General's Office			
Emergency Management Performance Grants	97.042	2012	<u>24,258</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 551,300</u>

## DICKINSON COUNTY, KANSAS

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2012

#### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2012. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in the financial position of the County.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported using the *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting, the same basis as the financial statement accompanying this Schedule. This 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. The KMAAG regulatory basis does not recognize accrued payables, or deferred outflows. However, encumbrances are removed from the expenditures in the Schedule.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of County Commissioners of Dickinson County, Kansas  
Abilene, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Dickinson County, Kansas (County) as of and for the year ended December 31, 2012, and the related notes to the financial statement, which comprise the County's basic financial statement and have issued our report thereon dated September 17, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, 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 opinion 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 Dickinson County, Kansas' 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statement 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 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 a significant deficiencies, listed as 2012-1, 2012-4, and 2012-6.

MEMBERS:  
American Institute of  
Certified Public Accountants

Kansas Society of Certified  
Public Accountants



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs, listed as 2012-2, 2012-3, and 2012-5.

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

*Pottberg, Gassman & Hoffman, Chtd.*

Pottberg, Gassman & Hoffman, Chartered  
Junction City, Kansas  
September 17, 2013



Certified Public Accountants

Pottberg, Gassman & Hoffman, Chtd.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of County Commissioners of Dickinson County, Kansas  
Abilene, Kansas

Report on Compliance for Each Major Federal Program

We have audited Dickinson County, Kansas' (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on 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 auditors' 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 grant agreements applicable to its federal programs.

Auditor Responsibility

Our responsibility is to express an opinion on compliance for 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; *Kansas Municipal Audit and Accounting Guide*; 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 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 of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Dickinson County, Kansas complied, in all material respects, with the types of 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.

MEMBERS:  
American Institute of  
Certified Public Accountants

Kansas Society of Certified  
Public Accountants



## 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 of compliance, 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 in order 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 the Department's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

*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* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs listed as 2012-7 to be a significant deficiency.

Dickinson County, Kansas' response to the noncompliance finding 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 compliance and, accordingly, we express no opinion on the response.

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

*Pottberg, Gassman & Hoffman, Chartered.*

Pottberg, Gassman & Hoffman, Chartered  
Junction City, Kansas  
September 17, 2013

## DICKINSON COUNTY, KANSAS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2012

#### SECTION I – SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statement of Dickinson County, Kansas.
2. The **Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with *Government Auditing Standards*** contains significant deficiencies listed below in section II.
3. Instances of noncompliance material to the financial statement of Dickinson County, Kansas disclosed during the audit are listed below in section II.
4. The **Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133** contains a significant deficiency listed below in section III.
5. The auditors' report on compliance for the major federal award programs for Dickinson County, Kansas expresses an unqualified opinion.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 in this schedule.
7. The programs tested as major programs were US Department of Agriculture, Water and Waste Disposal Systems for Rural Communities CFDA 10.760, US Environmental Protection Agency, Nonpoint Source Implementation Grants CFDA 66.460, and Department of Homeland Security, FEMA, Emergency Management Performance Grants CFDA 97.042.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Dickinson County, Kansas did not qualify as a low-risk auditee.

#### SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS

##### 2012-1

- Criteria – Reliable accounts receivable balance for the Health Department.
- Condition – The January 1, 2012 accounts receivable balance per the Revenue Detail Report was over \$85,000 greater than the balance reported on the Revenue Detail Report at December 31, 2011 per prior year audit workpapers. Staff was unable to determine the correct balance.
- Cause – The method of entering account activity into the software and/or setup errors are resulting in inaccurate reporting.
- Effect – The actual accounts receivable balance cannot be determined.
- Recommendation – Consultation with the software provider and/or training in the setup and operation of the software.

## DICKINSON COUNTY, KANSAS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2012

- Response – We have asked the software provider to work with staff to explain the difference and for additional training.

#### 2012-2

- Requirement – Per K.S.A. 19-212 and Attorney General Opinion 2003-15, the Sheriff cannot be required to obtain advance approval for purchases within the limits of the approved budget regardless of the amount unless expenditures exceed the approved budget.
- Condition – Expenditures out of the Sheriff's departmental checking accounts are not segregated from the fiduciary transactions in order to determine adherence to budget limitations.
- Cause – The Sheriff's office does not report the checking account transactions as part of his budgeted expenditures.
- Effect/Potential Effect – The purchases from the checking accounts are not included in the general fund transactions, and when added to the expenditures recorded in the general ledgers, may exceed budget authority.
- Recommendation – The Sheriff's operating account finances should be segregated from the fiduciary transactions so that they will be aware of the dollars that need to be considered when determining when it is necessary to request advance approval for all purchases by the County Commissioners.
- Response – We will ask the Sheriff's office to adopt the handling of their operating accounts as suggested above.

#### 2012-3

- Requirement – K.S.A. 19-2687 requires that each December every county officer and head of department or county office prepare an inventory of personal property. A copy of the inventory is to be filed with the County Clerk on or before December 31. The County Clerk is then required to update the inventory book for the additions and deletions noted in the individual inventories. In February, the County Commissioners are required to view and check each item in the inventory book. This perpetual record of personal property is to be established and maintained by the County Clerk's office.
- Condition – The County inventory consists of a current listing of personal property as of year-end and was not reviewed by the Commissioners in a timely manner.
- Cause – The County does not maintain a perpetual inventory that reflects all purchases and disposals of personal property.
- Effect/Potential Effect – Statutory non-compliance and susceptibility to the misappropriation of assets as there is not listing of purchases or deleted items.

## DICKINSON COUNTY, KANSAS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2012

- Recommendation – Each year the prior year inventory should be the starting point in the inventory process. All purchases and disposals should be added to this listing noting the date, description, and purchase price or method of disposal and sales price.
- Response – New software program implemented in 2012 will follow the recommendations.

#### 2012-4

- Criteria – Completeness of accounts payable.
- Condition – Accounts payable at year-end are not posted to the accounting records.
- Cause – In order to avoid budgetary expenditure violations, accounts payable are not posted to the accounting records at year-end.
- Effect – Payable balances at year-end are understated and statutory non-compliance.
- Recommendation – All accounts payable and encumbrances are required to be posted to the accounting records under the regulatory basis of accounting adopted by the County. Expenditure balances need to be monitored closely at year-end to determine spending limits.
- Response – New software program will handle the recommendation. We entered the accounts payable into the proper year but the processing piece was not communicated to the correct person (the date to use). We have addressed this for future years.

#### 2012-5

- Requirement – Per K.S.A. 28-175, fees collected by county officers are required to be remitted to the county treasurer and credited to the county's general fund unless the fees are specifically allowed by law to be retained by the office. K.S.A. 22-4904 requires that the money collected for the registration fees to be credited to a special fund for the sheriff's office to be used for law enforcement and criminal prosecution and shall not be used as a source of revenue to reduce funding otherwise made available.
- Condition – The Sheriff retains fees collected for performing VIN inspections for the Kansas Highway Patrol (K.S.A. 8-116a), Drivers License verifications, and Offender Registration fees (K.S.A. 22-4904) in an office checking account.
- Cause – K.S.A. 8-116a was revised effective July 1, 2011 to read that after 10% of the VIN fee collected is remitted to the Kansas Highway Patrol the remainder of the fee charged, shall be retained by the designee. "If the designee is a city or county law enforcement agency, then the balance shall be paid to the law enforcement agency that conducted the inspection." The Sheriff believes that this revision gives his Office the authority to retain the monies from performing the VIN inspections in the office checking account.

Sheriff believes that the office checking account fulfills the requirements of the Offender Registration legislation.

## DICKINSON COUNTY, KANSAS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2012

- Effect – Statutory non-compliance, non-adherence to the internal controls established for cash disbursements, and transactions not included in general ledger.
- Recommendation – On April 18, 2012, Attorney General Opinion 2012-10 was issued that states since the legislature has not amended K.S.A. 28-175 since 1977, “. . . we believe the reasoning therein continues to be persuasive. K.S.A. 2011 Supp. 8-116a authorized VIN inspection fees to be paid to the county law enforcement agency for the performance of such inspections, but the statute does not specifically authorize the county law enforcement agency to retain such fees. As such, we find that K.S.A. 28-175 is dispositive, and we opine that a sheriff may not retain VIN inspection fees in an account outside the county financial system. The sheriff must pay such fees to the county treasurer and Board of County Commissioners may later appropriate such fees to the sheriff’s department”.

We believe the Attorney General Opinion is definitive. The VIN fees and the Drivers License fees should be remitted to the County Treasurer and deposited in the General fund. The Offender registration fees should be remitted to the County Treasurer and deposited in the Concealed Weapons fund since the use of the monies are the same for both types of fees.

- Response – We have recommended to the Sheriff’s department that they follow the recommendation above.

#### 2012-6

- Criteria – Preparation of the schedule of expenditures of federal awards (SEFA) requires adjustment for removal of encumbrances, reduction to the amount allowed by the grant, and should only include federal expenditures for the calendar year 2012.
- Condition – Management prepared SEFA detailed expenditures of \$553,983.
- Effect – Federal award expenditures on the SEFA required adjustments to four grants that totaled \$32,752.
- Cause – Departments of the County were not reporting federal award expenditures to County management.
- Recommendation – Management should require departments of the County to prepare reports of their expenditures of federal awards at least quarterly so that management can keep accurate records and know when they are approaching the single audit reporting threshold.
- Response - Management will require the reports on federal awards be turned in quarterly.

### **SECTION III – MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS**

#### 2012-7

- Criteria – Reimbursement reports (EMPG05) for the Emergency Management Performance Grant CFDA #97.042 are due quarterly, with allowable cost documented and acceptable source documentation attached.

## **DICKINSON COUNTY, KANSAS**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** **FOR THE YEAR ENDED DECEMBER 31, 2012**

- Condition – Reimbursement was requested for expenditures that were not included in the approved budget and exceeded the total allowed by the grant.
- Cause – Internal controls were not in place to match the reimbursement request to the grant budget.
- Effect – Non-compliance with FEMA cash management and reporting. However, reimbursement by pass-through entity was equal to approved grant budget.
- Recommendation – Management should set-up controls with the document to be submitted, date due, and amount allowable by the grant award.
- Response – Controls will be set up to track award amounts, expenditures and the request for reimbursement will be double-checked against the award amount.

#### **SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS**

None noted.