LINN COUNTY, KANSAS

Regulatory Basis Financial Statement
and Independent Auditors' Report with
Regulatory-Required Supplemental Information

For the Year Ended December 31, 2012

LINN COUNTY, KANSAS

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Diehl
Banwart
Bolton
Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Linn County Courthouse
Mound City, Kansas 66056

We have audited the accompanying Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis, of Linn County, Kansas as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide.* Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the financial statement, the financial statement is prepared by Linn County, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and 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" paragraphs, 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 Linn County, Kansas as of December 31, 2012 or changes in financial position or cash flows thereof for the year then ended.

Unqualified 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 for Linn County, Kansas as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the Summary Statement of Receipts, Expenditures, and Unencumbered Cash Balance, Regulatory Basis (basic financial statement) as a whole. The Summary of Expenditures – Actual and Budget, Regulatory Basis; individual fund Schedules of Receipts and Expenditures – Actual and Budget, Regulatory Basis; and Schedule of Receipts and Disbursements – All Agency Funds, Regulatory Basis (Schedules 1 through 3 as listed in the table of contents) are presented for analysis and although it is not a required part of the basic financial statement, the information is required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

DIEHL, BANWART, BOLTON CPAs PA

July 9, 2013
Fort Scott, Kansas

LINN COUNTY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis

For the Year Ended December 31, 2012

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Plus Encumbrances and Accounts Payable	Cash Balance December 31, 2012
General Fund	$660,593.77	$5,331,414.37	$5,022,549.84	$969,458.30	$95,500.00	$1,064,958.30
Special Purpose Funds						
Employee Benefit	1,969.98	2,305,445.76	1,989,178.98	318,236.76	200,999.72	519,236.48
Community Policing	1,052.88	-	-	1,052.88	-	1,052.88
Appraiser	27,465.17	214,540.67	238,462.70	3,543.14	-	3,543.14
Reappraisal	13,256.42	-	-	13,256.42	-	13,256.42
Rural Fire District Number One	58,752.35	443,759.25	490,788.04	11,723.56	-	11,723.56
Road and Bridge	411,216.98	3,189,126.21	3,304,165.24	296,177.95	75,000.00	371,177.95
Equipment Reserve	92,837.05	62,000.00	1,000.00	153,837.05	-	153,837.05
Special Road and Bridge	72,968.00	230,000.00	-	302,968.00	-	302,968.00
Noxious Weed Eradication Cap Out	40,647.23	-	-	40,647.23	-	40,647.23
Special Machinery	426,915.26	100,000.00	192,654.00	334,261.26	-	334,261.26
Special Vehicle	582.14	-	-	582.14	-	582.14
Health Capital Outlay	20,000.00	-	-	20,000.00	-	20,000.00
C.D.B.G. Revolving Loan	33,279.35	283.52	-	33,562.87	-	33,562.87
911 Telephone Tax	95,033.00	59,557.95	79,502.99	75,087.96	-	75,087.96
Special Fire Equipment Replacement	137,288.61	64,337.25	25,687.25	175,938.61	-	175,938.61
Dare & School Resource Off Grants	11,440.64	2,150.00	1,879.36	11,711.28	-	11,711.28
County Health Department	43,075.74	123,372.82	157,020.66	9,427.90	-	9,427.90
Register of Deeds Technology	2,958.97	15,591.82	11,279.03	7,271.76	-	7,271.76
Special Alcohol	4,477.24	6,465.96	9,000.00	1,943.20	-	1,943.20
Crime Victims Assistance	29,688.37	20,960.00	23,523.40	27,124.97	-	27,124.97
Elderly	33,874.56	229,645.75	202,652.38	60,867.93	25,000.00	85,867.93
Economic Development Grant	59,240.99	346,787.50	305,747.91	100,280.58	-	100,280.58
Zoning LEPP Grant	3,397.16	-	2,505.23	891.93	-	891.93
Special Parks and Recreation	1,398.30	1,500.81	2,000.00	899.11	-	899.11
Sewer District Number One	-	7,658.12	7,658.12	-	-	-
Total Reporting Entity	$2,283,410.16	$12,754,597.76	$12,067,255.13	$2,970,752.79	$396,499.72	$3,367,252.51

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

LINN COUNTY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis

For the Year Ended December 31, 2012

		Cash Balance December 31, 2012
COMPOSITION OF CASH		
County Treasurer	Cash in Banks - Deposit Accounts	$3,805,941.71
	Deposits in Transit	176,535.42
	Cash on Hand	5,560.23
	Bad Checks	893.62
	Cash in Banks - Certificates of Deposit	11,654,000.00
		15,642,930.98
Register of Deeds	Cash on Hand	1,849.04
	Cash in Banks - Deposit Accounts	1,425.20
		3,274.24
Sheriff	Cash in Banks - Deposit Accounts	7,119.76
Clerk of the District Court	Cash in Banks - Deposit Accounts	34,750.21
County Health Department	Cash in Banks - Deposit Accounts	4,031.35
Park Manager	Cash in Banks - Deposit Accounts	20,933.68
Linn County Law Library	Cash in Banks - Deposit Accounts	18,923.35
SUBTOTAL CASH		15,731,963.57
AGENCY FUNDS According to Schedule 3		(12,364,711.06)
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)		$3,367,252.51

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial statement of Linn County, Kansas, has been prepared in accordance with the State of Kansas regulatory basis of accounting for Kansas Municipalities, and is designed to show compliance with the cash basis and budget laws of the State of Kansas. The Kansas Municipal Audit and Accounting Guide (KMAAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas. Note 1 also describes how the County's accounting policies differ from U.S. generally accepted accounting policies.

Reporting Entity

Linn County, Kansas (the "County") is a municipal corporation governed by an elected three-member commission. Major services provided by the County include General Government, Public Works/Highways, Public Safety/Sheriff/Court System, Sanitation, Health and Social Services, Culture and Recreation, Public Improvements, and Planning and Zoning. This regulatory financial statement presents Linn County (the municipality) and related municipal entities. The following are related municipal entities that could be included in the county's reporting entity because they were established to benefit the county and/or its constituents.

- Linn County Law Library - The Law Library is fiscally independent of the County. It is required by statute to be audited as part of the County Audit. The Law Library is housed in county offices, but is operated independent of the County's governing body. Separate financial statements are not issued for the Law Library.

- Southeast Kansas Regional Planning Commission (the Commission): The Commission is composed of 12 counties and is governed by a board composed of one member from each of the twelve participating counties. The County is a member of the Commission.

- Southeast Kansas SEK Juvenile Detention Center, Inc (the "Center"): The Center is composed of 11 counties and is governed by a board composed of one member from each of the eleven participating counties. The County is a member of the Commission.

- Rural Fire District Number One - The Fire District provides fire control services to a portion of the County. All Board members are appointed by the County. Bookkeeping services are provided by the County free of charge. All bills are reviewed and approved by the County Commissioners.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Sewer District Number One - The Sewer District was created to build and operate a sewage disposal system in a portion of the County. General Obligation Bonds were issued in the name of the County to pay for constructing the disposal system. The District assesses fees and pays for maintenance and the debt service on the bonds issued to build the disposal system. At this time, the County Commissioners are performing the duties of the Sewer Board. Bookkeeping services are provided by the County free of charge. All bills are reviewed and approved by the County Commissioners.

The County has elected to include the Linn County Law Library, Rural Fire District #1, and Sewer District #1 in the financial statement of the County.

There are no other related municipal entities that should be considered for inclusion in the County's financial statement.

Basis of Presentation - Fund Accounting

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

The following types of funds comprise the financial activities of Linn County, Kansas:

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

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

The 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 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 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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United States of America (Continued)

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

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

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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. There were no budgets amended this year.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

Annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budgeted expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds and fiduciary funds.

Spending in funds, which are not subject to the legal annual operating budget requirement, are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body. The following funds were not required by Kansas Statutes to prepare budgets:

Fund	Statutory Authority
Noxious Weed Eradication Capital Outlay	K.S.A. 2-1318
Special Machinery	K.S.A.68-141g
Special Road and Bridge	K.S.A.68-141g
Special Vehicle	K.S.A. 68-590
Special Fire Equipment Replacement	K.S.A. 19-120
Grant Funds: Community Policy, CDBG Revolving Loan, Economic Development Grant, and Zoning LePP Grant	K.S.A. 12-1663

Qualifying Budget Credits

Expenditures in various funds include expenditures not subject to the budget laws of the State of Kansas, which include reimbursed expenses and grant expenditures.

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

Expenditures in the General Fund include expenditures in connection with grants received by the County. These are reimbursement type grants whereby grant money is received to reimburse the County for actual grant expenditures paid. These expenditures are similar to reimbursed expenses as discussed in the preceding paragraph.

Cash and Investments

Cash includes amounts in demand and time deposit checking accounts. The Statutes of the State of Kansas allow Kansas municipalities to invest in savings accounts, certificates of deposit, and United States Treasury obligations. As of and during the year ended December 31, the County's funds were invested in interest bearing money market checking accounts and certificates of deposit, which are acceptable investments in accordance with Kansas Statutes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

All regular full-time employees are eligible for vacation benefits. Vacation time accumulates in accordance with the following schedule. No vacation may be used until the employee reached his 1st anniversary date. A maximum of 10 vacation days may be accumulated and carried to the next year. Unused vacation benefits are paid to employees when employment with the County terminates.

Years of service	Days Per Month
Before 1	.420
1 - 10	.833
After 10	1.250

All full-time and part-time employees are also eligible for sick leave benefits. Sick time accumulates at the rate of one day per month. Part-time employees accrue time in proportion to the percentage of time worked. A maximum of 50 sick leave days may be accumulated. Upon death or retirement, unused sick leave is paid at a rate of 25% of the employee's final rate up to a maximum of 50 days.

The County determines a liability for compensated absences which meet the following criteria:

1. The County's obligation relating to employee's rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material.

In accordance with this criteria, the County determined a liability for unused sick pay and vacation pay, which has been earned but not taken by County employees. The liability is recorded as a general long-term obligation of the County, inasmuch as it is anticipated that none of the liability will be paid from current financial resources.

Pension Plan

Substantially all full-time County employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer statewide pension plan. The County's policy is to fund all pension costs incurred; such costs to be funded are actually determined annually by the State.

Termination and Post Employment Benefits

No termination benefits are provided to County employees when employment with the County ends except for the accrued compensated absences as discussed in Note 1.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Termination and Post Employment Benefits (Continued)

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

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County.

Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

This financial statement has been prepared in order to show compliance with the cash basis laws of Kansas. The County was in apparent compliance with the cash basis and budget laws of Kansas except as follows:

Statutory Violations

- Vehicle inspection fees collected in the Sheriff's department were not turned over to the County Treasurer in apparent violation of K.S.A 28-175. These fees were placed in a checking account for use in the Sheriff's department. Expenses paid out of this account were not approved and were not supported by written claims against the County in apparent violation of K.S.A. 12-105b.

3. CASH, INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS

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

K.S.A. 12-1675 limits the Government's 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 Government has no investment policy that would further limit its investment choices, but has limited the investments to time deposits at local banks.

3. CASH, INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

Concentration of credit risk. State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The County has deposits at six separate financial institutions.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County does not have any "peak periods" designated.

At December 31, 2012 the County's carrying amount of deposits was $15,547,125.26 and the bank balance was $15,973,394.71. Of the bank balance, $6,568,381.76 was covered by federal depository insurance and $9,405,012.95 was covered by pledged securities totaling $12,065,567.53, held in safekeeping in the trust departments of separate banks.

4. DEFINED BENEFIT PENSION PLAN

Plan Description

The County participates in the Kansas Public Employees Retirement System ("KPERS"), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law established the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. The employer rate established by statute for the period from January 1, 2012, to December 31, 2012, was 8.34. The County's employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010, were $257,009, $246,381, and $223,778, respectively, equal to the statutory required contributions for each year.

5. CONCENTRATION OF TAXABLE VALUATION

Approximately 70% of the County's taxable valuation is concentrated in two public utility companies.

6. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The County manages these risks of loss through various insurance policies.

7. CONTINGENCIES

Grants are subject to additional audits by regulatory agents, the purpose of which is to ensure compliance with the specific conditions of the grants. Any liability for reimbursement which may arise as a result of the audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material and would not be payable by the County.

8. INTERFUND TRANSFERS

Operating transfers during the year and the related statutory authority were as follows:

From – Fund	To – Fund	Statutory Authority	Amount
Road & Bridge	Special Machinery	68-141g	$100,000.00
Rural Fire	Special Fire Equipment	19-119	60,000.00
General	Equipment Reserve	19-119	51,000.00
Elderly	Equipment Reserve	19-119	10,000.00
Road and Bridge	Special Road and Bridge	68-141g	230,000.00

9. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to December 31, 2012 through July 9, 2013, the date the financial statements were available for issue. During this period, there were no subsequent events requiring recognition in the financial statements or disclosure in the notes to the financial statements.

10. LONG-TERM OBLIGATIONS

The County has the following long term obligations as disclosed in the following pages.

10. LONG TERM OBLIGATIONS (Continued)

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
LINN COUNTY									
Lease Purchase Agreements									
Cat Motorgrader	4.99%	3/9/2007	164,280	3/12/2012	$18,308.76	$ -	$ 18,308.76	$ -	$ 456.82
2010 Ford Crown Victoria	6.90%	1/25/2010	71,500	1/25/2012	23,939.49	-	23,939.49	-	1,651.78
Building	3.49%	1/31/2011	125,000	1/31/2016	125,000.00	-	22,455.44	102,544.56	4,362.50
2 - 2011 Ford F150	6.00%	3/23/2011	66,868	3/23/2013	43,268.23	-	21,004.02	22,264.21	2,596.09
Cat 120M	2.82%	5/30/2012	143,816	5/30/2017	-	143,816.00	-	143,816.00	-
2013 Ford Explorer	3.50%	7/5/2012	35,419	7/1/2015	-	35,419.18	-	35,419.18	-
					210,516.48	179,235.18	85,707.71	304,043.95	9,067.19
Compensated Absences									
Vacation	N/A	N/A	N/A	N/A	130,665.00	-	-	130,665.00	N/A
Sick Pay	N/A	N/A	N/A	N/A	3,256.39	-	-	3,256.39	N/A
					133,921.39	-	-	133,921.39	
COMPONENT UNITS									
General Obligation Bonds									
Linn County Sewer District Number One (Note A)									
Series 2007	4.13%	6/1/2007	116,300	6/1/2047	112,386.00	-	1,401.00	110,985.00	4,635.92
					112,386.00	-	1,401.00	110,985.00	4,635.92
Lease Purchase Agreements									
Rural Fire District Number One									
Fire Equipment	3.75%	12/27/2010	122,338	12/27/2013	83,050.36	-	40,760.82	42,289.54	3,114.50
1997 Pumper Truck	3.75%	7/18/2011	37,857	7/18/2013	37,857.45	-	18,580.35	19,277.10	1,419.65
					120,907.81	-	59,341.17	61,566.64	4,534.15
					$577,731.68	$179,235.18	$146,449.88	$610,516.98	$ 18,237.26

Note (A) The General Obligation Bonds are for the Sewer District and are paid by the District, but are in the name of Linn County.

10. LONG TERM OBLIGATIONS (Continued)

Issue	2013	2014	2015	2016	2017	2018 to 2022	2023 to 2027	2028 to 2032	2033 to 2037	2038 to 2042	2043 to 2047	TOTAL
PRINCIPAL												
Lease Purchase Agreements												
Building	$ 23,239	$ 24,050	$ 24,890	$ 30,366	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 102,545
2 - 2011 Ford F150	22,264	-	-	-	-	-	-	-	-	-	-	22,264
Cat 120M	27,186	27,953	28,741	29,551	30,386	-	-	-	-	-	-	143,816
2013 Ford Explorer	11,403	11,802	12,215	-	-	-	-	-	-	-	-	35,419
	84,092	63,804	65,845	59,917	30,386	-	-	-	-	-	-	304,044
General Obligation Bonds - Linn County Sewer District #1												
Series 2007	1,472	1,532	1,595	1,649	1,729	9,765	11,952	14,622	17,910	21,923	26,836	110,985
Lease Purchase Agreements - Rural Fire District #1, a Component Unit												
Fire Equipment	42,290	-	-	-	-	-	-	-	-	-	-	42,290
1997 Pumper Truck	19,277	-	-	-	-	-	-	-	-	-	-	19,277
	61,567	-	-	-	-	-	-	-	-	-	-	61,567
Total Principal	$ 147,131	$ 65,336	$ 67,440	$ 61,566	$ 32,115	$ 9,765	$ 11,952	$ 14,622	$ 17,910	$ 21,923	$ 26,836	$ 476,596
INTEREST												
Lease Purchase Agreements												
Building	$ 3,579	$ 2,768	$ 1,928	$ 1,060	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,335
2 - 2011 Ford F150	1,336	-	-	-	-	-	-	-	-	-	-	1,336
Cat 120M	4,056	3,289	2,501	1,690	857	-	-	-	-	-	-	12,392
2013 Ford Explorer	1,240	841	428	-	-	-	-	-	-	-	-	2,508
	10,210	6,897	4,857	2,750	857	-	-	-	-	-	-	25,571
General Obligation Bonds - Linn County Sewer District #1												
Series 2007	4,578	4,517	4,454	4,400	4,320	20,483	18,297	15,626	12,339	8,326	3,413	100,754
Lease Purchase Agreements - Rural Fire District #1												
Fire Equipment	1,586	-	-	-	-	-	-	-	-	-	-	1,586
1997 Pumper Truck	723	-	-	-	-	-	-	-	-	-	-	723
	2,309	-	-	-	-	-	-	-	-	-	-	2,309
Total Interest	$ 17,097	$ 11,415	$ 9,311	$ 7,150	$ 5,177	$ 20,483	$ 18,297	$ 15,626	$ 12,339	$ 8,326	$ 3,413	$ 128,633
Grand Totals	$ 164,227	$ 76,751	$ 76,751	$ 68,716	$ 37,292	$ 30,248	$ 30,249	$ 30,248	$ 30,249	$ 30,249	$ 30,249	$ 605,229

LINN COUNTY, KANSAS

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

For the Year Ended December 31, 2012

Schedule 1

LINN COUNTY, KANSAS

Summary of Expenditures - Actual and Budget, Regulatory Basis

For the Year Ended December 31, 2012

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
GOVERNMENTAL FUNDS					
General Fund	$5,704,076.00	-	$5,704,076.00	$5,022,549.84	($681,526.16)
Special Revenue Funds					
Employee Benefit	2,250,000.00	38,238.01	2,288,238.01	1,989,178.98	(299,059.03)
Appraiser	244,000.00	-	244,000.00	238,462.70	(5,537.30)
Reappraisal	15,151.00	-	15,151.00	-	(15,151.00)
Rural Fire District Number One	491,281.00	1,306.78	492,587.78	490,788.04	(1,799.74)
Road and Bridge	3,421,000.00	26,766.04	3,447,766.04	3,304,165.24	(143,600.80)
911 Telephone Tax	129,854.00	-	129,854.00	79,502.99	(50,351.01)
Dare and School Resource Officer Grants	13,371.00	-	13,371.00	1,879.36	(11,491.64)
County Health Department	177,844.00	10,934.73	188,778.73	157,020.66	(31,758.07)
Special Alcohol	9,500.00	-	9,500.00	9,000.00	(500.00)
Crime Victims Assistance	52,964.00	-	52,964.00	23,523.40	(29,440.60)
Elderly	239,000.00	1,721.90	240,721.90	202,652.38	(38,069.52)
Special Parks and Recreation	3,500.00	-	3,500.00	2,000.00	(1,500.00)
Sewer District Number One	22,000.00	-	22,000.00	7,658.12	(14,341.88)
	$12,773,541.00				

LINN COUNTY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Taxes			
Current ad valorem tax	$4,011,199.78	$3,958,332.00	$52,867.78
Delinquent tax collections	71,374.24	50,000.00	21,374.24
Motor vehicle tax	256,647.29	290,666.00	(34,018.71)
Local alcohol liquor tax	1,500.82	2,769.00	(1,268.18)
Severance tax	-	4,883.00	(4,883.00)
In lieu of tax	3,393.62	-	3,393.62
Interest on taxes	70,689.62	54,000.00	16,689.62
Intergovernmental			
USDA Rural Development grant-Fed	-	-	-
Other State of Kansas	527.31	-	527.31
Emergency Preparedness - Federal	17,513.00	18,000.00	(487.00)
Kansas Department of Commerce-Fed	-	-	-
Kansas Governors Office - Federal	-	-	-
KDOT transportation grants - Federal	737.46	-	737.46
Kansas Corporation Commission-Fed	27,723.70	17,500.00	10,223.70
Licenses and Fees			
Beer and private club licenses	250.00	300.00	(50.00)
Mortgage registration fees	77,336.90	100,000.00	(22,663.10)
Officers' fees	39,243.68	35,000.00	4,243.68
Fish and game license fees	234.00	-	234.00
Filing fees	1,397.68	650.00	747.68
Other fees and permits	73,563.15	85,300.00	(11,736.85)
Treasurer's advertising fees	29,000.52	18,000.00	11,000.52
Sanitation permits	4,200.00	3,500.00	700.00
Vehicle inspection fees	9,023.96	7,000.00	2,023.96
Solid Waste fees	147,039.27	51,000.00	96,039.27
Use of Money and Property			
Interest on investments	27,910.85	60,000.00	(32,089.15)
Building rent	21,480.00	21,000.00	480.00
Sales of equipment	7,430.00	-	7,430.00
Park user fees	199,180.38	200,000.00	(819.62)
Marina and park sales	25,825.92	20,500.00	5,325.92
Other			
Mapping sales	4,318.20	4,000.00	318.20
Reimbursed expenses	44,614.90	45,000.00	(385.10)
Prior year warrants canceled	-	-	-
Miscellaneous	158,058.12	9,667.00	148,391.12
Total Cash Receipts	5,331,414.37	$5,057,067.00	$274,347.37

LINN COUNTY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Expenditures			
County Commissioners			
Personal services	$62,598.24	$62,600.00	($1.76)
Contractual services	1,250.84	3,000.00	(1,749.16)
Commodities	2,630.15	750.00	1,880.15
Capital outlay	285.97	-	285.97
County Clerk			
Personal services	94,306.69	99,000.00	(4,693.31)
Contractual services	3,805.09	7,750.00	(3,944.91)
Commodities	2,024.37	4,250.00	(2,225.63)
Capital outlay	413.98	2,500.00	(2,086.02)
County Treasurer			
Personal services	121,392.89	119,806.00	1,586.89
Contractual services	24,018.63	26,888.00	(2,869.37)
Commodities	8,312.61	8,535.00	(222.39)
Capital outlay	2,337.94	4,500.00	(2,162.06)
County Attorney			
Personal services	118,279.50	122,000.00	(3,720.50)
Contractual services	38,107.07	32,200.00	5,907.07
Commodities	17,241.40	20,000.00	(2,758.60)
Capital outlay	3,361.00	2,500.00	861.00
Register of Deeds			
Personal services	69,421.83	72,906.00	(3,484.17)
Contractual services	4,350.67	6,610.00	(2,259.33)
Commodities	2,718.58	1,500.00	1,218.58
Capital outlay	-	-	-
County Sheriff			
Personal services	848,072.68	729,500.00	118,572.68
Contractual services	270,262.64	305,000.00	(34,737.36)
Commodities	196,624.25	190,750.00	5,874.25
Capital outlay	18,119.12	103,500.00	(85,380.88)
Operating transfer to Special Vehicle Fund	-	-	-
Custodians			
Personal services	53,128.31	55,700.00	(2,571.69)
Contractual services	678.85	1,200.00	(521.15)
Commodities	5,917.81	6,900.00	(982.19)
Capital outlay	319.98	1,200.00	(880.02)
EMS			
Personal services	185.00	-	185.00
Contractual services	1,860.46	4,000.00	(2,139.54)
Capital outlay	230.01	6,000.00	(5,769.99)
Capital outlay	2,720.55	2,000.00	720.55

LINN COUNTY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)			
Unified Court			
Personal services	$67,508.77	$82,000.00	($14,491.23)
Contractual services	136,535.21	103,700.00	32,835.21
Commodities	8,720.98	16,000.00	(7,279.02)
Capital outlay	16,351.00	27,500.00	(11,149.00)
Courthouse General			
Personal services	16,489.91	17,250.00	(760.09)
Contractual services	191,999.64	200,750.00	(8,750.36)
Commodities	28,136.08	32,000.00	(3,863.92)
Capital outlay	392.48	15,000.00	(14,607.52)
Juvenile Intake Program			
Contractual services	47,623.00	48,000.00	(377.00)
Commodities	-	500.00	(500.00)
Emergency Preparedness			
Personal services	56,252.24	75,709.00	(19,456.76)
Contractual services	18,119.31	17,860.00	259.31
Commodities	23,818.17	26,200.00	(2,381.83)
Capital outlay	2,678.53	-	2,678.53
Operating Transnfer to Other Funds			
Special Fire Equipment Replacement	-	-	-
Zoning and Planning			
Personal services	28,913.40	35,500.00	(6,586.60)
Contractual services	14,154.65	12,000.00	2,154.65
Commodities	506.62	4,000.00	(3,493.38)
Capital outlay	-	2,000.00	(2,000.00)
County Counselor			
Personal services	25,778.40	25,800.00	(21.60)
Contractual services	40,749.17	44,000.00	(3,250.83)
Commodities	-	200.00	(200.00)
Discretionary Expenses			
Personal services	-	75,000.00	(75,000.00)
Contractual services	53,189.04	195,000.00	(141,810.96)
Commodities	-	-	-
Capital outlay	-	-	-
Noxious Weed			
Personal services	49,205.43	47,500.00	1,705.43
Contractual services	4,856.80	7,500.00	(2,643.20)
Commodities	30,143.50	40,000.00	(9,856.50)
Capital outlay	159.96	1,000.00	(840.04)
Operating transfer to Noxious Weed			
Capital Outlay Eradication	-	-	-

LINN COUNTY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)			
Ambulance			
Contractual services	$782,098.91	$783,900.00	($1,801.09)
Commodities	1,258.04	3,000.00	(1,741.96)
Election			
Personal services	20,151.39	20,100.00	51.39
Contractual services	39,666.20	32,400.00	7,266.20
Commodities	6,913.87	11,000.00	(4,086.13)
Capital outlay	2,051.85	1,500.00	551.85
Economic Development			
Personal services	46,607.40	44,753.00	1,854.40
Contractual services	22,002.22	44,547.00	(22,544.78)
Commodities	2,501.20	4,000.00	(1,498.80)
Capital outlay	617.00	3,000.00	(2,383.00)
Incentives/reserve	-	-	-
Extension Council			
Contractual services	119,500.00	119,500.00	-
Soil Conservation			
Contractual services	28,500.00	28,500.00	-
4-H Building			
Contractual services	12,425.48	15,000.00	(2,574.52)
Commodities	3,109.96	500.00	2,609.96
Capital outlay	430.00	2,000.00	(1,570.00)
Fair Building			
Contractual services	3,000.00	3,000.00	-
Fair Premium			
Contractual services	10,600.00	10,600.00	-
Historical Society			
Contractual services	24,000.00	24,000.00	-
Park			
Personal services	86,918.93	95,000.00	(8,081.07)
Contractual services	101,052.46	92,000.00	9,052.46
Commodities	50,866.80	48,000.00	2,866.80
Capital outlay	15,574.63	20,000.00	(4,425.37)
Special Building			
Personal services	-	-	-
Contractual services	75.00	30,000.00	(29,925.00)
Commodities	508.06	10,000.00	(9,491.94)
Capital outlay	15,988.47	25,000.00	(9,011.53)

LINN COUNTY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)			
Mental Retardation			
Appropriation to Tri-County	$73,264.00	$73,264.00	-
Mental Health			
Appropriation to SEK	93,300.00	93,300.00	-
Solid Waste			
Personal services	157,331.35	166,000.00	(8,668.65)
Contractual services	163,280.53	186,000.00	(22,719.47)
Commodities	78,937.85	73,000.00	5,937.85
Capital outlay	14,705.08	10,000.00	4,705.08
Mapping			
Personal services	69,356.12	69,000.00	356.12
Contractual services	8,685.71	10,000.00	(1,314.29)
Commodities	2,382.63	4,500.00	(2,117.37)
Capital outlay	619.98	7,600.00	(6,980.02)
Capital outlay -windfall	-	385,098.00	(385,098.00)
Debt Service on Capital Leases	76,009.32	-	76,009.32
Operating transfers to Equipment Reserve Fund	51,000.00	-	51,000.00
Total Expenditures	5,022,549.84	$5,704,076.00	($681,526.16)
Cash Receipts Over(Under) Expenditures	308,864.53		
Unencumbered Cash, Beginning	660,593.77		
Unencumbered Cash, Ending	$969,458.30		

LINN COUNTY, KANSAS
EMPLOYEE BENEFIT FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Taxes			
Current ad valorem tax	$2,114,865.90	$2,088,852.00	$26,013.90
Delinquent tax collections	31,040.93	20,000.00	11,040.93
Motor vehicle tax	117,010.03	136,111.00	(19,100.97)
In lieu of tax	1,790.89	2,287.00	(496.11)
Other			
Reimbursed expenses	40,738.01	2,500.00	38,238.01
Miscellaneous	-	250.00	(250.00)
Total Cash Receipts	2,305,445.76	$2,250,000.00	$55,445.76
Expenditures			
Employee Benefits			
Contractual services			
Social security	248,964.59	$255,000.00	($6,035.41)
Retirement	253,436.84	269,000.00	(15,563.16)
Workmen's compensation	103,024.00	150,000.00	(46,976.00)
Unemployment insurance	37,009.45	17,000.00	20,009.45
Health insurance	1,175,571.77	1,375,000.00	(199,428.23)
Life and cancer	17,889.98	21,000.00	(3,110.02)
Short term	14,544.38	15,000.00	(455.62)
Deferred Compensation	23,423.79	26,000.00	(2,576.21)
HSA Contributuions	114,580.09	121,200.00	(6,619.91)
Other	734.09	800.00	(65.91)
Subtotal Certified Budget		2,250,000.00	
Adjustments for Qualifying Budget Credits			
Reimbursed expenses	-	38,238.01	(38,238.01)
Total Expenditures	1,989,178.98	$2,288,238.01	($299,059.03)
Cash Receipts Over(Under) Expenditures	316,266.78		
Unencumbered Cash, Beginning	1,969.98		
Unencumbered Cash, Ending	$318,236.76		

LINN COUNTY, KANSAS
COMMUNITY POLICING FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Intergovernmental	
Grants	-
Total Cash Receipts	-
Expenditures	
Public Safety	
Capital outlay	-
Total Expenditures	-
Cash Receipts Over(Under) Expenditures	-
Unencumbered Cash, Beginning	1,052.88
Unencumbered Cash, Ending	$1,052.88

LINN COUNTY, KANSAS
APPRAISER FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Taxes			
Current ad valorem tax	$192,267.28	$189,463.00	$2,804.28
Delinquent tax collections	3,940.82	3,000.00	940.82
Motor vehicle tax	13,936.56	15,369.00	(1,432.44)
In lieu of tax	162.50	258.00	(95.50)
State Grant	-	-	-
Other			
Miscellaneous	4,233.51	4,000.00	233.51
Total Cash Receipts	214,540.67	$212,090.00	$2,450.67
Expenditures			
General Government			
Personal services	196,735.74	$204,000.00	($7,264.26)
Contractual services	33,499.50	25,000.00	8,499.50
Commodities	6,027.65	11,000.00	(4,972.35)
Capital outlay	2,199.81	4,000.00	(1,800.19)
Operating transfers to Reappraisal Fund	-	-	-
Total Expenditures	238,462.70	$244,000.00	($5,537.30)
Cash Receipts Over(Under) Expenditures	(23,922.03)		
Unencumbered Cash, Beginning	27,465.17		
Unencumbered Cash, Ending	$3,543.14		

LINN COUNTY, KANSAS
REAPPRAISAL FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Operating Transfer from Appraiser Fund	-	-	-
Total Cash Receipts	-	-	-
Expenditures			
General Government			
Capital outlay	-	$15,151.00	($15,151.00)
Total Expenditures	-	$15,151.00	$15,151.00
Cash Receipts Over(Under) Expenditures	-		
Unencumbered Cash, Beginning	13,256.42		
Unencumbered Cash, Ending	$13,256.42		

LINN COUNTY, KANSAS
RURAL FIRE DISTRICT NUMBER ONE FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Taxes			
Current ad valorem tax	$408,036.61	$398,820.00	$9,216.61
Delinquent tax collections	6,944.56	4,413.00	2,531.56
Motor vehicle tax	26,007.67	28,186.00	(2,178.33)
In lieu of tax	393.63	625.00	(231.37)
Other			
Reimbursed expenses	2,306.78	1,000.00	1,306.78
Prior year warrants canceled	-	-	-
Miscellaneous	70.00	-	70.00
Total Cash Receipts	443,759.25	$433,044.00	$10,715.25
Expenditures			
Public Safety			
Personal services	95,493.43	$125,255.00	($29,761.57)
Contractual services	72,753.66	128,450.00	(55,696.34)
Commodities	90,867.80	151,700.00	(60,832.20)
Capital outlay	107,797.83	85,876.00	21,921.83
Debt Service on Capital Leases	63,875.32	-	63,875.32
Operating transfer to Special Fire Equipment Replacement Fund	60,000.00	-	60,000.00
Subtotal Certified Budget		491,281.00	
Adjustment for Qualifying Budget Credits			
Reimbursed expenses	-	1,306.78	(1,306.78)
Total Expenditures	490,788.04	$492,587.78	($1,799.74)
Cash Receipts Over(Under) Expenditures	(47,028.79)		
Unencumbered Cash, Beginning	58,752.35		
Unencumbered Cash, Ending	$11,723.56		

LINN COUNTY, KANSAS
ROAD AND BRIDGE FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
Cash Receipts	Actual	Budget	Variance - Over (Under)
Taxes			
Current ad valorem tax	$2,484,279.90	$2,450,529.00	$33,750.90
Delinquent tax collections	41,983.70	30,000.00	11,983.70
Motor vehicle tax	137,040.20	142,913.00	(5,872.80)
In lieu of tax	2,100.99	2,401.00	(300.01)
Intergovernmental			
Special city and county aid	423,520.00	430,301.00	(6,781.00)
County equalization aid	4,944.77	7,500.00	(2,555.23)
Kansas Depart of Transportation-Fed	-	-	-
Emergency Preparedness - Federal	-	-	-
Emergency Preparedness - State	-	-	-
Kansas Dep of Wildlife & Parks	20,500.00	-	20,500.00
Other			
Sales	25,985.02	-	25,985.02
Dust control	16,034.25	12,000.00	4,034.25
Reimbursed expenses	25,731.79	3,000.00	22,731.79
Miscellaneous	7,005.59	500.00	6,505.59
Total Cash Receipts	3,189,126.21	$3,079,144.00	$109,982.21
Expenditures			
Streets and Highways			
Personal services	799,761.63	$867,000.00	($67,238.37)
Contractual services	108,200.94	310,000.00	(201,799.06)
Commodities	1,881,272.87	2,026,000.00	(144,727.13)
Capital outlay	166,164.22	218,000.00	(51,835.78)
Debt Service on Capital Leases	18,765.58	-	18,765.58
Operating Transfers to Other Funds			-
Special Road and Bridge	230,000.00	-	230,000.00
Special Machinery Fund	100,000.00	-	100,000.00
Subtotal Certified Budget		3,421,000.00	
Adjustment for Qualifying Budget Credits			
Unbudgeted grants	-	-	-
Dust control	-	4,034.25	(4,034.25)
Reimbursed expenses	-	22,731.79	(22,731.79)
Total Expenditures	3,304,165.24	$3,447,766.04	($143,600.80)
Cash Receipts Over(Under) Expenditures	(115,039.03)		
Unencumbered Cash, Beginning	411,216.98		
Unencumbered Cash, Ending	$296,177.95		

LINN COUNTY, KANSAS
EQUIPMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Other	
Reimbursed expenses	$1,000.00
Operating Transfer from Other Funds	
General Fund	51,000.00
Elderly Fund	10,000.00
Total Cash Receipts	62,000.00
Expenditures	
Health and Welfare	
Capital outlay	1,000.00
Total Expenditures	1,000.00
Cash Receipts Over(Under) Expenditures	61,000.00
Unencumbered Cash, Beginning	92,837.05
Unencumbered Cash, Ending	$153,837.05

LINN COUNTY, KANSAS
SPECIAL ROAD AND BRIDGE FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Other	
Reimbursed expenses	-
Operating Transfer from Road and Bridge Fund	230,000.00
Total Cash Receipts	230,000.00
Expenditures	
Streets and Highways	
Capital outlay	-
Total Expenditures	-
Cash Receipts Over(Under) Expenditures	230,000.00
Unencumbered Cash, Beginning	72,968.00
Unencumbered Cash, Ending	$302,968.00

LINN COUNTY, KANSAS
NOXIOUS WEED ERADICATION CAPITAL OUTLAY FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Operating Transfer from General Fund	-
Total Cash Receipts	-
Expenditures	
Health and Welfare	
Capital outlay	-
Total Expenditures	-
Cash Receipts Over(Under) Expenditures	-
Unencumbered Cash, Beginning	40,647.23
Unencumbered Cash, Ending	$40,647.23

LINN COUNTY, KANSAS
SPECIAL MACHINERY FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Operating Transfer from Road and Bridge Fund	$100,000.00
Total Cash Receipts	100,000.00
Expenditures	
Streets and Highways	
Capital outlay	192,654.00
Debt Service on Capital Leases	-
Total Expenditures	192,654.00
Cash Receipts Over(Under) Expenditures	(92,654.00)
Unencumbered Cash, Beginning	426,915.26
Unencumbered Cash, Ending	$334,261.26

LINN COUNTY, KANSAS
SPECIAL VEHICLE FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Operating Transfer from General Fund	-
Total Cash Receipts	-
Expenditures	
Public Safety	
Capital outlay	-
Total Expenditures	-
Cash Receipts Over(Under) Expenditures	-
Unencumbered Cash, Beginning	582.14
Unencumbered Cash, Ending	$582.14

LINN COUNTY, KANSAS
HEALTH CAPITAL OUTLAY FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Operating Transfer from County Health Department Fund	-
Total Cash Receipts	-
Expenditures	
Public Safety	
Capital outlay	-
Total Expenditures	-
Cash Receipts Over(Under) Expenditures	-
Unencumbered Cash, Beginning	20,000.00
Unencumbered Cash, Ending	$20,000.00

LINN COUNTY, KANSAS
C.D.B.G. REVOLVING LOAN FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Intergovernmental	
Micro loan & interest	$283.52
Total Cash Receipts	283.52
Expenditures	
Economic Development	
Contractual	-
Total Expenditures	-
Cash Receipts Over(Under) Expenditures	283.52
Unencumbered Cash, Beginning	33,279.35
Unencumbered Cash, Ending	$33,562.87

LINN COUNTY, KANSAS
911 TELEPHONE TAX FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Taxes			
911 Telephone tax	$59,076.87	$50,000.00	$9,076.87
Intergovernmental			
State grants	-	-	-
Other			
Miscellaneous	481.08	-	481.08
Total Cash Receipts	59,557.95	$50,000.00	$9,557.95
Expenditures			
Public Safety			
Contractual	2,943.78	$10,000.00	($7,056.22)
Capital outlay	76,559.21	119,854.00	(43,294.79)
Subtotal Certified Budget		129,854.00	
Adjustment for Qualifying Budget Credits			
State grants	-	-	-
Total Expenditures	79,502.99	$129,854.00	($50,351.01)
Cash Receipts Over(Under) Expenditures	(19,945.04)		
Unencumbered Cash, Beginning	95,033.00		
Unencumbered Cash, Ending	$75,087.96		

LINN COUNTY, KANSAS
SPECIAL FIRE EQUIPMENT REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Intergovernmental	
Federal grant	$2,150.00
Emergency Preparedness grant	-
Other	
Reimbursed expenses	2,187.25
Operating Transfer from Other Funds	
General	-
Rural Fire District Number One	60,000.00
Total Cash Receipts	64,337.25
Expenditures	
Public Safety	
Capital outlay	25,687.25
Total Expenditures	25,687.25
Cash Receipts Over(Under) Expenditures	38,650.00
Unencumbered Cash, Beginning	137,288.61
Unencumbered Cash, Ending	$175,938.61

LINN COUNTY, KANSAS
DARE AND SCHOOL RESOURCE OFFICER GRANTS FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Other			
Reimbursements	-	-	-
Miscellaneous	2,150.00	3,500.00	(1,350.00)
Total Cash Receipts	2,150.00	$3,500.00	($1,350.00)
Expenditures			
Public Safety			
Personal services	-	-	-
Contractual services	980.00	3,500.00	(2,520.00)
Commodities	899.36	9,871.00	(8,971.64)
Capital Outlay	-	-	-
Subtotal Certified Budget		13,371.00	
Adjustment for Qualifying Budget Credits			
Reimbursements	-	-	-
Total Expenditures	1,879.36	$13,371.00	($11,491.64)
Cash Receipts Over(Under) Expenditures	270.64		
Unencumbered Cash, Beginning	11,440.64		
Unencumbered Cash, Ending	$11,711.28		

LINN COUNTY, KANSAS
COUNTY HEALTH DEPARTMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Taxes			
Current ad valorem tax	$22,328.45	$22,065.00	$263.45
Delinquent tax collections	420.23	250.00	170.23
Motor Vehicle tax	564.60	625.00	(60.40)
In lieu of tax	18.94	10.00	8.94
Intergovernmental			
State grants	71,177.73	60,243.00	10,934.73
Other grants	-	-	-
Services Provided			
Patient fees	28,774.47	40,000.00	(11,225.53)
Other			
Reimbursed expenses	88.40	13,004.00	(12,915.60)
Total Cash Receipts	123,372.82	$136,197.00	($12,824.18)
Expenditures			
Public Health			
Personal services	119,780.49	$134,069.00	($14,288.51)
Contractual services	15,232.56	22,775.00	(7,542.44)
Commodities	16,177.54	21,000.00	(4,822.46)
Capital outlay	5,830.07	-	5,830.07
Operating Transfer to other Funds			
Health Capital Outlay	-	-	-
Subtotal Certified Budget		177,844.00	
Adjustment for Qualifying			
Budget Credits			
Grants received in excess of budget	-	10,934.73	(10,934.73)
Reimbursed expenses	-	-	-
Total Expenditures	157,020.66	$188,778.73	($31,758.07)
Cash Receipts Over(Under) Expenditures	(33,647.84)		
Unencumbered Cash, Beginning	43,075.74		
Unencumbered Cash, Ending	$9,427.90		

LINN COUNTY, KANSAS
REGISTER OF DEEDS TECHNOLOGY FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Licenses and Fees	
Technology fees	$15,582.00
Use of Money and Property	
Interest	9.82
Total Cash Receipts	15,591.82
Expenditures	
Public Safety	
Contractual services	11,279.03
Commodities	-
Capital Outlay	-
Total Expenditures	11,279.03
Cash Receipts Over(Under) Expenditures	4,312.79
Unencumbered Cash, Beginning	2,958.97
Unencumbered Cash, Ending	$7,271.76

LINN COUNTY, KANSAS
SPECIAL ALCOHOL FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Intergovernmental			
Local alcohol liquor tax	$6,465.96	$9,361.00	($2,895.04)
Total Cash Receipts	6,465.96	$9,361.00	($2,895.04)
Expenditures			
Health and Welfare			
Contractual services	9,000.00	$9,500.00	($500.00)
Total Expenditures	9,000.00	$9,500.00	($500.00)
Cash Receipts Over(Under) Expenditures	(2,534.04)		
Unencumbered Cash, Beginning	4,477.24		
Unencumbered Cash, Ending	$1,943.20		

LINN COUNTY, KANSAS
CRIME VICTIMS ASSISTANCE FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Intergovernmental			
Federal grant passed through the State	$20,960.00	$25,150.00	($4,190.00)
Other			
Reimbursed expense	-	-	
Total Cash Receipts	20,960.00	$25,150.00	($4,190.00)
Expenditures			
Health and Welfare			
Personal services	23,453.40	$25,000.00	($1,546.60)
Contractual services	70.00	27,464.00	(27,394.00)
Commodities	-	500.00	(500.00)
Capital Outlay	-	-	-
Total Expenditures	23,523.40	$52,964.00	($29,440.60)
Cash Receipts Over(Under) Expenditures	(2,563.40)		
Unencumbered Cash, Beginning	29,688.37		
Unencumbered Cash, Ending	$27,124.97		

LINN COUNTY, KANSAS
ELDERLY FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Taxes			
Current ad valorem tax	$173,150.59	$170,947.00	$2,203.59
Delinquent tax collections	2,900.76	1,900.00	1,000.76
Motor vehicle tax	10,500.56	11,874.00	(1,373.44)
In lieu of tax	146.52	199.00	(52.48)
Intergovernmental			
KDOT Capital grant	-	-	-
Transportation grants-State	34,721.90	33,000.00	1,721.90
Other			
Rents	2,335.00	2,500.00	(165.00)
Donations	5,732.05	2,500.00	3,232.05
Reimbursed expenses	158.37	1,000.00	(841.63)
Prior year warrants canceled	-	-	-
Miscellaneous	-	-	-
Total Cash Receipts	229,645.75	$223,920.00	$5,725.75
Expenditures			
Health and Welfare			
Personal services	55,652.28	$62,000.00	($6,347.72)
Contractual services	113,214.72	117,500.00	(4,285.28)
Commodities	21,907.10	49,500.00	(27,592.90)
Capital outlay	1,878.28	10,000.00	(8,121.72)
Operating transfers to			
Equipment Reserve Fund	10,000.00	-	10,000.00
Subtotal Certified Budget		239,000.00	
Adjustments for Qualified Budget Credits			
Grants in excess of budget	-	1,721.90	(1,721.90)
Total Expenditures	202,652.38	$240,721.90	($38,069.52)
Cash Receipts Over(Under) Expenditures	26,993.37		
Unencumbered Cash, Beginning	33,874.56		
Unencumbered Cash, Ending	$60,867.93		

LINN COUNTY, KANSAS
ECONOMIC DEVELOPMENT GRANT FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Intergovernmental	
Other grants	$346,787.50
Other	
Miscellaneous	-
Total Cash Receipts	346,787.50
Expenditures	
Public Safety	
Contractual services	267,346.21
Commodities	2,188.24
Capital outlay	36,213.46
Total Expenditures	305,747.91
Cash Receipts Over(Under) Expenditures	41,039.59
Unencumbered Cash, Beginning	59,240.99
Unencumbered Cash, Ending	$100,280.58

LINN COUNTY, KANSAS
ZONING LEPP GRANT FUND
Schedule of Receipts and Expenditures - Actual , Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Intergovernmental	
State grants	-
Total Cash Receipts	-
Expenditures	
Public Safety	
Personal services	2,505.23
Contractual services	-
Commodities	-
Capital outlay	-
Total Expenditures	2,505.23
Cash Receipts Over(Under) Expenditures	(2,505.23)
Unencumbered Cash, Beginning	3,397.16
Unencumbered Cash, Ending	$891.93

LINN COUNTY, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Intergovernmental			
Local alcohol liquor tax	$1,500.81	$2,769.00	($1,268.19)
Total Cash Receipts	1,500.81	$2,769.00	($1,268.19)
Expenditures			
Culture and Recreation			
Contractual services	2,000.00	$3,500.00	($1,500.00)
Total Expenditures	2,000.00	$3,500.00	($1,500.00)
Cash Receipts Over(Under) Expenditures	(499.19)		
Unencumbered Cash, Beginning	1,398.30		
Unencumbered Cash, Ending	$899.11		

LINN COUNTY, KANSAS
LINN COUNTY SEWER DISTRICT NUMBER ONE FUND
Schedule of Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		
	Actual	Budget	Variance - Over (Under)
Cash Receipts			
Taxes			
Special Sewer Assessments			
Current Taxes Collected by District	$6,174.92	$8,761.00	($2,586.08)
Current Taxes Collected by County	1,171.20	-	1,171.20
Delinquent Collected by County	312.00	-	312.00
Total Cash Receipts	7,658.12	$8,761.00	($1,102.88)
Expenditures			
Health and Welfare			
Contractual services	1,621.20	$15,963.00	($14,341.80)
Debt Service			
Principal	1,401.00	1,401.00	-
Interest	4,635.92	4,636.00	(0.08)
Other	-	-	-
Total Expenditures	7,658.12	$22,000.00	($14,341.88)
Cash Receipts Over(Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	-		

LINN COUNTY, KANSAS

Summary of Receipts and Disbursements - All Agency Funds, Regulatory Basis
For the Year Ended December 31, 2012

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
General Agency Funds	$26,097.16	$3,552,405.36	$3,534,176.32	$44,326.20
Distributable Funds:				
Current Taxes	$10,830,452.71	$20,542,223.79	$19,582,458.93	$11,790,217.57
Advanced Taxes	-	-	-	-
Escaped Taxes	-	408.98	-	408.98
Real Estate Redemptions	99,558.36	340,358.85	320,279.34	119,637.87
Partial Collections	-	-	-	-
Prior Year Personal Property	3,608.38	12,161.86	12,135.99	3,634.25
Delinquent Personal Property	0.00	36,657.74	36,657.74	0.00
Neighborhood Revitalization	-	-	-	-
Motor Vehicle Personal Tax	262,801.91	1,082,672.73	1,066,881.32	278,593.32
Recreational Vehicle Tax	7,851.00	31,382.65	33,055.77	6,177.88
Tax foreclosure	138,100.61	15,646.36	142,669.26	11,077.71
In Lieu of Taxes	-	14,791.00	14,791.00	-
Total Distributable Funds	$11,342,372.97	$22,076,303.96	$21,208,929.35	$12,209,747.58
State Funds:				
State of Kansas	-	$258,088.20	$258,088.20	-
Total State Funds	-	$258,088.20	$258,088.20	-
Subdivision Funds:				
School Districts	$653.59	$8,126,570.28	$8,127,223.87	-
Townships	-	127,689.89	127,689.88	0.01
Cities	-	1,448,634.68	1,448,634.68	-
Cemetery Districts	-	60,165.79	60,165.79	-
Libraries	-	661,252.16	661,252.16	-
Hospital District #1	-	251,194.47	251,194.47	-
Centerville Light District	(0.01)	411.51	411.50	-
Watershed District #90	0.01	52.94	52.96	(0.01)
Total Subdivision Funds	$653.59	$10,675,971.72	$10,676,625.31	-

LINN COUNTY, KANSAS

Summary of Receipts and Disbursements - All Agency Funds, Regulatory Basis
For the Year Ended December 31, 2012

Fund	Ending Cash Balance	Receipts	Disbursements	Ending Cash Balance
County Offices:				
County Treasurer	$29,234.01	$1,121,932.02	$1,125,529.99	$25,636.04
Register of Deeds	5,136.15	134,473.94	136,335.85	3,274.24
County Sheriff	6,874.79	126,865.66	126,620.69	7,119.76
Clerk of the District Court	113,586.90	523,157.19	601,993.88	34,750.21
Park Manager	17,669.93	228,270.05	225,006.30	20,933.68
Law Library	22,556.47	9,333.41	12,966.53	18,923.35
Total County Offices	$195,058.25	$2,144,032.27	$2,228,453.24	$110,637.28
GRAND TOTAL - AGENCY FUNDS	$11,564,181.97	$38,706,801.51	$37,906,272.42	$12,364,711.06