

HARVEY COUNTY, KANSAS

DECEMBER 31, 2012

HARVEY COUNTY, KANSAS

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LINDBURG  
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INDEPENDENT AUDITORS' REPORT

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The Board of County Commissioners  
Harvey County, Kansas  
Newton, Kansas

**Report on the Financial Statement**

We have audited the accompanying financial statement of Harvey County, Kansas (the County) which comprise the summary of cash receipts, expenditures, and unencumbered cash, as of and for the year ended December 31, 2012, and the related notes to the financial statement.

**Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis and budget laws of the State of Kansas as prescribed by Kansas Municipal Audit and Accounting Guide (KMAAG), 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 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 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 the auditor's judgment, including the assessment of the risks of material misstatement, 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 the accounting policies used and the reasonableness of significant 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 reasonable basis for our audit opinion.

**Basis for Adverse Opinion on United States Generally Accepted Accounting Principles**

As described in note 1 of the financial statement, the financial statement is prepared by the County in accordance with the cash basis and budget laws of the State of Kansas as prescribed by KMAAG to meet the requirements of the State of Kansas, 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 United States Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on United States Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2012, or the respective changes in financial position or where applicable, its changes in cash flows for the year then ended.

#### Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the County, as of December 31, 2012, and the aggregate cash receipts and expenditures for the year then ended in accordance with the cash basis and budget laws of the State of Kansas as prescribed by KMAAG described in note 1.

#### Other Matters

##### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statement. The schedule of expenditures - actual and budget, the individual fund schedules of cash receipts and expenditures - actual and budget, the schedule of cash receipts and cash disbursements - agency funds, and the schedule of cash receipts and expenditures - Harvey County Public Building Commission (Schedules 1 through 4, as listed in the table of contents) are presented for additional analysis and are not a required part of the financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by United States 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 of the County. The schedule of expenditures - actual and budget, the individual fund schedules of cash receipts and expenditures - actual and budget, the schedule of cash receipts and cash disbursements - agency funds, the schedule of cash receipts and expenditures - Harvey County Public Building Commission, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement taken as a whole on the basis of accounting described in note 1.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated April 26, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the County's internal control over financial reporting and compliance.

*Lindburg Vogel Pierce Faris*

Certified Public Accountants

Hutchinson, Kansas  
April 26, 2013

## HARVEY COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS  
For Year Ended December 31, 2012

Page 1 of 3

Funds	Beginning Unencumbered Cash Balance	Prior Year Encumbrances Canceled	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>GOVERNMENTAL TYPE FUNDS</b>							
General fund	\$ 1,808,344	\$ -	\$ 11,124,143	\$ 10,039,981	\$ 2,892,506	\$ 282,213	\$ 3,174,719
Special purpose funds							
Road and bridge	532,613	-	2,072,780	2,005,653	599,740	47,045	646,785
Noxious weed	43,368	-	168,484	160,734	51,118	3,923	55,041
Agriculture Extension Council	-	-	310,931	293,559	17,372	-	17,372
Election	-	-	3,272	3,272	-	-	-
Mental health	-	-	16,059	16,059	-	-	-
Mental retardation	-	-	13,407	13,407	-	-	-
Soil conservation	-	-	2,135	2,135	-	-	-
Elderly services program	33,953	-	286,899	263,424	57,428	7,629	65,057
Harvey County 9-1-1	-	-	207,690	133,439	74,251	6,310	80,561
Emergency telephone services	19,101	-	-	19,101	-	-	-
Emergency wireless telephone services	76,685	-	354	16,896	60,143	5,261	65,404
Elderly services transportation	52,365	-	141,637	127,092	66,910	3,172	70,082
Special alcohol and drug program	2,342	-	2,528	-	4,870	-	4,870
Special parks and recreation	4,534	-	2,528	5,864	1,198	-	1,198
Diversion	2,860	-	34,461	22,962	14,359	613	14,972
Road impact fees	86,925	-	10,333	36,347	60,911	-	60,911
Capital improvement	269,048	-	65,000	158,694	175,354	-	175,354
Register of Deeds technology	106,304	-	56,104	47,260	115,148	464	115,612
Special highway improvement	551,312	-	46,981	4,256	594,037	-	594,037
Rhoades Foundation	1,527	-	-	298	1,229	-	1,229
Equipment reserve	203,406	-	213,000	317,937	98,469	-	98,469
Special law enforcement	16,067	-	34,647	35,780	14,934	1,349	16,283
County Attorney forfeiture	1,776	-	-	-	1,776	-	1,776
Prosecutor's training and assistance	10,164	-	2,890	1,500	11,554	-	11,554
Health and wellness	1,749	-	29,425	7,080	24,094	-	24,094
West Park jetty grant	534	-	-	-	534	-	534
Sheriff reserves	-	-	272	-	272	-	272
Oscar task force fund	1,828	-	-	-	1,828	-	1,828
Sheriff justice assistance grant	222	-	7,650	7,872	-	-	-
Parks contributions and donations	99	-	-	99	-	-	-
Health department grant	168,344	-	426,485	445,250	149,579	11,811	161,390
Vehicle license	-	-	266,258	266,258	-	-	-
Total special purpose funds	2,187,126	-	4,422,210	4,412,228	2,197,108	87,577	2,284,685

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

## HARVEY COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS  
For Year Ended December 31, 2012

Page 2 of 3

Funds	Beginning Unencumbered Cash Balance	Prior Year Encumbrances Canceled	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Capital project funds							
Kansas Logistics Park	\$ 3,740	- \$	- \$	- \$	3,740	- \$	3,740
Fairground improvement project	671	-	-	-	671	-	671
Airport runway improvement project	-	-	300,290	225,326	74,964	-	74,964
Total capital project funds	4,411	-	300,290	225,326	79,375	-	79,375
Bond and interest fund							
Bond and interest	145,961	-	1,016,230	1,077,093	85,098	-	85,098
Business fund							
Solid waste	309,454	-	1,831,945	1,812,677	328,722	71,536	400,258
TOTAL PRIMARY GOVERNMENT	4,455,296	-	18,694,818	17,567,305	5,582,809	441,326	6,024,135
RELATED MUNICIPAL ENTITY							
Harvey County, Kansas Public Building Commission	-	-	258,615	258,615	-	-	-
TOTAL REPORTING ENTITY (excluding agency funds)	\$ 4,455,296	\$ -	\$ 18,953,433	\$ 17,825,920	\$ 5,582,809	\$ 441,326	\$ 6,024,135

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

## HARVEY COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH -  
REGULATORY BASIS

For Year Ended December 31, 2012

Page 3 of 3

## COMPOSITION CASH

## County Treasurer

Cash and cash items	\$ 443,177
Checking accounts	10,633,009
Money market accounts	13,000,000
Kansas Municipal Investment Pool	<u>1,138,845</u>

Total County Treasurer	<u>25,215,031</u>
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## County Clerk

Checking account - outstanding warrant checks	<u>(230,058)</u>
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## County Administration

Checking account	<u>55,072</u>
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## Sheriff

Checking account	<u>86,586</u>
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## Register of Deeds

Checking account	<u>41,110</u>
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## Clerk of the District Court

Checking account	<u>43,600</u>
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## Law Library

Checking account	4,722
Money market account	3,401
Certificates of deposit	<u>27,894</u>

Total Law Library	<u>36,017</u>
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TOTAL CASH	25,247,358
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Less - agency funds (Schedule 3)	<u>(19,223,223)</u>
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## TOTAL REPORTING ENTITY

\$ 6,024,135
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The notes to the financial statement are an integral part of this statement.



HARVEY COUNTY, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
December 31, 2012

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial Reporting Entity

Harvey County, Kansas (the County) is organized under the laws of the State of Kansas and is governed by an elected three-member board. This regulatory financial statement presents Harvey County (the primary government) and its related municipal entity, the Harvey County Public Building Commission, but does not include the related municipal entity the Harvey County Extension Council.

The Harvey County Public Building Commission (HCPBC) was established to benefit the County and other Kansas governmental entities and is governed by a separate five-member board, four of which are appointed by the Harvey County Board of County Commissioners and one who is appointed by the governing body of the City of Newton, Kansas. The HCPBC has the authority to issue revenue bonds to finance the cost of acquiring and/or constructing land and facilities operated for a public purpose by any Kansas governmental entity. The HCPBC finances the debt service of the revenue bonds by leasing the land and facilities to the governmental entity that operates it. The operating governmental entity guarantees the rentals under the HCPBC lease. The HCPBC has no power to levy taxes, and revenue bonds issued by the HCPBC are not included in any legal debt limitations of the operating governmental entity. The HCPBC does not issue a separate financial statement, as it has only one fund that is reflected separately in this financial statement.

Harvey County Extension Council – The Harvey County Extension Council (the Council) provides services in such areas as agriculture, home economics, and 4-H clubs, to all persons of the County. The Council is a component unit of the County because of their fiscal dependency. The Council has an elected executive board. The County annually budgets an appropriation for the Council. The Harvey County Extension Council's financial statements are available at their offices.

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, restrictions, or limitations.

Kansas Municipal Audit and Accounting Guide Regulatory Basis of Presentation Fund Definitions

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

General fund – used to account for all unrestricted resources, except those required to be accounted for in a separate fund, devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund.

Special purpose funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Bond and interest funds – used to account for the accumulation of resources for the payment of interest and principal on long-term debt.

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

Business funds – funds financed in whole or in part by fees charged to users of the goods and services.

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

#### Regulatory Basis of Accounting and Departures from Generally Accepted Accounting Principles

The regulatory basis of accounting, as prescribed in Kansas Municipal Audit and Accounting Guide (KMAAG), 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 reporting the changes in unencumbered cash and investments of a fund resulting from the regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

#### 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. 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 original 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 amended budgets for the year ended December 31, 2012.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds.

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

A legal operating budget is not required for capital project funds, fiduciary funds, and certain special purpose funds, as listed in the table of contents.

Controls over 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.

### Tax Cycle

The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the County. The County Appraiser annually determines assessed valuations based on real property transactions as recorded by the Register of Deeds and personal property holdings reported by taxpayers. The Clerk spreads the annual assessment on the tax rolls and the County Treasurer collects the taxes for all taxing entities within the County.

In accordance with 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. One half of the property taxes are due December 20 prior to the fiscal year for which they are budgeted, and the second half is due the following May 10. Delinquent taxes were assessed interest as prescribed by Kansas statute. The interest is retained by the County.

Taxes levied to finance the budget are made available to the County funds after January 1 and are distributed by the County Treasurer approximately every month and a half. Approximately 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

### Estimates

The preparation of the financial statement requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities, (2) disclosures such as contingencies, and (3) the reported amounts of revenues and expenses included in such financial statement. Actual results could differ from those estimates.

### Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds and the HCPBC. The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. The pooled cash is invested, to the extent available, in authorized investments. Each fund's portion of the pool is displayed separately on the summary of cash receipts, expenditures, and unencumbered cash.

During 2012, the County invested in certificates of deposit and the Kansas Municipal Investment Pool (overnight pool). Investments are stated at cost. Earnings from the investments of the primary government are recorded in the general fund.

The Kansas Municipal Investment Pool is operated by the State Treasurer. This pool is not an SEC registered pool. The Pooled Money Investment Board provides the regulatory oversight for this pool. The pool's fair value is the same as the value of the pool's shares.

### Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses included in the financial statement 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.

## NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Compliance with Kansas Statutes

Management was not aware of any statutory violations for the year ended December 31, 2012.

## NOTE 3—DEPOSITS AND INVESTMENTS

The County's policies relating to deposits and investments are governed by various Kansas statutes. Those statutes specify the type of deposits and investments as well as the securing of those 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 County 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.

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.

#### Interest Rate Risk

In accordance with Kansas statute 12-1675, the County manages its exposure to interest rate fluctuations by limiting all time investments to maturities of two years or less. The County has no other policies that would further limit interest rate risk.

#### 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, the Federal Home Loan Bank of Topeka, or deposit guaranty bonds coverage.

At December 31, 2012, the County's carrying amount of deposits was \$23,665,336 and the bank balance was \$24,253,241. Of the bank balance, \$829,021 was covered by federal depository insurance and the remaining \$23,424,220 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

#### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes limit the amount of credit risk by restricting governments to specific investment types as listed in K.S.A. 12-1675. The County's practice is to invest funds in United States obligations and the Kansas Municipal Investment Pool.

As of December 31, 2012, the County had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 1,138,845</u>	<u>\$ 1,138,845</u>	S&P AAAf/S1+

At December 31, 2012, the County had invested \$1,138,845 in the Kansas Municipal Investment Pool (KMIP). KMIP is under the oversight of the pooled money investment board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the United States government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, KMIP may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

#### Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. 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. The County manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area and monies in the KMIP are diverse according to the policies of the investment pool.

## NOTE 4—LONG-TERM DEBT

At year end, the County's long-term debt consisted of the following issues:

Issue	Interest Rates	Date of Issue	Amount of Issue	Final Maturity
PRIMARY GOVERNMENT				
General obligation bonds				
Series 2009	3.25%-4.25%	12/01/09	\$ 918,500	11/01/25
Series 2010 refunding	2.00%-3.00%	08/10/10	1,880,000	11/01/15
Series 2011	3.00%-4.00%	05/11/11	3,335,000	11/01/31
Series 2012	2.00%-3.25%	09/01/12	300,000	11/01/22
Temporary notes				
Series 2010	2.00%-3.00%	10/26/10	299,000	11/01/14
Capital leases				
Harvey County Fairground, Series 2008A	3.50%-4.45%	08/15/08	770,000	08/01/21
Harvey County Fairground, Series 2008B	3.50%-4.75%	08/15/08	145,000	08/01/13
Harvey County Fairground, Series 2010	1.10%-1.90%	12/22/10	460,000	08/01/14

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

Issue	Balance Beginning of Year	Additions	Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds						
Series 2009	\$ 905,000	\$ -	\$ 50,000	\$ -	\$ 855,000	\$ 35,373
Series 2010 refunding	1,305,000	-	380,000	-	925,000	28,263
Series 2011	3,335,000	-	70,000	-	3,265,000	167,653
Series 2012	-	300,000	-	-	300,000	-
Total general obligation bonds	5,545,000	300,000	500,000	-	5,345,000	231,289
Temporary notes						
Series 2010	205,000	-	60,000	-	145,000	5,200
Capital leases						
Harvey County Fairground, Series 2008A	770,000	-	-	-	770,000	31,738
Harvey County Fairground, Series 2008B	100,000	-	70,000	-	30,000	4,575
Harvey County Fairground, Series 2010	450,000	-	145,000	-	305,000	7,303
Total capital leases	1,320,000	-	215,000	-	1,105,000	43,616
Other long-term debt						
Commitment for City of Newton bonds	307,577	-	25,607	-	281,970	14,544
	<u>\$ 7,377,577</u>	<u>\$ 300,000</u>	<u>\$ 800,607</u>	<u>\$ -</u>	<u>\$ 6,876,970</u>	<u>\$ 294,649</u>

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

<u>General Obligation Bonds</u>		<u>Principal</u>	<u>Interest</u>
2013	\$	590,000	\$ 174,423
2014		485,000	158,655
2015		490,000	146,003
2016		225,000	132,802
2017		230,000	125,800
2018-2022		1,270,000	516,435
2023-2027		1,165,000	296,990
2028-2031		890,000	89,630
		<u>\$ 5,345,000</u>	<u>\$ 1,640,738</u>
<u>Temporary Notes</u>		<u>Principal</u>	<u>Interest</u>
2013	\$	70,000	\$ 4,000
2014		75,000	2,250
		<u>\$ 145,000</u>	<u>\$ 6,250</u>
<u>Capital Leases</u>		<u>Principal</u>	<u>Interest</u>
2013	\$	230,000	\$ 38,508
2014		235,000	32,932
2015		85,000	27,028
2016		85,000	23,627
2017		90,000	20,185
2018-2021		380,000	42,290
		<u>\$ 1,105,000</u>	<u>\$ 184,570</u>
<u>Commitment for City of Newton Bonds</u>		<u>Principal</u>	<u>Interest</u>
2013	\$	26,583	\$ 13,364
2014		28,164	12,113
2015		29,400	10,753
2016		30,651	9,319
2017		20,330	7,806
2018-2022		100,916	23,884
2023-2027		37,489	6,442
2028-2030		8,437	791
		<u>\$ 281,970</u>	<u>\$ 84,472</u>



### Commitment for City Bonds

The County makes periodic payments to the City of Newton, Kansas (City), for airport and sewer improvements that were funded by bonds issued by the City. The County is obligated by way of interlocal agreement to make the airport and sewer improvement payments, and has established a formal schedule of planned payments of principal and interest.

### Conduit Debt

The County is authorized to issue Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities of the County in the accompanying financial statement.

Outstanding Industrial Revenue Bonds at December 31, 2012, included the following:

<u>Purpose</u>	<u>Date Issued</u>	<u>Amount</u>
Bigs Property, L.L.C.	07/10/09	<u>\$ 2,210,856</u>

### NOTE 5—LONG-TERM DEBT – COMPONENT UNIT

Harvey County Public Building Commission is authorized to issue revenue bonds to finance the cost of acquiring and/or constructing land and facilities. The revenue bonds issued by Harvey County Public Building Commission represent the underlying debt of the capital leases of the primary government. The capital lease payments from the County are the source of revenue that Harvey County Public Building Commission will use to retire the revenue bonds as they mature.

At year end, Harvey County Building Commission's long-term debt consisted of the following issues:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
Component unit - Harvey County Public Building Commission				
Revenue bonds				
Harvey County Fairground, Series 2008A	3.50%-4.45%	08/15/08	\$ 770,000	08/01/21
Harvey County Fairground, Series 2008B	3.50%-4.75%	08/15/08	145,000	08/01/13
Harvey County Fairground, Series 2010	1.10%-1.90%	12/22/10	460,000	08/01/14

Changes in long-term debt of Harvey County Building Commission for the year ended December 31, 2012, were as follows:

Issue	Balance Beginning of Year	Additions	Payments	Balance End of Year	Interest Paid
Revenue bonds					
Harvey County Fairground, Series 2008A	\$ 770,000	\$ -	\$ -	\$ 770,000	\$ 31,738
Harvey County Fairground, Series 2008B	100,000	-	70,000	30,000	4,575
Harvey County Fairground, Series 2010	450,000	-	145,000	305,000	7,303
	<u>\$ 1,320,000</u>	<u>\$ -</u>	<u>\$ 215,000</u>	<u>\$ 1,105,000</u>	<u>\$ 43,616</u>

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

Revenue Bonds	Principal	Interest
2013	\$ 230,000	\$ 38,508
2014	235,000	32,932
2015	85,000	27,028
2016	85,000	23,627
2017	90,000	20,185
2018-2021	380,000	42,290
	<u>\$ 1,105,000</u>	<u>\$ 184,570</u>

#### NOTE 6—INTERFUND TRANSFERS

A summary of operating interfund transfers is as follows:

Transfer From:	Transfer To:	Amount	Statutory Authority
General	Equipment reserve	\$ 178,000	K.S.A. 19-119
General	Health grant	28,019	Grant match
General	Elderly service transportation	28,400	Grant match
Road and bridge	Equipment reserve	35,000	K.S.A. 19-119
Elderly services program	Elderly service transportation	14,500	Grant match
Solid waste	Capital improvement	65,000	K.S.A. 19-120
Solid waste	Bond and interest	408,263	Budgeted
Vehicle	General	243,729	K.S.A. 8-145
Election	General	3,272	K.S.A. 79-2958
Mental health	General	16,059	K.S.A. 79-2958
Mental retardation	General	13,407	K.S.A. 79-2958
Conservation	General	2,135	K.S.A. 79-2958



## NOTE 7—CAPITAL PROJECTS

At year end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Kansas Logistics Park	Fairground Improvement Project	Airport Runway Project
Total project authorization	\$ 3,373,450	\$ 1,389,871	\$ 300,290
Expenditures to date	<u>3,369,710</u>	<u>1,377,788</u>	<u>225,326</u>
Project authorization remaining	<u>\$ 3,740</u>	<u>\$ 12,083</u>	<u>\$ 74,964</u>

## NOTE 8—DEFINED BENEFIT PENSION PLANS

### Plan Description

The County participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multi-employer defined benefit pension plan as provided by K.S.A. 74-4901 et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefit. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statement and supplementary information. These reports may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

### Funding Policy

K.S.A. 74-4919 and K.S.A. 79-49,210 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 member employee contribution rate at 4.00% of covered salary for Tier 1 members and at 6.00% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7.00% 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 the 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. The KPERS employer rate established by statute for 2012 was 8.34%; except for the period April 1, 2012 through June 30, 2012, when the rate was 7.34%. The County's contributions to KPERS for the years ended December 31, 2012, 2011, and 2010, were \$393,062, \$362,762, and \$323,433, respectively, equal to the statutory required contributions for each year. The KP&F uniform participating employer rate established for fiscal years beginning in 2012 was 16.54%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The County's contributions to KP&F for the years ended December 31, 2012, 2011, and 2010, were \$150,002, \$136,632, and \$118,925, respectively, equal to the statutory required contributions for each year.

## NOTE 9—DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During 1997, the plan was amended to conform to the Small Business Jobs Protection Act of 1996. As such, the plan assets and related future obligations are not reported on the financial statement of the County.

## NOTE 10—OTHER LONG-TERM LIABILITIES

### Closure and Postclosure Care Costs – Landfill and Related Facilities

State and federal laws and regulations require the County to place a final cover on each of its landfill sites when it stops accepting waste at that site and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as a liability based on landfill capacity used as of each year end. The County discontinued accepting waste at its municipal solid waste landfill in October 2001, and issued \$1,100,000 of General Obligation Bonds on November 15, 2002, to finance the closure costs. The final cover was completed in March 2003.

In addition, the County operates a construction and demolition landfill adjacent to the north boundary of the closed municipal solid waste landfill, a transfer station, in addition to facilities for composting and household hazardous waste collection.

Under the basis of accounting discussed in note 1, the County recognizes expenses, generally when paid; therefore, the closure and postclosure care costs will be recognized in future years as incurred.

Estimated capacity, usage, remaining life, and the estimated liabilities for closure and postclosure care costs at December 31, 2012, were as follows:

	Municipal Solid Waste Landfill	Construction and Demolition	Transfer Station	Compost	Household Hazardous Waste	Solid Waste Processor
Permit no.	119	812	119	812	546	828
Date closed	Oct-01					
Final cover	Mar-03					
Estimated remaining life (years)	N/A					
Estimated total capacity (cubic yards)	N/A					
Percentage capacity used	N/A					
Estimated closure costs	\$ -	\$ 202,404	\$ 11,924	\$ 47,850	\$ 11,840	\$ 2,950
Estimated postclosure cost	808,302	-	-	-	-	-
	<u>\$ 808,302</u>	<u>\$ 202,404</u>	<u>\$ 11,924</u>	<u>\$ 47,850</u>	<u>\$ 11,840</u>	<u>\$ 2,950</u>

Estimated total costs of closure and postclosure care are based on what it would cost to perform all closure and postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is also subject to various laws and regulations regarding groundwater contamination and other environmental remediation at the landfill and the related facilities. The cost of complying with existing and future changes to environmental laws and regulations cannot be estimated; however, their cost may be significant.

The County intends to meet closure and postclosure financial assurance requirements through a series of financial tests (the local government financial test, as specified in 40 CFR 258.74(f), adopted by reference for use in Kansas by K.A.R. 28-29-2110), which demonstrate that the County has sufficient financial strength to finance closure and postclosure activities.

### Other Post Employment Benefits

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level 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 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 government under this program.

### Compensated Absences

It is the County's policy to permit employees to accumulate a maximum of 12 calendar days of vacation. Vacation leave exceeding this amount carried into the next year will be lost by the employee unless prior arrangements are made with the County Administrator. Full-time classified and classified exempt employees earn vacation leave at the rate of one day per month if they have less than ten years of continuous service with the County. Those with ten or more years, but less than 25 years, of continuous service with the County earn one and a half days vacation leave per month. Employees with 25 or more years of continuous service earn two days vacation leave per month. Upon termination or resignation from service to the County, employees who have been employed for more than six months are entitled to payment for all accrued vacation earned prior to termination or resignation.

All full-time employees earn sick leave at the rate of one calendar day per month with a maximum accumulation of 120 days. Upon retirement, any employee with five years or more of continuous service will be compensated at the employee's regular rate of pay for accrued and unused sick leave at the rate of one day per year of continuous service up to a maximum of 20 days.

The County's estimated liability for compensated absences at December 31, 2012, was \$366,259.

### **NOTE 11—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 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 the Kansas County Association Multi-Line Pool (KCAMP) and the Kansas Workers Risk Cooperative for Counties (KWORCC), which are public entity risk pools operating as common risk management and insurance programs for participating members.

The County pays an annual premium to KCAMP for property and liability insurance coverage and to KWORCC for workers compensation insurance coverage. The agreements to participate in these public entity risk pools provide that they will be self-sustaining through member premiums, and that KCAMP and KWORCC will reinsure through commercial companies for claims in excess of specified amounts for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated. The Pool is authorized by Kansas Statute 12-2616, et seq.

The County continues to carry commercial insurance for all other risks of loss, including park operations. There were no significant reductions in coverage during the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years. Medical benefits were provided to employees and their eligible dependents through commercial insurance.

**NOTE 12—COMMITMENTS AND CONTINGENCIES****Grant Program Involvement**

The County participates in various federal and state grant programs from year to year. These grants are often subject to grantor audit or review, the purpose of which is to ensure compliance with specific conditions of the grant. Any liability for reimbursement that may arise as a result of audit or review cannot be reasonably determined at this time; however, it is believed that the amount, if any, would not be material.

**Kansas Logistics Park Development Authority – Development Agreement**

The County has entered into a development agreement with the City of Newton, Kansas Logistics Park Development Authority, and a potential tenant to construct a manufacturing facility at the Kansas Logistics Park to be leased by the potential tenant. The County has agreed to pay one-half of the interest component of the debt service, during the first three years, which is estimated to be approximately \$300,000.

**NOTE 13—SUBSEQUENT EVENTS**

On February 19, 2013, the Harvey County Public Building Commission issued \$750,000 Series 2013 taxable refunding revenue bonds to refund Series 2008A revenue bonds outstanding, in order to reduce interest costs by obtaining lower interest rates.

HARVEY COUNTY, KANSAS  
SCHEDULE OF EXPENDITURES - REGULATORY BASIS  
(ACTUAL AND BUDGET)  
For Year Ended December 31, 2012

					Schedule 1
Funds	Certified Budget	Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>GOVERNMENTAL TYPE FUNDS</b>					
General fund	\$ 11,144,003	\$ -	\$ 11,144,003	\$ 10,039,981	\$ (1,104,022)
Special purpose funds					
Road and bridge	2,312,170	52,405	2,364,575	2,005,653	(358,922)
Noxious weed	152,306	22,203	174,509	160,734	(13,775)
Agricultural Extension Council	293,559	-	293,559	293,559	-
Election	3,978	-	3,978	3,272	(706)
Mental health	16,933	-	16,933	16,059	(874)
Mental retardation	13,921	-	13,921	13,407	(514)
Soil conservation	2,685	-	2,685	2,135	(550)
Elderly services program	275,924	-	275,924	263,424	(12,500)
Harvey County 9-1-1	154,000	-	154,000	133,439	(20,561)
Emergency telephone services	30,011	-	30,011	19,101	(10,910)
Emergency wireless telephone services	76,851	-	76,851	16,896	(59,955)
Elderly services transportation program	168,938	-	168,938	127,092	(41,846)
Special alcohol and drug	4,000	-	4,000	-	(4,000)
Special parks and recreation	6,000	-	6,000	5,864	(136)
Diversion	24,559	-	24,559	22,962	(1,597)
Road impact fees	65,000	-	65,000	36,347	(28,653)
Capital improvement	175,000	-	175,000	158,694	(16,306)
Bond and interest fund					
Bond and interest	1,077,094	-	1,077,094	1,077,093	(1)
Business fund					
Solid waste	1,904,859	-	1,904,859	1,812,677	(92,182)

## HARVEY COUNTY, KANSAS

GENERAL FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-1  
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	Actual	Budget	Variance Over (Under)
<b>REVENUES AND OTHER SOURCES</b>			
<b>Taxes</b>			
Ad valorem property tax	\$ 5,691,892	\$ 5,598,254	\$ 93,638
Delinquent tax	101,952	90,195	11,757
Motor vehicle tax	594,222	592,355	1,867
Recreational vehicle tax	8,697	10,521	(1,824)
16/20M vehicle tax	8,352	8,823	(471)
Neighborhood revitalization	(85,253)	(45,000)	(40,253)
Mineral production tax	5,771	5,561	210
Sales and consumers' tax	2,057,988	2,035,827	22,161
Interest and penalties	91,635	89,949	1,686
<b>Total taxes</b>	<b>8,475,256</b>	<b>8,386,485</b>	<b>88,771</b>
<b>Intergovernmental</b>			
Local alcoholic liquor tax	2,528	2,203	325
Federal and State assistance	-	30,787	(30,787)
Indigent defense reimbursement	9,997	8,602	1,395
<b>Total intergovernmental</b>	<b>12,525</b>	<b>41,592</b>	<b>(29,067)</b>
<b>Charges for services</b>			
Special police services	23,305	18,000	5,305
Correction fees	1,258,631	844,180	414,451
Public health fees	134,787	190,117	(55,330)
Park fees and sales	211,686	201,987	9,699
Other charges	18,732	18,444	288
<b>Total charges for services</b>	<b>1,647,141</b>	<b>1,272,728</b>	<b>374,413</b>
<b>Use of money and property</b>			
Rents and sale of crops	21,631	18,860	2,771
Interest	11,078	32,404	(21,326)
<b>Total use of money and property</b>	<b>32,709</b>	<b>51,264</b>	<b>(18,555)</b>
<b>Licenses, fees, and permits</b>			
Mortgage filing fees and registration	441,445	391,027	50,418
Court costs/fees/charges	26,661	28,436	(1,775)
Bookings	17,149	12,395	4,754
Drivers license renewal fees	32,848	27,104	5,744
Alarm fees	34,245	36,249	(2,004)
Other fees and licenses	52,696	36,348	16,348
<b>Total licenses, fees, and permits</b>	<b>605,044</b>	<b>531,559</b>	<b>73,485</b>
<b>Reimbursements</b>	44,117	5,812	38,305
<b>Other</b>	28,749	3,950	24,799
<b>Transfers in - vehicle fund</b>	243,729	220,568	23,161
<b>Transfers in - other funds</b>	34,873	31,517	3,356
	<b>351,468</b>	<b>261,847</b>	<b>89,621</b>
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<b>11,124,143</b>	<b>10,545,475</b>	<b>578,668</b>

## HARVEY COUNTY, KANSAS

GENERAL FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-1  
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	Actual	Budget	Variance Over (Under)
EXPENDITURES AND OTHER USES			
GENERAL GOVERNMENT			
County Commission			
Personal services	\$ 89,834	\$ 90,593	\$ (759)
Operations	3,378	3,250	128
Total County Commission	93,212	93,843	(631)
County Clerk			
Personal services	210,805	202,304	8,501
Operations	4,491	7,950	(3,459)
Capital outlay	3,758	3,800	(42)
Total County Clerk	219,054	214,054	5,000
County Treasurer			
Personal services	492,728	494,838	(2,110)
Operations	7,569	12,847	(5,278)
Capital outlay	-	6,000	(6,000)
Total County Treasurer	500,297	513,685	(13,388)
Register of Deeds			
Personal services	129,541	133,449	(3,908)
Operations	4,378	6,175	(1,797)
Capital outlay	2,638	-	2,638
Total Register of Deeds	136,557	139,624	(3,067)
District Court			
Personal services	12,530	22,290	(9,760)
Operations	79,469	89,257	(9,788)
Capital outlay	12,667	10,700	1,967
Total District Court	104,666	122,247	(17,581)
Indigent defense	135,000	135,000	-
Courthouse general			
Personal services	214,476	252,166	(37,690)
Operations	639,992	734,662	(94,670)
Capital outlay	13,278	25,000	(11,722)
McPherson County payment	(35,186)	(33,000)	(2,186)
Total courthouse general	832,560	978,828	(146,268)
Administration			
Personal services	341,838	334,961	6,877
Operations	5,722	6,550	(828)
Capital outlay	1,500	1,500	-
Total administration	349,060	343,011	6,049

HARVEY COUNTY, KANSAS  
GENERAL FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
(ACTUAL AND BUDGET)  
For Year Ended December 31, 2012

Schedule 2-1  
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	Actual	Budget	Variance Over (Under)
Planning and zoning			
Personal services	\$ 51,786	\$ 54,076	\$ (2,290)
Operations	6,557	8,385	(1,828)
Capital outlay	1,445	1,500	(55)
Total planning and zoning	59,788	63,961	(4,173)
Data processing			
Personal services	83,783	70,712	13,071
Operations	104,923	101,595	3,328
Capital outlay	22,868	31,750	(8,882)
Total data processing	211,574	204,057	7,517
County Appraiser			
Personal services	471,012	512,459	(41,447)
Operations	62,888	83,840	(20,952)
Capital outlay	344	-	344
Total County Appraiser	534,244	596,299	(62,055)
County Attorney			
Personal services	405,975	428,851	(22,876)
Operations	41,112	30,444	10,668
Capital outlay	1,363	1,800	(437)
Total County Attorney	448,450	461,095	(12,645)
Sheriff			
Personal services	1,170,368	1,201,617	(31,249)
Operations	215,107	213,170	1,937
Capital outlay	1,611	-	1,611
Transfer out - equipment reserve fund	-	139,000	(139,000)
Total Sheriff	1,387,086	1,553,787	(166,701)
Correctional services			
Personal services	1,134,793	1,151,635	(16,842)
Operations	540,937	526,000	14,937
Capital outlay	54,586	6,000	48,586
Juvenile detention reimbursement	(1,766)	(2,500)	734
Total correctional services	1,728,550	1,681,135	47,415
Emergency management			
Personal services	108,618	89,566	19,052
Operations	8,736	11,140	(2,404)
Total emergency management	117,354	100,706	16,648



## HARVEY COUNTY, KANSAS

GENERAL FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-1  
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	Actual	Budget	Variance Over (Under)
Communications center			
Personal services	\$ 683,249	\$ 707,890	\$ (24,641)
Operations	14,172	14,850	(678)
Total communications center	697,421	722,740	(25,319)
Election			
Personal services	24,375	27,000	(2,625)
Operations	44,143	43,067	1,076
Total election	68,518	70,067	(1,549)
Public health			
Personal services	282,169	324,929	(42,760)
Operations	130,626	149,518	(18,892)
Capital outlay	519	-	519
Total public health	413,314	474,447	(61,133)
Parks			
Personal services	249,493	284,929	(35,436)
Operations	189,921	203,889	(13,968)
Capital outlay	34,130	14,000	20,130
Park shop other	(17,397)	(38,036)	20,639
Total parks	456,147	464,782	(8,635)
Conservation and environmental protection			
Salaries	30,825	34,702	(3,877)
Operations	638	1,325	(687)
Total conservation and environmental protection	31,463	36,027	(4,564)
Economic development			
Economic development council	112,075	112,075	-
Kansas Logistics Park	28,921	90,000	(61,079)
Total economic development	140,996	202,075	(61,079)

## HARVEY COUNTY, KANSAS

## GENERAL FUND

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS

(ACTUAL AND BUDGET)

For Year Ended December 31, 2012

Schedule 2-1  
Page 5 of 5

	Actual	Budget	Variance Over (Under)
APPROPRIATIONS AND OTHER			
Ambulance	\$ 640,244	\$ 640,244	\$ -
Humane society	8,605	8,605	-
Health ministries	40,000	40,000	-
Low income assistance	-	5,000	(5,000)
Historical society	52,500	52,500	-
County free fair	25,000	25,000	-
Airport	80,000	80,000	-
City of Newton golf course housing tax	55,337	60,000	(4,663)
Mental retardation	102,500	102,500	-
Mental health	120,000	120,000	-
Conservation District	16,065	16,065	-
Stabilization	-	760,000	(760,000)
TOTAL APPROPRIATIONS AND OTHER	<u>1,140,251</u>	<u>1,909,914</u>	<u>(769,663)</u>
TRANSFERS TO OTHER FUNDS			
Transfer to equipment reserve fund	178,000	6,200	171,800
Transfer to transportation fund	28,400	28,400	-
Transfer to health department grant fund	28,019	28,019	-
TOTAL TRANSFERS TO OTHER FUNDS	<u>234,419</u>	<u>62,619</u>	<u>171,800</u>
TOTAL EXPENDITURES	<u>10,039,981</u>	<u>\$ 11,144,003</u>	<u>\$ (1,104,022)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	1,084,162		
UNENCUMBERED CASH, BEGINNING	<u>1,808,344</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,892,506</u>		

## HARVEY COUNTY, KANSAS

## ROAD AND BRIDGE FUND

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS

(ACTUAL AND BUDGET)

For Year Ended December 31, 2012

Schedule 2-2

Variance  
Over  
(Under)

	Actual	Budget	
<b>CASH RECEIPTS</b>			
Taxes			
Ad valorem property tax	\$ 1,022,393	\$ 1,005,668	\$ 16,725
Delinquent tax	18,574	23,203	(4,629)
Motor vehicle tax	137,535	136,538	997
Recreational vehicle tax	2,009	2,425	(416)
16/20M vehicle tax	2,152	2,034	118
Neighborhood revitalization	(15,371)	(10,000)	(5,371)
Motor fuel tax	836,909	914,162	(77,253)
Charges for services and other reimbursements	52,405	-	52,405
Miscellaneous	16,174	-	16,174
<b>TOTAL CASH RECEIPTS</b>	<u>2,072,780</u>	<u>\$ 2,074,030</u>	<u>\$ (1,250)</u>
<b>EXPENDITURES</b>			
Highways and streets			
Personal services	646,048	\$ 703,289	\$ (57,241)
Operations	1,203,659	1,392,164	(188,505)
Capital outlay	120,946	216,717	(95,771)
Transfer to equipment reserve fund	35,000	-	35,000
<b>TOTAL EXPENDITURES</b>	<u>2,005,653</u>	<u>2,312,170</u>	<u>(306,517)</u>
<b>ADJUSTMENT FOR QUALIFYING BUDGET CREDIT</b>	<u>-</u>	<u>52,405</u>	<u>(52,405)</u>
<b>TOTAL FOR COMPARISON</b>	<u>2,005,653</u>	<u>\$ 2,364,575</u>	<u>\$ (358,922)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	67,127		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>532,613</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 599,740</u>		

## HARVEY COUNTY, KANSAS

NOXIOUS WEED FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-3

	Actual	Budget	Variance Over (Under)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>CASH RECEIPTS</b>			
Taxes			
Ad valorem property tax	\$ 117,282	\$ 115,510	\$ 1,772
Delinquent tax	2,079	2,771	(692)
Motor vehicle tax	15,852	15,832	20
Recreational vehicle tax	232	281	(49)
16/20M vehicle tax	209	236	(27)
Neighborhood revitalization	(1,763)	(1,400)	(363)
Reimbursement - chemical sales	22,203	-	22,203
Reimbursement - spraying	12,390	10,586	1,804
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL CASH RECEIPTS</b>	<u>168,484</u>	<u>\$ 143,816</u>	<u>\$ 24,668</u>
<b>EXPENDITURES</b>			
Personal services	116,023	\$ 114,142	\$ 1,881
Operations	43,373	59,364	(15,991)
Capital outlay	1,338	1,000	338
Reimbursed expense	-	(22,200)	22,200
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL EXPENDITURES</b>	<u>160,734</u>	<u>152,306</u>	<u>8,428</u>
<b>ADJUSTMENT FOR QUALIFYING BUDGET CREDIT</b>	<u>-</u>	<u>22,203</u>	<u>(22,203)</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FOR COMPARISON</b>	<u>160,734</u>	<u>\$ 174,509</u>	<u>\$ (13,775)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<u>7,750</u>		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>43,368</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 51,118</u>		

## HARVEY COUNTY, KANSAS

AGRICULTURE EXTENSION COUNCIL FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-4

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Taxes			
Ad valorem property tax	\$ 275,425	\$ 271,018	\$ 4,407
Delinquent tax	4,265	4,640	(375)
Motor vehicle tax	34,425	34,426	(1)
Recreational vehicle tax	505	611	(106)
16/20M vehicle tax	446	513	(67)
Neighborhood revitalization	(4,135)	(2,650)	(1,485)
<b>TOTAL CASH RECEIPTS</b>	<b>310,931</b>	<b><u>\$ 308,558</u></b>	<b><u>\$ 2,373</u></b>
<b>EXPENDITURES</b>			
Conservation and environmental protection			
Operations	<u>293,559</u>	<u>\$ 293,559</u>	<u>\$ -</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>17,372</b>		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>-</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<b><u>\$ 17,372</u></b>		

## HARVEY COUNTY, KANSAS

ELECTION FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-5

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Taxes			
Delinquent tax	\$ 561	\$ 1,479	\$ (918)
Motor vehicle tax	2,583	2,419	164
Recreational vehicle tax	37	43	(6)
16/20M vehicle tax	98	36	62
Neighborhood revitalization	(7)	-	(7)
<b>TOTAL CASH RECEIPTS</b>	<b>3,272</b>	<b><u>\$ 3,977</u></b>	<b><u>\$ (705)</u></b>
<b>EXPENDITURES</b>			
Transfer to general fund	3,272	<u>\$ 3,978</u>	<u>\$ (706)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	-		
<b>UNENCUMBERED CASH, BEGINNING</b>	-		
<b>UNENCUMBERED CASH, ENDING</b>	<u><u>\$ -</u></u>		

## HARVEY COUNTY, KANSAS

MENTAL HEALTH FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-6

	Actual	Budget	Variance Over (Under)
	<u>          </u>	<u>          </u>	<u>          </u>
CASH RECEIPTS			
Taxes			
Delinquent tax	\$ 1,670	\$ 2,450	\$ (780)
Motor vehicle tax	14,022	14,024	(2)
Recreational vehicle tax	205	249	(44)
16/20M vehicle tax	183	209	(26)
Neighborhood revitalization	(21)	-	(21)
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL CASH RECEIPTS	16,059	<u><u>\$ 16,932</u></u>	<u><u>\$ (873)</u></u>
EXPENDITURES			
Transfer to general fund	<u>16,059</u>	<u><u>\$ 16,933</u></u>	<u><u>\$ (874)</u></u>
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u><u>\$ -</u></u>		

## HARVEY COUNTY, KANSAS

## MENTAL RETARDATION FUND

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS

(ACTUAL AND BUDGET)

For Year Ended December 31, 2012

Schedule 2-7

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Taxes			
Delinquent tax	\$ 1,336	\$ 1,775	\$ (439)
Motor vehicle tax	11,765	11,761	4
Recreational vehicle tax	172	209	(37)
16/20M vehicle tax	151	175	(24)
Neighborhood revitalization	(17)	-	(17)
<b>TOTAL CASH RECEIPTS</b>	<b>13,407</b>	<b><u>\$ 13,920</u></b>	<b><u>\$ (513)</u></b>
<b>EXPENDITURES</b>			
Transfer to general fund	<u>13,407</u>	<u><u>\$ 13,921</u></u>	<u><u>\$ (514)</u></u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>-</b>		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>-</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u><u>\$ -</u></u>		



## HARVEY COUNTY, KANSAS

SOIL CONSERVATION FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-8

	Actual	Budget	Variance Over (Under)
	<u>          </u>	<u>          </u>	<u>          </u>
CASH RECEIPTS			
Taxes			
Delinquent tax	\$ 225	\$ 765	\$ (540)
Motor vehicle tax	1,861	1,858	3
Recreational vehicle tax	27	33	(6)
16/20M vehicle tax	25	28	(3)
Neighborhood revitalization	(3)	-	(3)
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL CASH RECEIPTS	2,135	<u>\$ 2,684</u>	<u>\$ (549)</u>
EXPENDITURES			
Transfer to general fund	<u>2,135</u>	<u>\$ 2,685</u>	<u>\$ (550)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

## HARVEY COUNTY, KANSAS

ELDERLY SERVICES PROGRAM FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-9

	Actual	Budget	Variance Over (Under)
	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
<b>CASH RECEIPTS</b>			
Taxes			
Ad valorem tax	\$ 181,968	\$ 179,183	\$ 2,785
Delinquent tax	3,011	3,430	(419)
Motor vehicle tax	24,523	24,539	(16)
Recreational vehicle tax	359	436	(77)
16/20M vehicle tax	309	366	(57)
Neighborhood revitalization	(2,734)	(1,600)	(1,134)
Federal and state assistance	67,298	60,400	6,898
United Way	3,190	-	3,190
Other	8,975	-	8,975
	<u>286,899</u>	<u>\$ 266,754</u>	<u>\$ 20,145</u>
<b>EXPENDITURES</b>			
Elderly services coordinator			
Personal services	90,862	\$ 90,390	\$ 472
Operations	4,696	5,874	(1,178)
Transfer to elderly services transportation	14,500	14,500	-
	<u>110,058</u>	<u>110,764</u>	<u>(706)</u>
Total elderly services coordinator			
Retired senior volunteer program			
Personal services	33,609	44,619	(11,010)
Operations	18,821	15,835	2,986
	<u>52,430</u>	<u>60,454</u>	<u>(8,024)</u>
Total retired senior volunteer program			
Senior Center appropriations	100,936	104,706	(3,770)
	<u>263,424</u>	<u>\$ 275,924</u>	<u>\$ (12,500)</u>
<b>TOTAL EXPENDITURES</b>			
RECEIPTS OVER (UNDER) EXPENDITURES	23,475		
UNENCUMBERED CASH, BEGINNING	<u>33,953</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 57,428</u>		

## HARVEY COUNTY, KANSAS

HARVEY COUNTY 9-1-1 FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-10

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Telephone user fees	\$ 207,509	\$ 226,000	\$ (18,491)
Interest	181	-	181
TOTAL CASH RECEIPTS	<u>207,690</u>	<u>\$ 226,000</u>	<u>\$ (18,310)</u>
EXPENDITURES			
General government			
Operations	120,745	\$ 119,000	\$ 1,745
Capital outlay	12,694	35,000	(22,306)
TOTAL EXPENDITURES	<u>133,439</u>	<u>\$ 154,000</u>	<u>\$ (20,561)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	74,251		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 74,251</u>		

## HARVEY COUNTY, KANSAS

EMERGENCY TELEPHONE SERVICES FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-11

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
General government			
Operations	261	\$ -	\$ 261
Capital outlay	<u>18,840</u>	<u>30,011</u>	<u>(11,171)</u>
TOTAL EXPENDITURES	<u>19,101</u>	<u>\$ 30,011</u>	<u>\$ (10,910)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(19,101)		
UNENCUMBERED CASH, BEGINNING	<u>19,101</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

## HARVEY COUNTY, KANSAS

EMERGENCY WIRELESS TELEPHONE SERVICES FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-12

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
Interest	\$ 354	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
General government			
Capital outlay	<u>16,896</u>	<u>\$ 76,851</u>	<u>\$ (59,955)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(16,542)		
UNENCUMBERED CASH, BEGINNING	<u>76,685</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 60,143</u>		

## HARVEY COUNTY, KANSAS

ELDERLY SERVICES TRANSPORTATION FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-13

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Federal and State assistance	\$ 76,354	\$ 95,715	\$ (19,361)
Rider donations	22,383	33,038	(10,655)
Transfers	42,900	42,900	-
TOTAL CASH RECEIPTS	<u>141,637</u>	<u>\$ 171,653</u>	<u>\$ (30,016)</u>
<b>EXPENDITURES</b>			
Health and welfare			
Personal services	81,065	\$ 98,166	\$ (17,101)
Operations	46,027	70,772	(24,745)
TOTAL EXPENDITURES	<u>127,092</u>	<u>\$ 168,938</u>	<u>\$ (41,846)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	14,545		
UNENCUMBERED CASH, BEGINNING	<u>52,365</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 66,910</u>		

## HARVEY COUNTY, KANSAS

SPECIAL ALCOHOL AND DRUG PROGRAM FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-14

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
Private club liquor tax	\$ 2,528	<u>\$ 2,203</u>	<u>\$ 325</u>
EXPENDITURES			
Health and welfare			
Contractual services	<u>-</u>	<u>\$ 4,000</u>	<u>\$ (4,000)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	2,528		
UNENCUMBERED CASH, BEGINNING	<u>2,342</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 4,870</u>		

## HARVEY COUNTY, KANSAS

SPECIAL PARKS AND RECREATION FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-15

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Private club liquor tax	\$ 2,528	<u>\$ 2,203</u>	<u>\$ 325</u>
EXPENDITURES			
Culture and recreation			
Contractual services	<u>5,864</u>	<u>\$ 6,000</u>	<u>\$ (136)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(3,336)		
UNENCUMBERED CASH, BEGINNING	<u>4,534</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 1,198</u>		



## HARVEY COUNTY, KANSAS

DIVERSION FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-16

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Diversion fees	\$ 34,461	\$ 27,500	\$ 6,961
EXPENDITURES			
General government			
Personal services	22,932	\$ 23,509	\$ (577)
Operations	30	1,050	(1,020)
TOTAL EXPENDITURES	22,962	\$ 24,559	\$ (1,597)
RECEIPTS OVER (UNDER) EXPENDITURES	11,499		
UNENCUMBERED CASH, BEGINNING	2,860		
UNENCUMBERED CASH, ENDING	\$ 14,359		

## HARVEY COUNTY, KANSAS

## ROAD IMPACT FEES FUND

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS

(ACTUAL AND BUDGET)

For Year Ended December 31, 2012

Schedule 2-17

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Licenses, fees, and permits	\$ 10,000	\$ 10,000	\$ -
Interest	333	-	333
<b>TOTAL CASH RECEIPTS</b>	10,333	<u>\$ 10,000</u>	<u>\$ 333</u>
<b>EXPENDITURES</b>			
Highways and streets			
Road improvements	36,347	<u>\$ 65,000</u>	<u>\$ (28,653)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	(26,014)		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>86,925</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 60,911</u>		

## HARVEY COUNTY, KANSAS

CAPITAL IMPROVEMENT FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

Schedule 2-18

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Transfer in - solid waste fund	\$ 65,000	<u>\$ -</u>	<u>\$ 65,000</u>
EXPENDITURES			
Equipment repair	<u>158,694</u>	<u>\$ 175,000</u>	<u>\$ (16,306)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(93,694)		
UNENCUMBERED CASH, BEGINNING	<u>269,048</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 175,354</u>		



## HARVEY COUNTY, KANSAS

NONBUDGETED SPECIAL PURPOSE FUNDS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 For Year Ended December 31, 2012

Schedule 2-19  
Page 2 of 2

	Health and Wellness	Sheriff Reserves	West Park Jetty Grant	Oscar Task Force	Sheriff Justice Assistance Grant	Parks Contributions and Donations	Health Department Grants	Vehicle Fund
<b>CASH RECEIPTS</b>								
Fees	-	-	\$	-	\$	-	\$	\$ 266,258
Charges for services	-	-	-	-	-	-	28,473	-
Grants and donations	-	-	-	-	7,650	-	350,412	-
Forfeitures	-	-	-	-	-	-	-	-
Reimbursements	29,425	272	-	-	-	-	19,581	-
Transfers	-	-	-	-	-	-	28,019	-
<b>TOTAL CASH RECEIPTS</b>	<b>29,425</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>7,650</b>	<b>-</b>	<b>426,485</b>	<b>266,258</b>
<b>EXPENDITURES</b>								
Current								
Personal services	-	-	-	-	-	-	364,931	-
Operations	7,080	-	-	-	7,872	99	80,319	22,529
Capital outlay	-	-	-	-	-	-	-	-
Highway and streets	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	243,729
<b>TOTAL EXPENDITURES</b>	<b>7,080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,872</b>	<b>99</b>	<b>445,250</b>	<b>266,258</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>22,345</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>(222)</b>	<b>(99)</b>	<b>(18,765)</b>	<b>-</b>
<b>UNENCUMBERED CASH, BEGINNING</b>	<b>1,749</b>	<b>-</b>	<b>534</b>	<b>1,828</b>	<b>222</b>	<b>99</b>	<b>168,344</b>	<b>-</b>
<b>UNENCUMBERED CASH, ENDING</b>	<b>\$ 24,094</b>	<b>\$ 272</b>	<b>\$ 534</b>	<b>\$ 1,828</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 149,579</b>	<b>\$ -</b>

## HARVEY COUNTY, KANSAS

## CAPITAL PROJECT FUNDS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS

For Year Ended December 31, 2012

Schedule 2-20

	Kansas Logistics Park	Fairground Improvement Project	Airport Runway Project
RECEIPTS AND OTHER SOURCES			
Proceeds - Harvey County, Kansas G.O. Bonds, Series 2012	\$ -	\$ -	\$ 300,000
Interest	-	-	290
TOTAL RECEIPTS AND OTHER SOURCES	-	-	300,290
EXPENDITURES			
Contractual services	-	-	219,045
Cost of issuance	-	-	6,281
TOTAL EXPENDITURES	-	-	225,326
RECEIPTS AND OTHER SOURCES OVER (UNDER) EXPENDITURES	-	-	74,964
UNENCUMBERED CASH, BEGINNING	3,740	671	-
UNENCUMBERED CASH, ENDING	<u>\$ 3,740</u>	<u>\$ 671</u>	<u>\$ 74,964</u>

## HARVEY COUNTY, KANSAS

## BOND AND INTEREST FUND

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS

(ACTUAL AND BUDGET)

For Year Ended December 31, 2012

Schedule 2-21

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Taxes			
Ad valorem property tax	\$ 416,756	\$ 409,412	\$ 7,344
Delinquent tax	12,099	11,590	509
Motor vehicle tax	103,943	103,982	(39)
Recreational vehicle tax	1,524	1,847	(323)
16/20M vehicle tax	1,327	1,549	(222)
Neighborhood revitalization	(6,323)	(7,000)	677
Special assessments	78,482	66,644	11,838
Other	159	-	159
Transfer from solid waste fund	408,263	408,263	-
<b>TOTAL CASH RECEIPTS</b>	<u>1,016,230</u>	<u>\$ 996,287</u>	<u>\$ 19,943</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	775,000	\$ 775,000	\$ -
Interest	280,103	280,105	(2)
Bond fees	1	-	1
Other	21,989	21,989	-
<b>TOTAL EXPENDITURES</b>	<u>1,077,093</u>	<u>\$ 1,077,094</u>	<u>\$ (1)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	(60,863)		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>145,961</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 85,098</u>		

## HARVEY COUNTY, KANSAS

SOLID WASTE FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2012

	Schedule 2-22		
	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Tipping fees	\$ 628,421	\$ 730,000	\$ (101,579)
Brush and limb fees	320,069	300,000	20,069
Solid waste fees	823,957	830,562	(6,605)
Recycling	26,766	5,000	21,766
Other	32,732	350	32,382
<b>TOTAL CASH RECEIPTS</b>	<u>1,831,945</u>	<u>\$ 1,865,912</u>	<u>\$ (33,967)</u>
<b>EXPENDITURES</b>			
Sanitation			
Closure and postclosure costs	6,543	\$ 21,571	\$ (15,028)
Construction and demolition	220,889	279,681	(58,792)
Composting	3,552	6,593	(3,041)
Municipal solid waste program	1,068,226	1,160,359	(92,133)
Recycling	40,204	28,392	11,812
<b>Total sanitation</b>	<u>1,339,414</u>	<u>1,496,596</u>	<u>(157,182)</u>
Transfers out			
Bond and interest fund	408,263	408,263	-
Capital improvement fund	65,000	-	65,000
<b>Total transfers out</b>	<u>473,263</u>	<u>408,263</u>	<u>65,000</u>
<b>TOTAL EXPENDITURES</b>	<u>1,812,677</u>	<u>\$ 1,904,859</u>	<u>\$ (92,182)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	19,268		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>309,454</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 328,722</u>		



## HARVEY COUNTY, KANSAS

AGENCY FUNDS  
 SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS - REGULATORY BASIS  
 For Year Ended December 31, 2012

Schedule 3

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<b>DISTRIBUTABLE FUNDS</b>				
Current tax	\$ 20,135,354	\$ 32,836,614	\$ 35,183,415	\$ 17,788,553
Prepaid tax	-	-	-	-
Delinquent tax	92,986	71,724	90,890	73,820
Motor vehicle tax	118,746	3,673,924	3,668,646	124,024
Recreational vehicle tax	3,490	51,440	51,096	3,834
Redemptions	290,042	1,084,432	688,927	685,547
Escape tax	2,094	467	2,369	192
County and township gas tax	-	993,060	993,060	-
Mineral production tax	-	11,541	11,541	-
Neighborhood revitalization	-	499,869	499,869	-
Tax increment financing	-	-	-	-
State oil and gas depletion	-	52,240	-	52,240
County special assessments	-	79,951	79,951	-
<b>TOTAL DISTRIBUTABLE FUNDS</b>	<b>20,642,712</b>	<b>39,355,262</b>	<b>41,269,764</b>	<b>18,728,210</b>
<b>STATE FUNDS</b>				
State educational building tax	-	249,736	249,736	-
State institutional building tax	-	124,868	124,868	-
State general fund	-	1	1	-
State vehicle tax	-	50,561	50,561	-
Drivers licenses - State	4,173	243,014	242,310	4,877
Motor vehicle registration	-	2,021,679	2,021,679	-
Motor vehicle IRP	68	-	-	68
Motor vehicle sales tax	74,013	1,067,375	1,068,754	72,634
Heritage trust fund	1,336	12,636	11,602	2,370
<b>TOTAL STATE FUNDS</b>	<b>79,590</b>	<b>3,769,870</b>	<b>3,769,511</b>	<b>79,949</b>
<b>SUBDIVISION FUNDS</b>				
Cities	7,900	10,991,160	10,993,778	5,282
Regional library	32	112,695	112,662	65
School districts	14,741	16,099,705	16,103,802	10,644
Townships	448	1,528,583	1,528,158	873
Fire districts	450	244,327	244,101	676
Prairie Lawn Cemetery	-	3,348	3,348	-
Equus bed	-	73,587	73,587	-
Drainage districts	-	7,063	7,063	-
Watershed districts	4	151,835	151,839	-
<b>TOTAL SUBDIVISION FUNDS</b>	<b>23,575</b>	<b>29,212,303</b>	<b>29,218,338</b>	<b>17,540</b>
<b>OTHER AGENCY FUNDS</b>				
Emergency Shelter Grant	-	15,580	15,580	-
HOME rehabilitation	-	48,063	48,063	-
Antique vehicle registration	6,085	8,350	7,761	6,674
Auto postage	-	-	-	-
Tag refunds	(164)	28,933	28,868	(99)
Drivers license fee - County	26,763	39,911	26,763	39,911
Insufficient checks	(16,549)	12,196	14,806	(19,159)
Payroll clearing	108,183	3,701,789	3,702,436	107,536
Special clearing	-	6,528,195	6,527,919	276
Self-funded dental	26,954	-	26,954	-
Micro loan	44,660	11,144	732	55,072
Sheriff - prisoner account	91,824	63,405	68,643	86,586
Sheriff - sheriff reserves	1,441	-	1,441	-
Sheriff - emergency response team	19,001	-	19,001	-
Sheriff - Harvey County explorers	1,775	-	1,775	-
Sheriff - Kurt Ford scholarship	4,766	-	4,766	-
Register of Deeds	33,631	520,459	512,980	41,110
Clerk of the District Court	93,422	1,366,114	1,415,936	43,600
Law Library	37,255	43,974	45,212	36,017
<b>TOTAL OTHER AGENCY FUNDS</b>	<b>479,047</b>	<b>12,388,113</b>	<b>12,469,636</b>	<b>397,524</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 21,224,924</b>	<b>\$ 84,725,548</b>	<b>\$ 86,727,249</b>	<b>\$ 19,223,223</b>

## HARVEY COUNTY, KANSAS

RELATED MUNICIPAL ENTITY - HARVEY COUNTY PUBLIC BUILDING COMMISSION  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 For Year Ended December 31, 2012

	Schedule 4
	<u>Actual</u>
CASH RECEIPTS	
Rental payments from Harvey County, Kansas	<u>\$ 258,615</u>
EXPENDITURES	
Debt service - principal	215,000
Debt service - interest	<u>43,615</u>
TOTAL EXPENDITURES	<u>258,615</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-
UNENCUMBERED CASH, BEGINNING	<u>-</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ -</u></u>

Edward C. Michel, CPA  
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John W. Denney, CPA  
Michael R. Meisenheimer, CPA  
Nick L. Muetting, CPA

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

**The Board of County Commissioners  
Harvey County, Kansas  
Newton, Kansas**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the summary of cash receipts, expenditures, and unencumbered cash of Harvey County, Kansas (the County) as of and for the year ended December 31, 2012, and the related notes to the financial statement, which comprise the County's regulatory basis financial statement, and have issued our report thereon dated April 26, 2013, which was modified because the financial statement is prepared on the regulatory basis of accounting.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Other Reports

We noted certain items that we reported to management of the County in a separate letter dated April 26, 2013.

Purpose of this Reports

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lindburg Vogel Pierce Faris".

Certified Public Accountants

Hutchinson, Kansas  
April 26, 2013

## HARVEY COUNTY, KANSAS

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

Page 1 of 2

Programs	Federal CFDA Number	Grant I.D. Number	Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Health and Environment</u>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		\$ 164,486
<i>Total U.S. Department of Agriculture</i>			<u>164,486</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Housing Resource Corporation</u>			
Emergency Solutions Grant	14.231		26,116
HOME Investment Partnership	14.239	HR10-0085	48,083
<i>Total U.S. Department of Housing and Urban Development</i>			<u>74,199</u>
<b><u>U.S. Department of Justice</u></b>			
Bulletproof Vest Partnership	16.607		4,500
<u>Kansas Governor's Office</u>			
Edward Byrne Justice Assistance Grant	16.738		7,650
<i>Total U.S. Department of Justice</i>			<u>12,150</u>
<b><u>U.S. Department of Transportation</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Transportation</u>			
Formula Grants for Other Than Urbanized Areas	20.509		57,570
Safety Belt Performance Grants	20.609		2,702
<i>Total U.S. Department of Transportation</i>			<u>60,272</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Aging</u>			
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043		3,540
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		17,646
Special Programs for the Aging - Title III, Part E - National Family Caregiver Support	93.052		8,762
<u>Kansas Department of Health and Environment</u>			
Public Health Emergency Preparedness	93.069		27,327
Family Planning Services	93.217		17,369
Immunization Grants	93.268		3,560
Center for Disease Control - Investigation and Technical Assistance	93.283		8,565
Prevention and Public Health Fund Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure	93.539		39,933
Child Care Mandatory and Matching Funds of the Child Care and Block Grant	93.596		24,259
Preventative Health and Health Services Block Grant	93.991		7,070
Maternal Child Health Block Grant	93.994		15,157
<i>Total U.S. Department of Health and Human Services</i>			<u>173,188</u>
<b><u>Corporation for National and Community Service</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Transportation</u>			
Retired and Senior Volunteer Program	94.002		32,451
<i>Total Corporation for National and Community Service</i>			<u>32,451</u>
<b><u>U.S. Department of Homeland Security</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Division of Emergency Preparedness</u>			
Emergency Management Performance Grant	97.042		30,787
<i>Total U.S. Department of Homeland Security</i>			<u>30,787</u>
<b>Total Federal Awards Expended</b>			<u>\$ 547,533</u>

See accompanying notes to schedule of expenditures of federal awards.

## HARVEY COUNTY, KANSAS

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

Page 2 of 2

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2012, and is presented on the regulatory basis of accounting in accordance with the Kansas Municipal Audit and Accounting Guide. Expenditures include disbursements, accounts payable, and encumbrances. The information in this 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 cash and unencumbered cash balances and its cash receipts, expenditures, and budgetary results for the year then ended on the regulatory basis of accounting.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the basis of accounting as described in note A. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain type of expenditures are not allowable or are limited as to reimbursement.

Pass-through identity numbers are presented where available.

NOTE C—FEDERAL AWARDS PASS-THROUGH TO SUBRECIPIENTS

The County provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA No.</u>	<u>Amount Provided</u>
Emergency Solutions Grant	14.231	<u>\$ 15,580</u>



Edward C. Michel, CPA

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

**The Board of County Commissioners  
Harvey County, Kansas  
Newton, Kansas**

**Report on Compliance for Each Major Federal Program**

We have audited Harvey County, Kansas (the 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 each 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 grants applicable to its federal programs.

**Auditors' Responsibility**

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

**Basis for Qualified Opinion on CFDA 93.539 Prevention and Public Health Fund Capacity Building to Strengthen Public Health Immunization Infrastructure**

As described in the schedule of findings and questioned costs, the County did not comply with the requirements regarding CFDA 93.539 Prevention and Public Health Fund Capacity Building to Strengthen Public Health Immunization Infrastructure as described in finding number 2012-01. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

#### Qualified Opinion on CFDA 93.539 Prevention and Public Health Fund Capacity Building to Strengthen Public Health Immunization Infrastructure

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on CFDA 93.539 Prevention and Public Health Fund Capacity Building to Strengthen Public Health Immunization Infrastructure for the year ended December 31, 2012.

#### Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2012.

#### Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item number 2012-02. Our opinion on each major federal program is not modified with respect to this matter.

The County's responses to the noncompliance findings identified in our audit are 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.

#### 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 requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the schedule of findings and questioned costs as item 2012-01 that we consider to be a significant deficiency.



The County's response to the internal control over compliance 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.

A handwritten signature in cursive script that reads "Lindburg Vogel Pierce Faris".

Certified Public Accountants

Hutchinson, Kansas  
April 26, 2013

HARVEY COUNTY, KANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For Year Ended December 31, 2012

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statement of the County prepared on the regulatory basis of accounting in accordance with the cash basis and budget laws of the State of Kansas prescribed by the Kansas Municipal Audit and Accounting Guide described in note 1 to the financial statement.
2. No significant deficiencies relating to the audit of the financial statement of the County are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statement of the County were disclosed during the audit.
4. A deficiency in internal control over compliance material to major federal award programs was disclosed during the audit.
5. The auditors' report on compliance for the major federal award programs expressed a qualified opinion on the Prevention and Public Health Fund Capacity Building to Strengthen Public Health Immunization Infrastructure grant and an unmodified opinion on the other federal award programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs include:

	<u>CFDA No.</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
HOME Investment Partnership	14.239
Prevention and Public Health Fund Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure	93.539
Emergency Management Performance Grant	97.042

8. The threshold for distinguishing between Type A and Type B programs was \$300,000.
9. The County was not determined to be a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**  
**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

2012-01 Prevention and Public Health Fund Capacity Building to Strengthen Public Health Immunization Infrastructure – CFDA 93.539

**Significant Deficiency**

*Condition:* Procedures were not in place to document employee time allocated to the program, either through actual time records or a time study. As a result, no information was available to support the allocation of employee salaries and fringe benefits included as expenditures of the program.

*Criteria:* Compliance requirements for allowable cost principles require that costs be adequately documented.

*Questioned Costs:* \$25,128.94

*Cause:* Failure to require documentation of employee time by finance personnel of the Health Department for employees that worked in this program.

*Effect:* Costs for employee salaries and fringe benefits could be disallowed.

*Recommendation:* We recommend that the County establish procedures to document employee time where the salaries and fringe benefits may be claimed as an expenditure to be reimbursed by a grant, either through actual time records or a time study.

*Management's Response:* Harvey County has implemented a process by which time studies will be utilized to document employee time where the salaries and fringe benefits are reimbursed by a grant.

2012-02 Prevention and Public Health Fund Capacity Building to Strengthen Public Health Immunization Infrastructure – CFDA 93.539

*Condition:* The quarterly report for the period May 1, 2012 through July 31, 2012, was dated November 13, 2012, which was 90 days past the filing requirement of the pass through entity, the Kansas Department of Health and Environment (KDHE).

*Criteria:* KDHE required that quarterly reports for the program be filed on the 15<sup>th</sup> day of the month subsequent to the end of the quarter.

*Cause:* Finance personnel of the Health Department responsible for filing the quarterly report, resigned before the date the quarterly report was due; the Health Department Director also resigned near this period. A new finance employee was not hired until two months after the quarterly report was due.

*Effect:* The late filing of the quarterly report may delay the reporting of the expenditures that would be reported by the pass through entity, KDHE.

*Recommendation:* We recommend that the County consider contingency planning, including employee resignations, to ensure that required tasks continue to be performed, including for grant reporting.

*Management's Response:* Harvey County's contingency plan was for the Health Director to take over financial responsibilities in the absence of the Health Department's Fiscal Management Coordinator. Due to the Health Director and Fiscal Management Coordinator resigning within weeks of each other, the contingency plan could not be implemented. A third contingency will be created, in case this unique situation arises again.

HARVEY COUNTY, KANSAS  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For Year Ended December 31, 2012

There were no prior year audit findings.