

HARVEY COUNTY, KANSAS

DECEMBER 31, 2011

HARVEY COUNTY, KANSAS

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INDEPENDENT AUDITORS' REPORT

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

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances for the primary government of Harvey County, Kansas (the County), and the Harvey County Public Building Commission as of and for the year ended December 31, 2011. This primary government financial statement is the responsibility of the Harvey County, Kansas management. 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 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statement referred to above includes only the primary government of the County and the Harvey County Public Building Commission, one of the County's component units. The financial statement does not include financial data for the County's other legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government.

As described in note 1, the County prepares its financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which practice differs from accounting principles generally accepted in the United States of America. The effect on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the preceding paragraphs, the financial statement referred to above does not present fairly in conformity with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2011, or the respective changes in financial position or where applicable, its changes in cash flows for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the primary government of the County and the Harvey County Public Building Commission, as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended on the basis of accounting described in note 1.

In accordance with Government Auditing Standards, we have also issued our report, dated April 23, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope 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. The report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary 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 statutory 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 summary 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.



Certified Public Accountants

Hutchinson, Kansas
April 23, 2012

HARVEY COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2011

Statement 1
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
GOVERNMENTAL TYPE FUNDS							
General fund	\$ 1,567,777	\$ 6,789	\$ 9,541,333	\$ 9,307,555	\$ 1,808,344	\$ 207,723	\$ 2,016,067
Special revenue funds	396,906	-	2,150,590	2,014,883	532,613	79,459	612,072
Road and bridge	42,760	-	160,957	160,349	43,368	2,876	46,244
Noxious weed	1,993	-	290,209	292,202	-	-	-
Agriculture Extension Council	7,838	-	25,705	33,543	-	-	-
Election	917	-	118,296	119,213	-	-	-
Mental health	-	-	98,998	98,998	-	-	-
Mental retardation	157	-	15,767	15,924	-	-	-
Soil conservation	42,882	-	263,069	271,998	33,953	4,136	38,089
Elderly services program	51,261	-	112,892	145,052	19,101	1,146	20,247
Emergency telephone service	79,271	-	72,862	75,448	76,685	-	76,685
Emergency wireless telephone service	42,506	5,510	193,868	189,519	52,365	3,593	55,958
Elderly services transportation	3,402	-	2,685	3,745	2,342	-	2,342
Special alcohol and drug program	7,532	-	2,685	5,683	4,534	-	4,534
Special parks and recreation	(3,435)	-	31,131	24,836	2,860	460	3,320
Diversion	95,619	-	10,000	18,694	86,925	-	86,925
Road impact fees	315,106	-	88,999	135,057	269,048	-	269,048
Capital improvement	110,447	-	42,216	46,359	106,304	4,140	110,444
Register of Deeds technology	550,468	-	10,532	9,688	551,312	-	551,312
Special highway improvement	2,068	-	-	541	1,527	-	1,527
Rhoades Foundation	9,491	-	201,037	7,122	203,406	-	203,406
Equipment reserve	14,710	-	18,531	17,174	16,067	557	16,624
Special law enforcement	1,776	-	-	-	1,776	-	1,776
County Attorney forfeiture	8,150	-	2,014	-	10,164	-	10,164
Prosecutor's training and assistance	-	-	160,060	160,060	-	-	-
Neighborhood stabilization	-	-	2,000	251	1,749	-	1,749
Health and wellness	-	-	6,670	6,136	534	-	534
West Park jetty grant	1,828	-	-	-	1,828	-	1,828
Oscar task force fund	222	-	-	-	222	-	222
Sheriff justice assistance grant	99	-	-	-	99	-	99
Parks contributions and donations	85,680	-	526,486	443,822	168,344	7,498	175,842
Health department grant	6,903	-	-	6,903	-	-	-
Cost of issuance	98	-	-	98	-	-	-
Federal and state assistance	-	-	259,507	259,507	-	-	-
Vehicle license	-	-	-	-	-	-	-
Total special revenue funds	1,876,655	5,510	4,867,766	4,562,805	2,187,126	103,865	2,290,991

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, 2011

Statement 1
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	\$ -	\$ -	\$ 3,373,450	\$ 3,369,710	\$ 3,740	\$ -	\$ 3,740
Fairground improvement project	671	-	-	-	671	-	671
Schaben Industrial Park	8,225	-	-	8,225	-	-	-
Courthouse parking project	7,606	-	-	7,606	-	-	-
Total capital project funds	16,502	-	3,373,450	3,385,541	4,411	-	4,411
Debt service fund							
Bond and interest	97,489	-	1,394,552	1,346,080	145,961	-	145,961
PROPRIETARY TYPE FUND							
Enterprise fund	220,432	-	1,893,947	1,804,925	309,454	63,942	373,396
Solid waste	3,778,855	12,299	21,071,048	20,406,906	4,455,296	375,530	4,830,826
TOTAL PRIMARY GOVERNMENT							
Harvey County, Kansas Public Building Commission	-	-	725,148	725,148	-	-	-
TOTAL REPORTING ENTITY (excluding agency funds)	\$ 3,778,855	\$ 12,299	\$ 21,796,196	\$ 21,132,054	\$ 4,455,296	\$ 375,530	\$ 4,830,826

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, 2011

Statement 1
Page 3 of 3

COMPOSITION CASH

County Treasurer

Cash and cash items	\$ 165,144
Checking accounts	10,474,174
Money market accounts	2,000,000
Kansas Municipal Investment Pool	13,434,366

Total County Treasurer	<u>26,073,684</u>
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County Clerk

Checking account - outstanding warrant checks	<u>(372,663)</u>
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County Administration

Checking account	44,660
Checking account	26,954

Total County Administration	<u>71,614</u>
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Sheriff

Checking account	91,824
Checking account	1,441
Checking account	19,001
Checking account	1,775
Checking account	4,766

Total Sheriff	<u>118,807</u>
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Register of Deeds

Checking account	<u>33,631</u>
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Clerk of the District Court

Checking account	<u>93,422</u>
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Law Library

Checking account	6,182
Money market account	3,395
Certificates of deposit	27,678

Total Law Library	<u>37,255</u>
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TOTAL CASH	26,055,750
Less - agency funds (Schedule 3)	<u>(21,224,924)</u>

STATEMENT 1	<u>\$ 4,830,826</u>
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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, 2011

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 financial statement presents the primary government and its component unit, the Harvey County Public Building Commission, but does not include its component unit the Harvey County Extension Council. Component units are entities for which the County is considered to be financially accountable.

Excluded Component Units

Harvey County Extension Council - The Harvey County Extension Council (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.

Discretely Presented Component Unit

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.

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.

The following types of funds comprise the financial activities of the County for the year of 2011:

Governmental fund types

General fund – 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 revenue funds – to account for the proceeds of specific revenue sources, other than special assessments or major capital projects that are legally restricted to expenditures for specified purposes.

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

Capital project funds – to account for the financial resources to be used for the acquisition or construction of major capital facilities which are not financed by proprietary funds.

Proprietary fund types

Enterprise funds – to account for operations that are financed and operated in a manner similar to private business enterprises—where it is the stated intent that costs of providing that service to the general public on a continuing basis is to be financed or recovered primarily through user charges.

Fiduciary fund types

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

Basis of Presentation

Statutory Basis of Accounting – The County prepares its financial statement on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund and an expenditure would be charged in the fund from which the transfer is made.

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 statutory basis of accounting.

Departure From Accounting Principles Generally Accepted in the United States

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

Policy for Applying FASB Pronouncements to Proprietary Funds

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both governmental fund and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their proprietary funds, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance.

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 2011, 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.

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.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1.

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

The statutes allow for the governing body to increase the 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. The following funds were amended for the year ended December 31, 2011:

<u>Fund</u>	<u>Original Amount</u>	<u>Amended Amount</u>
Emergency telephone services	\$ 139,000	\$ 157,264
Special parks and recreation	4,669	8,669

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 revenue 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.

Compliance with Kansas Statutes

Management was not aware of any statutory violations for the year ended December 31, 2011.

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 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, 2011, the County's carrying amount of deposits was \$12,456,240 and the bank balance was \$13,514,585. Of the bank balance, \$922,528 was covered by federal depository insurance and the remaining \$12,592,057 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, 2011, 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>\$ 13,434,366</u>	<u>\$ 13,434,366</u>	S&P AA+/S1+

At December 31, 2011, the County had invested \$13,434,366 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 LIABILITIES

At year end, the County'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>
PRIMARY GOVERNMENT			
General obligation bonds			
Series 2009	3.25%-4.25%	12/01/09	\$ 918,500
Series 2010 refunding	2.00%-3.00%	08/10/10	1,880,000
Series 2011	3.00%-4.00%	05/11/11	3,335,000
Temporary notes			
Series 2010	2.00%-3.00%	10/26/10	299,000
Capital leases			
Harvey County Fairground, Series 2008A	3.50%-4.45%	08/15/08	770,000
Harvey County Fairground, Series 2008B	3.50%-4.75%	08/15/08	145,000
Harvey County Fairground, Series 2010	1.10%-1.90%	12/22/10	460,000

Changes in long-term debt and other long-term liabilities of the County for the year ended December 31, 2011, were as follows:

Issue	Balance Beginning of Year	Additions	Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds						
Series 2009	\$ 918,500	\$ -	\$ 13,500	\$ -	\$ 905,000	\$ 68,832
Series 2010 refunding	1,680,000	-	375,000	-	1,305,000	39,513
Series 2011	-	3,335,000	-	-	3,335,000	-
Total general obligation bonds	2,598,500	3,335,000	388,500	-	5,545,000	108,345
Temporary notes						
Series 2010	299,000	-	94,000	-	205,000	7,319
Capital leases						
Detention Center	645,000	-	645,000	-	-	13,545
Harvey County Fairground, Series 2008A	770,000	-	-	-	770,000	31,738
Harvey County Fairground, Series 2008B	115,000	-	15,000	-	100,000	5,213
Harvey County Fairground, Series 2010	460,000	-	10,000	-	450,000	4,653
Total capital leases	1,990,000	-	670,000	-	1,320,000	55,149
Other long-term liabilities						
Commitment for City of Newton bonds	298,937	33,235	24,595	-	307,577	9,796
Compensated absences	348,469	-	-	(1,095)	347,374	-
Closure and postclosure care	1,086,011	-	-	35,719	1,121,730	-
Total other long-term liabilities	1,733,417	33,235	24,595	34,624	1,776,681	9,796
	\$ 6,620,917	\$ 3,368,235	\$ 1,177,095	\$ 34,624	\$ 8,846,681	\$ 180,609

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:

General Obligation Bonds	Principal	Interest
2012	\$ 500,000	\$ 231,288
2013	565,000	165,813
2014	450,000	151,775
2015	460,000	139,823
2016	195,000	127,270
2017-2021	1,080,000	538,395
2022-2026	1,205,000	340,488
2027-2031	1,090,000	131,882
	\$ 5,545,000	\$ 1,826,734

<u>Temporary Notes</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 60,000	\$ 5,200
2013	70,000	4,000
2014	75,000	2,250
	<u>\$ 205,000</u>	<u>\$ 11,450</u>
<u>Capital Leases</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 215,000	\$ 43,615
2013	230,000	38,508
2014	235,000	32,932
2015	85,000	27,028
2016	455,000	81,652
2017-2021	100,000	4,450
	<u>\$ 1,320,000</u>	<u>\$ 228,185</u>
<u>Commitment for City of Newton Bonds</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 25,607	\$ 14,544
2013	26,583	13,364
2014	28,164	12,113
2015	29,400	10,753
2016	30,650	9,319
2017-2021	111,978	29,156
2022-2026	43,448	8,400
2027-2030	11,747	1,367
	<u>\$ 307,577</u>	<u>\$ 99,016</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, 2011, included the following:

<u>Purpose</u>	<u>Date Issued</u>	<u>Amount</u>
Biggs Property, L.L.C.	07/10/09	<u>\$ 2,394,267</u>

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 post closure 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, 2011, were as follows:

	<u>Municipal Solid Waste Landfill</u>	<u>Construction and Demolition</u>	<u>Transfer Station</u>	<u>Compost</u>	<u>Household Hazardous Waste</u>	<u>Solid Waste Processor</u>
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	\$ 11,559	\$ 2,950
Estimated postclosure cost	<u>845,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 845,043</u>	<u>\$ 202,404</u>	<u>\$ 11,924</u>	<u>\$ 47,850</u>	<u>\$ 11,559</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 2011. 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.

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:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
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, 2011, were as follows:

Issue	Balance Beginning of Year	Additions	Payments	Balance End of Year	Interest Paid
Revenue bonds					
Detention Center, Series 2002	\$ 645,000	\$ -	\$ 645,000	\$ -	\$ 13,545
Harvey County Fairground, Series 2008A	770,000	-	-	770,000	31,738
Harvey County Fairground, Series 2008B	115,000	-	15,000	100,000	5,213
Harvey County Fairground, Series 2010	460,000	-	10,000	450,000	4,653
	<u>\$ 1,990,000</u>	<u>\$ -</u>	<u>\$ 670,000</u>	<u>\$ 1,320,000</u>	<u>\$ 55,149</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:

<u>Revenue Bonds</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 215,000	\$ 43,615
2013	230,000	38,508
2014	235,000	32,932
2015	85,000	27,028
2016	85,000	23,627
2017-2021	470,000	62,475
	<u>\$ 1,320,000</u>	<u>\$ 228,185</u>

NOTE 6—INTERFUND TRANSFERS

A summary of operating interfund transfers is as follows:

<u>Transfer From:</u>	<u>Transfer To:</u>	<u>Amount</u>	<u>Statutory Authority</u>
General	Equipment reserve	\$ 57,700	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	143,337	K.S.A. 19-119
Elderly services program	Elderly service transportation	14,500	Grant match
Solid waste	Capital improvement	88,999	K.S.A. 19-120
Solid waste	Bond and interest	414,514	Budgeted
Vehicle	General	238,653	K.S.A. 8-145
Schaben Industrial Park	Bond and interest	8,225	Resolution
Courthouse parking project	Bond and interest	7,606	Resolution

NOTE 7—CAPITAL PROJECTS

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

	<u>Kansas Logistics Park</u>	<u>Fairground Improvement Project</u>
Total project authorization	\$ 3,373,450	\$ 1,389,871
Expenditures to date	<u>3,369,710</u>	<u>1,377,788</u>
Project authorization remaining	<u>\$ 3,740</u>	<u>\$ 12,083</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, 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 2011 was 7.74%; except for the period April 1, 2011 through June 30, 2011, when the rate was 6.74%. The County's contributions to KPERS for the years ended December 31, 2011, 2010, and 2009, were \$362,762, \$323,433, and \$273,338, respectively, equal to the statutory required contributions for each year. The KP&F uniform participating employer rate established for fiscal years beginning in 2011 was 14.57%. 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, 2011, 2010, and 2009, were \$136,632, \$118,925, and \$138,903, 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 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.

NOTE 11—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 12—SUBSEQUENT EVENTS

On April 2, 2012, Harvey County Public Building Commission approved the issuance of \$1,270,000 in revenue bonds to finance improvements to the runway at the Newton City/County Airport.

HARVEY COUNTY, KANSAS
SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2011

Funds	Certified Budget	Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Schedule 1					
GOVERNMENTAL TYPE FUNDS					
General fund	\$ 9,810,470	\$ -	\$ 9,810,470	\$ 9,307,555	\$ (502,915)
Special revenue funds					
Road and bridge	2,211,963	43,176	2,255,139	2,014,883	(240,256)
Noxious weed	197,468	-	197,468	160,349	(37,119)
Agricultural Extension Council	293,559	-	293,559	292,202	(1,357)
Election	35,500	-	35,500	33,543	(1,957)
Mental health	120,000	-	120,000	119,213	(787)
Mental retardation	100,000	-	100,000	98,998	(1,002)
Soil conservation	16,065	-	16,065	15,924	(141)
Elderly services program	299,045	-	299,045	271,998	(27,047)
Emergency telephone service	157,261	-	157,261	145,052	(12,209)
Emergency wireless telephone service	75,500	-	75,500	75,448	(52)
Elderly services transportation program	165,099	41,852	206,951	189,519	(17,432)
Special alcohol and drug	3,745	-	3,745	3,745	-
Special parks and recreation	8,669	-	8,669	5,683	(2,986)
Diversion	28,240	-	28,240	24,836	(3,404)
Road impact fees	88,774	-	88,774	18,694	(70,080)
Capital improvement	310,934	-	310,934	135,057	(175,877)
Debt service fund					
Bond and interest	1,403,081	-	1,403,081	1,346,080	(57,001)
PROPRIETARY TYPE FUND					
Enterprise fund					
Solid waste	2,039,773	-	2,039,773	1,804,925	(234,848)

HARVEY COUNTY, KANSAS

GENERAL FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
			Schedule 2-1 Page 1 of 5
			Variance Over (Under)
REVENUES AND OTHER SOURCES			
Taxes			
Ad valorem property tax	\$ 4,363,651	\$ 4,264,357	\$ 99,294
Delinquent tax	152,849	75,201	77,648
Motor vehicle tax	567,756	595,610	(27,854)
Recreational vehicle tax	10,034	10,598	(564)
16/20M vehicle tax	8,806	7,977	829
Neighborhood revitalization	(39,369)	(55,000)	15,631
Mineral production tax	7,081	3,821	3,260
Sales and consumers' tax	2,055,975	1,988,479	67,496
Interest and penalties	166,191	80,095	86,096
Total taxes	7,292,974	6,971,138	321,836
Intergovernmental			
Local alcoholic liquor tax	2,685	3,745	(1,060)
Federal and State assistance	30,787	30,787	-
Other Federal and State grants	9,556	12,999	(3,443)
Indigent defense reimbursement	6,104	12,985	(6,881)
Total intergovernmental	49,132	60,516	(11,384)
Charges for services			
Special police services	17,985	18,052	(67)
Correction fees	905,237	702,153	203,084
Public health fees	181,901	183,706	(1,805)
Park fees and sales	190,505	175,782	14,723
Other charges	10,001	14,955	(4,954)
Total charges for services	1,305,629	1,094,648	210,981
Use of money and property			
Rents and sale of crops	38,923	17,156	21,767
Interest	22,487	30,098	(7,611)
Total use of money and property	61,410	47,254	14,156
Licenses, fees, and permits			
Mortgage filing fees and registration	362,035	384,670	(22,635)
Court costs/fees/charges	32,349	32,206	143
Bookings	13,182	17,124	(3,942)
Drivers license renewal fees	26,352	27,156	(804)
Alarm fees	37,511	37,502	9
Other fees and licenses	34,341	40,417	(6,076)
Total licenses, fees, and permits	505,770	539,075	(33,305)
Transfers in - vehicle fund	238,653	160,000	78,653
Prior year void warrant checks	9,920	-	9,920
Reimbursements	7,161	7,506	(345)
Other	70,684	4,111	66,573
	326,418	171,617	154,801
TOTAL REVENUES AND OTHER SOURCES	9,541,333	8,884,248	657,085

HARVEY COUNTY, KANSAS

GENERAL FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Schedule 2-1 Page 2 of 5			
Variance Over (Under)			
EXPENDITURES AND OTHER USES			
GENERAL GOVERNMENT			
County Commission			
Personal services	\$ 89,766	\$ 100,160	\$ (10,394)
Operations	3,907	4,270	(363)
Total County Commission	<u>93,673</u>	<u>104,430</u>	<u>(10,757)</u>
County Clerk			
Personal services	188,078	199,375	(11,297)
Operations	10,988	11,060	(72)
Capital outlay	5,522	6,100	(578)
Total County Clerk	<u>204,588</u>	<u>216,535</u>	<u>(11,947)</u>
County Treasurer			
Personal services	477,826	496,791	(18,965)
Operations	21,201	22,500	(1,299)
Capital outlay	3,932	6,000	(2,068)
Total County Treasurer	<u>502,959</u>	<u>525,291</u>	<u>(22,332)</u>
Register of Deeds			
Personal services	107,736	113,036	(5,300)
Operations	10,085	10,155	(70)
Total Register of Deeds	<u>117,821</u>	<u>123,191</u>	<u>(5,370)</u>
District Court			
Personal services	12,184	23,458	(11,274)
Operations	96,335	109,575	(13,240)
Capital outlay	3,533	3,462	71
Total District Court	<u>112,052</u>	<u>136,495</u>	<u>(24,443)</u>
Indigent defense	<u>135,000</u>	<u>135,000</u>	<u>-</u>
Courthouse general			
Personal services	223,308	259,631	(36,323)
Operations	522,714	592,250	(69,536)
Capital outlay	20,005	24,900	(4,895)
McPherson County payment	(58,252)	(39,000)	(19,252)
Total courthouse general	<u>707,775</u>	<u>837,781</u>	<u>(130,006)</u>
Administration			
Personal services	318,997	283,890	35,107
Operations	10,445	12,750	(2,305)
Capital outlay	399	1,500	(1,101)
Total administration	<u>329,841</u>	<u>298,140</u>	<u>31,701</u>

HARVEY COUNTY, KANSAS

GENERAL FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

Schedule 2-1
 Page 3 of 5

	Actual	Budget	Variance Over (Under)
Planning and zoning			
Personal services	\$ 47,332	\$ 50,516	\$ (3,184)
Operations	6,448	10,465	(4,017)
Total planning and zoning	<u>53,780</u>	<u>60,981</u>	<u>(7,201)</u>
Data processing			
Personal services	70,794	70,144	650
Operations	85,976	100,739	(14,763)
Capital outlay	19,330	47,500	(28,170)
Total data processing	<u>176,100</u>	<u>218,383</u>	<u>(42,283)</u>
County Appraiser			
Personal services	478,189	496,691	(18,502)
Operations	77,024	91,175	(14,151)
Capital outlay	2,961	7,500	(4,539)
Recording and GIS fees	(7,755)	(5,500)	(2,255)
Total County Appraiser	<u>550,419</u>	<u>589,866</u>	<u>(39,447)</u>
County Attorney			
Personal services	394,142	412,078	(17,936)
Operations	34,000	51,700	(17,700)
Capital outlay	727	2,500	(1,773)
Total County Attorney	<u>428,869</u>	<u>466,278</u>	<u>(37,409)</u>
Sheriff			
Personal services	1,144,772	1,111,326	33,446
Operations	249,559	258,680	(9,121)
Capital outlay	85,171	93,000	(7,829)
Total Sheriff	<u>1,479,502</u>	<u>1,463,006</u>	<u>16,496</u>
Correctional services			
Personal services	1,084,286	1,102,503	(18,217)
Operations	523,033	545,500	(22,467)
Capital outlay	29,432	74,250	(44,818)
Juvenile detention reimbursement	(2,091)	(3,500)	1,409
Total correctional services	<u>1,634,660</u>	<u>1,718,753</u>	<u>(84,093)</u>
Emergency management			
Personal services	85,862	84,653	1,209
Operations	9,773	13,790	(4,017)
Capital outlay	-	-	-
Total emergency management	<u>95,635</u>	<u>98,443</u>	<u>(2,808)</u>

HARVEY COUNTY, KANSAS
 GENERAL FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
			Schedule 2-1 Page 4 of 5
Communications center			
Personal services	\$ 644,256	\$ 641,936	\$ 2,320
Operations	11,338	17,450	(6,112)
Total communications center	<u>655,594</u>	<u>659,386</u>	<u>(3,792)</u>
Humane society	<u>8,355</u>	<u>8,355</u>	<u>-</u>
Ambulance	<u>621,596</u>	<u>621,596</u>	<u>-</u>
Public health			
Personal services	297,540	282,594	14,946
Operations	83,434	130,228	(46,794)
Capital outlay	-	-	-
Total public health	<u>380,974</u>	<u>412,822</u>	<u>(31,848)</u>
Health ministries			
Appropriations	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Low income assistance	<u>1,200</u>	<u>5,000</u>	<u>(3,800)</u>
Historical society			
Appropriations	<u>52,500</u>	<u>52,500</u>	<u>-</u>
Parks			
Personal services	258,908	273,381	(14,473)
Operations	195,910	173,991	21,919
Capital outlay	20,088	10,500	9,588
Park shop other	(27,168)	-	(27,168)
Total parks	<u>447,738</u>	<u>457,872</u>	<u>(10,134)</u>
County free fair	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Conservation and environmental protection			
Salaries	28,158	33,601	(5,443)
Operations	1,609	1,950	(341)
Total conservation and environmental protection	<u>29,767</u>	<u>35,551</u>	<u>(5,784)</u>
Economic development			
Economic development council	93,396	93,396	-
Kansas Logistics Park	92,803	210,000	(117,197)
Total economic development	<u>186,199</u>	<u>303,396</u>	<u>(117,197)</u>
Airport			
Operations	<u>80,000</u>	<u>80,000</u>	<u>-</u>
City of Newton golf course housing tax			
Operations	<u>41,839</u>	<u>60,000</u>	<u>(18,161)</u>

HARVEY COUNTY, KANSAS

GENERAL FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

Schedule 2-1
 Page 5 of 5

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
TRANSFERS TO OTHER FUNDS			
Transfer to equipment reserve fund	\$ 57,700	\$ -	\$ 57,700
Transfer to transportation fund	28,400	28,400	-
Transfer to health department grant fund	28,019	28,019	-
TOTAL TRANSFERS TO OTHER FUNDS	<u>114,119</u>	<u>56,419</u>	<u>57,700</u>
TOTAL EXPENDITURES	<u>9,307,555</u>	<u>\$ 9,810,470</u>	<u>\$ (502,915)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	233,778		
PRIOR YEAR ENCUMBRANCE CANCELED	6,789		
UNENCUMBERED CASH, BEGINNING	<u>1,567,777</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 1,808,344</u>		

HARVEY COUNTY, KANSAS

ROAD AND BRIDGE FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	Actual	Budget	Schedule 2-2 Variance Over (Under)
	<u> </u>	<u> </u>	<u> </u>
CASH RECEIPTS			
Taxes			
Ad valorem property tax	\$ 1,006,488	\$ 982,937	\$ 23,551
Delinquent tax	35,651	20,000	15,651
Motor vehicle tax	146,831	153,399	(6,568)
Recreational vehicle tax	2,590	2,730	(140)
16/20M vehicle tax	2,531	2,055	476
Neighborhood revitalization	(9,097)	(7,101)	(1,996)
Motor fuel tax	856,068	925,000	(68,932)
Charges for services and other reimbursements	43,176	-	43,176
Miscellaneous	66,352	-	66,352
	<u>2,150,590</u>	<u>\$ 2,079,020</u>	<u>\$ 71,570</u>
EXPENDITURES			
Highways and streets			
Personal services	642,866	\$ 701,723	\$ (58,857)
Operations	1,146,390	1,232,240	(85,850)
Capital outlay	82,290	278,000	(195,710)
Transfer to equipment reserve fund	143,337	-	143,337
	<u>2,014,883</u>	<u>2,211,963</u>	<u>(197,080)</u>
ADJUSTMENT FOR QUALIFYING BUDGET CREDIT	<u>-</u>	<u>43,176</u>	<u>(43,176)</u>
TOTAL FOR COMPARISON	<u>2,014,883</u>	<u>\$ 2,255,139</u>	<u>\$ (240,256)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	135,707		
UNENCUMBERED CASH, BEGINNING	<u>396,906</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 532,613</u>		

HARVEY COUNTY, KANSAS

NOXIOUS WEED FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Schedule 2-3 Variance Over (Under)
CASH RECEIPTS			
Taxes			
Ad valorem property tax	\$ 116,672	\$ 113,975	\$ 2,697
Delinquent tax	3,930	2,516	1,414
Motor vehicle tax	14,416	14,873	(457)
Recreational vehicle tax	253	265	(12)
16/20M vehicle tax	320	199	121
Neighborhood revitalization	(1,055)	(825)	(230)
Reimbursement - chemical sales	16,184	27,000	(10,816)
Reimbursement - spraying	10,237	8,113	2,124
	<u>160,957</u>	<u>\$ 166,116</u>	<u>\$ (5,159)</u>
EXPENDITURES			
Personal services	114,967	\$ 125,318	\$ (10,351)
Operations	45,382	70,950	(25,568)
Capital outlay	-	1,200	(1,200)
	<u>160,349</u>	<u>\$ 197,468</u>	<u>\$ (37,119)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	608		
UNENCUMBERED CASH, BEGINNING	<u>42,760</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 43,368</u>		

HARVEY COUNTY, KANSAS

AGRICULTURE EXTENSION COUNCIL FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Schedule 2-4 Variance Over (Under)
CASH RECEIPTS			
Taxes			
Ad valorem property tax	\$ 253,507	\$ 247,832	\$ 5,675
Delinquent tax	7,439	4,098	3,341
Motor vehicle tax	30,474	31,785	(1,311)
Recreational vehicle tax	537	566	(29)
16/20M vehicle tax	541	426	115
Neighborhood revitalization	<u>(2,289)</u>	<u>(1,816)</u>	<u>(473)</u>
TOTAL CASH RECEIPTS	290,209	<u>\$ 282,891</u>	<u>\$ 7,318</u>
EXPENDITURES			
Conservation and environmental protection			
Operations	<u>292,202</u>	<u>\$ 293,559</u>	<u>\$ (1,357)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(1,993)		
UNENCUMBERED CASH, BEGINNING	<u>1,993</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

HARVEY COUNTY, KANSAS

ELECTION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Schedule 2-5 Variance Over (Under)
CASH RECEIPTS			
Taxes			
Ad valorem tax	\$ 17,773	\$ 17,414	\$ 359
Delinquent tax	1,414	1,003	411
Motor vehicle tax	6,531	7,030	(499)
Recreational vehicle tax	117	125	(8)
16/20M vehicle tax	38	94	(56)
Neighborhood revitalization	(168)	(289)	121
TOTAL CASH RECEIPTS	<u>25,705</u>	<u>\$ 25,377</u>	<u>\$ 328</u>
EXPENDITURES			
General government			
Personal services	10,808	\$ 9,000	\$ 1,808
Operations	22,160	24,700	(2,540)
Capital outlay	575	1,800	(1,225)
TOTAL EXPENDITURES	<u>33,543</u>	<u>\$ 35,500</u>	<u>\$ (1,957)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(7,838)		
UNENCUMBERED CASH, BEGINNING	<u>7,838</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

HARVEY COUNTY, KANSAS

MENTAL HEALTH FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Schedule 2-6			
Variance Over (Under)			
CASH RECEIPTS			
Taxes			
Ad valorem tax	\$ 103,172	\$ 100,955	\$ 2,217
Delinquent tax	3,092	1,937	1,155
Motor vehicle tax	12,518	13,043	(525)
Recreational vehicle tax	220	232	(12)
16/20M vehicle tax	226	175	51
Neighborhood revitalization	(932)	(829)	(103)
	118,296	<u>\$ 115,513</u>	<u>\$ 2,783</u>
EXPENDITURES			
Health and welfare			
Operations	119,213	<u>\$ 120,000</u>	<u>\$ (787)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(917)		
UNENCUMBERED CASH, BEGINNING	917		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

HARVEY COUNTY, KANSAS

MENTAL RETARDATION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Schedule 2-7 Variance Over (Under)
CASH RECEIPTS			
Taxes			
Ad valorem tax	\$ 86,605	\$ 84,666	\$ 1,939
Delinquent tax	2,397	1,297	1,100
Motor vehicle tax	10,386	10,787	(401)
Recreational vehicle tax	183	192	(9)
16/20M vehicle tax	204	144	60
Neighborhood revitalization	<u>(777)</u>	<u>(613)</u>	<u>(164)</u>
TOTAL CASH RECEIPTS	98,998	<u>\$ 96,473</u>	<u>\$ 2,525</u>
EXPENDITURES			
Health and welfare			
Operations	<u>98,998</u>	<u>\$ 100,000</u>	<u>\$ (1,002)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<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, 2011

Schedule 2-8

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Taxes			
Ad valorem tax	\$ 13,676	\$ 13,376	\$ 300
Delinquent tax	426	261	165
Motor vehicle tax	1,726	1,794	(68)
Recreational vehicle tax	30	32	(2)
16/20M vehicle tax	32	24	8
Neighborhood revitalization	(123)	(89)	(34)
	15,767	<u>\$ 15,398</u>	<u>\$ 369</u>
EXPENDITURES			
Operations	15,924	<u>\$ 16,065</u>	<u>\$ (141)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(157)		
UNENCUMBERED CASH, BEGINNING	157		
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, 2011

	Actual	Budget	Schedule 2-9 Variance Over (Under)
CASH RECEIPTS			
Taxes			
Ad valorem tax	\$ 180,757	\$ 176,657	\$ 4,100
Delinquent tax	5,156	3,002	2,154
Motor vehicle tax	21,066	21,998	(932)
Recreational vehicle tax	372	391	(19)
16/20M vehicle tax	365	295	70
Neighborhood revitalization	(1,631)	(868)	(763)
Federal and state assistance	44,337	60,275	(15,938)
United Way	3,830	1,315	2,515
Other	8,817	-	8,817
TOTAL CASH RECEIPTS	263,069	\$ 263,065	\$ 4
EXPENDITURES			
Elderly services coordinator			
Personal services	88,900	\$ 98,776	\$ (9,876)
Operations	9,055	7,020	2,035
Capital outlay	-	1,000	(1,000)
Transfer to elderly services transportation	14,500	14,500	-
Total elderly services coordinator	112,455	121,296	(8,841)
Retired senior volunteer program			
Personal services	38,181	57,862	(19,681)
Operations	19,723	12,010	7,713
Total retired senior volunteer program	57,904	69,872	(11,968)
Other services and appropriations			
TOTAL EXPENDITURES	271,998	\$ 299,045	\$ (27,047)
RECEIPTS OVER (UNDER) EXPENDITURES	(8,929)		
UNENCUMBERED CASH, BEGINNING	42,882		
UNENCUMBERED CASH, ENDING	\$ 33,953		

HARVEY COUNTY, KANSAS

EMERGENCY TELEPHONE SERVICES FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

Schedule 2-10

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Telephone user fees	\$ 112,892	\$ 106,000	\$ 6,892
Reimbursement	-	-	-
TOTAL CASH RECEIPTS	112,892	\$ 106,000	\$ 6,892
EXPENDITURES			
General government			
Operations	57,389	\$ 69,597	\$ (12,208)
Capital outlay	87,663	87,664	(1)
TOTAL EXPENDITURES	145,052	\$ 157,261	\$ (12,209)
RECEIPTS OVER (UNDER) EXPENDITURES	(32,160)		
UNENCUMBERED CASH, BEGINNING	51,261		
UNENCUMBERED CASH, ENDING	\$ 19,101		

HARVEY COUNTY, KANSAS

EMERGENCY WIRELESS TELEPHONE SERVICES FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

Schedule 2-11

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Telephone user fees	\$ 72,862	\$ 72,000	\$ 862
Reimbursement	-	-	-
TOTAL CASH RECEIPTS	72,862	\$ 72,000	\$ 862
EXPENDITURES			
General government			
Operations	54,158	\$ 60,000	\$ (5,842)
Capital outlay	21,290	15,500	5,790
TOTAL EXPENDITURES	75,448	\$ 75,500	\$ (52)
RECEIPTS OVER (UNDER) EXPENDITURES	(2,586)		
UNENCUMBERED CASH, BEGINNING	79,271		
UNENCUMBERED CASH, ENDING	\$ 76,685		

HARVEY COUNTY, KANSAS

ELDERLY SERVICES TRANSPORTATION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

Schedule 2-12

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
Federal and State assistance	\$ 82,418	\$ 102,900	\$ (20,482)
Federal Transit Capital Investment Grant	41,852	-	41,852
Rider donations	19,913	22,000	(2,087)
Other	6,785	-	6,785
Transfers	42,900	42,900	-
TOTAL CASH RECEIPTS	<u>193,868</u>	<u>\$ 167,800</u>	<u>\$ 26,068</u>
EXPENDITURES			
Health and welfare			
Personal services	76,860	\$ 95,849	\$ (18,989)
Operations	69,632	69,250	382
Capital outlay	43,027	-	43,027
TOTAL EXPENDITURES	189,519	165,099	24,420
ADJUSTMENT FOR QUALIFYING BUDGET CREDIT	<u>-</u>	<u>41,852</u>	<u>(41,852)</u>
TOTAL FOR COMPARISON	<u>189,519</u>	<u>\$ 206,951</u>	<u>\$ (17,432)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	4,349		
PRIOR YEAR ENCUMBRANCE CANCELED	5,510		
UNENCUMBERED CASH, BEGINNING	<u>42,506</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 52,365</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, 2011

	<u>Actual</u>	<u>Budget</u>	Schedule 2-13 <u>Variance Over (Under)</u>
CASH RECEIPTS			
Private club liquor tax	\$ 2,685	<u>\$ 3,745</u>	<u>\$ (1,060)</u>
EXPENDITURES			
Health and welfare			
Contractual services	<u>3,745</u>	<u>\$ 3,745</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(1,060)		
UNENCUMBERED CASH, BEGINNING	<u>3,402</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,342</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, 2011

	<u>Actual</u>	<u>Budget</u>	Schedule 2-14 <u>Variance Over (Under)</u>
CASH RECEIPTS			
Private club liquor tax	\$ 2,685	<u>\$ 2,693</u>	<u>\$ (8)</u>
EXPENDITURES			
Culture and recreation			
Contractual services	<u>5,683</u>	<u>\$ 8,669</u>	<u>\$ (2,986)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(2,998)		
UNENCUMBERED CASH, BEGINNING	<u>7,532</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 4,534</u>		

HARVEY COUNTY, KANSAS

DIVERSION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

Schedule 2-15

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Diversion fees	\$ 31,131	\$ 34,616	\$ (3,485)
EXPENDITURES			
General government			
Personal services	22,464	\$ 22,240	\$ 224
Operations	2,372	6,000	(3,628)
TOTAL EXPENDITURES	24,836	\$ 28,240	\$ (3,404)
RECEIPTS OVER (UNDER) EXPENDITURES	6,295		
UNENCUMBERED CASH, BEGINNING	(3,435)		
UNENCUMBERED CASH, ENDING	\$ 2,860		

HARVEY COUNTY, KANSAS

ROAD IMPACT FEES FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Schedule 2-16 <u>Variance Over (Under)</u>
CASH RECEIPTS			
Licenses, fees, and permits	\$ 10,000	<u>\$ 12,000</u>	<u>\$ (2,000)</u>
EXPENDITURES			
Highways and streets			
Road improvements	<u>18,694</u>	<u>\$ 88,774</u>	<u>\$ (70,080)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(8,694)		
UNENCUMBERED CASH, BEGINNING	<u>95,619</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 86,925</u>		

HARVEY COUNTY, KANSAS

CAPITAL IMPROVEMENT FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	Actual	Budget	Schedule 2-17 Variance Over (Under)
	<u> </u>	<u> </u>	<u> </u>
CASH RECEIPTS			
Transfer in - solid waste fund	\$ 88,999	<u>\$ 156,051</u>	<u>\$ (67,052)</u>
EXPENDITURES			
Operations	<u>135,057</u>	<u>\$ 310,934</u>	<u>\$ (175,877)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(46,058)		
UNENCUMBERED CASH, BEGINNING	<u>315,106</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 269,048</u>		

HARVEY COUNTY, KANSAS

NONBUDGETED SPECIAL REVENUE FUNDS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 For Year Ended December 31, 2011

Schedule 2-18
 Page 1 of 2

	Register of Deeds Technology	Special Highway Improvement	Rhoades Foundation	Equipment Reserve	Special Law Enforcement	County Attorney Forfeiture	Prosecutor's Training and Assistance	Neighborhood Stabilization
CASH RECEIPTS								
Fees	\$ 42,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,014	\$ -
Charges for services	-	-	-	-	-	-	-	-
Grants and donations	-	-	-	-	-	-	-	160,060
Forfeitures	-	-	-	-	18,531	-	-	-
Other	-	10,532	-	-	-	-	-	-
Transfers	-	-	-	201,037	-	-	-	-
TOTAL CASH RECEIPTS	42,216	10,532	-	201,037	18,531	-	2,014	160,060
EXPENDITURES								
Current								
Personal services	-	-	-	-	-	-	-	-
Operations	35,226	-	541	7,122	17,174	-	-	160,060
Capital outlay	11,133	-	-	-	-	-	-	-
Highway and streets	-	9,688	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	46,359	9,688	541	7,122	17,174	-	-	160,060
RECEIPTS OVER (UNDER) EXPENDITURES	(4,143)	844	(541)	193,915	1,357	-	2,014	-
UNENCUMBERED CASH, BEGINNING	110,447	550,468	2,068	9,491	14,710	1,776	8,150	-
UNENCUMBERED CASH, ENDING	\$ 106,304	\$ 551,312	\$ 1,527	\$ 203,406	\$ 16,067	\$ 1,776	\$ 10,164	\$ -

HARVEY COUNTY, KANSAS

NONBUDGETED SPECIAL REVENUE FUNDS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 For Year Ended December 31, 2011

Schedule 2-18
 Page 2 of 2

	Health and Wellness	West Park Jetty Grant	Oscar Task Force	Sheriff Justice Assistance Grant	Parks Contributions and Donations	Health Department Grants	Cost of Issuance	Federal and State Assistance	Vehicle Fund
CASH RECEIPTS									
Fees	\$ 2,000	-	-	\$ -	-	-	\$ -	-	\$ 259,507
Charges for services	-	-	-	-	-	39,994	-	-	-
Grants and donations	-	6,670	-	-	-	444,722	-	-	-
Forfeitures	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	13,751	-	-	-
Transfers	-	-	-	-	-	28,019	-	-	-
TOTAL CASH RECEIPTS	2,000	6,670	-	-	-	526,486	-	-	259,507
EXPENDITURES									
Current									
Personal services	-	-	-	-	-	356,936	-	-	-
Operations	251	6,136	-	-	-	75,512	6,903	98	20,854
Capital outlay	-	-	-	-	-	11,374	-	-	-
Highway and streets	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	238,653
TOTAL EXPENDITURES	251	6,136	-	-	-	443,822	6,903	98	259,507
RECEIPTS OVER (UNDER) EXPENDITURES	1,749	534	-	-	-	82,664	(6,903)	(98)	-
UNENCUMBERED CASH, BEGINNING	-	-	1,828	222	99	85,680	6,903	98	-
UNENCUMBERED CASH, ENDING	\$ 1,749	\$ 534	\$ 1,828	\$ 222	\$ 99	\$ 168,344	\$ -	\$ -	\$ -

HARVEY COUNTY, KANSAS
 CAPITAL PROJECT FUNDS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 For Year Ended December 31, 2011

Schedule 2-19

	Kansas Logistics Park	Fairground Improvement Project	Schaben Industrial Park	Courthouse Parking Project
RECEIPTS AND OTHER SOURCES				
Proceeds - Harvey County, Kansas G.O. Bonds, Series 2011	\$ 3,335,000	\$ -	\$ -	\$ -
Reoffering premium	38,450	-	-	-
TOTAL RECEIPTS AND OTHER SOURCES	3,373,450	-	-	-
EXPENDITURES				
Contractual services	3,293,191	-	-	-
Cost of issuance	76,519	-	-	-
Transfer to other funds	-	-	8,225	7,606
TOTAL EXPENDITURES	3,369,710	-	8,225	7,606
RECEIPTS AND OTHER SOURCES OVER (UNDER) EXPENDITURES	3,740	-	(8,225)	(7,606)
UNENCUMBERED CASH, BEGINNING	-	671	8,225	7,606
UNENCUMBERED CASH, ENDING	\$ 3,740	\$ 671	\$ -	\$ -

HARVEY COUNTY, KANSAS

BOND AND INTEREST FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

Schedule 2-20

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Taxes			
Ad valorem property tax	\$ 765,559	\$ 748,564	\$ 16,995
Delinquent tax	19,094	12,009	7,085
Motor vehicle tax	89,768	94,705	(4,937)
Recreational vehicle tax	1,591	1,685	(94)
16/20M vehicle tax	1,190	1,268	(78)
Neighborhood revitalization	(6,909)	(4,015)	(2,894)
Special assessments	77,385	82,332	(4,947)
Newton City LEC payments	16,529	16,529	-
Transfer from solid waste fund	414,514	414,514	-
Transfer from Schaben Industrial Park project	8,225	-	8,225
Transfer from courthouse parking project	7,606	-	7,606
TOTAL CASH RECEIPTS	<u>1,394,552</u>	<u>\$ 1,367,591</u>	<u>\$ 26,961</u>
EXPENDITURES			
Debt service			
Principal	1,152,500	\$ 1,193,500	\$ (41,000)
Interest	170,813	193,890	(23,077)
Bond fees	1	18	(17)
Other	22,766	15,673	7,093
TOTAL EXPENDITURES	<u>1,346,080</u>	<u>\$ 1,403,081</u>	<u>\$ (57,001)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	48,472		
UNENCUMBERED CASH, BEGINNING	<u>97,489</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 145,961</u>		

HARVEY COUNTY, KANSAS

SOLID WASTE FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
			Schedule 2-21
CASH RECEIPTS			
Tipping fees	\$ 628,996	\$ 657,932	\$ (28,936)
Brush and limb fees	291,944	340,000	(48,056)
Solid waste fees	838,838	884,379	(45,541)
Recycling	28,195	5,000	23,195
Other	105,974	200	105,774
TOTAL CASH RECEIPTS	<u>1,893,947</u>	<u>\$ 1,887,511</u>	<u>\$ 6,436</u>
EXPENDITURES			
Sanitation			
Closure and postclosure costs	8,640	\$ 19,650	\$ (11,010)
Construction and demolition	221,133	273,606	(52,473)
Composting	4,902	11,750	(6,848)
Municipal solid waste program	1,021,298	1,098,258	(76,960)
Recycling	45,439	65,945	(20,506)
Total sanitation	<u>1,301,412</u>	<u>1,469,209</u>	<u>(167,797)</u>
Transfers out			
Bond and interest fund	414,514	414,513	1
Capital improvement fund	88,999	156,051	(67,052)
Total transfers out	<u>503,513</u>	<u>570,564</u>	<u>(67,051)</u>
TOTAL EXPENDITURES	<u>1,804,925</u>	<u>\$ 2,039,773</u>	<u>\$ (234,848)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	89,022		
UNENCUMBERED CASH, BEGINNING	<u>220,432</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 309,454</u>		

HARVEY COUNTY, KANSAS

 AGENCY FUNDS
 SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS - REGULATORY BASIS
 For Year Ended December 31, 2011

Schedule 3

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
DISTRIBUTABLE FUNDS				
Current tax	\$ 19,242,287	\$ 34,230,766	\$ 33,337,699	\$ 20,135,354
Prepaid tax	-	-	-	-
Delinquent tax	101,070	93,991	102,075	92,986
Motor vehicle tax	117,056	3,527,496	3,525,806	118,746
Recreational vehicle tax	3,688	60,003	60,201	3,490
Redemptions	668,221	896,940	1,275,119	290,042
Escape tax	20,004	2,597	20,507	2,094
County and township gas tax	-	958,446	958,446	-
Mineral production tax	-	14,163	14,163	-
Neighborhood revitalization	-	279,158	279,158	-
Tax increment financing	-	-	-	-
County special assessments	-	78,240	78,240	-
TOTAL DISTRIBUTABLE FUNDS	20,152,326	40,141,800	39,651,414	20,642,712
STATE FUNDS				
State educational building tax	-	247,112	247,112	-
State institutional building tax	-	123,556	123,556	-
State general	-	40	40	-
State vehicle tax	-	50,148	50,148	-
Drivers licenses - State	3,653	200,259	199,739	4,173
Motor vehicle registration	-	1,980,303	1,980,303	-
Motor vehicle IRP	-	68	-	68
Motor vehicle sales tax	78,931	998,223	1,003,141	74,013
Heritage trust fund	2,629	11,217	12,510	1,336
TOTAL STATE FUNDS	85,213	3,610,926	3,616,549	79,590
SUBDIVISION FUNDS				
Cities	3,124	10,817,534	10,812,758	7,900
Regional library	-	110,061	110,029	32
School districts	4,517	15,705,913	15,695,689	14,741
Townships	-	1,523,334	1,522,886	448
Fire districts	379	148,183	148,112	450
Prairie Lawn Cemetery	-	3,143	3,143	-
Equus bed	-	66,875	66,875	-
Drainage districts	-	3,314	3,314	-
Watershed districts	2	82,044	82,042	4
TOTAL SUBDIVISION FUNDS	8,022	28,460,401	28,444,848	23,575
OTHER AGENCY FUNDS				
Emergency Shelter Grant	-	33,683	33,683	-
Antique vehicle registration	6,030	6,090	6,035	6,085
Auto postage	327	-	327	-
Tag refunds	(208)	28,791	28,747	(164)
Drivers license fee - County	26,025	26,763	26,025	26,763
Insufficient checks	(14,332)	12,201	14,418	(16,549)
Payroll clearing	113,146	3,587,961	3,592,924	108,183
Special clearing	7,510	6,303,211	6,310,721	-
Self-funded dental	32,685	78,984	84,715	26,954
Micro loan	32,592	12,605	537	44,660
Sheriff - prisoner account	83,522	52,558	44,256	91,824
Sheriff - sheriff reserves	2,093	1,400	2,052	1,441
Sheriff - emergency response team	14,125	19,872	14,996	19,001
Sheriff - Harvey County explorers	999	7,439	6,663	1,775
Sheriff - Kurt Ford scholarship	3,263	1,503	-	4,766
Register of Deeds	56,438	393,077	415,884	33,631
Clerk of the District Court	166,543	2,123,971	2,197,092	93,422
Law Library	40,412	43,339	46,496	37,255
TOTAL OTHER AGENCY FUNDS	571,170	12,733,448	12,825,571	479,047
TOTAL AGENCY FUNDS	\$ 20,816,731	\$ 84,946,575	\$ 84,538,382	\$ 21,224,924

HARVEY COUNTY, KANSAS

COMPONENT UNIT - HARVEY COUNTY PUBLIC BUILDING COMMISSION
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 For Year Ended December 31, 2011

	Schedule 4
	<u>Actual</u>
CASH RECEIPTS	
Rental payments from Harvey County, Kansas	<u>\$ 725,148</u>
EXPENDITURES	
Debt service - principal	670,000
Debt service - interest	<u>55,148</u>
TOTAL EXPENDITURES	<u>725,148</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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Nick L. Mueting, CPA
Billy J. Klug, 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 the financial statement of Harvey County, Kansas (the County) as of and for the year ended December 31, 2011, and have issued our report thereon dated April 23, 2012, which was modified because the financial statement is prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas. We conducted our audit in accordance with generally accepted auditing standards 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.

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 opinions 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

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.

We noted certain matters that we reported to management of the County, in a separate letter dated April 23, 2012.

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

Lindburg Vogel Pierce Faris

Certified Public Accountants

Hutchinson, Kansas
April 23, 2012

HARVEY COUNTY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2011

Page 1 of 2

Programs	Federal CFDA Number	Grant I.D. Number	Expenditures
<u>U.S. Department of Agriculture</u>			
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		\$ 171,074
<i>Total U.S. Department of Agriculture</i>			<u>171,074</u>
<u>U.S. Department of Housing and Urban Development</u>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Commerce</u>			
Small Cities Community Development Block Grant (Neighborhood Stabilization Program)	14.228	09-NSP-008	160,060
<i>Total U.S. Department of Housing and Urban Development</i>			<u>160,060</u>
<u>U.S. Department of Justice</u>			
Bulletproof Vest Partnership			
	16.607		2,560
<i>Total U.S. Department of Justice</i>			<u>2,560</u>
<u>U.S. Department of Transportation</u>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Transportation</u>			
Federal Transit Capital Investment Grant	20.500		41,852
Formula Grants for Other Than Urbanized Areas	20.509		59,651
Safety Belt Performance Grants	20.609		1,262
<i>Total U.S. Department of Transportation</i>			<u>102,765</u>
<u>U.S. Department of Health and Human Services</u>			
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		1,350
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		15,852
Special Programs for the Aging - Title III, Part E - National Family Caregiver Support	93.052		7,727
<u>Kansas Department of Health and Environment</u>			
Public Health Emergency Preparedness	93.069		30,888
Family Planning Services	93.217		7,314
Immunization Grants	93.268		1,543
Center for Disease Control - Investigation and Technical Assistance	93.283		10,703
Prevention and Public Health Fund Affordable Care Act - Immunization Program	93.539		9,623
Child Care Mandatory and Matching Funds of the Child Care and Block Grant	93.596		16,220
Preventative Health and Health Services Block Grant	93.991		5,127
Maternal Child Health Block Grant	93.994		18,947
<i>Total U.S. Department of Health and Human Services</i>			<u>125,294</u>
<u>Corporation for National and Community Service</u>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Transportation</u>			
Retired and Senior Volunteer Program	94.002		16,130
<i>Total Corporation for National and Community Service</i>			<u>16,130</u>
<u>U.S. Department of Homeland Security</u>			
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>
Total Federal Awards Expended			<u>\$ 608,670</u>

See accompanying notes to the schedule of expenditures of federal awards.

HARVEY COUNTY, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2011

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, 2011, and is presented on the statutory basis of accounting. 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 statutory 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.

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

Compliance

We have audited the compliance of Harvey County, Kansas (the County) 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, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 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.

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 that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

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

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

Certified Public Accountants

Hutchinson, Kansas
April 23, 2012

HARVEY COUNTY, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For year ended December 31, 2011

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statement of the County which is prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas.
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 Statements 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. No deficiencies material to major federal award programs were disclosed during the audit.
5. The auditors' report on compliance for the major federal award programs expressed an unqualified opinion.
6. There were no audit findings relative to major federal award programs.
7. The programs tested as major programs include:

	CFDA No.
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Small Cities Community Development Block Grant	14.228

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

There were no findings.

HARVEY COUNTY, KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For Year Ended December 31, 2011**U.S. DEPARTMENT OF TRANSPORTATION**Formula Grants for Other Than Urbanized Areas – CFDA No. 20.509

2010-2 Condition: Expenditures submitted for reimbursement included the expenditures submitted on behalf of a subrecipient. When reimbursement was made to the subrecipient the payment was claimed as an expenditure again, resulting in a duplication of expenditures claimed.

Recommendation: We recommend that County personnel become more familiar with cost principles contained in OMB Circular A-87, including what constitutes a duplicate cost.

Current Status: Corrective action was implemented during 2011 to prevent submitting duplicate costs for reimbursement. The County repaid the duplicate costs to the grantor in 2011.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENTSmall Cities Community Development Block Grants – CFDA No. 14.228

2010-3 Condition: Records and information at the County that were necessary for completion of compliance tests were not complete. Grant administration personnel familiar with the project were not available for questions and inquiries.

Recommendation: We recommend that the County require the grant administrator to provide a file, to be kept at the County administration office, with documentation related to grant activity and communications. Also, we recommend that the County review the information contained in the file regularly in order to understand issues related to the program.

Current Status: The County administrator's office obtained a file with related grant activity. The grant administrator and the County administrator's administrative assistant maintained and updated the file during 2011 until completion of the grant, to implement the corrective action plan.