

**GRAY COUNTY, KANSAS**

---

**FINANCIAL STATEMENTS  
with  
INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED DECEMBER 31, 2011**

---

# GRAY COUNTY, KANSAS

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Summary of Cash Receipts, Expenditures, and Unencumbered Cash.....	3
Summary of Expenditures – Actual and Budget.....	5
Statement of Cash Receipts and Expenditures – Actual and Budget	
General Fund.....	6
Road and Bridge Fund.....	10
Special Bridge Fund.....	11
Waste Disposal Fund.....	12
Noxious Weed Fund.....	13
County Health Fund.....	14
Mental Health Fund.....	15
Retarded Citizens Fund.....	16
Conservation District Fund.....	17
Extension Council Fund.....	18
Historical Society Fund.....	19
Free Fair Fund.....	20
Council on Aging Fund.....	21
Ambulance Fund.....	22
Appraiser's Cost Fund.....	23
Direct Election Expense Fund.....	24
Tort Liability Expense Fund.....	25
Employee Benefits Fund.....	26
Rural Fire District Fund.....	27
County Library Fund.....	28
Statement of Cash Receipts and Expenditures – All Non-Budgeted Special Revenue Funds.....	29
Summary of Cash Receipts and Cash Disbursements – All Agency Funds.....	31
Notes to Financial Statements.....	32

*Kennedy*  
*McKee & Company LLP* Certified Public Accountants

1100 W. Frontview  
P. O. Box 1477  
Dodge City, Kansas 67801  
Tel. (620) 227-3135  
Fax (620) 227-2308  
www.kmc-cpa.com

JAMES W. KENNEDY, CPA  
JAMES R. SHIRLEY, CPA  
LU ANN WETMORE, CPA  
ROBERT C. NEIDHART, CPA  
PATRICK M. FRIESS, CPA  
JOHN W. HENDRICKSON, CPA

**INDEPENDENT AUDITOR'S REPORT**

Board of County Commissioners  
Gray County, Kansas

We have audited the accompanying financial statements of Gray County, Kansas, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the County's primary government, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described more fully in Note A, Gray County, Kansas, has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the omission of the discretely presented component units, as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do 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 changes in financial position thereof for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of Gray County, Kansas, as of December 31, 2011, and their respective cash receipts and expenditures, and budgetary results for the year then ended on the basis of accounting described in Note A.

*Kennedy McKee & Company LLP*

June 4, 2012

## GRAY COUNTY, KANSAS

### SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH

Year ended December 31, 2011

<u>Fund</u>	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances	Cash receipts
Governmental type funds:			
General	\$ 361,187	\$ -	\$ 2,464,814
Special revenue funds:			
Road and bridge	102,456	-	2,800,875
Special bridge	492,963	-	6,525
Waste disposal	29,887	-	433,464
Noxious weed	72,813	-	108,900
County health	24,349	-	135,142
Mental health	-	-	45,678
Retarded citizens	-	-	33,230
Conservation district	-	-	25,725
Extension council	-	-	124,676
Historical society	-	-	12,851
Free fair	-	-	133,272
Council on aging	-	-	73,861
Ambulance	218,518	-	213,178
Appraiser's cost	53,272	-	205,223
Direct election expense	18,141	-	30,853
Tort liability expense	108,492	-	-
Employee benefits	562,247	-	934,409
Rural fire district	69,913	-	86,777
County library	-	-	34,134
Non-budgeted special revenue funds:			
Special highway	362,957	-	393,139
Register of deeds technology	25,890	-	14,950
Special health	26,834	-	76,987
Regional bio-terrorism	(8,026)	-	69,182
Ambulance special equipment	5,378	-	220
PSAP 911 E	68,405	-	14,131
Ambulance spec equip - South	490	-	3,596
Search and rescue	225	-	7,403
Enhanced 911 grant	(14,371)	-	17,932
Capital improvements	631,436	-	230,105
Equipment reserve	322,295	-	345,226
CDBG Grant #1	-	-	14,934
P.A.T.F.	12,858	-	1,944
Sex offender	880	-	540
Special law enforcement trust	2,861	-	40
Special vehicle	33,740	-	61,578
Postage	5,726	-	10,450
Veterans memorial	296	-	-
Law enforcement equipment	3,453	-	-
Alcohol programs	523	-	-
Parks and recreation	335	-	-
Drug task force	894	-	-
Rural fire training	-	-	7,755
Total - excluding agency funds	<u>\$ 3,597,317</u>	<u>\$ -</u>	<u>\$ 9,173,699</u>

<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 2,389,740	\$ 436,261	\$ 76,642	\$ 512,903
2,678,505	224,826	103,845	328,671
56,482	443,006	-	443,006
411,541	51,810	15,535	67,345
148,943	32,770	1,824	34,594
159,491	-	5,114	5,114
44,422	1,256	-	1,256
32,329	901	-	901
25,000	725	-	725
121,300	3,376	-	3,376
12,575	276	-	276
129,650	3,622	-	3,622
71,853	2,008	-	2,008
366,400	65,296	8,572	73,868
189,882	68,613	8,990	77,603
23,098	25,896	382	26,278
-	108,492	-	108,492
959,687	536,969	-	536,969
100,000	56,690	2,884	59,574
33,460	674	-	674
316,613	439,483	-	439,483
12,443	28,397	-	28,397
84,292	19,529	171	19,700
56,950	4,206	2,298	6,504
-	5,598	-	5,598
9,150	73,386	510	73,896
-	4,086	-	4,086
7,482	146	-	146
-	3,561	-	3,561
12,394	849,147	-	849,147
242,933	424,588	10,367	434,955
14,934	-	6,223	6,223
988	13,814	-	13,814
-	1,420	-	1,420
-	2,901	-	2,901
63,424	31,894	-	31,894
7,889	8,287	-	8,287
-	296	-	296
2,857	596	-	596
-	523	-	523
-	335	-	335
-	894	-	894
5,197	2,558	-	2,558
<u>\$ 8,791,904</u>	<u>\$ 3,979,112</u>	<u>\$ 243,357</u>	<u>\$ 4,222,469</u>

**GRAY COUNTY, KANSAS**

**SUMMARY OF CASH RECEIPTS, EXPENDITURES,  
AND UNENCUMBERED CASH (CONTINUED)**

Year ended December 31, 2011

	<u>Ending cash balance</u>
Composition of cash balance:	
Cash on hand	\$ 90,649
Checking accounts	800,616
Savings accounts	12,069,126
Credit card deposit on hand	<u>111</u>
Total cash	12,960,502
Agency funds	<u>(8,738,033)</u>
Total - excluding agency funds	<u><u>\$ 4,222,469</u></u>

The accompanying notes are an integral  
part of the financial statements.

## GRAY COUNTY, KANSAS

### SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Year ended December 31, 2011

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund	\$ 2,389,740	\$ -	\$ 2,389,740	\$ 2,389,740	\$ -
Special revenue funds:					
Road and bridge	2,678,505	-	2,678,505	2,678,505	-
Special bridge	253,270	-	253,270	56,482	196,788
Waste disposal	474,000	-	474,000	411,541	62,459
Noxious weed	157,000	-	157,000	148,943	8,057
County health	166,693	-	166,693	159,491	7,202
Mental health	44,422	-	44,422	44,422	-
Retarded citizens	32,329	-	32,329	32,329	-
Conservation district	25,000	-	25,000	25,000	-
Extension council	121,300	-	121,300	121,300	-
Historical society	12,575	-	12,575	12,575	-
Free fair	129,650	-	129,650	129,650	-
Council on aging	71,853	-	71,853	71,853	-
Ambulance	366,400	-	366,400	366,400	-
Appraiser's cost	216,898	-	216,898	189,882	27,016
Direct election expense	39,000	-	39,000	23,098	15,902
Tort liability expense	108,492	-	108,492	-	108,492
Employee benefits	1,329,000	-	1,329,000	959,687	369,313
Rural fire district	100,000	-	100,000	100,000	-
County library	33,550	-	33,550	33,460	90
 Total primary government	 <u>\$ 8,749,677</u>	 <u>\$ -</u>	 <u>\$ 8,749,677</u>	 <u>\$ 7,954,358</u>	 <u>\$ 795,319</u>

The accompanying notes are an integral  
part of the financial statements.



# GRAY COUNTY, KANSAS

## GENERAL FUND

### STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 997,420	\$ 1,033,302	\$ 1,019,144	\$ 14,158
Delinquent tax	6,076	13,979	5,170	8,809
Motor vehicle tax	90,234	134,290	133,594	696
Recreational vehicle tax	1,539	2,396	2,482	(86)
16/20M truck tax	3,734	3,988	5,497	(1,509)
Interest on delinquent tax	21,541	48,255	15,000	33,255
Local sales tax	394,720	444,027	340,000	104,027
Mineral production tax	8,531	6,616	5,000	1,616
Intangible tax	473	-	-	-
Licenses, permits and fees:				
Mortgage registration fees	56,797	43,891	30,000	13,891
County officers' fees	28,601	33,925	20,000	13,925
911E tariff tax	23,960	23,303	24,000	(697)
Diversion fees	31,389	38,844	20,000	18,844
Other fees	3,895	18,453	1,000	17,453
Charges for services:				
Law enforcement contract	135,000	270,000	180,000	90,000
Interest	81,064	57,814	75,000	(17,186)
Gift from FPL Energy	189,752	189,005	189,752	(747)
Farm income	303	18,559	3,000	15,559
Other	69,485	50,427	25,000	25,427
Operating transfers in	35,207	33,740	32,000	1,740
Total cash receipts	2,179,721	2,464,814	\$ 2,125,639	\$ 339,175
Expenditures:				
County commissioners:				
Personal services	27,318	27,359	\$ 30,000	\$ 2,641
Commodities	464	-	-	-
Contractual services	5,794	7,609	5,600	(2,009)
Subtotal	33,576	34,968	35,600	632

# GRAY COUNTY, KANSAS

## GENERAL FUND

### STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET (CONTINUED)

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
County clerk:				
Personal services	\$ 80,842	\$ 74,522	\$ 91,000	\$ 16,478
Commodities	2,462	6,059	3,500	(2,559)
Contractual services	5,683	4,245	5,500	1,255
Capital outlay	-	-	3,000	3,000
Subtotal	88,987	84,826	103,000	18,174
County treasurer:				
Personal services	118,510	115,884	119,500	3,616
Commodities	2,508	3,312	6,000	2,688
Contractual services	7,194	9,588	7,850	(1,738)
Capital outlay	-	-	6,000	6,000
Subtotal	128,212	128,784	139,350	10,566
County attorney:				
Personal services	82,906	84,018	88,000	3,982
Commodities	1,278	1,102	2,000	898
Contractual services	43,123	36,263	48,000	11,737
Capital outlay	-	-	2,000	2,000
Subtotal	127,307	121,383	140,000	18,617
Register of deeds:				
Personal services	66,107	67,398	69,000	1,602
Commodities	5,343	9,967	5,500	(4,467)
Contractual services	2,875	2,596	4,500	1,904
Capital outlay	-	-	2,000	2,000
Subtotal	74,325	79,961	81,000	1,039
Custodian:				
Personal services	59,916	60,632	63,000	2,368
Commodities	7,353	7,383	13,000	5,617
Contractual services	117	763	-	(763)
Capital outlay	-	-	1,000	1,000
Subtotal	67,386	68,778	77,000	8,222

**GRAY COUNTY, KANSAS**

**GENERAL FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET (CONTINUED)**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
District court:				
Commodities	\$ 4,669	\$ 5,213	\$ 5,050	\$ (163)
Contractual services	44,264	59,384	58,200	(1,184)
Capital outlay	101	970	5,515	4,545
Subtotal	<u>49,034</u>	<u>65,567</u>	<u>68,765</u>	<u>3,198</u>
Courthouse general:				
Personal services	92,953	122,352	98,000	(24,352)
Commodities	15,302	26,500	40,000	13,500
Contractual services	303,482	435,786	300,000	(135,786)
Capital outlay	-	-	25,000	25,000
Subtotal	<u>411,737</u>	<u>584,638</u>	<u>463,000</u>	<u>(121,638)</u>
Sheriff:				
Personal services	612,180	624,676	655,000	30,324
Commodities	100,015	102,698	150,000	47,302
Contractual services	132,601	132,610	165,000	32,390
Capital outlay	-	965	120,000	119,035
Subtotal	<u>844,796</u>	<u>860,949</u>	<u>1,090,000</u>	<u>229,051</u>
Civil defense:				
Commodities	17,750	4,763	500	(4,263)
Contractual services	5,387	7,199	4,800	(2,399)
Capital outlay	17,134	-	30,000	30,000
Subtotal	<u>40,271</u>	<u>11,962</u>	<u>35,300</u>	<u>23,338</u>
Weather modification	<u>26,725</u>	<u>26,725</u>	<u>26,725</u>	<u>-</u>
Diversion fees:				
Personal services	10,779	6,000	15,000	9,000
Capital outlay	-	9,000	-	(9,000)
Subtotal	<u>10,779</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>

**GRAY COUNTY, KANSAS**

**GENERAL FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ACTUAL AND BUDGET (CONTINUED)**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Farm expense:				
Commodities	\$ -	\$ 1,332	\$ 11,000	\$ 9,668
Contractual services	2,695	2,579	4,000	1,421
Subtotal	<u>2,695</u>	<u>3,911</u>	<u>15,000</u>	<u>11,089</u>
Reimbursed expenditures	<u>(117,795)</u>	<u>(114,684)</u>	<u>-</u>	<u>114,684</u>
Transfer to other funds:				
Capital improvement	190,040	222,457	-	(222,457)
Equipment reserve	293,515	194,515	100,000	(94,515)
Subtotal	<u>483,555</u>	<u>416,972</u>	<u>100,000</u>	<u>(316,972)</u>
Total expenditures	<u>2,271,590</u>	<u>2,389,740</u>	<u>\$ 2,389,740</u>	<u>\$ -</u>
Receipts over (under) expenditures	(91,869)	75,074		
Unencumbered cash, beginning of year	<u>453,056</u>	<u>361,187</u>	<u>\$ 264,101</u>	<u>\$ 97,086</u>
Unencumbered cash, end of year	<u>\$ 361,187</u>	<u>\$ 436,261</u>		

The accompanying notes are an integral  
part of the financial statements.

**GRAY COUNTY, KANSAS**

**ROAD AND BRIDGE FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 1,787,000	\$ 2,027,058	\$ 1,999,198	\$ 27,860
Delinquent tax	15,446	29,680	9,265	20,415
Motor vehicle tax	245,347	242,238	239,405	2,833
Recreational vehicle tax	4,184	4,307	4,450	(143)
16/20M tax	10,329	10,841	9,848	993
Gasoline tax	423,562	418,320	416,339	1,981
Other	154,632	68,431	-	68,431
<b>Total cash receipts</b>	<b>2,640,500</b>	<b>2,800,875</b>	<b>\$ 2,678,505</b>	<b>\$ 122,370</b>
<b>Expenditures:</b>				
Highway and streets	2,614,483	2,462,793	\$ 2,678,505	\$ 215,712
Reimbursed expenditures	(91,686)	(90,026)	-	90,026
Transfer to special highway	57,203	305,738	-	(305,738)
<b>Total expenditures</b>	<b>2,580,000</b>	<b>2,678,505</b>	<b>\$ 2,678,505</b>	<b>\$ -</b>
Receipts over (under) expenditures	60,500	122,370		
Unencumbered cash, beginning of year	41,956	102,456	\$ -	\$ 102,456
Unencumbered cash, end of year	<u>\$ 102,456</u>	<u>\$ 224,826</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**SPECIAL BRIDGE FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 34,251	\$ (2)	\$ -	\$ (2)
Delinquent tax	407	584	177	407
Motor vehicle tax	3,931	4,628	4,585	43
Recreational vehicle tax	67	82	85	(3)
16/20M tax	248	173	189	(16)
Other	640	1,060	-	1,060
<b>Total cash receipts</b>	<b>39,544</b>	<b>6,525</b>	<b>\$ 5,036</b>	<b>\$ 1,489</b>
<b>Expenditures:</b>				
Highways and streets	26,944	58,582	\$ 253,270	\$ 194,688
Reimbursed expenditures	-	(2,100)	-	2,100
<b>Total expenditures</b>	<b>26,944</b>	<b>56,482</b>	<b>\$ 253,270</b>	<b>\$ 196,788</b>
Receipts over (under) expenditures	12,600	(49,957)		
Unencumbered cash, beginning of year	480,363	492,963	\$ 248,234	\$ 244,729
Unencumbered cash, end of year	\$ 492,963	\$ 443,006		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**WASTE DISPOSAL FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 78,654	\$ 49,737	\$ 49,085	\$ 652
Special assessments	235,585	245,516	239,632	5,884
Delinquent tax	488	1,176	408	768
Motor vehicle tax	9,866	10,642	10,536	106
Recreational vehicle tax	169	189	196	(7)
16/20M tax	3	437	433	4
Charges for services	91,771	120,546	101,000	19,546
Other	4,164	5,221	-	5,221
Total cash receipts	<u>420,700</u>	<u>433,464</u>	<u>\$ 401,290</u>	<u>\$ 32,174</u>
Expenditures:				
Sanitation:				
Overhead	5,247	8,184	\$ 15,000	\$ 6,816
Equipment maintenance	53,970	7,904	-	(7,904)
Capital outlay	-	-	56,000	56,000
Contractual services	345,554	359,933	368,000	8,067
Payroll	35,191	35,520	35,000	(520)
Total expenditures	<u>439,962</u>	<u>411,541</u>	<u>\$ 474,000</u>	<u>\$ 62,459</u>
Receipts over (under) expenditures	(19,262)	21,923		
Unencumbered cash, beginning of year	<u>49,149</u>	<u>29,887</u>	<u>\$ 72,710</u>	<u>\$ (42,823)</u>
Unencumbered cash, end of year	<u>\$ 29,887</u>	<u>\$ 51,810</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**NOXIOUS WEED FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 133,216	\$ 82,810	\$ 81,674	\$ 1,136
Delinquent tax	1,001	2,043	691	1,352
Motor vehicle tax	14,956	17,993	17,847	146
Recreational vehicle tax	255	321	332	(11)
16/20M tax	762	660	734	(74)
Other	-	5,073	-	5,073
<b>Total cash receipts</b>	<b>150,190</b>	<b>108,900</b>	<b>\$ 101,278</b>	<b>\$ 7,622</b>
<b>Expenditures:</b>				
Highways and streets	159,545	147,733	\$ 157,000	\$ 9,267
Reimbursed expenditures	(43,537)	(25,790)	-	25,790
Transfer to equipment reserve	27,000	27,000	-	(27,000)
<b>Total expenditures</b>	<b>143,008</b>	<b>148,943</b>	<b>\$ 157,000</b>	<b>\$ 8,057</b>
Receipts over (under) expenditures	7,182	(40,043)		
Unencumbered cash, beginning of year	65,631	72,813	\$ 55,722	\$ 17,091
Unencumbered cash, end of year	<u>\$ 72,813</u>	<u>\$ 32,770</u>		

The accompanying notes are an integral part of the financial statements.



**GRAY COUNTY, KANSAS**

**COUNTY HEALTH FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 116,052	\$ 116,207	\$ 120,368	\$ (4,161)
Delinquent tax	992	1,910	602	1,308
Motor vehicle tax	15,475	15,723	15,551	172
Recreational vehicle tax	264	280	289	(9)
16/20M tax	675	684	640	44
Other	553	338	-	338
<b>Total cash receipts</b>	<b>134,011</b>	<b>135,142</b>	<b>\$ 137,450</b>	<b>\$ (2,308)</b>
<b>Expenditures:</b>				
Health and welfare:				
Personal services	149,872	152,129	\$ 155,862	\$ 3,733
Commodities	73,644	48,231	44,670	(3,561)
Contractual services	12,526	8,786	13,545	4,759
Capital outlay	-	93	-	(93)
Reimbursed expenditures	(98,382)	(49,748)	(47,384)	2,364
<b>Total expenditures</b>	<b>137,660</b>	<b>159,491</b>	<b>\$ 166,693</b>	<b>\$ 7,202</b>
Receipts over (under) expenditures	(3,649)	(24,349)		
Unencumbered cash, beginning of year	27,998	24,349	\$ 29,243	\$ (4,894)
Unencumbered cash, end of year	<u>\$ 24,349</u>	<u>\$ -</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**MENTAL HEALTH FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 36,937	\$ 39,740	\$ 39,176	\$ 564
Delinquent tax	325	618	-	618
Motor vehicle tax	5,076	5,007	4,950	57
Recreational vehicle tax	87	89	92	(3)
16/20M tax	209	224	204	20
Other	877	-	-	-
Total cash receipts	43,511	45,678	<u>\$ 44,422</u>	<u>\$ 1,256</u>
Expenditures:				
Health and welfare:				
County appropriation	44,422	44,422	<u>\$ 44,422</u>	<u>\$ -</u>
Receipts over (under) expenditures	(911)	1,256		
Unencumbered cash, beginning of year	911	-	<u>\$ -</u>	<u>\$ -</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 1,256</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**RETARDED CITIZENS FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 26,891	\$ 28,908	\$ 28,512	\$ 396
Delinquent tax	239	449	-	449
Motor vehicle tax	3,678	3,645	3,602	43
Recreational vehicle tax	63	65	67	(2)
16/20M tax	156	163	148	15
Other	586	-	-	-
<b>Total cash receipts</b>	<b>31,613</b>	<b>33,230</b>	<b>\$ 32,329</b>	<b>\$ 901</b>
<b>Expenditures:</b>				
Health and welfare:				
County appropriation	32,329	32,329	\$ 32,329	\$ -
Receipts over (under) expenditures	(716)	901		
Unencumbered cash, beginning of year	716	-	\$ -	\$ -
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 901</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**CONSERVATION DISTRICT FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 20,901	\$ 22,370	\$ 22,035	\$ 335
Delinquent tax	180	347	-	347
Motor vehicle tax	2,838	2,833	2,798	35
Recreational vehicle tax	48	50	52	(2)
16/20M tax	124	125	115	10
Total cash receipts	24,091	25,725	<u>\$ 25,000</u>	<u>\$ 725</u>
Expenditures:				
General government:				
County appropriation	24,508	25,000	<u>\$ 25,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	(417)	725		
Unencumbered cash, beginning of year	417	-	<u>\$ -</u>	<u>\$ -</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 725</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**EXTENSION COUNCIL FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 100,954	\$ 108,451	\$ 106,967	\$ 1,484
Delinquent tax	880	1,684	-	1,684
Motor vehicle tax	13,867	13,685	13,526	159
Recreational vehicle tax	237	243	251	(8)
16/20M tax	563	613	556	57
Total cash receipts	116,501	124,676	<u>\$ 121,300</u>	<u>\$ 3,376</u>
Expenditures:				
Transfer to component unit	118,737	121,300	<u>\$ 121,300</u>	<u>\$ -</u>
Receipts over (under) expenditures	(2,236)	3,376		
Unencumbered cash, beginning of year	2,236	-	<u>\$ -</u>	<u>\$ -</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 3,376</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**HISTORICAL SOCIETY FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 7,862	\$ 11,602	\$ 11,456	\$ 146
Delinquent tax	62	123	-	123
Motor vehicle tax	967	1,064	1,056	8
Recreational vehicle tax	17	19	20	(1)
16/20M tax	41	43	43	-
Other	203	-	-	-
<b>Total cash receipts</b>	<b>9,152</b>	<b>12,851</b>	<b>\$ 12,575</b>	<b>\$ 276</b>
<b>Expenditures:</b>				
Culture and recreation:				
County appropriation	9,305	12,575	\$ 12,575	\$ -
Receipts over (under) expenditures	(153)	276		
Unencumbered cash, beginning of year	153	-	\$ -	\$ -
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 276</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**FREE FAIR FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 107,753	\$ 115,951	\$ 114,352	\$ 1,599
Delinquent tax	957	1,805	-	1,805
Motor vehicle tax	14,736	14,605	14,436	169
Recreational vehicle tax	251	260	268	(8)
16/20M tax	627	651	594	57
<b>Total cash receipts</b>	<b>124,324</b>	<b>133,272</b>	<b>\$ 129,650</b>	<b>\$ 3,622</b>
<b>Expenditures:</b>				
Transfer to component unit	127,151	129,650	\$ 129,650	\$ -
Receipts over (under) expenditures	(2,827)	3,622		
Unencumbered cash, beginning of year	2,827	-	\$ -	\$ -
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 3,622</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**COUNCIL ON AGING FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 62,081	\$ 63,904	\$ 63,040	\$ 864
Delinquent tax	541	1,028	-	1,028
Motor vehicle tax	8,319	8,411	8,316	95
Recreational vehicle tax	142	150	155	(5)
16/20M tax	367	368	342	26
Total cash receipts	71,450	73,861	<u>\$ 71,853</u>	<u>\$ 2,008</u>
Expenditures:				
Health and welfare:				
County appropriation	73,007	71,853	<u>\$ 71,853</u>	<u>\$ -</u>
Receipts over (under) expenditures	(1,557)	2,008		
Unencumbered cash, beginning of year	1,557	-	<u>\$ -</u>	<u>\$ -</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 2,008</u>		

The accompanying notes are an integral part of the financial statements.



**GRAY COUNTY, KANSAS**

**AMBULANCE FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 243,065	\$ 33,641	\$ 33,181	\$ 460
Delinquent tax	2,085	3,999	1,260	2,739
Motor vehicle tax	32,387	32,931	32,566	365
Recreational vehicle tax	552	586	605	(19)
16/20M tax	1,646	1,430	1,340	90
Charges for services	145,297	130,429	120,000	10,429
Other	4,031	10,162	-	10,162
<b>Total cash receipts</b>	<b>429,063</b>	<b>213,178</b>	<b>\$ 188,952</b>	<b>\$ 24,226</b>
<b>Expenditures:</b>				
Health and welfare:				
Personal services	123,466	203,202	\$ 170,000	\$ (33,202)
Commodities	25,033	32,416	48,000	15,584
Contractual services	42,900	52,126	73,400	21,274
Capital outlay	24,342	17,176	75,000	57,824
Reimbursed expenditures	(159)	(13,520)	-	13,520
Transfer to equipment reserve	75,000	75,000	-	(75,000)
<b>Total expenditures</b>	<b>290,582</b>	<b>366,400</b>	<b>\$ 366,400</b>	<b>\$ -</b>
Receipts over (under) expenditures	138,481	(153,222)		
Unencumbered cash, beginning of year	80,037	218,518	\$ 177,448	\$ 41,070
Unencumbered cash, end of year	\$ 218,518	\$ 65,296		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**APPRAISER'S COST FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 147,176	\$ 180,753	\$ 178,291	\$ 2,462
Delinquent tax	1,395	2,544	763	1,781
Motor vehicle tax	21,499	19,976	19,722	254
Recreational vehicle tax	367	355	367	(12)
16/20M tax	939	950	811	139
Other	1,116	645	-	645
<b>Total cash receipts</b>	<b>172,492</b>	<b>205,223</b>	<b>\$ 199,954</b>	<b>\$ 5,269</b>
<b>Expenditures:</b>				
General government:				
Personal services	146,380	154,094	\$ 168,558	\$ 14,464
Commodities	6,061	9,374	12,600	3,226
Contractual services	20,513	17,914	27,240	9,326
Capital outlay	-	-	8,500	8,500
Reimbursed expenditures	(4,600)	-	-	-
Transfer to equipment reserve	6,500	8,500	-	(8,500)
<b>Total expenditures</b>	<b>174,854</b>	<b>189,882</b>	<b>\$ 216,898</b>	<b>\$ 27,016</b>
Receipts over (under) expenditures	(2,362)	15,341		
Unencumbered cash, beginning of year	55,634	53,272	\$ 16,944	\$ 36,328
Unencumbered cash, end of year	\$ 53,272	\$ 68,613		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**DIRECT ELECTION EXPENSE FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 38,575	\$ 25,125	\$ 24,795	\$ 330
Delinquent tax	107	399	200	199
Motor vehicle tax	957	5,144	5,165	(21)
Recreational vehicle tax	16	93	96	(3)
16/20M tax	129	42	212	(170)
Other	25	50	-	50
Total cash receipts	<u>39,809</u>	<u>30,853</u>	<u>\$ 30,468</u>	<u>\$ 385</u>
<b>Expenditures:</b>				
General government:				
Personal services	11,370	11,237	\$ 13,000	\$ 1,763
Commodities	3,774	670	6,000	5,330
Contractual services	13,089	9,191	18,000	8,809
Capital outlay	-	-	2,000	2,000
Transfer to equipment reserve	5,000	2,000	-	(2,000)
Total expenditures	<u>33,233</u>	<u>23,098</u>	<u>\$ 39,000</u>	<u>\$ 15,902</u>
Receipts over (under) expenditures	6,576	7,755		
Unencumbered cash, beginning of year	<u>11,565</u>	<u>18,141</u>	<u>\$ 8,532</u>	<u>\$ 9,609</u>
Unencumbered cash, end of year	<u>\$ 18,141</u>	<u>\$ 25,896</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**TORT LIABILITY EXPENSE FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts	\$ -	\$ -	\$ -	\$ -
Expenditures:				
General government:				
Contractual services	-	-	\$ 108,492	\$ 108,492
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	108,492	108,492	\$ 108,492	\$ -
Unencumbered cash, end of year	<u>\$ 108,492</u>	<u>\$ 108,492</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**EMPLOYEE BENEFITS FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 725,361	\$ 812,935	\$ 801,808	\$ 11,127
Delinquent tax	8,046	14,216	3,762	10,454
Motor vehicle tax	143,103	99,176	97,198	1,978
Recreational vehicle tax	2,443	1,755	1,807	(52)
16/20M tax	4,953	6,327	3,998	2,329
Total cash receipts	883,906	934,409	<u>\$ 908,573</u>	<u>\$ 25,836</u>
Expenditures:				
General government:				
Personal services	881,711	959,687	<u>\$ 1,329,000</u>	<u>\$ 369,313</u>
Receipts over (under) expenditures	2,195	(25,278)		
Unencumbered cash, beginning of year	560,052	562,247	<u>\$ 420,427</u>	<u>\$ 141,820</u>
Unencumbered cash, end of year	<u>\$ 562,247</u>	<u>\$ 536,969</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**RURAL FIRE DISTRICT FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
<b>Cash receipts:</b>				
Taxes and shared revenue:				
Ad valorem property tax	\$ 86,532	\$ 72,633	\$ 72,201	\$ 432
Delinquent tax	345	1,136	453	683
Motor vehicle tax	5,661	8,306	8,261	45
Recreational vehicle tax	100	156	161	(5)
16/20M tax	474	386	339	47
Gift from FPL Energy	5,126	4,160	5,125	(965)
<b>Total cash receipts</b>	<b>98,238</b>	<b>86,777</b>	<b>\$ 86,540</b>	<b>\$ 237</b>
<b>Expenditures:</b>				
Public safety:				
Personal services	-	3,949	\$ 5,000	\$ 1,051
Commodities	-	799	-	(799)
Contractual services	33	2,077	25,000	22,923
Overhead	27,780	50,876	20,000	(30,876)
Equipment repair	6,724	11,363	-	(11,363)
Capital outlay	9,932	-	50,000	50,000
Transfer to equipment reserve	-	30,936	-	(30,936)
<b>Total expenditures</b>	<b>44,469</b>	<b>100,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>
Receipts over (under) expenditures	53,769	(13,223)		
Unencumbered cash, beginning of year	16,144	69,913	\$ 13,460	\$ 56,453
Unencumbered cash, end of year	\$ 69,913	\$ 56,690		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**COUNTY LIBRARY FUND**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 28,779	\$ 30,461	\$ 30,492	\$ (31)
Delinquent tax	220	550	-	550
Motor vehicle tax	2,948	2,857	2,826	31
Recreational vehicle tax	52	59	56	3
16/20M tax	181	207	176	31
Total cash receipts	32,180	34,134	<u>\$ 33,550</u>	<u>\$ 584</u>
Expenditures:				
Transfer to component unit	32,180	33,460	<u>\$ 33,550</u>	<u>\$ 90</u>
Receipts over (under) expenditures	-	674		
Unencumbered cash, beginning of year	-	-	<u>\$ -</u>	<u>\$ -</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 674</u>		

The accompanying notes are an integral part of the financial statements.

**GRAY COUNTY, KANSAS**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ALL NON-BUDGETED SPECIAL REVENUE FUNDS**

Year ended December 31, 2011

	<u>Special highway</u>	<u>Register of deeds technology</u>	<u>Special health</u>	<u>Regional bio-terrorism</u>	<u>Ambulance special equipment</u>
Cash receipts:					
State and federal aid	\$ -	\$ -	\$ -	\$ 69,182	\$ -
Licenses, permits and fees	-	14,950	-	-	-
Charges for services	-	-	32,534	-	-
Interest	-	-	-	-	-
Other	87,401	-	44,453	-	220
Operating transfers in	<u>305,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total cash receipts	 <u>393,139</u>	 <u>14,950</u>	 <u>76,987</u>	 <u>69,182</u>	 <u>220</u>
Expenditures:					
Personal services	-	-	-	-	-
Commodities	-	-	25,984	-	-
Contractual services	-	7,988	61,140	56,950	-
Capital outlay	316,613	4,455	3,445	-	-
Reimbursed expenditures	-	-	(6,277)	-	-
Remittance to state	-	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenditures	 <u>316,613</u>	 <u>12,443</u>	 <u>84,292</u>	 <u>56,950</u>	 <u>-</u>
Receipts over (under) expenditures	76,526	2,507	(7,305)	12,232	220
Unencumbered cash (deficit), beginning of year	<u>362,957</u>	<u>25,890</u>	<u>26,834</u>	<u>(8,026)</u>	<u>5,378</u>
 Unencumbered cash, end of year	 <u>\$ 439,483</u>	 <u>\$ 28,397</u>	 <u>\$ 19,529</u>	 <u>\$ 4,206</u>	 <u>\$ 5,598</u>



<u>PSAP 911E</u>	<u>Ambulance special equipment - South</u>	<u>Search and rescue</u>	<u>Enhanced 911 grant</u>	<u>Capital improve- ments</u>	<u>Equipment reserve</u>	<u>CDBG Grant #1</u>
\$ -	\$ -	\$ -	\$ 17,932	\$ -	\$ -	\$ -
14,065	-	-	-	-	-	-
-	-	-	-	-	-	-
66	-	-	-	7,648	7,275	1,122
-	3,596	7,403	-	-	-	13,812
-	-	-	-	222,457	337,951	-
<u>14,131</u>	<u>3,596</u>	<u>7,403</u>	<u>17,932</u>	<u>230,105</u>	<u>345,226</u>	<u>14,934</u>
-	-	-	-	-	-	-
-	-	110	-	-	-	-
9,150	-	-	-	2,600	-	-
-	-	7,372	-	9,794	242,933	-
-	-	-	-	-	-	-
-	-	-	-	-	-	14,934
-	-	-	-	-	-	-
<u>9,150</u>	<u>-</u>	<u>7,482</u>	<u>-</u>	<u>12,394</u>	<u>242,933</u>	<u>14,934</u>
4,981	3,596	(79)	17,932	217,711	102,293	-
<u>68,405</u>	<u>490</u>	<u>225</u>	<u>(14,371)</u>	<u>631,436</u>	<u>322,295</u>	<u>-</u>
<u>\$ 73,386</u>	<u>\$ 4,086</u>	<u>\$ 146</u>	<u>\$ 3,561</u>	<u>\$ 849,147</u>	<u>\$ 424,588</u>	<u>\$ -</u>

**GRAY COUNTY, KANSAS**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES -  
ALL NON-BUDGETED SPECIAL REVENUE FUNDS (CONTNUED)**

Year ended December 31, 2011

	<u>P.A.T.F.</u>	<u>Sex offender</u>	<u>Special law enforcement trust</u>	<u>Special vehicle</u>	<u>Postage</u>
Cash receipts:					
State and federal aid	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	1,944	540	-	61,578	-
Charges for services	-	-	-	-	10,450
Interest	-	-	40	-	-
Other	-	-	-	-	-
Operating transfers in	-	-	-	-	-
	<u>1,944</u>	<u>540</u>	<u>40</u>	<u>61,578</u>	<u>10,450</u>
Total cash receipts					
Expenditures:					
Personal services	-	-	-	25,837	-
Commodities	-	-	-	1,904	-
Contractual services	-	-	-	1,943	7,889
Capital outlay	-	-	-	-	-
Reimbursed expenditures	-	-	-	-	-
Remittance to state	988	-	-	-	-
Operating transfers out	-	-	-	33,740	-
	<u>988</u>	<u>-</u>	<u>-</u>	<u>63,424</u>	<u>7,889</u>
Total expenditures					
Receipts over (under) expenditures	956	540	40	(1,846)	2,561
Unencumbered cash (deficit), beginning of year	<u>12,858</u>	<u>880</u>	<u>2,861</u>	<u>33,740</u>	<u>5,726</u>
Unencumbered cash, end of year	<u>\$ 13,814</u>	<u>\$ 1,420</u>	<u>\$ 2,901</u>	<u>\$ 31,894</u>	<u>\$ 8,287</u>

The accompanying notes are an integral  
part of the financial statements.

<u>Veterans memorial</u>	<u>Law enforcement equipment</u>	<u>Alcohol programs</u>	<u>Parks and recreation</u>	<u>Drug task force</u>	<u>Rural fire training</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,114
-	-	-	-	-	-	93,077
-	-	-	-	-	-	42,984
-	-	-	-	-	-	16,151
-	-	-	-	-	7,755	164,640
-	-	-	-	-	-	866,146
-	-	-	-	-	7,755	1,270,112
-	-	-	-	-	-	25,837
-	1,323	-	-	-	4,104	33,425
-	-	-	-	-	1,093	148,753
-	1,534	-	-	-	-	586,146
-	-	-	-	-	-	(6,277)
-	-	-	-	-	-	15,922
-	-	-	-	-	-	33,740
-	2,857	-	-	-	5,197	837,546
-	(2,857)	-	-	-	2,558	432,566
296	3,453	523	335	894	-	1,483,079
<u>\$ 296</u>	<u>\$ 596</u>	<u>\$ 523</u>	<u>\$ 335</u>	<u>\$ 894</u>	<u>\$ 2,558</u>	<u>\$ 1,915,645</u>

**GRAY COUNTY, KANSAS**

**SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS -  
ALL AGENCY FUNDS**

Year ended December 31, 2011

Fund	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
County clerk	\$ 349	\$ 4,106	\$ 4,154	\$ 301
Register of deeds	5,793	832,110	99,702	738,201
District court	4,200	380,243	360,794	23,649
Sheriff	722	39,794	40,294	222
County treasurer	6,671,641	11,951,202	11,284,626	7,338,217
Local taxing districts	105,348	5,387,679	5,376,745	116,282
Mortgage registration fees	8,593	46,044	48,607	6,030
Drivers record fees	60	580	610	30
Motor vehicle fees and sales tax collection	20,761	864,676	855,332	30,105
Wind farm donation	-	368,731	368,731	-
Payroll clearing funds	203,725	2,246,128	2,082,868	366,985
Juvenile justice	115,497	622,905	634,016	104,386
Law library	10,662	8,701	5,738	13,625
<b>Total</b>	<b>\$ 7,147,351</b>	<b>\$ 22,752,899</b>	<b>\$ 21,162,217</b>	<b>\$ 8,738,033</b>

The accompanying notes are an integral  
part of the financial statements.

# GRAY COUNTY, KANSAS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2011

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statements is presented to assist in understanding the County's financial statements, which are presented in conformity with the cash basis and budget laws of the State of Kansas. The financial statements and notes are representations of the County's management, which is responsible for their integrity and objectivity. The amounts shown for 2010 in the accompanying financial statements are included, where practicable, only to provide a basis for comparison with 2011, and are not intended to present all information necessary for a fair presentation in accordance with the basis of accounting as described below.

#### 1. Financial reporting entity

Gray County, Kansas, is a municipal corporation governed by an elected three-member commission. The scope of the entity for financial reporting purposes is defined as those funds for which the governing body of the County has financial accountability. Financial accountability includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds. These financial statements include all funds included in the County's legally adopted budget and fiduciary funds controlled or administered by County employees in their capacity as County employees. These financial statements present Gray County, Kansas, (the primary government) and do not include the following component units:

#### Component units

Gray County Free Fair Association: The Association is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the Association is prohibited from issuing bonded debt without the approval of the County Commission.

Gray County Library District: The members of the governing board of the District are appointed by the County Commissioners. The District is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the District is prohibited from issuing bonded debt without the approval of the County Commission.

Gray County Extension Council: The Council is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the Council is prohibited from issuing bonded debt without the approval of the County Commission.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1. Financial reporting entity (continued)

Complete financial statements of the individual component units can be obtained directly from their administrative offices.

#### Administrative Offices:

Gray County Free Fair Association  
Cimarron, KS 67835

Gray County Library District  
Cimarron, KS 67835

Gray County Extension Council  
Gray County Fair Facilities  
Cimarron, KS 67835

### 2. Fund accounting

The accounts of the County are organized on the basis of funds. In governmental accounting a fund is designated as a sum of money or other resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations and constituting an independent fiscal and accounting entity.

County resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

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

#### GOVERNMENTAL FUNDS

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

##### General Fund

This fund is established to account for resources 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. The fund is charged with all costs of operating the government for which a separate fund has not been established.

##### Special Revenue Funds

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

#### FIDUCIARY FUNDS

##### Agency Funds

These funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3. Statutory basis of accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State 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 is charged in the fund from which the transfer is made.

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

### 4. Departure from accounting principles generally accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. A statement of net assets 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 is not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences is not presented in the financial statements.

### 5. 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. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of public hearing.
- d. Adoption of the final budget on or before August 25th.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

All legal annual operating budgets are prepared using the statutory basis of accounting in which revenues are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds:

Special Highway	Prosecuting Attorney Training
Register of Deeds Technology	Sex Offender
Special Health	Special Law Enforcement Trust
Regional Bio-Terrorism	Special Vehicle
Ambulance Special Equipment	Postage
PSAP 911E	Veterans Memorial
Ambulance Spec Equip - South	Law Enforcement Equipment
Search and Rescue	Alcohol Programs
Enhanced 911 Grant	Parks and Recreation
Capital Improvements	Drug Task Force
Equipment Reserve	Rural Fire Training
CDBG Grant #1	

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

### 6. Cash and investments

To facilitate better management of the County's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash account. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are distributed to the General Fund and other appropriate funds. Investments consist of time deposits reported at fair value which is the same as cost.

### 7. Pension plans

Substantially all full-time employees of the County are members of the State of Kansas Public Employees' Retirement System (KPERs) or the Kansas Police and Firemen's Retirement System (KP&F), both of which are cost-sharing multiple-employer state-wide pension plans. The County's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the system's actuary.



## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 8. Compensated absences

The County's policies regarding vacations permit employees to accumulate a maximum of eighteen calendar days of vacation. Upon termination or resignation from service with the County, employees are entitled to payment for all accumulated vacation earned prior to termination or resignation up to a maximum of eighteen days. All employees on permanent status earn sick leave at the rate of one calendar day per month with a maximum accumulation of one hundred thirty calendar days of sick leave. No allowance for unused sick leave is paid upon termination or resignation. The County has a sick leave bank whereby employees can transfer excess sick leave to a bank to be used by employees who are on extended sick leave and have exhausted their own sick leave accumulation. The sick leave bank is administered by the County Commissioners.

### 9. Section 125 plan

The County offers a section 125 flexible benefit plan to employees electing to participate. It is used for insurance premiums, other medical costs and child care costs. The plan is administered by an independent insurance company.

### 10. Deferred compensation plan

The County offers employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457.

### 11. Other post employment benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. The American Recovery and Reinvestment Act of 2009 (ARRA), as amended, provides for premium reductions for health benefits under COBRA. Eligible individuals pay only 35 percent of their COBRA premiums and the remaining 65 percent is reimbursed to the coverage provider through a tax credit. Certain requirements are outlined by the federal government for this coverage and credit.

### 12. 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; natural disasters; and medical needs of employees. The County participates in public entity risk pools to cover property, liability and worker's compensation claims. The County purchases commercial insurance to cover the medical needs of employees. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

## B. DEPOSITS AND INVESTMENTS

*Policies.* The County has no formal deposit and investment policies; however it does follow state statutes. 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 to have a main or branch bank in the county, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the County's deposits in financial institutions to be entirely covered by federal depository insurance, by a corporate surety bond, or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka.

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. State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. At year-end the carrying amount of the County's deposits, including certificates of deposit, was \$12,869,853. The bank balance was \$12,978,084. Of the bank balance, \$1,404,962 was covered by FDIC insurance, and \$11,573,122 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the County's name.

## C. LONG-TERM DEBT

Changes in long-term liabilities for the entity for the year ended December 31, 2011, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions/ net change</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Capital leases:					
Screen machines					
Issued February 29, 2008					
In the amount of \$161,839					
At interest rate of 4.19%					
Maturing March 1, 2012					
	\$ 65,980	\$ -	\$ 32,313	\$ 33,667	\$ 2,765
KDOT communications equipment					
Issued September 1, 2010					
In the amount of \$44,238					
At interest rate of 5.15%					
Maturing December 15, 2021					
	40,036	-	2,797	37,239	2,060
Total capital leases	106,016	-	35,110	70,906	4,825
Compensated absences:					
Vacation and sick leave					
	225,528	-	16,811	208,717	-
Total long-term debt	\$ 331,544	\$ -	\$ 51,921	\$ 279,623	\$ 4,825

C. LONG-TERM DEBT (CONTINUED)

Current maturities of capital leases and interest for the next five years and in five year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2012	\$ 36,608	\$ 3,327	\$ 39,935
2013	3,092	1,765	4,857
2014	3,251	1,606	4,857
2015	3,418	1,439	4,857
2016	3,594	1,263	4,857
2017-2021	<u>20,943</u>	<u>3,341</u>	<u>24,284</u>
Total	<u>\$ 70,906</u>	<u>\$ 12,741</u>	<u>\$ 83,647</u>

D. INTERFUND TRANSFERS

A summary of interfund transfers by type is as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Statutory authority</u>
Operating transfers:			
General fund	Equipment Reserve fund	\$ 194,515	K.S.A. 19-119
General fund	Capital Improvements fund	222,457	K.S.A. 19-120
Noxious Weed fund	Equipment Reserve fund	27,000	K.S.A. 19-119
Ambulance fund	Equipment Reserve fund	75,000	K.S.A. 19-119
Appraiser's Cost fund	Equipment Reserve fund	8,500	K.S.A. 19-119
Election fund	Equipment Reserve fund	2,000	K.S.A. 19-119
Rural Fire District fund	Equipment Reserve fund	30,936	K.S.A. 19-119
Special Vehicle fund	General fund	33,740	K.S.A. 8-145
Road and Bridge fund	Special Highway fund	<u>305,738</u>	K.S.A. 68-590
		<u>\$ 899,886</u>	
Transfers to component units:			
Extension Council fund	Extension Council	\$ 121,300	K.S.A. 2-610
Free Fair fund	Free Fair Association	129,650	K.S.A. 2-129
County Library fund	Library District	<u>33,460</u>	K.S.A. 12-1220
		<u>\$ 284,410</u>	

E. DEFINED BENEFIT PENSION PLAN

*Plan description.* Gray County contributes to the Kansas Public Employees Retirement System (KPERs) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. KPERs and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERs (611 S. Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

## E. DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1, and 6% for Tier 2 (employees hired on or after July 1, 2009). K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for the calendar year 2011 is 7.74%. The County employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$164,720, \$146,298, and \$120,529, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2011 is 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 contributions to KP&F for the years ending December 31, 2011, 2010, and 2009 were \$61,973, \$54,151, and \$58,879, respectively, equal to the required contributions for each year.

## F. COMMITMENTS

The County has agreed to participation in an Interlocal Cooperation Agreement with five other counties, known as the Western Kansas Development Organization (WEKANDO). The agreement is to run for thirteen years commencing in 2010 and ending in 2022. The purpose of the organization is to develop and undertake programs to promote economic growth in the area. Gray County's funding assessment for the year, 2011, was \$63,935. For the years 2011 through 2014 the assessment will be allocated between the member counties on a pro-rata percentage based on the annual valuations. That percentage shall be converted to a mill levy amount and applied equally to each county to raise a total amount each year of \$1,000,000. The assessment will be paid from the General Fund, supported by the general tax revenues of the County.

## G. PUBLIC ENTITY RISK POOLS

The County is a member of the Kansas Workers Risk Cooperative for Counties (KWORCC), a group funded pool for workers compensation coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Cooperative as determined by the seven-member Board of Trustees based upon experience modification factors, payroll audits and any other bases the Board considers appropriate. It is not possible to estimate the maximum contributions which could be required. KWORCC covers claims up to \$600,000 each and aggregate excess reinsurance provides aggregate coverage up to \$5,000,000. Except for required contributions, no member can be held responsible for any claims made against any other member.

The County also is a member of the Kansas County Association Multi-Line Pool (KCAMP), a group funded pool for property, liability, crime and surety coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Pool as determined by the nine-member Board of Trustees. It is not possible to estimate the maximum contributions which could be required. KCAMP covers claims up to \$250,000 for property, \$250,000 for liability and \$150,000 for crime. Excess reinsurance provides aggregate coverage up to \$14,249,109 for property and \$1,000,000 for liability. Except for required contributions, no member can be held responsible for any claims made against any other member.

## H. CONTINGENCIES

The County receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, would be insignificant.

## I. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 4, 2012, the date on which the financial statements were available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in these financial statements.