

GRAY COUNTY, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2013**

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Gray County, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Gray County, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note A, the financial statement is prepared by the County to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Gray County, Kansas as of December 31, 2013, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Gray County, Kansas as of December 31, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

The 2012 columns presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) upon which we rendered an unmodified opinion dated June 4, 2014 is also presented for comparative analysis and is not a required part of the 2013 basic financial statement. The 2012 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv/>. Such 2012 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 comparative information was subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 comparative information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

June 4, 2014

GRAY COUNTY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2013

Funds	Beginning unencumbered cash balance	Prior year canceled encumbrances
General fund	\$ 1,770,828	\$ -
Special purpose funds:		
Road and bridge	244,186	-
Special bridge	426,099	-
Waste disposal	97,907	-
Noxious weed	85,740	-
County health	3,776	-
Mental health	3,086	-
Mental retardation	2,204	-
Conservation district	1,621	-
Extension council	8,051	-
Historical society	675	-
Free fair	8,547	-
Council on aging	4,945	-
Ambulance	75,317	-
Appraiser's cost	58,573	-
Direct election expense	21,281	-
Tort liability expense	108,492	-
Employee benefits	435,547	-
Rural fire district	20,000	-
County library	2,401	-
Non-budgeted special purpose funds:		
Special highway	120,165	-
Register of deeds technology	5,217	-
Special health	2,649	-
Regional bio-terrorism	3,590	-
Ambulance special equipment	5,698	-
PSAP 911 E	92,014	-
Ambulance spec equip - South	4,586	-
Search and rescue	146	-
Enhanced 911 grant	3,561	-
Capital improvements	1,094,319	-
Equipment reserve	577,202	-
CDBG Grant #1	-	-
Prosecuting attorney trust	14,906	-
Sex offender	2,080	-
Special law enforcement trust	18,618	-
Special vehicle	29,020	-
Postage	3,654	-
Veterans memorial	1,436	-
Law enforcement equipment	596	-
Alcohol programs	523	-
Parks and recreation	335	-
Drug task force	894	-
Total special purpose funds	3,589,657	-
Total reporting entity - excluding agency funds	\$ 5,360,485	\$ -

Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
\$ 2,800,066	\$ 2,652,976	\$ 1,917,918	\$ 76,830	\$ 1,994,748
3,159,287	2,852,400	551,073	40,910	591,983
1,906	16,855	411,150	-	411,150
544,439	557,843	84,503	16,244	100,747
143,578	131,511	97,807	13,991	111,798
139,190	133,417	9,549	3,346	12,895
47,564	46,643	4,007	-	4,007
33,086	32,329	2,961	-	2,961
25,555	25,000	2,176	-	2,176
145,778	142,255	11,574	-	11,574
13,870	13,600	945	-	945
141,507	138,225	11,829	-	11,829
81,000	79,200	6,745	-	6,745
443,300	430,099	88,518	11,822	100,340
201,990	203,235	57,328	10,485	67,813
24,166	23,680	21,767	296	22,063
-	-	108,492	-	108,492
1,572,796	1,077,752	930,591	-	930,591
171,486	123,785	67,701	16,469	84,170
38,309	33,550	7,160	-	7,160
165,244	201,766	83,643	-	83,643
12,814	4,639	13,392	-	13,392
100,288	102,198	739	196	935
40,536	35,396	8,730	2,414	11,144
3,960	-	9,658	-	9,658
48,824	16,363	124,475	-	124,475
-	-	4,586	-	4,586
-	-	146	-	146
-	-	3,561	-	3,561
475,643	138,994	1,430,968	-	1,430,968
430,494	438,096	569,600	97,090	666,690
6,222	6,222	-	-	-
2,202	1,148	15,960	-	15,960
700	-	2,780	-	2,780
19,177	13	37,782	-	37,782
63,962	66,739	26,243	27	26,270
14,659	14,581	3,732	-	3,732
3,250	500	4,186	-	4,186
-	-	596	-	596
-	-	523	-	523
-	-	335	-	335
-	-	894	-	894
8,316,782	7,088,034	4,818,405	213,290	5,031,695
\$ 11,116,848	\$ 9,741,010	\$ 6,736,323	\$ 290,120	\$ 7,026,443

GRAY COUNTY, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended December 31, 2013

	<u>Ending cash balance</u>
Composition of cash balance:	
Cash on hand	\$ 49,578
Checking accounts	2,393,128
Money market accounts	<u>13,498,579</u>
Total cash	15,941,285
Agency funds	<u>(8,914,842)</u>
Total reporting entity - excluding agency funds	<u><u>\$ 7,026,443</u></u>

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

GRAY COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the County's financial statement. The financial statement and notes are representations of the County's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

Gray County, Kansas is a municipal corporation governed by an elected three-member commission. This regulatory financial statement does not include the related municipal entities shown below. A related municipal entity is an entity established to benefit the County and/or its constituents.

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.

2. Basis of Presentation – Fund Accounting

The accounts of the County are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the County for the year ended December 31, 2013:

REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund and special purpose funds (unless specifically exempted by statute). 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 a 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 hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts 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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

A legal operating budget is not required for agency funds and the following special purpose funds:

Special Highway	Prosecuting Attorney Trust
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	
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.

B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds 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 banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

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.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County does not have a designated "peak period". All deposits were legally secured at December 31, 2013.

At December 31, 2013, the County's carrying amount of deposits was \$15,891,707 and the bank balance was \$16,087,322. Of the bank balance, \$641,268 was covered by federal depository insurance, and \$15,446,054 was collateralized with securities held by the pledging financial institutions agents in the County's name.

C. LONG-TERM DEBT

Changes in long-term liabilities for the County for the year ended December 31, 2013, 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:					
KDOT communications equipment Issued September 1, 2010 In the amount of \$44,238 At interest rate of 5.15% Maturing December 15, 2021	\$ 35,272	\$ -	\$ 3,262	\$ 32,010	\$ 1,594
Caterpillar motor graders Issued November 30, 2012 In the amount of \$483,670 At interest rate of 3.20% Maturing November 27, 2014	<u>483,670</u>	<u>-</u>	<u>237,996</u>	<u>245,674</u>	<u>13,589</u>
Total capital leases	<u>\$ 518,942</u>	<u>\$ -</u>	<u>\$ 241,258</u>	<u>\$ 277,684</u>	<u>\$ 15,183</u>

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>
2014	\$ 249,084	\$ 7,359	\$ 256,443
2015	3,564	1,293	4,857
2016	3,725	1,132	4,857
2017	3,894	963	4,857
2018	4,070	787	4,857
2019-2021	<u>13,347</u>	<u>1,224</u>	<u>14,571</u>
Total	<u>\$ 277,684</u>	<u>\$ 12,758</u>	<u>\$ 290,442</u>

D. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfers:			
General	Equipment reserve	K.S.A. 19-119	\$ 142,615
General	Capital improvements	K.S.A. 19-120	471,137
Waste disposal	Equipment reserve	K.S.A. 19-119	56,000
Ambulance	Equipment reserve	K.S.A. 19-119	150,000
Appraiser's cost	Equipment reserve	K.S.A. 19-119	16,000
Election	Equipment reserve	K.S.A. 19-119	2,000
Rural fire district	Equipment reserve	K.S.A. 19-119	60,000
Special vehicle	General	K.S.A. 8-145	34,645
Road and bridge	Special highway	K.S.A. 68-590	<u>7,824</u>
Total operating transfers			<u>\$ 940,221</u>
Transfers to related municipal entities:			
Extension Council Fund	Extension Council	K.S.A. 2-610	\$ 142,255
Free Fair Fund	Free Fair Association	K.S.A. 2-129	138,225
County Library Fund	Library District	K.S.A. 12-1220	<u>33,550</u>
Total transfers to related municipal entities			<u>\$ 314,030</u>

E. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outline by the federal government for this coverage. The premium is paid in full by the insured.

Vacation leave – 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.

Sick leave – 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.

Section 125 cafeteria plan/health insurance – The County offers a Section 125 cafeteria plan for all employees electing to participate. The County uses this for health insurance premiums, unreimbursed medical and dependent care expense. The plan is administered by an independent insurance company.

Section 457 deferred compensation plan – The County offers a Section 457 deferred compensation plan to all employees on a voluntary basis. The County does not contribute to the plan, which is administered by a third party.

F. DEFINED BENEFIT PENSION PLAN

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, multiple-employer defined benefit pension plan as provided by Kansas law. KPERs and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs and KP&F issue a publicly available financial report (only one issued) 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), at the following website: www.kpers.org or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. Effective July 1, 2009 KPERs has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERs member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

F. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The County employer contributions to KPERS for the years ending December 31, 2013, 2012, and 2011 were \$194,077, \$182,169, and \$164,720, respectively, equal to the required contributions for each year. 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, 2013, 2012, and 2011 were \$74,763, \$69,044, and \$61,973, respectively, equal to the required contributions for each year.

G. 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 years ending December 31, 2013, 2012, and 2011 is \$69,735, \$64,909, and \$63,935, respectively. The assessment is allocated between the member counties on a pro-rata percentage based on the annual valuations. That percentage is 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 for 2014 was \$89,589, paid from the General Fund in December of 2013, supported by the general tax revenues of the County.

H. 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. 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.

I. 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 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 \$650,000 each and aggregate excess reinsurance provides aggregate coverage up to \$3,000,000. Except for required contributions, no member can be held responsible for any claims made against any other member.

The County is also 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 Board of Trustees. It is not possible to estimate the maximum contributions which could be required. KCAMP covers property loss up to the scheduled amount of values on file which is \$14,982,939, \$300,000 for liability and \$150,000 for crime. Excess reinsurance provides aggregate coverage up to \$2,000,000 for liability. Except for required contributions, no member can be held responsible for any claims made against any other member.

J. 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.

K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 4, 2014, the date on which the financial statement was 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 statement.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

GRAY COUNTY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

Fund	Certified budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General fund	\$ 2,652,976	\$ -	\$ 2,652,976	\$ 2,652,976	\$ -
Special purpose funds:					
Road and bridge	2,852,400	-	2,852,400	2,852,400	-
Special bridge	441,000	-	441,000	16,855	424,145
Waste disposal	585,490	-	585,490	557,843	27,647
Noxious weed	152,800	-	152,800	131,511	21,289
County health	136,480	-	136,480	133,417	3,063
Mental health	46,643	-	46,643	46,643	-
Mental retardation	32,329	-	32,329	32,329	-
Conservation district	25,000	-	25,000	25,000	-
Extension council	142,255	-	142,255	142,255	-
Historical society	13,600	-	13,600	13,600	-
Free fair	138,225	-	138,225	138,225	-
Council on aging	79,200	-	79,200	79,200	-
Ambulance	471,000	-	471,000	430,099	40,901
Appraiser's cost	222,906	-	222,906	203,235	19,671
Direct election expense	39,000	-	39,000	23,680	15,320
Tort liability expense	108,492	-	108,492	-	108,492
Employee benefits	1,500,000	-	1,500,000	1,077,752	422,248
Rural fire district	142,300	-	142,300	123,785	18,515
County library	33,550	-	33,550	33,550	-
Total	<u>\$ 9,815,646</u>	<u>\$ -</u>	<u>\$ 9,815,646</u>	<u>\$ 8,714,355</u>	<u>\$ 1,101,291</u>

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 1,137,579	\$ 168,566	\$ 160,097	\$ 8,469
Delinquent tax	31,832	36,227	5,871	30,356
Motor vehicle tax	110,180	134,049	139,973	(5,924)
Recreational vehicle tax	2,012	2,367	2,529	(162)
16/20M truck tax	5,449	6,217	5,714	503
Interest on delinquent tax	21,299	47,475	4,000	43,475
Local sales tax	610,465	544,758	340,000	204,758
Mineral production tax	10,049	29,897	5,000	24,897
Intangible tax	422	-	-	-
Licenses, permits and fees:				
Mortgage registration fees	1,149,307	758,035	20,000	738,035
County officers' fees	26,558	34,906	20,000	14,906
911E tariff tax	5,706	-	24,000	(24,000)
Diversion fees	48,079	46,151	20,000	26,151
Other fees	15,147	12,619	1,000	11,619
Charges for services:				
Law enforcement contract	135,000	165,999	140,000	25,999
Interest	32,736	30,049	50,000	(19,951)
Gifts from wind energy companies	194,283	684,823	310,104	374,719
Farm income	6,181	6,815	3,000	3,815
Other	96,184	56,468	-	56,468
Operating transfers in	31,894	34,645	32,000	2,645
Total receipts	3,670,362	2,800,066	\$ 1,283,288	\$ 1,516,778
Expenditures:				
County commissioners:				
Personal services	28,253	30,636	\$ 30,000	\$ (636)
Commodities	13	15	-	(15)
Contractual services	8,879	6,268	7,500	1,232
Subtotal	37,145	36,919	37,500	581

GRAY COUNTY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
County clerk:				
Personal services	\$ 77,563	\$ 77,360	\$ 89,000	\$ 11,640
Commodities	6,257	2,587	5,500	2,913
Contractual services	2,729	4,657	5,500	843
Subtotal	86,549	84,604	100,000	15,396
County treasurer:				
Personal services	119,147	126,334	125,250	(1,084)
Commodities	4,582	1,842	5,400	3,558
Contractual services	8,326	10,883	12,400	1,517
Subtotal	132,055	139,059	143,050	3,991
County attorney:				
Personal services	86,764	87,348	88,000	652
Commodities	1,029	3,293	2,000	(1,293)
Contractual services	42,827	60,973	48,000	(12,973)
Subtotal	130,620	151,614	138,000	(13,614)
Register of deeds:				
Personal services	70,158	72,016	70,380	(1,636)
Commodities	5,008	7,349	7,100	(249)
Contractual services	8,203	3,495	5,181	1,686
Capital outlay	-	-	2,100	2,100
Subtotal	83,369	82,860	84,761	1,901
Custodian:				
Personal services	61,979	63,739	63,000	(739)
Commodities	4,197	4,564	13,000	8,436
Contractual services	2,815	3,031	-	(3,031)
Subtotal	68,991	71,334	76,000	4,666

GRAY COUNTY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
District court:				
Commodities	\$ 4,330	\$ 5,704	\$ 5,050	\$ (654)
Contractual services	54,586	57,823	65,100	7,277
Capital outlay	2,890	-	5,515	5,515
Subtotal	61,806	63,527	75,665	12,138
Courthouse general:				
Personal services	149,503	178,481	160,000	(18,481)
Commodities	21,846	18,985	45,000	26,015
Contractual services	284,666	421,260	300,000	(121,260)
Capital outlay	-	-	40,000	40,000
Subtotal	456,015	618,726	545,000	(73,726)
Sheriff:				
Personal services	629,252	656,658	685,000	28,342
Commodities	81,946	92,861	150,000	57,139
Contractual services	158,902	119,739	165,000	45,261
Capital outlay	41,907	1,044	30,000	28,956
Subtotal	912,007	870,302	1,030,000	159,698
Civil defense:				
Commodities	11,636	5,554	25,000	19,446
Contractual services	13,870	29,177	8,000	(21,177)
Capital outlay	-	-	15,000	15,000
Subtotal	25,506	34,731	48,000	13,269
Diversion fees:				
Personal services	6,017	5,836	15,000	9,164
Capital outlay	-	16,350	-	(16,350)
Subtotal	6,017	22,186	15,000	(7,186)

GRAY COUNTY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2013		Variance favorable (unfavorable)	
	2012	Actual		Budget
Farm expense:				
Commodities	\$ 5,733	\$ 3,027	\$ 6,000	\$ 2,973
Contractual services	2,183	1,593	4,000	2,407
Subtotal	7,916	4,620	10,000	5,380
Sanitation	12,560	-	-	-
County health	35,758	-	-	-
Road and bridge	-	26,167	-	(26,167)
Reimbursed expenditures	(158,933)	(168,779)	-	168,779
Transfer to other funds:				
Capital improvement	352,414	471,137	300,000	(171,137)
Equipment reserve	86,000	142,615	50,000	(92,615)
Subtotal	438,414	613,752	350,000	(263,752)
Neighborhood revitalization rebate	-	1,354	-	(1,354)
Total expenditures	2,335,795	2,652,976	\$ 2,652,976	\$ -
Receipts over (under) expenditures	1,334,567	147,090		
Unencumbered cash, beginning of year	436,261	1,770,828	\$ 1,369,688	\$ 401,140
Unencumbered cash, end of year	\$ 1,770,828	\$ 1,917,918		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

ROAD AND BRIDGE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 1,918,898	\$ 2,211,769	\$ 2,098,553	\$ 113,216
Delinquent tax	72,824	65,976	9,905	56,071
Motor vehicle tax	214,581	235,229	236,118	(889)
Recreational vehicle tax	3,940	4,153	4,268	(115)
16/20M tax	9,768	12,196	9,639	2,557
Gasoline tax	425,826	416,044	402,523	13,521
Other	80,523	213,920	-	213,920
Total receipts	<u>2,726,360</u>	<u>3,159,287</u>	<u>\$ 2,761,006</u>	<u>\$ 398,281</u>
Expenditures:				
Highway and streets	2,809,591	2,954,066	\$ 2,852,400	\$ (101,666)
Reimbursed expenditures	(169,584)	(127,246)	-	127,246
Transfer to special highway	66,993	7,824	-	(7,824)
Neighborhood revitalization rebate	-	17,756	-	(17,756)
Total expenditures	<u>2,707,000</u>	<u>2,852,400</u>	<u>\$ 2,852,400</u>	<u>\$ -</u>
Receipts over (under) expenditures	19,360	306,887		
Unencumbered cash, beginning of year	<u>224,826</u>	<u>244,186</u>	<u>\$ 91,394</u>	<u>\$ 152,792</u>
Unencumbered cash, end of year	<u>\$ 244,186</u>	<u>\$ 551,073</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

SPECIAL BRIDGE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Delinquent tax	\$ 1,090	\$ 866	\$ -	\$ 866
Motor vehicle tax	60	-	-	-
Recreational vehicle tax	1	-	-	-
16/20M tax	187	-	-	-
Other	-	1,040	-	1,040
Total receipts	1,338	1,906	\$ -	\$ 1,906
Expenditures:				
Highways and streets	18,245	16,855	\$ 441,000	\$ 424,145
Receipts over (under) expenditures	(16,907)	(14,949)		
Unencumbered cash, beginning of year	443,006	426,099	\$ 441,006	\$ (14,907)
Unencumbered cash, end of year	\$ 426,099	\$ 411,150	\$ 6	\$ 411,144

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

WASTE DISPOSAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 145,465	\$ 75,087	\$ 71,268	\$ 3,819
Special assessments	318,080	322,443	320,700	1,743
Delinquent tax	2,645	3,006	751	2,255
Motor vehicle tax	5,326	14,498	17,897	(3,399)
Recreational vehicle tax	98	256	323	(67)
16/20M tax	430	299	731	(432)
Charges for services	128,987	124,551	120,000	4,551
Other	4,098	4,299	-	4,299
Total receipts	<u>605,129</u>	<u>544,439</u>	<u>\$ 531,670</u>	<u>\$ 12,769</u>
Expenditures:				
Sanitation:				
Personal services	36,513	37,459	\$ 37,590	\$ 131
Commodities	5,719	2,740	31,500	28,760
Contractual services	473,360	461,041	460,400	(641)
Capital outlay	-	-	56,000	56,000
Reimbursed expenditures	(12,560)	-	-	-
Transfer to equipment reserve	56,000	56,000	-	(56,000)
Neighborhood revitalization rebate	-	603	-	(603)
Total expenditures	<u>559,032</u>	<u>557,843</u>	<u>\$ 585,490</u>	<u>\$ 27,647</u>
Receipts over (under) expenditures	46,097	(13,404)		
Unencumbered cash, beginning of year	<u>51,810</u>	<u>97,907</u>	<u>\$ 53,820</u>	<u>\$ 44,087</u>
Unencumbered cash, end of year	<u>\$ 97,907</u>	<u>\$ 84,503</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

NOXIOUS WEED FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 133,465	\$ 123,531	\$ 117,204	\$ 6,327
Delinquent tax	4,328	4,476	689	3,787
Motor vehicle tax	8,871	14,495	16,424	(1,929)
Recreational vehicle tax	164	256	297	(41)
16/20M tax	728	498	670	(172)
Other	-	322	-	322
Total receipts	<u>147,556</u>	<u>143,578</u>	<u>\$ 135,284</u>	<u>\$ 8,294</u>
Expenditures:				
Highways and streets	125,417	200,298	\$ 152,800	\$ (47,498)
Reimbursed expenditures	(30,831)	(69,779)	-	69,779
Neighborhood revitalization rebate	-	992	-	(992)
Total expenditures	<u>94,586</u>	<u>131,511</u>	<u>\$ 152,800</u>	<u>\$ 21,289</u>
Receipts over (under) expenditures	52,970	12,067		
Unencumbered cash, beginning of year	<u>32,770</u>	<u>85,740</u>	<u>\$ 17,516</u>	<u>\$ 68,224</u>
Unencumbered cash, end of year	<u>\$ 85,740</u>	<u>\$ 97,807</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNTY HEALTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 116,703	\$ 117,732	\$ 120,627	\$ (2,895)
Delinquent tax	4,539	4,155	602	3,553
Motor vehicle tax	12,325	14,079	14,356	(277)
Recreational vehicle tax	227	249	259	(10)
16/20M tax	634	699	586	113
Other	472	2,276	-	2,276
Total receipts	<u>134,900</u>	<u>139,190</u>	<u>\$ 136,430</u>	<u>\$ 2,760</u>
Expenditures:				
Health and welfare:				
Personal services	160,877	157,925	\$ 159,139	\$ 1,214
Commodities	33,837	49,164	51,986	2,822
Contractual services	10,837	13,931	10,355	(3,576)
Reimbursed expenditures	(86,022)	(88,548)	(85,000)	3,548
Transfer to equipment reserve	11,595	-	-	-
Neighborhood revitalization rebate	-	945	-	(945)
Total expenditures	<u>131,124</u>	<u>133,417</u>	<u>\$ 136,480</u>	<u>\$ 3,063</u>
Receipts over (under) expenditures	3,776	5,773		
Unencumbered cash, beginning of year	-	3,776	\$ 50	\$ 3,726
Unencumbered cash, end of year	<u>\$ 3,776</u>	<u>\$ 9,549</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

MENTAL HEALTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u>	<u>2013</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared revenue:				
Ad valorem property tax	\$ 42,488	\$ 40,823	\$ 39,059	\$ 1,764
Delinquent tax	1,495	1,370	219	1,151
Motor vehicle tax	4,210	5,043	5,231	(188)
Recreational vehicle tax	78	89	95	(6)
16/20M tax	202	239	214	25
Total receipts	48,473	47,564	<u>\$ 44,818</u>	<u>\$ 2,746</u>
Expenditures:				
Health and welfare:				
County appropriation	46,643	46,643	<u>\$ 46,643</u>	<u>\$ -</u>
Receipts over (under) expenditures	1,830	921		
Unencumbered cash, beginning of year	<u>1,256</u>	<u>3,086</u>	<u>\$ 1,825</u>	<u>\$ 1,261</u>
Unencumbered cash, end of year	<u>\$ 3,086</u>	<u>\$ 4,007</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

MENTAL RETARDATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 29,278	\$ 28,337	\$ 27,077	\$ 1,260
Delinquent tax	1,088	989	151	838
Motor vehicle tax	3,063	3,524	3,601	(77)
Recreational vehicle tax	56	62	65	(3)
16/20M tax	147	174	147	27
Total receipts	33,632	33,086	<u>\$ 31,041</u>	<u>\$ 2,045</u>
Expenditures:				
Health and welfare:				
County appropriation	32,329	32,329	<u>\$ 32,329</u>	<u>\$ -</u>
Receipts over (under) expenditures	1,303	757		
Unencumbered cash, beginning of year	901	2,204	<u>\$ 1,288</u>	<u>\$ 916</u>
Unencumbered cash, end of year	<u>\$ 2,204</u>	<u>\$ 2,961</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

CONSERVATION DISTRICT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u>	<u>2013</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 22,605	\$ 21,884	\$ 20,910	\$ 974
Delinquent tax	837	765	117	648
Motor vehicle tax	2,296	2,723	2,785	(62)
Recreational vehicle tax	44	48	50	(2)
16/20M tax	114	135	114	21
Total receipts	25,896	25,555	<u>\$ 23,976</u>	<u>\$ 1,579</u>
Expenditures:				
General government:				
County appropriation	25,000	25,000	<u>\$ 25,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	896	555		
Unencumbered cash, beginning of year	725	1,621	<u>\$ 1,024</u>	<u>\$ 597</u>
Unencumbered cash, end of year	<u>\$ 1,621</u>	<u>\$ 2,176</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

EXTENSION COUNCIL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 112,279	\$ 127,731	\$ 122,175	\$ 5,556
Delinquent tax	4,075	3,719	580	3,139
Motor vehicle tax	11,258	13,438	13,817	(379)
Recreational vehicle tax	211	237	250	(13)
16/20M tax	552	653	564	89
Total receipts	128,375	145,778	<u>\$ 137,386</u>	<u>\$ 8,392</u>
Expenditures:				
Transfer to related municipal entity	123,700	142,255	<u>\$ 142,255</u>	<u>\$ -</u>
Receipts over (under) expenditures	4,675	3,523		
Unencumbered cash, beginning of year	3,376	8,051	<u>\$ 4,869</u>	<u>\$ 3,182</u>
Unencumbered cash, end of year	<u>\$ 8,051</u>	<u>\$ 11,574</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

HISTORICAL SOCIETY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 12,937	\$ 11,924	\$ 11,394	\$ 530
Delinquent tax	322	329	67	262
Motor vehicle tax	1,224	1,520	1,595	(75)
Recreational vehicle tax	23	27	29	(2)
16/20M tax	43	70	65	5
Total receipts	14,549	13,870	<u>\$ 13,150</u>	<u>\$ 720</u>
Expenditures:				
Culture and recreation:				
County appropriation	14,150	13,600	<u>\$ 13,600</u>	<u>\$ -</u>
Receipts over (under) expenditures	399	270		
Unencumbered cash, beginning of year	276	675	<u>\$ 450</u>	<u>\$ 225</u>
Unencumbered cash, end of year	<u>\$ 675</u>	<u>\$ 945</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

FREE FAIR FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 117,384	\$ 122,469	\$ 117,154	\$ 5,315
Delinquent tax	4,358	3,960	606	3,354
Motor vehicle tax	12,018	14,131	14,440	(309)
Recreational vehicle tax	226	249	261	(12)
16/20M tax	589	698	589	109
Total receipts	134,575	141,507	<u>\$ 133,050</u>	<u>\$ 8,457</u>
Expenditures:				
Transfer to related municipal entity	129,650	138,225	<u>\$ 138,225</u>	<u>\$ -</u>
Receipts over (under) expenditures	4,925	3,282		
Unencumbered cash, beginning of year	3,622	8,547	<u>\$ 5,175</u>	<u>\$ 3,372</u>
Unencumbered cash, end of year	<u>\$ 8,547</u>	<u>\$ 11,829</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNCIL ON AGING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 67,817	\$ 70,143	\$ 67,096	\$ 3,047
Delinquent tax	2,456	2,266	350	1,916
Motor vehicle tax	6,700	8,065	8,347	(282)
Recreational vehicle tax	125	142	151	(9)
16/20M tax	339	384	341	43
Total receipts	77,437	81,000	<u>\$ 76,285</u>	<u>\$ 4,715</u>
Expenditures:				
Health and welfare:				
County appropriation	74,500	79,200	<u>\$ 79,200</u>	<u>\$ -</u>
Receipts over (under) expenditures	2,937	1,800		
Unencumbered cash, beginning of year	2,008	4,945	<u>\$ 2,915</u>	<u>\$ 2,030</u>
Unencumbered cash, end of year	<u>\$ 4,945</u>	<u>\$ 6,745</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

AMBULANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 286,923	\$ 301,096	\$ 285,652	\$ 15,444
Delinquent tax	7,811	7,849	1,481	6,368
Motor vehicle tax	3,934	26,530	35,300	(8,770)
Recreational vehicle tax	74	468	638	(170)
16/20M tax	1,329	202	1,441	(1,239)
Charges for services	118,095	99,264	120,000	(20,736)
Other	163	7,891	-	7,891
Total receipts	418,329	443,300	\$ 444,512	\$ (1,212)
Expenditures:				
Health and welfare:				
Personal services	197,851	191,243	\$ 196,000	\$ 4,757
Commodities	22,721	26,623	50,000	23,377
Contractual services	40,827	59,906	75,000	15,094
Capital outlay	6,979	-	150,000	150,000
Reimbursed expenditures	(70)	(90)	-	90
Transfer to equipment reserve	140,000	150,000	-	(150,000)
Neighborhood revitalization rebate	-	2,417	-	(2,417)
Total expenditures	408,308	430,099	\$ 471,000	\$ 40,901
Receipts over (under) expenditures	10,021	13,201		
Unencumbered cash, beginning of year	65,296	75,317	\$ 26,488	\$ 48,829
Unencumbered cash, end of year	\$ 75,317	\$ 88,518		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

APPRAISER'S COST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 165,791	\$ 173,876	\$ 164,987	\$ 8,889
Delinquent tax	6,376	5,577	856	4,721
Motor vehicle tax	19,113	20,504	20,398	106
Recreational vehicle tax	351	362	369	(7)
16/20M tax	805	1,087	833	254
Other	463	584	-	584
Total receipts	192,899	201,990	\$ 187,443	\$ 14,547
Expenditures:				
General government:				
Personal services	163,185	165,778	\$ 167,186	\$ 1,408
Commodities	8,044	7,141	12,200	5,059
Contractual services	18,210	12,920	27,520	14,600
Capital outlay	-	-	16,000	16,000
Transfer to equipment reserve	13,500	16,000	-	(16,000)
Neighborhood revitalization rebate	-	1,396	-	(1,396)
Total expenditures	202,939	203,235	\$ 222,906	\$ 19,671
Receipts over (under) expenditures	(10,040)	(1,245)		
Unencumbered cash, beginning of year	68,613	58,573	\$ 35,463	\$ 23,110
Unencumbered cash, end of year	\$ 58,573	\$ 57,328		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

DIRECT ELECTION EXPENSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 26,826	\$ 19,515	\$ 18,526	\$ 989
Delinquent tax	678	1,202	139	1,063
Motor vehicle tax	2,688	3,186	3,302	(116)
Recreational vehicle tax	50	56	60	(4)
16/20M tax	211	151	135	16
Other	90	56	-	56
Total receipts	<u>30,543</u>	<u>24,166</u>	<u>\$ 22,162</u>	<u>\$ 2,004</u>
Expenditures:				
General government:				
Personal services	12,602	11,518	\$ 13,000	\$ 1,482
Commodities	2,618	1,717	6,000	4,283
Contractual services	21,215	8,288	18,000	9,712
Capital outlay	-	-	2,000	2,000
Reimbursed expenditures	(3,277)	-	-	-
Transfer to equipment reserve	2,000	2,000	-	(2,000)
Neighborhood revitalization rebate	-	157	-	(157)
Total expenditures	<u>35,158</u>	<u>23,680</u>	<u>\$ 39,000</u>	<u>\$ 15,320</u>
Receipts over (under) expenditures	(4,615)	486		
Unencumbered cash, beginning of year	<u>25,896</u>	<u>21,281</u>	<u>\$ 16,838</u>	<u>\$ 4,443</u>
Unencumbered cash, end of year	<u>\$ 21,281</u>	<u>\$ 21,767</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

TORT LIABILITY EXPENSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u>	<u>2013</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
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	\$ 108,492	\$ 108,492		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 710,945	\$ 1,450,579	\$ 1,376,242	\$ 74,337
Delinquent tax	36,515	26,614	3,670	22,944
Motor vehicle tax	86,072	89,138	87,487	1,651
Recreational vehicle tax	1,580	1,574	1,581	(7)
16/20M tax	3,967	4,891	3,571	1,320
Total receipts	<u>839,079</u>	<u>1,572,796</u>	<u>\$ 1,472,551</u>	<u>\$ 100,245</u>
Expenditures:				
General government:				
Personal services	940,501	1,066,108	\$ 1,500,000	\$ 433,892
Neighborhood revitalization rebate	-	11,644	-	(11,644)
Total expenditures	<u>940,501</u>	<u>1,077,752</u>	<u>\$ 1,500,000</u>	<u>\$ 422,248</u>
Receipts over (under) expenditures	(101,422)	495,044		
Unencumbered cash, beginning of year	<u>536,969</u>	<u>435,547</u>	<u>\$ 27,449</u>	<u>\$ 408,098</u>
Unencumbered cash, end of year	<u>\$ 435,547</u>	<u>\$ 930,591</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

RURAL FIRE DISTRICT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012	2013		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 63,639	\$ 135,306	\$ 128,784	\$ 6,522
Delinquent tax	3,061	3,352	330	3,022
Motor vehicle tax	5,634	6,031	5,521	510
Recreational vehicle tax	113	101	105	(4)
16/20M tax	509	442	413	29
Gifts from wind energy companies	3,530	26,254	5,635	20,619
Other	1,591	-	-	-
Total receipts	<u>78,077</u>	<u>171,486</u>	<u>\$ 140,788</u>	<u>\$ 30,698</u>
Expenditures:				
Public safety:				
Personal services	7,060	7,050	\$ 7,300	\$ 250
Commodities	30,625	29,570	37,500	7,930
Contractual services	27,082	27,165	37,500	10,335
Capital outlay	-	-	60,000	60,000
Transfer to equipment reserve	50,000	60,000	-	(60,000)
Total expenditures	<u>114,767</u>	<u>123,785</u>	<u>\$ 142,300</u>	<u>\$ 18,515</u>
Receipts over (under) expenditures	(36,690)	47,701		
Unencumbered cash, beginning of year	<u>56,690</u>	<u>20,000</u>	<u>\$ 1,512</u>	<u>\$ 18,488</u>
Unencumbered cash, end of year	<u>\$ 20,000</u>	<u>\$ 67,701</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNTY LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u>	<u>2013</u>		Variance favorable (unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 30,909	\$ 28,473	\$ 27,280	\$ 1,193
Delinquent tax	1,700	1,483	162	1,321
Motor vehicle tax	2,435	2,724	2,716	8
Recreational vehicle tax	49	56	57	(1)
16/20M tax	184	215	193	22
Gifts from wind energy companies	-	5,358	2,053	3,305
Total receipts	35,277	38,309	<u>\$ 32,461</u>	<u>\$ 5,848</u>
Expenditures:				
Transfer to related municipal entity	33,550	33,550	<u>\$ 33,550</u>	<u>\$ -</u>
Receipts over (under) expenditures	1,727	4,759		
Unencumbered cash, beginning of year	674	2,401	<u>\$ 1,089</u>	<u>\$ 1,312</u>
Unencumbered cash, end of year	<u>\$ 2,401</u>	<u>\$ 7,160</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2013

	<u>Special highway</u>	<u>Register of deeds technology</u>	<u>Special health</u>	<u>Regional bio-terrorism</u>	<u>Ambulance special equipment</u>
Receipts:					
State and federal aid	\$ -	\$ -	\$ -	\$ 40,536	\$ -
Licenses, permits and fees	-	12,814	-	-	-
Charges for services	-	-	36,719	-	-
Interest	-	-	-	-	-
Other	157,420	-	63,569	-	3,960
Operating transfers in	<u>7,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts	<u>165,244</u>	<u>12,814</u>	<u>100,288</u>	<u>40,536</u>	<u>3,960</u>
Expenditures:					
Personal services	-	-	-	-	-
Commodities	-	-	4,421	-	-
Contractual services	-	4,639	97,682	35,396	-
Capital outlay	201,766	-	95	-	-
Remittance to state	-	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>201,766</u>	<u>4,639</u>	<u>102,198</u>	<u>35,396</u>	<u>-</u>
Receipts over (under) expenditures	(36,522)	8,175	(1,910)	5,140	3,960
Unencumbered cash, beginning of year	<u>120,165</u>	<u>5,217</u>	<u>2,649</u>	<u>3,590</u>	<u>5,698</u>
Unencumbered cash, end of year	<u>\$ 83,643</u>	<u>\$ 13,392</u>	<u>\$ 739</u>	<u>\$ 8,730</u>	<u>\$ 9,658</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48,765	-	-	-	-	-	-
-	-	-	-	-	-	-
59	-	-	-	4,506	3,879	61
-	-	-	-	-	-	6,161
-	-	-	-	471,137	426,615	-
<u>48,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,643</u>	<u>430,494</u>	<u>6,222</u>
-	-	-	-	-	-	-
-	-	-	-	2,507	-	-
16,363	-	-	-	2,400	-	-
-	-	-	-	134,087	438,096	-
-	-	-	-	-	-	6,222
-	-	-	-	-	-	-
<u>16,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,994</u>	<u>438,096</u>	<u>6,222</u>
32,461	-	-	-	336,649	(7,602)	-
92,014	4,586	146	3,561	1,094,319	577,202	-
<u>\$ 124,475</u>	<u>\$ 4,586</u>	<u>\$ 146</u>	<u>\$ 3,561</u>	<u>\$1,430,968</u>	<u>\$ 569,600</u>	<u>\$ -</u>

GRAY COUNTY, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2013

	<u>Prosecuting attorney trust</u>	<u>Sex offender</u>	<u>Special law enforcement trust</u>	<u>Special vehicle</u>
Receipts:				
State and federal aid	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	2,202	700	-	63,962
Charges for services	-	-	-	-
Interest	-	-	177	-
Other	-	-	19,000	-
Operating transfers in	-	-	-	-
	<u>2,202</u>	<u>700</u>	<u>19,177</u>	<u>63,962</u>
Total receipts				
Expenditures:				
Personal services	-	-	-	28,733
Commodities	-	-	13	2,669
Contractual services	-	-	-	692
Capital outlay	-	-	-	-
Remittance to state	1,148	-	-	-
Operating transfers out	-	-	-	34,645
	<u>1,148</u>	<u>-</u>	<u>13</u>	<u>66,739</u>
Total expenditures				
Receipts over (under) expenditures	1,054	700	19,164	(2,777)
Unencumbered cash, beginning of year	<u>14,906</u>	<u>2,080</u>	<u>18,618</u>	<u>29,020</u>
Unencumbered cash, end of year	<u>\$ 15,960</u>	<u>\$ 2,780</u>	<u>\$ 37,782</u>	<u>\$ 26,243</u>

See Independent Auditor's Report.

<u>Veterans memorial</u>	<u>Law enforcement equipment</u>	<u>Alcohol programs</u>	<u>Parks and recreation</u>	<u>Drug task force</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,536
-	-	-	-	-	128,443
-	-	-	-	-	51,378
-	-	-	-	-	8,682
3,250	-	-	-	-	253,360
-	-	-	-	-	905,576
<u>3,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,387,975</u>
-	-	-	-	-	28,733
-	-	-	-	-	9,610
500	-	-	-	-	172,253
-	-	-	-	-	774,044
-	-	-	-	-	7,370
-	-	-	-	-	34,645
<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,026,655</u>
2,750	-	-	-	-	361,320
1,436	596	523	335	894	1,981,209
<u>\$ 4,186</u>	<u>\$ 596</u>	<u>\$ 523</u>	<u>\$ 335</u>	<u>\$ 894</u>	<u>\$2,342,529</u>

GRAY COUNTY, KANSAS

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended December 31, 2013

Fund	Beginning cash balance	Receipts	Disbursements	Ending cash balance
County clerk	\$ 314	\$ 2,330	\$ 2,414	\$ 230
Register of deeds	134	116,210	116,344	-
District court	18,618	552,389	459,599	111,408
Sheriff	222	31,990	31,990	222
County treasurer	7,742,797	12,648,934	12,378,821	8,012,910
Local taxing districts	1,974	6,334,082	6,334,952	1,104
Mortgage registration fees	697,786	136,963	788,195	46,554
Stray animal	-	1,451	-	1,451
Drivers record fees	50	530	510	70
Motor vehicle fees and sales tax collection	27,481	1,043,849	1,042,009	29,321
Wind farm donation	-	1,213,330	1,213,330	-
Payroll clearing funds	473,604	2,141,278	2,163,170	451,712
Juvenile justice	85,948	585,844	554,025	117,767
Law library	14,456	9,104	6,237	17,323
Oil and gas depletion	68,802	55,968	-	124,770
Total agency funds	<u>\$ 9,132,186</u>	<u>\$ 24,874,252</u>	<u>\$ 25,091,596</u>	<u>\$ 8,914,842</u>

See Independent Auditor's Report.