

CHEROKEE COUNTY, KANSAS

Annual Financial Report

For the year ended December 31, 2011

MENSE, CHURCHWELL & MENSE, P.C.
Certified Public Accountants

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
• Title Page	
• Table of Contents	i-iii
FINANCIAL SECTION	
• Independent Auditors' Report	1-2
• Summary Statement of Cash Receipts, Expenditures, and Unencumbered Cash Balances	3-4
• Notes to the Financial Statements	5-20
SUPPLEMENTAL INFORMATION	
• Summary of Expenditures – Actual and Budget	21
• Schedule of Cash Receipts and Expenditures – Actual and Budget	
General Fund	22
Road and Bridge Fund	23
Appraisal Fund	24
Health Fund	25
Election Fund	26
Noxious Weed Fund	27
Extension Council Fund	28
Soil Conservation Fund	29
Fair Fund	30
Ambulance Fund	31
Elderly Services Fund	32
Mental Health Fund	33
Mental Retardation Fund	34
Employee Benefits Fund	35
Out-District Tuition Fund	36
Special Parks and Recreation Fund	37
Special Alcohol Fund	38
Landfill Fund	39
Tourism and Convention Promotion Fund	40
Special Law Enforcement Training Fund	41
Emergency Telephone Tax Fund	42

TABLE OF CONTENTS
(CONTINUED)

	<u>Page</u>
SUPPLEMENTAL INFORMATION (CONTINUED)	
County Attorney Special Law Enforcement Fund	43
Register of Deeds Technology Fund	44
State Line Road Fund	45
Drug Tax Stamp Fund	46
Special Liability Fund	47
County Building Fund	48
Special Bridge Fund	49
Special Highway Improvement Fund	50
Special Road Machinery Fund	51
Law Library Fund	52
Electronic Monitoring Fund	53
Bad Check Fee Fund	54
Drug Free Grant Fund	55
Prosecuting Attorney Training Fund	56
Severe Weather Equipment Fund	57
Spider Program Fund	58
Emergency Wireless Telephone Tax Fund	59
Justice Assistance Grant Fund	60
EMPG Emergency Preparedness Fund	61
Emergency Planning Grant Fund	62
USDA Storm Siren Grant Fund	63
COPS Grant Fund	64
NSP Grant Fund	65
Bond and Interest Fund	66
No-Fund Warrant Fund	67
Sewer District No. 1 Fund	68
• Statement of Cash Receipts and Disbursements	
– Agency Funds	69-70

TABLE OF CONTENTS
(CONTINUED)

	<u>Page</u>
FEDERAL FINANCIAL ASSISTANCE SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	71-72
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	73-74
Schedule of Expenditures of Federal Awards	75-76
Notes to the Schedule of Expenditures of Federal Awards	77
Schedule of Findings and Questioned Costs	78-84
Summary Schedule of Prior Audit Findings	85
Corrective Action Plan	86



MENSE, CHURCHWELL & MENSE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
427 Wall Street, P.O. Box 818
Joplin, Missouri 64802-0818
Telephone 417-623-2505
Fax 417-623-2507

EUGENE M. MENSE, JR., C.P.A. (1929 - 2006)
CHRIS D. CHURCHWELL, C.P.A.
EUGENE M. MENSE III, C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Cherokee County Commission
Cherokee County, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Cherokee County, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of Cherokee County, Kansas's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the 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 following legally separate component units of the County: Cherokee County Extension Council. 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. The effect on the financial statements of the omission of this component unit is presumed to be immaterial.

As described more fully in Note 1, Cherokee County, Kansas has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding 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 Cherokee County, Kansas as of December 31, 2011, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Cherokee County, Kansas as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2012, on our consideration of Cherokee County, Kansas internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures – actual and budget, individual fund schedules of cash receipts and expenditures – actual and budget, schedule of cash receipts and expenditures - agency funds and schedule of expenditures of federal awards, required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the statutory financial statement. 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 financial statement. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.



Mense, Churchwell & Mense, P.C.
Certified Public Accountants

Joplin, Missouri
September 6, 2012

CHEROKEE COUNTY, KANSAS
 Summary Statement of Cash Receipts, Expenditures and Unencumbered Cash Balances
 For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General	\$ 603,864	\$ -	\$ 4,696,996	\$ 4,486,575	\$ 814,285	\$ 54,770	\$ 869,055
Special Revenue							
Road and Bridge	626,081	-	2,953,279	3,626,565	(47,205)	50,534	3,329
Appraisal	108,259	-	296,456	312,467	92,248	1,118	93,366
Health	1,077,420	-	304,416	281,052	1,100,784	4,299	1,105,083
Election	143,269	-	102,340	109,056	136,553	-	136,553
Noxious Weed	73,536	-	58,620	63,516	68,640	-	68,640
Extension Council	26,291	-	201,923	200,615	27,599	-	27,599
Soil Conservation	3,642	-	24,909	25,000	3,551	-	3,551
Fair	3,414	-	741	3,964	191	-	191
Ambulance	82,663	-	558,629	576,576	64,716	-	64,716
Elderly Services	2,115	-	36,819	21,952	16,982	-	16,982
Mental Health	16,498	-	110,059	111,457	15,100	-	15,100
Mental Retardation	16,432	-	109,971	111,457	14,946	-	14,946
Employee Benefits	353,570	-	3,050,478	3,163,088	240,960	1,303	242,263
Out-District Tuition Fund	1,937	-	6	-	1,943	-	1,943
Special Parks and Recreation	9,627	-	1,066	4,180	6,513	-	6,513
Special Alcohol	15,969	-	3,086	19,055	-	-	-
Landfill	86,011	-	-	5,688	80,323	-	80,323
Tourism and Convention Promotion	800	-	8,837	8,837	800	-	800
Special Law Enforcement Training	2,042	-	5,581	1,576	6,047	-	6,047
Emergency Telephone Tax	87,438	-	67,424	57,174	97,688	-	97,688
County Attorney Special Law Enforcement	884	-	-	-	884	-	884
Register of Deeds Technology Fund	41,084	-	18,885	33,904	26,065	-	26,065
State Line Road Project	259	-	1	-	260	-	260
Drug Tax Stamp	1,100	-	153	-	1,253	-	1,253
Special Liability	16,823	-	51	-	16,874	-	16,874
County Building	910	-	6	-	916	-	916
Special Bridge	224,679	-	329,902	350,738	203,843	131,000	334,843
Special Highway Improvement	1,264	-	-	-	1,264	-	1,264
Special Road Machinery	100	-	-	-	100	-	100
Law Library	20,478	-	14,069	536	34,011	-	34,011

CHEROKEE COUNTY, KANSAS
 Summary Statement of Cash Receipts, Expenditures and Unencumbered Cash Balances
 For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds (Continued):							
Special Revenue (Continued)							
Electronic Monitoring	\$ 910	\$ -	\$ -	\$ -	\$ 910	\$ -	\$ 910
Bad Check Fee	89	-	-	-	89	-	89
Drug Free Grant	4,539	-	-	-	4,539	-	4,539
Prosecuting Attorney Training	563	-	2,079	1,282	1,360	-	1,360
Severe Weather Equipment	22	-	-	-	22	-	22
Spider Program	8,635	-	5,340	1,750	12,225	-	12,225
Emergency Wireless Telephone Tax	125,395	-	228,305	64,393	289,307	-	289,307
Justice Assistant Grant	391	-	-	-	391	-	391
EMPG Emergency Preparedness	500	-	-	-	500	-	500
Emergency Planning Grant	201	-	-	-	201	-	201
USDA Storm Siren Grant	42	-	2,379	150	2,271	-	2,271
COPS Grant	-	-	9,897	-	9,897	-	9,897
NSP Grant	611	-	171,025	142,368	29,268	-	29,268
Debt Service							
Bond and Interest	1,341	-	-	-	1,341	-	1,341
No Fund Warrant	19,130	-	221,994	226,889	14,235	-	14,235
	<u>\$ 3,810,828</u>	<u>\$ -</u>	<u>\$ 13,595,722</u>	<u>\$ 13,620,712</u>	<u>\$ 3,394,690</u>	<u>\$ 243,024</u>	<u>\$ 3,637,714</u>
Component Units:							
Sewer District No. 1	183,760	-	87,169	247,287	23,642	63	23,705
Total Reporting Entity (Excluding Agency Funds)	<u><u>\$ 3,994,588</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,682,891</u></u>	<u><u>\$ 13,867,999</u></u>	<u><u>\$ 3,418,332</u></u>	<u><u>\$ 243,087</u></u>	<u><u>\$ 3,661,419</u></u>
Composition of Cash							
Cash on Hand							\$ 898
Checking Accounts							8,225,947
Savings Accounts							397,644
Certificates of Deposit							3,139,294
Investments							500,000
Total Cash							<u>\$ 12,263,783</u>
Agency Funds							<u>(8,602,364)</u>
Total Reporting Entity (Excluding Agency Funds)							<u><u>\$ 3,661,419</u></u>

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

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. INTRODUCTION

Cherokee County, Kansas (the "County") is a municipal corporation governed by an elected three member commission. Major services provided by the County include General Government, Public Works/Highways, Public Safety/Sheriff/Court System, Sanitation, Health and Social Services, Culture and Recreation, Public Improvements, and Planning and Zoning.

I.B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION

The County complies with the provision of Governmental Accounting Standards Board Statement No. 14, *"The Financial Reporting Entity"*, (as amended by Governmental Accounting Standards Board Statement No. 39), in determining the financial reporting entity, primary government, and component units.

I.B.1. Primary Government

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units.

I.B.2. Component Units

Component units are generally legally separate entities for which the primary government (the "County") is financially accountable. A primary government is financially accountable for the potential component unit if it appoints a voting majority of the unit's governing board and it is able to impose its will upon the potential component unit, or there is a possibility for the potential component unit to provide specific financial benefits or impose specific financial burdens on the primary government.

The following paragraphs briefly review each component unit addressed in defining the County's reporting entity. Further information regarding these agencies, their financial statements, and/or operations may be obtained by contacting the agencies directly.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the County Commission or the component unit provides services entirely to the County.

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (CONTINUED)

I.B.2. Component Units (Continued)

Blended Component Units (Continued)

Sewer District No. 1 is a separate entity created by state statutes. The governing body of Cherokee County, which created the district, also serves as the districts' governing body.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

Cherokee County Extension Council (CCEC) provides services in such areas as agriculture, home economics, and 4-H class, to all persons in the County. The Council is governed by an elected four-member executive board. Cherokee County annually appropriates a significant portion of CCEC's operating budget. CCEC is fiscally dependent on the County. The financial activity of the CCEC has been excluded from the reporting entity.

Jointly Governed Organizations

Jointly Governed Organizations are organized to provide goods or services to the citizens of two or more governments. These organizations are governed by representatives from each of the governments that create the organization.

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

Cherokee County, Kansas is a member of the Southeast Kansas Regional Juvenile Detention Center (the "Center"). The Center is composed of 11 counties. The purpose of which was to construct a regional juvenile detention facility. The Center is governed by a Board of Directors. The Board consists of one County Commissioner from each of the eleven counties.

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (CONTINUED)

I.B.3. Fund and Account Groups

The accounts of the County are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts. The following funds are used by the County:

Governmental Fund Types

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

General Fund -

The General Fund is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds -

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Fund -

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including capital lease obligations, principal, interest and related costs.

Capital Projects Funds -

Capital Project Funds are established to account for major capital expenditures not financed by Enterprise Funds, Internal Service Funds, or Trust Funds.

Proprietary Fund Types

These funds account for operations that are organized to be self-supporting through user charges. Funds in this category are the Enterprise Funds.

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION (CONTINUED)

I.B.3. Fund and Account Groups (Continued)

Proprietary Fund Types (Continued)

Enterprise Funds -

These funds are established to account for operation that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types

Agency Funds -

Agency Funds are used to account for assets held by the County as an agent for other funds and/or other governments. Agency Funds are custodial in nature and do not involve measurements of results of operations.

I.C. BASIS OF ACCOUNTING

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 the prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.C. BASIS OF ACCOUNTING (CONTINUED)

Departure from Generally Accepted Accounting Principles. 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. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with 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, general long-term debt such as general obligation bonds, revenue bonds capital leases, temporary notes, no-fund warrants and compensated absences are not presented in the financial statements.

I.D. 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:

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

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.D. BUDGETARY INFORMATION (CONTINUED)

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 capital projects funds, fiduciary funds, federal and state grants, permanent funds, and the following special revenue funds:

- County Building Fund
- Special Bridge Fund
- Special Liability Fund
- Special Highway Improvement Fund
- Special Machinery Fund
- Recorder of Deeds Technology Fund

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.

I.E. ASSETS AND LIABILITIES

I.E.1. Cash and Investments

The County Treasurer pools cash and investments of various funds to facilitate management. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating needs. Cash in excess of current needs is invested in time deposits. Additional cash and investments are presented in Note III.A.

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.E.2. Compensated Absences

The County's policy regarding vacation and sick pay provide employees a maximum of four weeks vacation after 12 years of employment and sick leave accumulation at one day per month with an unlimited accumulation. Employees are paid for all unused vacation days at December 31st. No vacation days are carried forward. Sick leave is carried forward at a maximum of 720 hours at December 31st. The Employee is paid for their sick leave in excess of 720 hours at December 31st. Employees are paid for ½ of their sick leave upon termination if they retire if certain requirements are met. The total hours of sick leave accumulated at December 31, 2011 were 26,127. No estimate of the value was available.

I.F. RECEIPTS AND EXPENDITURES

I.F.1. Sales Tax

Cherokee County levies a one and one-half percent (1 ½%) sales tax on taxable sales within the County. The tax is collected by the Kansas Department of Revenue and remitted to the County. The tax is placed in the general fund to provide County services. One-half percent (1/2%) or one-third (1/3) of the sales tax collected is restricted and is to be used to retire the debt incurred to construct and furnish the new law enforcement and detention facility.

I.F.2. Property Tax

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20th and one-half on May 10th the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2011 for purposes of taxation was \$133,962,778.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$5.32. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

The County bills and collects its own property taxes. Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state Statutes.

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.F. RECEIPTS AND EXPENDITURES (CONTINUED)

I.F.2. Property Tax (Continued)

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

I.F.3. Payments by Other Governments

The State of Kansas makes payments directly to the judges and employees of the circuit courts in Cherokee County for salaries and fringe benefits. Cherokee County is not liable for these payments. The total amount of these on-behalf payments was not available and is unable to be estimated.

I.F.4. Reimbursements

Cherokee County, Kansas records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures are properly offset by the reimbursements.

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

II.A. COMPLIANCE WITH STATE STATUTES

Funds are not disbursed as provided for in state statutes in order to earn discounts and avoid penalties. (KSA 12-105a, 12-105b, 10-801 et seq)

The Clerk does not maintain records of each fund's indebtedness. (KSA 10-1117)

Records are not maintained showing budget balance available for appropriation. (KSA 79-2934)

The County Treasurer does not have custodial agreements and security agreements for all depositories. (KSA 9-1405)

The Fair, Employee Benefits, Special Alcohol, and Tourism and Promotion Funds expenditures exceeded the budget. (KSA 79-2935)

The Road and Bridge Fund incurred indebtedness in excess of available monies in the fund. (KSA 10-1113, 10-1121)

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

III. DETAILED NOTES ON FUNDS AND ACCOUNTS

III. A. Deposits and Investments

As of December 31, 2011, the County had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Cost</u>
Financial Square Trust Treasury Obligation Fund Admin CL 469 (Mutual Fund) (Rating - Not Applicable)	<u>\$ 500,000</u>	<u>\$ 500,000</u>

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the county in which the government is located, 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. The rating of the County's investments is noted above.

Concentration of Credit Risk - 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. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under 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 has not designated "peak periods".

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

III. A. Deposits and Investments (Continued)

At December 31, 2011, the County's carrying amount of deposits was \$11,762,885 and the bank balance was \$11,843,931. Eighty-six percent of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$1,141,805 was covered by federal depository insurance, \$1,500,000 was covered by irrevocable letters of credit, and \$9,202,126 was covered by securities pledged by the financial institutions and held by the financial institution's agents.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The above investments are made by and held by the Commerce Trust Company, N.A., Kansas City, Missouri, trustee for the Series 2005 Refunding Certificates of Participation.

III. A.I. Restricted Assets

The following amounts recorded in the following funds were restricted as follows at December 31, 2011:

General Fund -

Series 2005 Refunding Certificates of Participation -

Principle and Interest Account

\$ -

Reserve Account

500,000

Total

\$ 500,000

CHEROKEE COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2011

IV. LONG-TERM DEBT

Changes in long-term debt for the year ended December 31, 2011 are as follows:

Issue	Amount of Issue	Interest Rates	Date of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions / Payments	Balance End of Year
No Fund Warrants								
2006A	\$ 575,000	5.99%	9-06-2006	9-01-2011	\$ 115,000	\$ -	\$ 115,000	\$ -
2006B	500,000	5.00%	9-06-2006	9-01-2011	100,000	-	100,000	-
Capital Leases								
John Deere Backhoes (2)	93,650	4.75%	8-15-2007	4-15-2012	40,781	-	19,907	20,874
Sterling Dump Trucks (8)	350,242	6.95%	11-17-2006	11-17-2011	79,774	-	79,774	-
Road Graders (12)	1,644,800	4.40%	6-05-2007	6-05-2013	999,891	-	889,503	110,388
Refinance Road Graders (12)	521,700	5.00%	9-26-2011	9-26-2015	-	527,054	115,742	411,312
John Deere Tractors and Mowers (4)	281,000	4.35%	8-10-2008	8-10-2013	178,765	-	178,765	-
John Deere Tractors (7)	462,851	3.55%	7-01-2011	8-01-2018	-	462,851	59,368	403,483
Elevator Equipment	100,000	4.00%	7-18-2011	7-18-2016	-	100,000	-	100,000
Certificates of Participation								
Series 2005	7,150,000	2.55/5.00%	4-01-2005	11-15-2021	5,240,000	-	385,000	4,855,000
Totals					<u>\$ 6,754,211</u>	<u>\$ 1,089,905</u>	<u>\$ 1,943,059</u>	<u>\$ 5,901,057</u>

CHEROKEE COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2011

IV. LONG-TERM DEBT (CONTINUED)

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

<u>Principal</u>	Year						Total
	2012	2013	2014	2015	2016	2017-2021	
Capital Leases	\$ 296,567	\$ 172,689	\$ 180,397	\$ 189,546	\$ 81,191	\$ 125,667	\$ 1,046,057
Certificates of Participation	400,000	415,000	430,000	445,000	465,000	2,700,000	4,855,000
Total Principal	<u>\$ 696,567</u>	<u>\$ 587,689</u>	<u>\$ 610,397</u>	<u>\$ 634,546</u>	<u>\$ 546,191</u>	<u>\$ 2,825,667</u>	<u>\$ 5,901,057</u>
 <u>Interest</u>							
Capital Leases	\$ 46,634	\$ 30,837	\$ 23,139	\$ 13,984	\$ 6,592	\$ 4,899	\$ 126,085
Certificates of Participation	215,060	200,060	184,290	167,520	149,943	415,878	1,332,750
Total Interest	<u>\$ 261,694</u>	<u>\$ 230,897</u>	<u>\$ 207,429</u>	<u>\$ 181,504</u>	<u>\$ 156,535</u>	<u>\$ 420,777</u>	<u>\$ 1,458,835</u>
Total Principal and Interest	<u><u>\$ 958,261</u></u>	<u><u>\$ 818,586</u></u>	<u><u>\$ 817,826</u></u>	<u><u>\$ 816,050</u></u>	<u><u>\$ 702,726</u></u>	<u><u>\$ 3,246,444</u></u>	<u><u>\$ 7,359,892</u></u>

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

V. PENSION PLAN

Plan description

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

Funding Policy

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provision 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 is funded on an actuarial reserve bases. State law sets a limitation on annual increases in the contribution rates for KPERs employers. The employer rate established for calendar year 2011 is 7.74%. Included in this rate is the contribution for Group Death and Disability Insurance of 1.0% (From April 1, 2011 through June 30, 2011 there was a moratorium on the collection of the premium of 1.00% of the Group Death and Disability Insurance rate.) For municipalities that hire a KPERs retiree who retired from a different KPERs employer, the employer rate is 14.42% for the period of January 1, 2011 to December 31, 2011 and the waiting period has been increased to 60 days. Cherokee County, Kansas employer contributions to KPERs for the years ending December 31, 2011, 2010, and 2009 were \$324,307, \$292,804, and \$234,118, respectively, equal to the required contributions for each year as set forth by the legislature.

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

VI. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of; damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has been unable to obtain general liability insurance at a cost it considered to be economically justifiable. For this reason, the County joined together with other counties in the state to participate in the Kansas County Association Multi-Line Pool (KCAMP), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The County pays an annual premium to KCAMP for its general insurance coverage. The agreement for formation of the Kansas County Association Multi-Line Pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of stated amounts for each insured event. The County also participates in the Kansas Workers' Risk Cooperative for Counties (KWORC), a public entity risk pool which generates as a common risk management and insurance program for members. The County pays an annual premium to KWORC for workers' compensation coverage.

The County continues to carry commercial insurance for all other risk of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

CHEROKEE COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

VIII. LITIGATION

The County is party to various legal proceedings which normally occur in governmental operations. While the outcome of such proceedings cannot be predicted, due to insurance maintained by the County, the County feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the County.

XI. GRANT PROGRAM INVOLVEMENT

In the normal course of operations, the County participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

CHEROKEE COUNTY, KANSAS
 Summary of Expenditures - Actual and Budget
 For the Year Ended December 31, 2011

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:					
General Fund	\$ 4,565,516	\$ 62,710	\$ 4,628,226	\$ 4,486,575	\$ (141,651)
Special Revenue Funds					
Road and Bridge	3,360,000	518,561	3,878,561	3,626,565	(251,996)
Appraisal	331,400	-	331,400	312,467	(18,933)
Health	834,741	-	834,741	281,052	(553,689)
Election	189,000	-	189,000	109,056	(79,944)
Noxious Weed	85,500	-	85,500	63,516	(21,984)
Extension Council	200,615	-	200,615	200,615	-
Conservation District	25,000	-	25,000	25,000	-
Fair	1,049	-	1,049	3,964	2,915
Ambulance	576,576	-	576,576	576,576	-
Elderly Services	35,000	-	35,000	21,952	(13,048)
Mental Health	111,457	-	111,457	111,457	-
Mental Retardation	111,457	-	111,457	111,457	-
Employee Benefits	3,100,000	-	3,100,000	3,163,088	63,088
Out-District Tuition Fund	-	-	-	-	-
Special Parks and Recreation	13,490	-	13,490	4,180	(9,310)
Special Alcohol	14,669	-	14,669	19,055	4,386
Landfill	35,859	-	35,859	5,688	(30,171)
Tourism and Convention Promotion	7,500	-	7,500	8,837	1,337
Special Law Enforcement Training	1,570	1,725	3,295	1,576	(1,719)
Emergency Telephone Tax	187,399	-	187,399	57,174	(130,225)
Emergency Wireless Telephone Tax	271,922	-	271,922	64,393	(207,529)
County Attorney Special Law Enforcement	3,104	-	3,104	-	(3,104)
Prosecuting Attorney Training Fund	3,765	-	3,765	1,282	(2,483)
Debt Service					
Bond and Interest	-	-	-	-	-
No Fund Warrant	226,889	-	226,889	226,889	-
Component Units:					
Sewer District No. 1	298,902	-	298,902	247,287	(51,615)

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
General Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 1,738,190	\$ 1,680,683	\$ 57,507
Delinquent Tax	49,291	25,709	23,582
Motor Vehicle Tax	160,642	140,158	20,484
16/20 M Vehicle Tax	6,525	7,370	(845)
Recreational Vehicle Tax	2,381	1,973	408
Sales Tax	1,839,088	1,819,031	20,057
Local Alcoholic Liquor Fund	1,066	4,601	(3,535)
Licenses, Permits and Fees	302,439	275,700	26,739
Interest	197,829	200,000	(2,171)
Inmate Housing	214,427	240,000	(25,573)
Grants	62,710	-	62,710
Other	17,208	200,000	(182,792)
Rents	5,200	6,500	(1,300)
Capital Lease Proceeds	100,000	-	100,000
Total Cash Receipts	\$ 4,696,996	\$ 4,601,725	\$ 95,271
Expenditures			
Commission	\$ 89,033	\$ 91,500	\$ (2,467)
County Counselor	26,336	32,000	(5,664)
Clerk	119,234	130,000	(10,766)
Treasurer	127,068	140,000	(12,932)
Attorney	233,713	240,000	(6,287)
Register of Deeds	108,841	112,000	(3,159)
Sheriff	1,002,420	1,014,033	(11,613)
Sheriff Overtime	37,232	40,000	(2,768)
District Court	251,049	266,800	(15,751)
Courthouse	633,964	455,000	178,964
Emergency Preparedness	90,271	68,550	21,721
Human Resources	34,982	35,000	(18)
Economic Development	2,500	2,300	200
Planning Commission	5,791	6,300	(509)
Recreation	7,175	12,000	(4,825)
Jail	835,292	843,356	(8,064)
Data Processing	29,572	42,000	(12,428)
Jury Costs	2,125	10,000	(7,875)
Juvenile Detention	80,524	74,208	6,316
Genealogy Society	7,500	7,500	-
Emergency 911	50,619	65,000	(14,381)
Other	254	-	254
Capital Lease Payments on Jail			
Certificates of Participation	616,727	613,728	2,999
GIS Programming	29,832	30,000	(168)
Employee Benefits	44,521	76,200	(31,679)
Jail Sales Tax Reserve	-	158,041	(158,041)
Transfers to Road and Bridge	20,000	-	20,000
Adjustment for Qualifying Budget Credits	-	62,710	(62,710)
Total Expenditures	\$ 4,486,575	\$ 4,628,226	\$ (141,651)
Cash Receipts Over (Under Expenditures)	\$ 210,421		
Unencumbered Cash - Beginning of Year	603,864		
unencumbered Cash - End of Year	<u>\$ 814,285</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Road & Bridge
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 1,252,011	\$ 1,215,577	\$ 36,434
Delinquent Tax	72,598	43,082	29,516
Motor Vehicle Tax	282,352	218,554	63,798
16/20 M Vehicle Tax	14,574	11,494	3,080
Recreational Vehicle Tax	4,127	3,079	1,048
Special Highway Aid and County Equalization	781,882	822,149	(40,267)
Grants	518,561	-	518,561
Transfers	20,000	-	20,000
Interest and Other	7,174	10,000	(2,826)
	<u>\$ 2,953,279</u>	<u>\$ 2,323,935</u>	<u>\$ 629,344</u>
Expenditures			
Public works	\$ 3,626,565	\$ 3,360,000	\$ 266,565
Adjustment for Qualifying Budget Credits	-	518,561	(518,561)
	<u>\$ 3,626,565</u>	<u>\$ 3,878,561</u>	<u>\$ (251,996)</u>
Cash Receipts Over (Under) Expenditures	\$ (673,286)		
Unencumbered Cash - Beginning of Year	<u>626,081</u>		
Unencumbered Cash - End of Year	<u>\$ (47,205)</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Appriaisal Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 238,789	\$ 231,400	\$ 7,389
Delinquent Tax	10,621	5,791	4,830
Motor Vehicle Tax	40,122	31,775	8,347
16/20 M Vehicle Tax	1,989	1,671	318
Recreational Vehicle Tax	588	448	140
Fees	4,347	2,500	1,847
Total Cash Receipts	\$ 296,456	\$ 273,585	\$ 22,871
Expenditures			
General Government	\$ 312,467	\$ 331,400	\$ (18,933)
Cash Receipts Over (Under) Expenditures	\$ (16,011)		
Unencumbered Cash - Beginning of Year	108,259		
Unencumbered Cash - End of Year	\$ 92,248		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Health Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 135,036	\$ 131,006	\$ 4,030
Delinquent Tax	6,583	4,274	2,309
Motor Vehicle Tax	22,675	16,583	6,092
16/20 M Vehicle Tax	1,283	872	411
Recreational Vehicle Tax	329	234	95
Charges for Services	138,510	76,000	62,510
Grants	-	-	-
	<u>\$ 304,416</u>	<u>\$ 228,969</u>	<u>\$ 75,447</u>
Expenditures			
Health	\$ 281,052	\$ 834,741	\$ (553,689)
Adjustment for Qualifying Budget Credits	-	-	-
	<u>\$ 281,052</u>	<u>\$ 834,741</u>	<u>\$ (553,689)</u>
Cash Receipts Over (Under) Expenditures	\$ 23,364		
Unencumbered Cash - Beginning of Year	<u>1,077,420</u>		
Unencumbered Cash - End of Year	<u>\$ 1,100,784</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Election Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 78,527	\$ 76,191	\$ 2,336
Delinquent Tax	4,553	2,759	1,794
Motor Vehicle Tax	18,213	15,964	2,249
16/20 M Vehicle Tax	727	840	(113)
Recreational Vehicle Tax	270	225	45
Other	50	-	50
	<u>\$ 102,340</u>	<u>\$ 95,979</u>	<u>\$ 6,361</u>
Expenditures			
General Government	\$ 109,056	\$ 189,000	\$ (79,944)
	<u>\$ 109,056</u>	<u>\$ 189,000</u>	<u>\$ (79,944)</u>
Cash Receipts Over (Under) Expenditures	\$ (6,716)		
Unencumbered Cash - Beginning of Year	<u>143,269</u>		
Unencumbered Cash - End of Year	<u>\$ 136,553</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Noxious Weed Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 47,806	\$ 46,290	\$ 1,516
Delinquent Tax	2,072	1,020	1,052
Motor Vehicle Tax	8,273	7,102	1,171
16/20 M Vehicle Tax	346	373	(27)
Recreational Vehicle Tax	123	100	23
	<u>\$ 58,620</u>	<u>\$ 54,885</u>	<u>\$ 3,735</u>
 Expenditures			
Public Works	\$ 63,516	\$ 85,500	\$ (21,984)
Cash Receipts Over (Under) Expenditures	\$ (4,896)		
 Unencumbered Cash - Beginning of Year	<u>73,536</u>		
 Unencumbered Cash - End of Year	<u>\$ 68,640</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Extension Council Fund
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Ad Valorem Property Tax	\$ 167,778	\$ 162,485	\$ 5,293
Delinquent Tax	6,740	3,483	3,257
Motor Vehicle Tax	25,813	21,038	4,775
16/20 M Vehicle Tax	1,212	1,106	106
Recreational Vehicle Tax	380	296	84
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	\$ 201,923	\$ 188,408	\$ 13,515
	<u> </u>	<u> </u>	<u> </u>
Expenditures			
Appropriations to Extension Council Treasurer	\$ 200,615	\$ 200,615	\$ -
	<u> </u>	<u> </u>	<u> </u>
Cash Receipts Over (Under) Expenditures	\$ 1,308		
Unencumbered Cash - Beginning of Year	<u>26,291</u>		
Unencumbered Cash - End of Year	<u>\$ 27,599</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Soil Conservation Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 20,671	\$ 20,001	\$ 670
Delinquent Tax	863	470	393
Motor Vehicle Tax	3,180	2,596	584
16/20 M Vehicle Tax	148	137	11
Recreational Vehicle Tax	47	37	10
Total Cash Receipts	\$ 24,909	\$ 23,241	\$ 1,668
Expenditures			
Appropriation to Conservation District Treasurer	\$ 25,000	\$ 25,000	\$ -
Excess of Cash Receipts Over (Under) Expenditures	\$ (91)		
Unencumbered Cash - Beginning of Year	3,642		
Unencumbered Cash - End of Year	\$ 3,551		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Fair Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ -	\$ -	\$ -
Delinquent Tax	154	147	7
Motor Vehicle Tax	510	-	510
16/20 M Vehicle Tax	71	-	71
Recreational Vehicle Tax	6	-	6
	<u>741</u>	<u>147</u>	<u>594</u>
Total Cash Receipts	\$ 741	\$ 147	\$ 594
Expenditures			
Appropriation to Fair Treasurer	\$ 3,964	\$ 1,049	\$ -
	<u>3,964</u>	<u>1,049</u>	<u>-</u>
Excess Cash Receipts Over (Under) Expenditures	\$ (3,223)		
Unencumbered Cash - Beginning of Year	<u>3,414</u>		
Unencumbered Cash - End of Year	<u>191</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Ambulance Fund
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Ad Valorem Property Tax	\$ 460,618	\$ 446,311	\$ 14,307
Delinquent Tax	18,566	16,137	2,429
Motor Vehicle Tax	74,802	60,625	14,177
16/20 M Vehicle Tax	3,544	3,188	356
Recreational Vehicle Tax	1,099	854	245
	<u>558,629</u>	<u>527,115</u>	<u>31,514</u>
Total Cash Receipts	\$ 558,629	\$ 527,115	\$ 31,514
Expenditures			
Appropriation to Ambulance District Treasurers	\$ 576,576	\$ 576,576	\$ -
	<u>576,576</u>	<u>576,576</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	\$ (17,947)		
Unencumbered Cash - Beginning of Year	<u>82,663</u>		
Unencumbered Cash - End of Year	<u>\$ 64,716</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Elderly Services Fund
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Ad Valorem Property Tax	\$ 33,425	\$ 32,365	\$ 1,060
Delinquent Tax	708	261	447
Motor Vehicle Tax	2,543	2,204	339
16/20 M Vehicle Tax	105	116	(11)
Recreational Vehicle Tax	38	31	7
	<u>36,819</u>	<u>34,977</u>	<u>1,842</u>
Total Cash Receipts	\$ 36,819	\$ 34,977	\$ 1,842
Expenditures			
Elderly Programs	\$ 21,952	\$ 35,000	\$ (13,048)
Excess Cash Receipts Over (Under) Expenditures	\$ 14,867		
Unencumbered Cash - Beginning of Year	<u>2,115</u>		
Unencumbered Cash - End of Year	<u>\$ 16,982</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Mental Health Fund
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Ad Valorem Property Tax	\$ 91,180	\$ 88,383	\$ 2,797
Delinquent Tax	3,763	1,967	1,796
Motor Vehicle Tax	14,248	11,707	2,541
16/20 M Vehicle Tax	658	616	42
Recreational Vehicle Tax	210	165	45
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	\$ 110,059	\$ 102,838	\$ 7,221
	<u> </u>	<u> </u>	<u> </u>
Expenditures			
Public Health	\$ 111,457	\$ 111,457	\$ -
	<u> </u>	<u> </u>	<u> </u>
Excess Cash Receipts Over (Under) Expenditures	\$ (1,398)		
Unencumbered Cash - Beginning of Year	<u>16,498</u>		
Unencumbered Cash - End of Year	<u>\$ 15,100</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Mental Retardation Fund
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Ad Valorem Property Tax	\$ 91,052	\$ 88,252	\$ 2,800
Delinquent Tax	3,764	1,949	1,815
Motor Vehicle Tax	14,286	11,741	2,545
16/20 M Vehicle Tax	659	617	42
Recreational Vehicle Tax	210	165	45
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	\$ 109,971	\$ 102,724	\$ 7,247
	<u> </u>	<u> </u>	<u> </u>
Expenditures			
Public Health	\$ 111,457	\$ 111,457	\$ -
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts Over (Under) Expenditures	\$ (1,486)		
Unencumbered Cash - Beginning of Year	<u>16,432</u>		
Unencumbered Cash - End of Year	<u><u>\$ 14,946</u></u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Employee Benefits Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 2,040,218	\$ 1,975,672	\$ 64,546
Delinquent Tax	76,050	35,447	40,603
Motor Vehicle Tax	304,532	255,079	49,453
16/20 M Vehicle Tax	13,483	13,414	69
Recreational Vehicle Tax	4,492	3,594	898
Reimbursements and Other	611,703	680,000	(68,297)
	<u>\$ 3,050,478</u>	<u>\$ 2,963,206</u>	<u>\$ 87,272</u>
 Expenditures			
General Government	\$ 3,163,088	\$ 3,100,000	\$ 63,088
	<u>\$ 3,163,088</u>	<u>\$ 3,100,000</u>	<u>\$ 63,088</u>
 Excess Cash Receipts Over (Under) Expenditures	 \$ (112,610)		
 Unencumbered Cash - Beginning of Year	 <u>353,570</u>		
 Unencumbered Cash - End of Year	 <u>\$ 240,960</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Out-District Tuition Fund
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Delinquent Tax	\$ 6	\$ -	\$ 6
Total Cash Receipts	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 6</u>
Expenditures			
Education	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	\$ 6		
Unencumbered Cash - Beginning of Year	<u>1,937</u>		
Unencumbered Cash - End of Year	<u>\$ 1,943</u>		

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Special Parks and Recreation Fund
 For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Local Alcoholic Liquor Fund	\$ 1,066	\$ 4,601	\$ (3,535)
Expenditures			
Recreation	\$ 4,180	\$ 13,490	\$ (9,310)
Excess Cash Receipts Over (Under) Expenditures	\$ (3,114)		
Unencumbered Cash - Beginning of Year	<u>9,627</u>		
Unencumbered Cash - End of Year	<u>\$ 6,513</u>		

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Special Alcohol Fund
 For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Local Alcoholic Liquor Fund	\$ 3,086	\$ 12,706	\$ (9,620)
Expenditures			
Public Health	\$ 19,055	\$ 14,669	\$ 4,386
Excess Cash Receipts Over (Under) Expenditures	\$ (15,969)		
Unencumbered Cash - Beginning of Year	15,969		
Unencumbered Cash - End of Year	\$ -		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Landfill Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Host Fees	\$ -	\$ -	\$ -
Expenditures			
Sanitation	\$ 5,688	\$ 35,859	\$ (30,171)
Total Expenditures	\$ 5,688	\$ 35,859	\$ (30,171)
Excess Cash Receipts Over (Under) Expenditures	\$ (5,688)		
Unencumbered Cash - Beginning of Year	86,011		
Unencumbered Cash - End of Year	\$ 80,323		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Tourism and Convention Promotion Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Transient Guest Tax	\$ 8,837	\$ 7,000	\$ 1,837
Expenditures			
Tourism and Promotion	\$ 8,837	\$ 7,500	\$ 1,337
Excess Cash Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning of Year	800		
Unencumbered Cash - End of Year	\$ 800		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Special Law Enforcement Training Fund
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Fees	\$ 3,856	\$ 500	\$ 3,356
Donations	1,725	-	1,725
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	\$ 5,581	\$ 500	\$ 5,081
	<hr/>	<hr/>	<hr/>
Expenditures			
Public Safety	\$ 1,576	\$ 1,570	\$ 1,576
Adjustment for Qualifying Budget Credits	-	1,725	(1,725)
	<hr/>	<hr/>	<hr/>
	\$ 1,576	\$ 3,295	\$ (1,719)
	<hr/>	<hr/>	<hr/>
Cash Receipts Over (Under) Expenditures	\$ 4,005		
Unencumbered Cash - Beginning of Year	<hr/>	2,042	
Unencumbered Cash - End of Year	<hr/>	<u>\$ 6,047</u>	

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Emergency Telephone Tax Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Telephone Tax	\$ 67,114	\$ 120,000	\$ (52,886)
Interest	310	-	310
Total Cash Receipts	\$ 67,424	\$ 120,000	\$ (52,576)
Expenditures			
Public Safety	\$ 57,174	\$ 187,399	\$ (130,225)
Cash Receipts Over (Under) Expenditures	\$ 10,250		
Unencumbered Cash - Beginning of Year	87,438		
Unencumbered Cash - End of Year	\$ 97,688		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
County Attorney Special Law Enforcement Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Other	\$ -	\$ 1,800	\$ (1,800)
Expenditures			
Public Safety	\$ -	\$ 3,104	\$ (3,104)
Cash Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning of Year	884		
Unencumbered Cash - End of Year	\$ 884		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Register of Deeds Technology Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Fees	<u>\$ 18,885</u>
Expenditures	
General Government	<u>\$ 33,904</u>
Cash Receipts Over (Under) Expenditures	\$ (15,019)
Unencumbered Cash - Beginning of Year	<u>41,084</u>
Unencumbered Cash - End of Year	<u><u>\$ 26,065</u></u>

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
State Line Road Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Interest	<u>\$ 1</u>
Expenditures	
Public Works	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	\$ 1
Unencumbered Cash - Beginning of Year	<u>259</u>
Unencumbered Cash - End of Year	<u><u>\$ 260</u></u>

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Drug Tax Stamp Fund
For the Year Ended December 31, 2011

	Actual
Cash Receipts	
Drug Control Payments	\$ 153
Expenditures	
Public Safety	\$ -
Cash Receipts Over (Under) Expenditures	\$ 153
Unencumbered Cash - Beginning of Year	1,100
Unencumbered Cash - End of Year	\$ 1,253

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Special Liability Fund
For the Year Ended December 31, 2011

	Actual
Cash Receipts	
Delinquent Tax	\$ 51
Total Cash Receipts	\$ 51
Expenditures	
General Government	\$ -
Cash Receipts Over (Under) Expenditures	\$ 51
Unencumbered Cash - Beginning of Year	16,823
Unencumbered Cash - End of Year	\$ 16,874

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures
 County Building Fund
 For the Year Ended December 31, 2011

	Actual
Cash Receipts	
Delinquent Tax	\$ 6
Total Cash Receipts	\$ 6
Expenditures	
Public Works	\$ -
Cash Receipts Over (Under) Expenditures	\$ 6
Unencumbered Cash - Beginning of Year	910
Unencumbered Cash - End of Year	\$ 916

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Special Bridge Fund
For the Year Ended December 31, 2011

	Actual
Cash Receipts	
Ad Valorem Property Tax	\$ 124,674
Delinquent Tax	5,184
Motor Vehicle Tax	18,898
16/20 M Vehicle Tax	868
Recreational Vehicle Tax	278
Grants	150,000
Other	30,000
	329,902
Total Cash Receipts	\$ 329,902
Expenditures	
Public Works	\$ 350,738
	350,738
Cash Receipts Over (Under) Expenditures	\$ (20,836)
Unencumbered Cash - Beginning of Year	224,679
	224,679
Unencumbered Cash - End of Year	\$ 203,843

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Special Highway Improvement Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Transfer from Other Funds	<u>\$ -</u>
Expenditures	
Public Works	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash - Beginning of Year	<u>1,264</u>
Unencumbered Cash - End of Year	<u><u>\$ 1,264</u></u>

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures
 Special Road Machinery Fund
 For the Year Ended December 31, 2011

	Actual
Cash Receipts	
Transfer from Other Funds	\$ -
Expenditures	
Public Works	\$ -
Cash Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash - Beginning of Year	100
Unencumbered Cash - End of Year	\$ 100

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Law Library Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Fees	<u>\$ 14,069</u>
Expenditures	
Public Safety	<u>\$ 536</u>
Cash Receipts Over (Under) Expenditures	\$ 13,533
Unencumbered Cash - Beginning of Year	<u>20,478</u>
Unencumbered Cash - End of Year	<u><u>\$ 34,011</u></u>

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures
 Electronic Monitoring Fund
 For the Year Ended December 31, 2011

	Actual
Cash Receipts	
Federal/State Grants	\$ -
Expenditures	
Public Safety	\$ -
Cash Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash - Beginning of Year	910
Unencumbered Cash - End of Year	\$ 910

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Bad Check Fee Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Fees	<u>\$ -</u>
Expenditures	
General Government	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	<u>\$ -</u>
Unencumbered Cash - Beginning of Year	<u>89</u>
Unencumbered Cash - End of Year	<u><u>\$ 89</u></u>

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Drug Free Grant Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Other	<u>\$ -</u>
Expenditures	
Public Safety	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash - Beginning of Year	<u>4,539</u>
Unencumbered Cash - End of Year	<u><u>\$ 4,539</u></u>

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures
 Prosecuting Attorney Training Fund
 For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Fees	\$ 2,079	\$ 2,800	\$ (721)
Expenditures			
Public Safety	\$ 1,282	\$ 3,765	\$ (2,483)
Cash Receipts Over (Under) Expenditures	\$ 797		
Unencumbered Cash - Beginning of Year	563		
Unencumbered Cash - End of Year	\$ 1,360		

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures
 Severe Weather Equipment Fund
 For the Year Ended December 31, 2011

	Actual
Cash Receipts	
Charges for Services	\$ -
Expenditures	
Equipment	\$ -
Cash Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash - Beginning of Year	22
Unencumbered Cash - End of Year	\$ 22

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Spider Program Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Fees	<u>\$ 5,340</u>
Expenditures	
Public Safety	<u>\$ 1,750</u>
Cash Receipts Over (Under) Expenditures	\$ 3,590
Unencumbered Cash - Beginning of Year	<u>8,635</u>
Unencumbered Cash - End of Year	<u><u>\$ 12,225</u></u>

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Emergency Wireless Telephone Tax Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Telephone Tax	\$ 227,872	\$ 175,000	\$ 52,872
Interest	433	600	(167)
	<u>\$ 228,305</u>	<u>\$ 175,600</u>	<u>\$ 52,705</u>
Expenditures			
Public Safety	\$ 64,393	\$ 271,922	\$ (207,529)
Cash Receipts Over (Under) Expenditures	\$ 163,912		
Unencumbered Cash - Beginning of Year	<u>125,395</u>		
Unencumbered Cash - End of Year	<u>\$ 289,307</u>		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Justice Assistance Grant Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Grant	<u>\$ -</u>
Expenditures	
General Government	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash - Beginning of Year	<u>391</u>
Unencumbered Cash - End of Year	<u><u>\$ 391</u></u>

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures
 EMPG Emergency Preparedness Fund
 For the Year Ended December 31, 2011

	Actual
Cash Receipts	
Grant	\$ -
Expenditures	
General Government	\$ -
Cash Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash - Beginning of Year	500
Unencumbered Cash - End of Year	\$ 500

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
Emergency Planning Grant Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Grant	<u>\$ -</u>
Expenditures	
General Government	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash - Beginning of Year	<u>201</u>
Unencumbered Cash - End of Year	<u><u>\$ 201</u></u>

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
USDA Storm Siren Grant Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Grant	<u>\$ 2,379</u>
Total Cash Receipts	<u>\$ 2,379</u>
Expenditures	
Capital Outlay	<u>\$ 150</u>
Cash Receipts Over (Under) Expenditures	\$ 2,229
Unencumbered Cash - Beginning of Year	<u>42</u>
Unencumbered Cash - End of Year	<u><u>\$ 2,271</u></u>

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures
COPS Grant Fund
For the Year Ended December 31, 2011

	<u>Actual</u>
Cash Receipts	
Grant	<u>\$ 9,897</u>
Total Cash Receipts	<u>\$ 9,897</u>
Expenditures	
Capital Outlay	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	\$ 9,897
Unencumbered Cash - Beginning of Year	<u>-</u>
Unencumbered Cash - End of Year	<u><u>\$ 9,897</u></u>

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures
 NSP Grant Fund
 For the Year Ended December 31, 2011

	Actual
Cash Receipts	
Grant	\$ 143,271
Other	27,754
Total Cash Receipts	\$ 171,025
Expenditures	
Capital Outlay	\$ 142,368
Cash Receipts Over (Under) Expenditures	\$ 28,657
Unencumbered Cash - Beginning of Year	611
Unencumbered Cash - End of Year	\$ 29,268

CHEROKEE COUNTY, KANSAS
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Bond and Interest Fund
 For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ -	\$ -	\$ -
Expenditures			
Debt Service	\$ -	\$ -	\$ -
Cash Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning of Year	1,341		
Unencumbered Cash - End of Year	\$ 1,341		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
No-Fund Warrant Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 79,467	\$ 76,682	\$ 2,785
Delinquent Tax	3,744	1,800	1,944
Motor Vehicle Tax	13,892	13,188	704
16/20 M Vehicle Tax	-	694	(694)
Recreational Vehicle Tax	208	186	22
Taxes withheld from taxing entities	124,683	125,094	(411)
Total Cash Receipts	\$ 221,994	\$ 217,644	\$ 4,350
Expenditures			
Principle	\$ 215,000	\$ 215,000	\$ -
Interest	11,889	11,889	-
Total Expenditures	\$ 226,889	\$ 226,889	\$ -
Cash Receipts Over (Under) Expenditures	\$ (4,895)		
Unencumbered Cash - Beginning of Year	19,130		
Unencumbered Cash - End of Year	\$ 14,235		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Expenditures - Actual and Budget
Sewer District No. 1 Fund
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Charges for Services	\$ 78,924	\$ 120,000	\$ (41,076)
Taxes withheld from taxing entities	8,245	-	8,245
Total Cash Receipts	\$ 87,169	\$ 120,000	\$ (32,831)
Expenditures			
Public Works	\$ 247,287	\$ 298,902	\$ (51,615)
Cash Receipts Over (Under) Expenditures	\$ (160,118)		
Unencumbered Cash - Beginning of Year	183,760		
Unencumbered Cash - End of Year	\$ 23,642		

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Disbursements
Agency Funds
For the Year Ended December 31, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Kansas Educational Buildings	\$ -	\$ 152,081	\$ 152,081	\$ -
Kansas Institutions Buildings	-	76,041	76,041	-
Correctional Institutions	(118)	-	-	(118)
State General Fund	-	55	55	-
Game Licenses	2,209	15,861	15,916	2,154
Temporary Boat Permits	32	7,466	7,435	63
Cereal Malt Beverage Stamps	325	450	450	325
Diversion Supervision Fees	5	-	-	5
Rural Directory	15	-	-	15
Southeast Kansas Library	-	130,938	130,938	-
Unclaimed Monies	11,902	-	-	11,902
Unclaimed Estates	157,756	-	-	157,756
Payroll Tax Withholdings	74	529,242	529,883	(567)
Sheltered Workshop	12	1	-	13
Vehicle Identification Number	340	2,524	929	1,935
Local Alcoholic Liquor	-	20,762	5,219	15,543
Information Network of Kansas	2,472	2,600	-	5,072
Bankruptcy	1,865	-	-	1,865
Rural Water District	246	-	-	246
Townships	-	175,424	175,424	-
Cities	2,381	2,764,371	2,764,231	2,521
Schools	-	6,164,164	6,164,164	-
Current Tax	6,361,091	15,521,443	14,839,903	7,042,631
Long and Short	(101)	15	20	(106)
Partial Payments	748	625	-	1,373
Redemption Tax	138,779	645,057	611,504	172,332
Delinquent Personnel Tax	(29,879)	32,679	58	2,742
Judicial Delinquent Personal Tax	3,586	29,100	12,648	20,038
Foreclosure Redemption Tax	16	-	16	-
Overpayment	72	3,608	3,324	356
Protest Tax	35,910	218,040	213,100	40,850
Heritage Trust	2,097	4,484	5,580	1,001
Vehicle Tax	548,917	1,738,836	1,916,251	371,502
16/20 M Vehicle Tax	37,884	77,970	76,015	39,839
In Lieu of Tax	550	-	-	550
Vehicle Excise Tax	471	360	471	360

CHEROKEE COUNTY, KANSAS
Schedule of Cash Receipts and Disbursements
Agency Funds (Continued)
For the Year Ended December 31, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Recreational Vehicle Tax	9,096	24,898	27,012	6,982
District Court	28,086	743,903	679,906	92,083
District Court Cases	197,046	333	85,274	112,105
Drug Forfeiture Fund	3,705	570	-	4,275
Sheriff Inmate	9,741	123,525	126,160	7,106
Special Auto	260,773	4,982,423	4,755,581	487,615
Total	\$ 7,788,104	\$ 34,189,849	\$ 33,375,589	\$ 8,602,364



MENSE, CHURCHWELL & MENSE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
427 Wall Street, P.O. Box 818
Joplin, Missouri 64802-0818
Telephone 417-623-2505
Fax 417-623-2507

EUGENE M. MENSE, JR., C.P.A. (1929 - 2006)
CHRIS D. CHURCHWELL, C.P.A.
EUGENE M. MENSE III, C.P.A.

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

Independent Auditor's Report

To the Cherokee County Commission
Cherokee County, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Cherokee County, Kansas as of and for the year ended December 31, 2011, and have issued our report thereon dated September 6, 2012. Cherokee County, Kansas has prepared this financial statement using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Cherokee County, Kansas is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Cherokee County, Kansas's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cherokee County, Kansas's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cherokee County, Kansas's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the

accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. 2011-1, 2011-4, and 2011-6.

A *significant deficiency* is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. 2011-2, 2011-3, 2011-5, and 2011-7.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cherokee County, Kansas's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Cherokee County, Kansas, in a separate letter dated September 6, 2012.

Cherokee County, Kansas's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Cherokee County, Kansas's response and, accordingly, we express no opinion on it.

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



Mense, Churchwell & Mense, P.C.
Certified Public Accountants

Joplin, Missouri
September 6, 2012



MENSE, CHURCHWELL & MENSE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
427 Wall Street, P.O. Box 818
Joplin, Missouri 64802-0818
Telephone 417-623-2505
Fax 417-623-2507

EUGENE M. MENSE, JR., C.P.A. (1929 - 2006)
CHRIS D. CHURCHWELL, C.P.A.
EUGENE M. MENSE III, C.P.A.

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

Independent Auditor's Report

To the Cherokee County Commission
Cherokee County, Kansas

Compliance

We have audited Cherokee County, Kansas's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Cherokee County, Kansas's major federal programs for the year ended December 31, 2011. Cherokee County, Kansas's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cherokee County, Kansas's management. Our responsibility is to express an opinion on Cherokee County, Kansas's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cherokee County, Kansas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Cherokee County, Kansas's compliance with those requirements.

In our opinion, Cherokee County, Kansas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Cherokee County, Kansas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cherokee County, Kansas's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cherokee County, Kansas's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Mense, Churchwell & Mense, P.C.
Certified Public Accountants

Joplin, Missouri
September 6, 2012

CHEROKEE COUNTY, KANSAS
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2011

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<u>Department of Agriculture</u>			
Passed-through Kansas Department of Health and Environment Special Supplemental Nutrition Program for Women, Infants and Children	10.557		\$ 313,183
Total Department of Agriculture			\$ 313,183
<u>Department of Housing and Urban Development</u>			
Passed-through Kansas Department of Commerce Community Development Block Grants/States Program and Non-Entitlement Grants in Hawaii	14.228	09-NSP-002	\$ 195,711
Total Department of Housing and Urban Development			\$ 195,711
<u>Department of the Interior</u>			
Direct			
National Trails System Projects	15.935	Y700088025	\$ 30,000
Total Department of the Interior			\$ 30,000
<u>Department of Justice</u>			
Direct			
Public Safety Partnership and Community Policing Grants	16.710	2010-UM-WX-0121	\$ 19,450
Public Safety Partnership and Community Policing Grants	16.710	2008-CK-WX-0664	8,107
Total Department of Justice			\$ 27,557
<u>Department of Transportation</u>			
Passed-through Kansas Department of Transportation			
State and Community Highway Safety	20.600	OP-1152-11	\$ 3,209
State and Community Highway Safety	20.600	OP-1152-12	564
Total Department of Transportation			\$ 3,773
<u>Election Assistance Commission</u>			
Passed-through Kansas Secretary of State Help America Vote Act Requirements Payments	90.401		\$ 33,984
Total Election Assistance Commission			\$ 33,984
<u>Department of Health and Human Services</u>			
Passed-through Kansas Department of Health and Environment			
Public Health Emergency Preparedness	93.069		\$ 18,524
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		35
Immunization Grants	93.268		21,843
Maternal and Child Health Services Block Grants to the States	93.994		24,500
Total Department of Health and Human Services			\$ 64,902

See accompanying notes to Schedule of Expenditures of Federal Awards.

CHEROKEE COUNTY, KANSAS
Schedule of Expenditures of Federal Awards (Continued)
For the year ended December 31, 2011

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<u>Department of Homeland Security</u>			
Passed-through Kansas Adjutant General			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1885-PA-KS	\$ 589,592
Hazard Mitigation Grant	97.039	HM-1776-KS-0017	41,370
Emergency Management Performance Grants	97.042		<u>20,236</u>
Total U.S. Department of Homeland Security			<u>\$ 651,198</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,320,308</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CHEROKEE COUNTY, KANSAS

Notes to the Schedule of Expenditures of Federal Awards December 31, 2011

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures federal awards (the "Schedule") includes the federal grant activity of Cherokee County, Kansas under programs of the federal government for the year ended December 31, 2011. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Cherokee County, Kansas, it is not intended to and does not present the financial position, changes in net assets or cash flows of Cherokee County, Kansas.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is presented on the statutory basis of accounting. The statutory basis of accounting is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when cash is received. Expenditures include cash disbursements, accounts payable, and encumbrances.

CHEROKEE COUNTY, KANSAS
 Schedule of Findings and Questioned Costs
 For the year ended December 31, 2011

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified opinion on financial statements prepared in conformity with the regulatory accounting practices of the State of Kansas.

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified not considered to be a material weakness(es)? X yes no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified not considered to be a material weakness(es)? yes X none reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? yes X no

Identification of major programs:

CFDA Number	Name of Federal Program
10.557	Special Supplemental Nutrition Program for Women, Infants & Children
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualifies as a low-risk auditee? yes X no

CHEROKEE COUNTY, KANSAS
Schedule of Findings and Questioned Costs
For the year ended December 31, 2011

Section II - Financial Statement Findings

2011-1 Segregation of Duties

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

2011-2 Accounting Manual

Criteria: The County should prepare an accounting manual that would inform all employees of desired operating procedures and policies.

Condition: Cherokee County does not have an accounting manual.

Effect: Employee duties are not adequately segregated which may lead to errors or misappropriation of assets.

Cause: County employees do not have the time to internally develop a manual. It is not economically feasible at the present time to contract with an outside entity to prepare an accounting manual.

Recommendation: The County should develop an accounting manual as time and expenses allow.

Response: It is not feasible at this time to contract for the development of such a manual. Employees do not have the time to internally develop a manual given the limited number of employees.

CHEROKEE COUNTY, KANSAS
Schedule of Findings and Questioned Costs
For the year ended December 31, 2011

Section II - Financial Statement Findings (Continued)

<u>2011-3</u>	<u>Accounts Payable/Encumbrances</u>
Criteria:	The County should maintain a record of encumbrances/ accounts payable for each fund:
Condition:	No record of encumbrances/accounts payable are maintained.
Effect:	Over expenditure of the budget and violation of state statutes.
Cause:	Current accounting program does not provide for the recording of encumbrances/accounts payable.
Recommendation:	County should purchase or develop a program.
Response:	Management will inquire about such a program and will evaluate feasibility.
<u>2011-4</u>	<u>Fixed Assets</u>
Criteria:	The County should maintain a record of fixed assets.
Condition:	No record of Fixed Assets owned by the County exists.
Effect:	County may lose control of the item(s) and this could result in the loss or misappropriation of assets.
Cause:	County employees do not have sufficient time to develop and maintain such records nor is it feasible to develop such records at this time.
Recommendation:	The County should prepare and develop fixed asset accounting records.
Response:	Employees do not have necessary time to develop records, and given current budget constraints, it is not feasible to contract the project.

CHEROKEE COUNTY, KANSAS
Schedule of Findings and Questioned Costs
For the year ended December 31, 2011

Section II - Financial Statement Findings (Continued)

<u>2011-6</u>	<u>Reconciliation of Bank Accounts</u>
Criteria:	Bank accounts should be reconciled monthly.
Condition:	The Special Auto – Motor Vehicle account, County Treasurer’s account and Inmate accounts are not being reconciled.
Effect:	Condition could result in errors going undetected and possible understatement or misappropriation of assets.
Cause:	Unknown
Recommendation:	Bank accounts should be reconciled to the ledger and subsidiary journals and accounts monthly.
Response:	Cause of the condition and correction of the condition will be determined.
<u>2011-7</u>	<u>Design of internal control system for preparation of the basic financial statements</u>
Criteria:	A properly designed system of internal control, which includes preparation of financial statements in conformity with Governmental Accounting Standards and the Kansas Municipal Audit Guide, includes having accounting professionals as part of the system to perform that function.
Condition:	The County has personnel in place to perform all bookkeeping functions necessary to maintain a general ledger and prepare internal use statements for management and the County Commission. However, the County does not have the resources to have accounting professional with the knowledge, experience and training to prepare governmental financial statements in conformity with Governmental Accounting Standards and the Kansas Municipal Audit Guide as part of their internal control system.
Effect:	The County employs the auditors that perform the annual audit of the financial statements to prepare the annual financial statements.

CHEROKEE COUNTY, KANSAS
Schedule of Findings and Questioned Costs
For the year ended December 31, 2011

Section II - Financial Statement Findings (Continued)

Recommendation: We recognize that the County may not have the resources to have an accounting professional with the knowledge, experience and training to prepare governmental financial statements in conformity with Governmental Accounting Standards and the Kansas Municipal Audit Guide. However, we recommend that management continue to increase their knowledge of financial reporting.

Response: The County does not have the resources to hire additional accounting personnel with the knowledge, experience and training solely to prepare governmental financial statements in conformity with Governmental Accounting Standards and the Kansas Municipal Audit Guide. The County does have personnel with sufficient knowledge to understand and take responsibility for the basic financial statements.

CHEROKEE COUNTY, KANSAS
Schedule of Findings and Questioned Costs
For the year ended December 31, 2011

Section III – Federal Awards Findings and Questioned Costs

No findings related to Federal Awards reported.

CHEROKEE COUNTY, KANSAS
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2011

<u>Item</u>	<u>Program Finding</u>	<u>Resolution</u>
2010-1	Segregation of duties	Condition still exists
2010-2	Accounting Manual	Condition still exists
2010-3	Accounts Payable/Encumbrances	Condition still exists
2010-4	Fixed Assets	Condition still exists
2010-5	Internal Control over Federal Awards	Condition still exists
2010-6	Reconciliation of Bank Accounts	Condition still exists
2010-7	Preparation of Financial Statements	Condition still exists

CHEROKEE COUNTY, KANSAS
Corrective Action Plan
For the year ended December 31, 2011

Finding 2011-1, 2011-2, and 2011-4 and 2011-7

The County does not have necessary personnel or additional time with existing personnel to implement or perform these tasks. The County Commission does not consider it feasible to hire additional personnel given the County's current financial condition.

Finding 2011-3

Management will inquire about such program modifications or programs to purchase and will evaluate the feasibility of implementation.

Finding 2011-5 and 2011-6

Recommendation has been communicated to Department personnel.