

HARVEY COUNTY, KANSAS

DECEMBER 31, 2013

HARVEY COUNTY, KANSAS

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statement

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

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the regulatory basis of accounting reporting provisions permitted in the Kansas Municipal Audit and Accounting Guide (KMAAG), as described in note 1, to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for preparing the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

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

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

As described in note 1 of the financial statement, the financial statement is prepared by the County on the basis of the financial reporting provisions permitted in KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### Adverse Opinion on United States Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on United States Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2013, or the respective changes in financial position or where applicable, its changes in cash flows for the year then ended.

#### Opinion on Regulatory Basis of Accounting

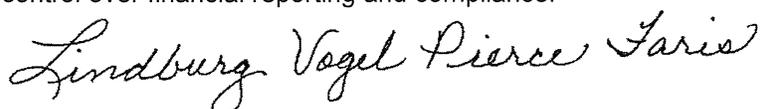
In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the County, as of December 31, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions permitted in KMAAG described in note 1.

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of receipts, expenditures, and unencumbered cash – regulatory basis (basic financial statement) as a whole. The schedule of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, the agency funds schedule of receipts and disbursements – regulatory basis, and the schedule of receipts and expenditures – related municipal entity (schedules 1 through 4, as listed in the table of contents) are presented for additional analysis and are not a required part of the financial statement; however, they are required to be presented under the provisions in KMAAG. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statement of the County. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in note 1.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated April 24, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants

Hutchinson, Kansas  
April 24, 2014

HARVEY COUNTY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS  
For Year Ended December 31, 2013

Funds	Beginning Unencumbered Cash Balance	Prior Year Encumbrances Canceled	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>GOVERNMENTAL TYPE FUNDS</b>							
General fund	\$ 2,892,506	\$ -	\$ 11,384,291	\$ 10,645,680	\$ 3,631,117	\$ 296,136	\$ 3,927,253
Special purpose funds							
Road and bridge	599,740	-	2,388,098	2,546,363	441,475	62,514	503,989
Noxious weed	51,118	-	151,922	170,828	32,212	4,427	36,639
Agriculture Extension Council	17,372	-	315,237	302,400	30,209	-	30,209
Elderly services program	57,428	-	247,119	265,871	38,676	9,025	47,701
Harvey County 9-1-1	74,251	-	209,154	177,794	105,611	1,591	107,202
Emergency telephone services	-	-	-	-	-	-	-
Emergency wireless telephone services	60,143	-	378	2,308	58,213	-	58,213
Elderly services transportation	66,910	-	141,257	135,309	72,858	3,880	76,738
Special alcohol and drug program	4,870	-	2,340	-	7,210	-	7,210
Special parks and recreation	1,198	-	2,340	-	3,538	-	3,538
Diversion	14,359	-	27,213	30,415	11,157	770	11,927
Road impact fees	60,911	-	14,382	21,065	54,228	-	54,228
Capital improvement	175,354	-	130,000	101,289	204,065	-	204,065
Register of Deeds technology	115,148	-	50,508	30,565	135,091	538	135,629
Special highway improvement	594,037	-	102,819	236,601	460,255	-	460,255
Rhoades Foundation	1,229	-	-	298	931	-	931
Equipment reserve	98,469	-	187,200	164,129	121,540	-	121,540
Cost of issuance	-	-	22,495	22,495	-	-	-
Special law enforcement	14,934	-	37,513	31,475	20,972	1,847	22,819
County Attorney forfeiture	1,776	-	-	-	1,776	-	1,776
Prosecutor's training and assistance	11,554	-	3,991	2,291	13,254	699	13,953
Health and wellness	24,094	-	5,345	5,612	23,827	2,200	26,027
West Park jetty grant	534	-	-	250	284	-	284
Sheriff reserves	272	-	200	240	232	-	232
Oscar task force	1,828	-	-	-	1,828	-	1,828
Offender registration	-	-	1,537	63	1,474	63	1,537
Sheriff forfeiture	-	-	56,446	1,060	55,386	1,060	56,446
Health department grant	149,579	-	395,442	484,149	60,872	11,416	72,288
Vehicle license	-	-	261,199	261,199	-	-	-
<b>Total special purpose funds</b>	<b>2,197,108</b>	<b>-</b>	<b>4,754,135</b>	<b>4,994,069</b>	<b>1,957,174</b>	<b>100,030</b>	<b>2,057,204</b>

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

HARVEY COUNTY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS  
For Year Ended December 31, 2013

Funds	Beginning Unencumbered Cash Balance	Prior Year Encumbrances Canceled	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Capital project funds							
Kansas Logistics Park	\$ 3,740	-	\$ -	3,740	\$ -	-	\$ -
Fairground improvement project	671	-	-	671	-	-	-
Airport runway improvement project	74,964	-	485	-	75,449	-	75,449
Total capital project funds	79,375	-	485	4,411	75,449	-	75,449
Bond and interest fund							
Bond and interest	85,098	-	1,152,905	1,106,393	131,610	-	131,610
Business fund							
Solid waste	328,722	-	1,889,757	1,807,327	411,152	75,223	486,375
TOTAL PRIMARY GOVERNMENT	5,582,809	-	19,181,573	18,557,880	6,206,502	471,389	6,677,891
RELATED MUNICIPAL ENTITY							
Harvey County, Kansas Public Building Commission	-	-	987,969	987,969	-	-	-
TOTAL REPORTING ENTITY (excluding agency funds)	\$ 5,582,809	\$ -	\$ 20,169,542	\$ 19,545,849	\$ 6,206,502	\$ 471,389	\$ 6,677,891

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

## HARVEY COUNTY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH -  
REGULATORY BASIS  
For Year Ended December 31, 2013

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COMPOSITION CASH	
County Treasurer	
Cash and cash items	\$ 1,058,822
Checking accounts	5,235,608
Money market accounts	23,500,000
Kansas Municipal Investment Pool	<u>91,364</u>
Total County Treasurer	<u>29,885,794</u>
County Clerk	
Checking account - outstanding warrant checks	<u>(305,852)</u>
County Administration	
Checking account	<u>63,385</u>
Sheriff	
Checking account	<u>69,008</u>
Register of Deeds	
Checking account	<u>35,781</u>
Clerk of the District Court	
Checking account	<u>170,962</u>
Law Library	
Checking account	10,250
Certificates of deposit	<u>28,040</u>
Total Law Library	<u>38,290</u>
TOTAL CASH	29,957,368
Less - agency funds (Schedule 3)	<u>(23,279,477)</u>
TOTAL REPORTING ENTITY	<u><u>\$ 6,677,891</u></u>

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

HARVEY COUNTY, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
December 31, 2013

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

The following types of funds comprise the financial activities of the County for the year of 2013:

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

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

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

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

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

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

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

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

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

#### Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the original adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no amended budgets for the year ended December 31, 2013.

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

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

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

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

### Tax Cycle

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

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One half of the property taxes are due December 20 prior to the fiscal year for which they are budgeted, and the second half is due the following May 10. Delinquent taxes were assessed interest as prescribed by Kansas statute. The interest is retained by the County.

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

### Estimates

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

### Deposits and Investments

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

During 2013, the County invested in certificates of deposit and the Kansas Municipal Investment Pool (overnight pool). Investments are stated at cost. Earnings from the investments of the primary government are recorded in the general fund.

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

### Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses included in the financial statement meet the following criteria: (1) the related disbursement was made in the current year on behalf of the payee, (2) the item paid for was directly identifiable as having been used by or provided to the payee, and (3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

## NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Compliance with Kansas Statutes

Management was not aware of any statutory violations for the year ended December 31, 2013.

## NOTE 3—DEPOSITS AND INVESTMENTS

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

K.S.A. 9-1401 establishes the depositories, which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the county in which the County is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool (KMIP). The County has no investment policy that would further limit its investment choices.

#### Interest Rate Risk

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

#### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, the Federal Home Loan Bank of Topeka, or deposit guaranty bonds coverage.

At December 31, 2013, the County's carrying amount of deposits was \$28,807,182 and the bank balance was \$29,490,208. Of the bank balance, \$975,664 was covered by federal depository insurance and the remaining \$28,514,544 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

#### Custodial Credit Risk – Investments

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

As of December 31, 2013, the County had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 91,364</u>	<u>\$ 91,364</u>	S&P AAf/S1+

At December 31, 2013, the County had invested \$91,364 in KMIP. KMIP is under the oversight of the pooled money investment board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the United States government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, KMIP may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

#### Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The County manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area and monies in the KMIP are diverse according to the policies of the investment pool.

## NOTE 4—LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Final Maturity
<b>MUNICIPAL FINANCIAL REPORTING ENTITY</b>				
General obligation bonds				
Series 2009	3.25%-4.25%	12/01/09	\$ 918,500	11/01/25
Series 2010 refunding	2.00%-3.00%	08/10/10	1,880,000	11/01/15
Series 2011	3.00%-4.00%	05/11/11	3,335,000	11/01/31
Series 2012	2.00%-3.25%	09/01/12	300,000	11/01/22
Temporary notes				
Series 2010	2.00%-3.00%	10/26/10	299,000	11/01/14
Capital leases				
Harvey County Fairground, Series 2010	1.10%-1.90%	12/22/10	460,000	08/01/13
Harvey County Fairground, Series 2013 Refunding	1.25%-2.625%	03/01/13	750,000	08/01/21

Changes in long-term debt of the County for the year ended December 31, 2013, were as follows:

Issue	Balance Beginning of Year	Additions	Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds						
Series 2009	\$ 855,000	\$ -	\$ 50,000	\$ -	\$ 805,000	\$ 33,372
Series 2010 refunding	925,000	-	390,000	-	535,000	20,663
Series 2011	3,265,000	-	125,000	-	3,140,000	111,778
Series 2012	300,000	-	25,000	-	275,000	8,610
Total general obligation bonds	5,345,000	-	590,000	-	4,755,000	174,423
Temporary notes						
Series 2010	145,000	-	70,000	-	75,000	4,000
Capital leases						
Harvey County Fairground, Series 2008A	770,000	-	770,000	-	-	31,737
Harvey County Fairground, Series 2008B	30,000	-	30,000	-	-	887
Harvey County Fairground, Series 2010	305,000	-	150,000	-	155,000	5,345
Harvey County Fairground, Series 2013 Rfdg	-	750,000	-	-	750,000	-
Total capital leases	1,105,000	750,000	950,000	-	905,000	37,969
Other long-term debt						
Commitment for City of Newton bonds	281,970	-	26,583	-	255,387	13,364
	<u>\$ 6,876,970</u>	<u>\$ 750,000</u>	<u>\$ 1,636,583</u>	<u>\$ -</u>	<u>\$ 5,990,387</u>	<u>\$ 229,756</u>

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

General Obligation Bonds	Principal	Interest
2014	\$ 485,000	\$ 158,655
2015	490,000	146,003
2016	225,000	132,802
2017	230,000	125,800
2018	240,000	118,975
2019-2023	1,275,000	474,930
2024-2028	1,130,000	254,272
2029-2032	680,000	54,878
	<u>\$ 4,755,000</u>	<u>\$ 1,466,315</u>
Temporary Notes	Principal	Interest
2014	<u>\$ 75,000</u>	<u>\$ 2,250</u>
Capital Leases	Principal	Interest
2014	\$ 240,000	\$ 23,690
2015	95,000	13,581
2016	90,000	12,394
2017	95,000	10,819
2018	95,000	9,156
2019-2022	290,000	14,881
	<u>\$ 905,000</u>	<u>\$ 84,521</u>
Commitment for City of Newton Bonds	Principal	Interest
2014	\$ 28,164	\$ 12,112
2015	29,400	10,753
2016	30,651	9,319
2017	20,330	7,806
2018	21,366	6,876
2019-2023	89,259	19,116
2024-2028	31,258	4,750
2029-2031	4,959	375
	<u>\$ 255,387</u>	<u>\$ 71,107</u>

### Commitment for City Bonds

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

### Conduit Debt

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

Outstanding Industrial Revenue Bonds at December 31, 2013, included the following:

<u>Purpose</u>	<u>Date Issued</u>	<u>Amount</u>
Biggs Property, L.L.C.	07/10/09	\$ 2,016,407
Mennonite Board of Missions and Charities of Kansas, Inc.	04/01/13	8,982,093
Kidron Bethel Retirement Service, Inc.	04/01/13	2,896,794

### NOTE 5—LONG-TERM DEBT – RELATED MUNICIPAL ENTITY

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

On March 1, 2013 the Harvey County Public Building Commission Revenue Bonds, Series 2008A were refunded by the issuance of Harvey County Public Building Commission Refunding Revenue Bonds, Series 2013 for tax compliance.

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

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
Related Municipal Entity - Harvey County Public Building Commission				
Revenue bonds				
Harvey County Fairground, Series 2010	1.10%-1.90%	12/22/10	460,000	08/01/14
Harvey County Fairground, Series 2013, Rfdg.	1.25%-2.625%	03/01/13	750,000	08/21/21

Changes in long-term debt of HCPBC for the year ended December 31, 2013, were as follows:

Issue	Balance Beginning of Year	Additions	Payments	Balance End of Year	Interest Paid
Revenue bonds					
Harvey County Fairground, Series 2008A	\$ 770,000	\$ -	\$ 770,000	\$ -	\$ 31,737
Harvey County Fairground, Series 2008B	30,000	-	30,000	-	887
Harvey County Fairground, Series 2010	305,000	-	150,000	155,000	5,345
Harvey County Fairground, Series 2013 Rfdg.	-	750,000	-	750,000	-
	<u>\$ 1,105,000</u>	<u>\$ 750,000</u>	<u>\$ 950,000</u>	<u>\$ 905,000</u>	<u>\$ 37,969</u>

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

<u>Revenue Bonds</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 240,000	\$ 23,690
2015	95,000	13,581
2016	90,000	12,394
2017	95,000	10,819
2018	95,000	9,156
2019-2021	<u>290,000</u>	<u>14,881</u>
	<u>\$ 905,000</u>	<u>\$ 84,521</u>

#### NOTE 6—INTERFUND TRANSFERS

A summary of operating interfund transfers is as follows:

<u>Transfer From:</u>	<u>Transfer To:</u>	<u>Amount</u>	<u>Statutory Authority</u>
General	Equipment reserve	\$ 187,200	K.S.A. 19-119
General	Elderly service transportation	28,400	Grant match
General	Capital improvement	100,000	K.S.A. 19-120
Elderly services program	Elderly service transportation	14,500	Grant match
Solid waste	Capital improvement	30,000	K.S.A. 19-120
Solid waste	Bond and interest	410,663	Budgeted
Vehicle	General	234,087	K.S.A. 8-145
Kansas Logistics Park	Bond and interest	3,740	Resolution
Fairground Improvement	Bond and interest	671	Resolution
Cost of Issuance	Bond and interest	4,547	Resolution

## NOTE 7—CAPITAL PROJECTS

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

	<u>Airport Runway Project</u>
Total project authorization	\$ 300,775
Expenditures to date	<u>225,326</u>
Project authorization remaining	<u>\$ 75,449</u>

## NOTE 8—DEFINED BENEFIT PENSION PLANS

Plan Description

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

Funding Policy

K.S.A. 74-4919 and K.S.A. 79-49,210 establish the KPERs member-employee contribution rates. Effective July 1, 2009, KPERs has two benefit structures, and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the member employee contribution rate at 4.00% of covered salary for Tier 1 members and at 6.00% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7.00% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

## NOTE 9—DEFERRED COMPENSATION PLAN

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

## NOTE 10—OTHER LONG-TERM LIABILITIES

Closure and Postclosure Care Costs – Landfill and Related Facilities

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

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

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

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

Estimated capacity, usage, remaining life, and the estimated liabilities for closure and postclosure care costs at December 31, 2013, were as follows:

	Municipal Solid Waste Landfill	Construction and Demolition	Transfer Station	Compost	Household Hazardous Waste	Solid Waste Processor
Permit no.	119	812	119	812	546	828
Date closed	Oct-01					
Final cover	Mar-03					
Estimated remaining life (years)	N/A					
Estimated total capacity (cubic yards)	N/A					
Percentage capacity used	N/A					
Estimated closure costs	\$ -	\$ 410,874	\$ 11,924	\$ 47,850	\$ 11,840	\$ 2,950
Estimated postclosure cost	<u>2,428,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,428,632</u>	<u>\$ 410,874</u>	<u>\$ 11,924</u>	<u>\$ 47,850</u>	<u>\$ 11,840</u>	<u>\$ 2,950</u>

Estimated total costs of closure and postclosure care are based on what it would cost to perform all closure and postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

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

### Other Post Employment Benefits

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

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

### Compensated Absences

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

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

The County's estimated liability for compensated absences at December 31, 2013, was \$406,005.

### NOTE 11—RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has been unable to obtain insurance at a cost it considered to be economically justifiable. For this reason, the County joined together with other counties in the State to participate in the Kansas County Association Multi-Line Pool (KCAMP) and the Kansas Workers Risk Cooperative for Counties (KWORCC), which are public entity risk pools operating as common risk management and insurance programs for participating members.

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

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

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

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

**NOTE 13—SUBSEQUENT EVENTS**

On February 13, 2014, the Harvey County Public Building Commission issued \$1,230,000, Series 2014A nontaxable revenue bonds and \$148,000, Series 2014B taxable revenue bonds for airport improvements.

HARVEY COUNTY, KANSAS  
 SCHEDULE OF EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>GOVERNMENTAL TYPE FUNDS</b>					
General fund	\$ 12,243,085	\$ -	\$ 12,243,085	\$ 10,645,680	\$ (1,597,405)
Special purpose funds					
Road and bridge	2,574,142	216,033	2,790,175	2,546,363	(243,812)
Noxious weed	176,990	-	176,990	170,828	(6,162)
Agricultural Extension Council	302,400	-	302,400	302,400	-
Elderly services program	277,500	-	277,500	265,871	(11,629)
Harvey County 9-1-1	247,000	-	247,000	177,794	(69,206)
Emergency telephone services	601	-	601	-	(601)
Emergency wireless telephone services	66,685	-	66,685	2,308	(64,377)
Elderly services transportation program	176,852	-	176,852	135,309	(41,543)
Special alcohol and drug	3,000	-	3,000	-	(3,000)
Special parks and recreation	3,200	-	3,200	-	(3,200)
Diversion	36,542	-	36,542	30,415	(6,127)
Road impact fees	65,000	-	65,000	21,065	(43,935)
Capital improvement	110,353	-	110,353	101,289	(9,064)
Bond and interest fund					
Bond and interest	1,108,374	-	1,108,374	1,106,393	(1,981)
Business fund					
Solid waste	1,944,778	-	1,944,778	1,807,327	(137,451)

HARVEY COUNTY, KANSAS  
 GENERAL FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Schedule 2-1 Page 1 of 5			
Variance Over (Under)			
<b>REVENUES AND OTHER SOURCES</b>			
Taxes			
Ad valorem property tax	\$ 5,742,958	\$ 5,571,724	\$ 171,234
Delinquent tax	141,028	97,888	43,140
Motor vehicle tax	762,578	744,508	18,070
Recreational vehicle tax	9,718	13,168	(3,450)
16/20M vehicle tax	9,176	10,133	(957)
Neighborhood revitalization	(74,286)	(73,796)	(490)
Tax increment financing	(20,336)	-	(20,336)
Mineral production tax	5,817	6,190	(373)
Sales and consumers' tax	2,104,360	2,035,620	68,740
Interest and penalties	115,433	95,443	19,990
Total taxes	<u>8,796,446</u>	<u>8,500,878</u>	<u>295,568</u>
Intergovernmental			
Local alcoholic liquor tax	2,340	2,849	(509)
Federal and State assistance	61,574	30,787	30,787
Indigent defense reimbursement	9,332	8,975	357
Total intergovernmental	<u>73,246</u>	<u>42,611</u>	<u>30,635</u>
Charges for services			
Special police services	48,102	21,500	26,602
Correction fees	1,113,227	1,045,556	67,671
Public health fees	136,397	138,310	(1,913)
Park fees and sales	215,842	216,321	(479)
Other charges	14,491	13,046	1,445
Total charges for services	<u>1,528,059</u>	<u>1,434,733</u>	<u>93,326</u>
Use of money and property			
Rents and sale of crops	43,647	21,169	22,478
Interest	26,723	18,895	7,828
Total use of money and property	<u>70,370</u>	<u>40,064</u>	<u>30,306</u>
Licenses, fees, and permits			
Mortgage filing fees and registration	440,284	373,664	66,620
Court costs/fees/charges	32,829	31,259	1,570
Bookings	14,089	13,000	1,089
Drivers license renewal fees	46,585	27,395	19,190
Alarm fees	29,795	35,000	(5,205)
Other fees and licenses	56,059	51,006	5,053
Total licenses, fees, and permits	<u>619,641</u>	<u>531,324</u>	<u>88,317</u>
Reimbursements			
Other	42,241	6,215	36,026
Transfers in - vehicle fund	20,201	8,660	11,541
Transfers in - other funds	234,087	232,600	1,487
	-	-	-
Total reimbursements	<u>296,529</u>	<u>247,475</u>	<u>49,054</u>
TOTAL REVENUES AND OTHER SOURCES	<u>11,384,291</u>	<u>10,797,085</u>	<u>587,206</u>

HARVEY COUNTY, KANSAS  
 GENERAL FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

Schedule 2-1  
Page 2 of 5

	Actual	Budget	Variance Over (Under)
<b>EXPENDITURES AND OTHER USES</b>			
<b>GENERAL GOVERNMENT</b>			
County Commission			
Personal services	\$ 96,745	\$ 91,372	\$ 5,373
Operations	3,246	3,250	(4)
Total County Commission	99,991	94,622	5,369
County Clerk			
Personal services	215,052	229,648	(14,596)
Operations	6,683	7,250	(567)
Capital outlay	7,723	5,900	1,823
Total County Clerk	229,458	242,798	(13,340)
County Treasurer			
Personal services	488,518	509,683	(21,165)
Operations	7,367	12,517	(5,150)
Total County Treasurer	495,885	522,200	(26,315)
Register of Deeds			
Personal services	133,814	132,367	1,447
Operations	6,671	6,575	96
Total Register of Deeds	140,485	138,942	1,543
District Court			
Personal services	12,767	12,800	(33)
Operations	93,621	98,182	(4,561)
Capital outlay	17,815	10,640	7,175
Total District Court	124,203	121,622	2,581
Indigent defense	135,000	135,000	-
Courthouse general			
Personal services	233,714	285,568	(51,854)
Operations	644,666	764,187	(119,521)
Capital outlay	48,392	91,000	(42,608)
McPherson County payment	(55,476)	(25,000)	(30,476)
Total courthouse general	871,296	1,115,755	(244,459)
Administration			
Personal services	366,326	355,107	11,219
Operations	6,293	6,550	(257)
Capital outlay	2,551	2,650	(99)
Total administration	375,170	364,307	10,863

## HARVEY COUNTY, KANSAS

GENERAL FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

Schedule 2-1  
Page 3 of 5

	Actual	Budget	Variance Over (Under)
Planning and zoning			
Personal services	\$ 86,765	\$ 93,263	\$ (6,498)
Operations	11,438	16,400	(4,962)
Capital outlay	1,203	1,200	3
Total planning and zoning	<u>99,406</u>	<u>110,863</u>	<u>(11,457)</u>
Data processing			
Personal services	72,603	73,095	(492)
Operations	114,853	120,158	(5,305)
Capital outlay	32,084	29,000	3,084
Transfer out - equipment reserve fund	3,700	3,700	-
Total data processing	<u>223,240</u>	<u>225,953</u>	<u>(2,713)</u>
County Appraiser			
Personal services	490,039	485,492	4,547
Operations	76,737	76,125	612
Capital outlay	18,362	20,000	(1,638)
Total County Appraiser	<u>585,138</u>	<u>581,617</u>	<u>3,521</u>
County Attorney			
Personal services	450,285	461,589	(11,304)
Operations	35,885	30,400	5,485
Capital outlay	1,222	3,700	(2,478)
Total County Attorney	<u>487,392</u>	<u>495,689</u>	<u>(8,297)</u>
Sheriff			
Personal services	1,224,046	1,211,400	12,646
Operations	215,549	258,075	(42,526)
Capital outlay	22,525	19,500	3,025
Transfer out - equipment reserve fund	106,000	106,000	-
Total Sheriff	<u>1,568,120</u>	<u>1,594,975</u>	<u>(26,855)</u>
Correctional services			
Personal services	1,215,480	1,261,553	(46,073)
Operations	599,678	568,000	31,678
Capital outlay	8,700	15,500	(6,800)
Transfer out - equipment reserve fund	25,000	25,000	-
Transfer out - capital outlay	100,000	-	100,000
Juvenile detention reimbursement	(2,349)	(2,150)	(199)
Total correctional services	<u>1,946,509</u>	<u>1,867,903</u>	<u>78,606</u>
Emergency management			
Personal services	111,670	114,413	(2,743)
Operations	16,123	10,490	5,633
Total emergency management	<u>127,793</u>	<u>124,903</u>	<u>2,890</u>

## HARVEY COUNTY, KANSAS

GENERAL FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Schedule 2-1 Page 4 of 5 Variance Over (Under)
	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Communications center			
Personal services	\$ 741,276	\$ 731,779	\$ 9,497
Operations	19,695	14,850	4,845
Capital outlay	1,690	2,600	(910)
Total communications center	<u>762,661</u>	<u>749,229</u>	<u>13,432</u>
Election			
Operations	40,436	45,700	(5,264)
Capital outlay	5,595	5,000	595
Transfer out - equipment reserve fund	2,500	2,500	-
Total election	<u>48,531</u>	<u>53,200</u>	<u>(4,669)</u>
Public health			
Personal services	288,536	348,084	(59,548)
Operations	129,556	133,300	(3,744)
Capital outlay	10,234	9,800	434
Total public health	<u>428,326</u>	<u>491,184</u>	<u>(62,858)</u>
Parks			
Personal services	256,493	303,486	(46,993)
Operations	186,948	186,210	738
Capital outlay	63,200	39,500	23,700
Park shop other	(10,544)	-	(10,544)
Total parks	<u>496,097</u>	<u>529,196</u>	<u>(33,099)</u>
Economic development			
Economic development council	128,886	128,886	-
Kansas Logistics Park	29,728	90,000	(60,272)
Total economic development	<u>158,614</u>	<u>218,886</u>	<u>(60,272)</u>

## HARVEY COUNTY, KANSAS

GENERAL FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

Schedule 2-1  
Page 5 of 5

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
APPROPRIATIONS AND OTHER			
Ambulance	\$ 658,107	\$ 658,107	\$ -
Humane society	8,605	8,605	-
Health ministries	40,000	40,000	-
Low income assistance	3,175	5,000	(1,825)
Historical society	53,500	53,500	-
County free fair	25,000	25,000	-
Airport	80,000	80,000	-
City of Newton golf course housing tax	52,013	73,045	(21,032)
CDDO	102,500	102,500	-
Mental health	125,000	125,000	-
Conservation District	16,065	16,065	-
Stabilization	-	1,221,000	(1,221,000)
TOTAL APPROPRIATIONS AND OTHER	<u>1,163,965</u>	<u>2,407,822</u>	<u>(1,243,857)</u>
TRANSFERS TO OTHER FUNDS			
Transfer to - equipment reserve fund	50,000	-	50,000
Transfer to - transportation fund	28,400	28,400	-
Transfer to - health department grant fund	-	28,019	(28,019)
TOTAL TRANSFERS TO OTHER FUNDS	<u>78,400</u>	<u>56,419</u>	<u>21,981</u>
TOTAL EXPENDITURES	<u>10,645,680</u>	<u>\$ 12,243,085</u>	<u>\$ (1,597,405)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	738,611		
UNENCUMBERED CASH, BEGINNING	<u>2,892,506</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 3,631,117</u>		

HARVEY COUNTY, KANSAS  
ROAD AND BRIDGE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
(ACTUAL AND BUDGET)  
For Year Ended December 31, 2013

	Actual	Budget	Schedule 2-2 Variance Over (Under)
	<u>          </u>	<u>          </u>	<u>          </u>
RECEIPTS			
Taxes			
Ad valorem property tax	\$ 1,166,752	\$ 1,129,208	\$ 37,544
Delinquent tax	23,626	20,998	2,628
Motor vehicle tax	137,878	133,743	4,135
Recreational vehicle tax	1,752	2,366	(614)
16/20M vehicle tax	2,013	1,820	193
Neighborhood revitalization	(15,079)	(15,214)	135
Tax increment financing	(4,117)	-	(4,117)
Motor fuel tax	820,790	844,354	(23,564)
Charges for services and other reimbursements	205,943	7,550	198,393
FEMA reimbursement	17,640	-	17,640
Miscellaneous	30,900	14,998	15,902
	<u>2,388,098</u>	<u>\$ 2,139,823</u>	<u>\$ 248,275</u>
EXPENDITURES			
Highways and streets			
Personal services	697,152	\$ 690,210	\$ 6,942
Operations	1,522,541	1,371,432	151,109
Capital outlay	326,670	312,500	14,170
Transfer to - special highway improvement fund	-	200,000	(200,000)
	<u>2,546,363</u>	<u>2,574,142</u>	<u>(27,779)</u>
ADJUSTMENT FOR QUALIFYING BUDGET CREDIT	<u>-</u>	<u>216,033</u>	<u>(216,033)</u>
TOTAL FOR COMPARISON	<u>2,546,363</u>	<u>\$ 2,790,175</u>	<u>\$ (243,812)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(158,265)		
UNENCUMBERED CASH, BEGINNING	<u>599,740</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 441,475</u>		

## HARVEY COUNTY, KANSAS

NOXIOUS WEED FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Schedule 2-3 Variance Over (Under)
RECEIPTS			
Taxes			
Ad valorem property tax	\$ 108,553	\$ 105,260	\$ 3,293
Delinquent tax	2,686	2,256	430
Motor vehicle tax	15,834	15,362	472
Recreational vehicle tax	201	272	(71)
16/20M vehicle tax	234	209	25
Neighborhood revitalization	(1,404)	(1,397)	(7)
Tax increment financing	(384)	-	(384)
Reimbursement - chemical sales	15,518	18,000	(2,482)
Reimbursement - spraying	10,684	10,629	55
TOTAL RECEIPTS	151,922	\$ 150,591	\$ 1,331
EXPENDITURES			
Personal services	121,347	\$ 120,961	\$ 386
Operations	47,522	53,929	(6,407)
Capital outlay	1,959	2,100	(141)
TOTAL EXPENDITURES	170,828	176,990	(6,162)
TOTAL FOR COMPARISON	170,828	\$ 176,990	\$ (6,162)
RECEIPTS OVER (UNDER) EXPENDITURES	(18,906)		
UNENCUMBERED CASH, BEGINNING	51,118		
UNENCUMBERED CASH, ENDING	\$ 32,212		

## HARVEY COUNTY, KANSAS

AGRICULTURE EXTENSION COUNCIL FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Schedule 2-4 Variance Over (Under)
	<u>          </u>	<u>          </u>	<u>          </u>
RECEIPTS			
Taxes			
Ad valorem property tax	\$ 275,892	\$ 267,656	\$ 8,236
Delinquent tax	5,832	4,297	1,535
Motor vehicle tax	37,079	36,043	1,036
Recreational vehicle tax	472	638	(166)
16/20M vehicle tax	507	491	16
Neighborhood revitalization	(3,568)	(3,527)	(41)
Tax increment financing	(977)	-	(977)
	<u>315,237</u>	<u>\$ 305,598</u>	<u>\$ 9,639</u>
TOTAL RECEIPTS			
EXPENDITURES			
Conservation and environmental protection			
Operations	<u>302,400</u>	<u>\$ 302,400</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	12,837		
UNENCUMBERED CASH, BEGINNING	<u>17,372</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 30,209</u>		

## HARVEY COUNTY, KANSAS

ELDERLY SERVICES PROGRAM FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Schedule 2-5 Variance Over (Under)
<b>RECEIPTS</b>			
Taxes			
Ad valorem tax	\$ 178,034	\$ 172,690	\$ 5,344
Delinquent tax	3,995	3,189	806
Motor vehicle tax	24,563	23,829	734
Recreational vehicle tax	312	421	(109)
16/20M vehicle tax	362	324	38
Neighborhood revitalization	(2,302)	(2,286)	(16)
Tax increment financing	(630)	-	(630)
Federal and state assistance	36,462	54,220	(17,758)
United Way	4,065	3,480	585
Reimbursements	1,818	-	1,818
Other	440	-	440
TOTAL RECEIPTS	247,119	\$ 255,867	\$ (8,748)
<b>EXPENDITURES</b>			
Elderly services coordinator			
Personal services	103,215	\$ 96,815	\$ 6,400
Operations	12,364	5,875	6,489
Capital outlay	946	1,200	(254)
Appropriations to senior centers	92,036	106,166	(14,130)
Transfer to - elderly services transportation	14,500	14,500	-
Total elderly services coordinator	223,061	224,556	(1,495)
Retired senior volunteer program			
Personal services	32,089	37,109	(5,020)
Operations	10,721	15,835	(5,114)
Total retired senior volunteer program	42,810	52,944	(10,134)
TOTAL EXPENDITURES	265,871	\$ 277,500	\$ (11,629)
RECEIPTS OVER (UNDER) EXPENDITURES	(18,752)		
UNENCUMBERED CASH, BEGINNING	57,428		
UNENCUMBERED CASH, ENDING	\$ 38,676		

## HARVEY COUNTY, KANSAS

HARVEY COUNTY 9-1-1 FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Schedule 2-6 Variance Over (Under)
	<u>        </u>	<u>        </u>	<u>        </u>
RECEIPTS			
Telephone user fees	\$ 208,509	\$ 216,000	\$ (7,491)
Interest	645	-	645
	<u>209,154</u>	<u>\$ 216,000</u>	<u>\$ (6,846)</u>
TOTAL RECEIPTS			
EXPENDITURES			
General government			
Operations	151,204	\$ 122,000	\$ 29,204
Capital outlay	26,590	125,000	(98,410)
	<u>177,794</u>	<u>\$ 247,000</u>	<u>\$ (69,206)</u>
TOTAL EXPENDITURES			
RECEIPTS OVER (UNDER) EXPENDITURES	31,360		
UNENCUMBERED CASH, BEGINNING	<u>74,251</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 105,611</u>		

## HARVEY COUNTY, KANSAS

EMERGENCY TELEPHONE SERVICES FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Variance Over (Under)
RECEIPTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
General government			
Operations	-	\$ -	\$ -
Capital outlay	-	601	(601)
TOTAL EXPENDITURES	<u>-</u>	<u>\$ 601</u>	<u>\$ (601)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

## HARVEY COUNTY, KANSAS

EMERGENCY WIRELESS TELEPHONE SERVICES FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Variance Over (Under)
Schedule 2-8			
RECEIPTS			
Interest	\$ 378	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
General government			
Capital outlay	<u>2,308</u>	<u>\$ 66,685</u>	<u>\$ (64,377)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(1,930)		
UNENCUMBERED CASH, BEGINNING	<u>60,143</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 58,213</u>		

## HARVEY COUNTY, KANSAS

ELDERLY SERVICES TRANSPORTATION FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Variance Over (Under)
			Schedule 2-9
			(Under)
<b>RECEIPTS</b>			
Federal and State assistance	\$ 78,935	\$ 83,230	\$ (4,295)
Rider donations	19,422	22,000	(2,578)
Miscellaneous	-	7,114	(7,114)
Transfer from - General Fund	28,400	28,400	-
Transfer from - Elderly Services Fund	14,500	14,500	-
<b>TOTAL RECEIPTS</b>	<u>141,257</u>	<u>\$ 155,244</u>	<u>\$ (13,987)</u>
<b>EXPENDITURES</b>			
Health and welfare			
Personal services	92,717	\$ 105,622	\$ (12,905)
Operations	42,592	71,230	(28,638)
<b>TOTAL EXPENDITURES</b>	<u>135,309</u>	<u>\$ 176,852</u>	<u>\$ (41,543)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	5,948		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>66,910</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 72,858</u>		

## HARVEY COUNTY, KANSAS

SPECIAL ALCOHOL AND DRUG PROGRAM FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	<u>Actual</u>	<u>Budget</u>	Schedule 2-10 Variance Over (Under)
RECEIPTS			
Private club liquor tax	\$ 2,340	<u>\$ 2,849</u>	<u>\$ (509)</u>
EXPENDITURES			
Health and welfare			
Contractual services	<u>-</u>	<u>\$ 3,000</u>	<u>\$ (3,000)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	2,340		
UNENCUMBERED CASH, BEGINNING	<u>4,870</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 7,210</u>		

## HARVEY COUNTY, KANSAS

SPECIAL PARKS AND RECREATION FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	<u>Actual</u>	<u>Budget</u>	Schedule 2-11 Variance Over (Under)
RECEIPTS			
Private club liquor tax	\$ 2,340	<u>\$ 2,849</u>	<u>\$ (509)</u>
EXPENDITURES			
Culture and recreation			
Contractual services	<u>-</u>	<u>\$ 3,200</u>	<u>\$ (3,200)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	2,340		
UNENCUMBERED CASH, BEGINNING	<u>1,198</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 3,538</u>		

## HARVEY COUNTY, KANSAS

DIVERSION FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

Schedule 2-12

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Diversion fees	\$ 27,213	\$ 31,800	\$ (4,587)
EXPENDITURES			
General government			
Personal services	21,551	\$ 24,342	\$ (2,791)
Operations	164	3,500	(3,336)
Capital outlay	8,700	8,700	-
TOTAL EXPENDITURES	30,415	\$ 36,542	\$ (6,127)
RECEIPTS OVER (UNDER) EXPENDITURES	(3,202)		
UNENCUMBERED CASH, BEGINNING	14,359		
UNENCUMBERED CASH, ENDING	\$ 11,157		

## HARVEY COUNTY, KANSAS

ROAD IMPACT FEES FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Variance Over (Under)
			Schedule 2-13
RECEIPTS			
Licenses, fees, and permits	\$ 14,000	\$ 10,000	\$ 4,000
Interest	<u>382</u>	<u>-</u>	<u>382</u>
TOTAL RECEIPTS	14,382	<u>\$ 10,000</u>	<u>\$ 4,382</u>
EXPENDITURES			
Highways and streets			
Road improvements	<u>21,065</u>	<u>\$ 65,000</u>	<u>\$ (43,935)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(6,683)		
UNENCUMBERED CASH, BEGINNING	<u>60,911</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 54,228</u>		

HARVEY COUNTY, KANSAS  
 CAPITAL IMPROVEMENT FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	<u>Actual</u>	<u>Budget</u>	Schedule 2-14 Variance Over (Under)
RECEIPTS			
Transfer in - solid waste fund	\$ 30,000	\$ -	\$ 30,000
Transfer in - detention center	<u>100,000</u>	<u>-</u>	<u>100,000</u>
TOTAL RECEIPTS	130,000	<u>\$ -</u>	<u>\$ 130,000</u>
EXPENDITURES			
Contractual services	<u>101,289</u>	<u>\$ 110,353</u>	<u>\$ (9,064)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	28,711		
UNENCUMBERED CASH, BEGINNING	<u>175,354</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 204,065</u>		

HARVEY COUNTY, KANSAS

NONBUDGETED SPECIAL PURPOSE FUNDS  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 For Year Ended December 31, 2013

Schedule 2-15  
 Page 1 of 2

	Register of Deeds Technology	Special Highway Improvement	Rhoades Foundation	Equipment Reserve	Cost of Issuance	Special Law Enforcement	County Attorney Forfeiture	Prosecutor's Training and Assistance
RECEIPTS								
Fees	\$ 50,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,991
Charges for services	-	-	-	-	-	-	-	-
Grants and donations	-	-	-	-	-	-	-	-
Forfeitures	-	-	-	-	22,495	37,513	-	-
Bond proceeds	-	-	-	-	-	-	-	-
Reimbursements and other Transfers	-	102,819	-	187,200	-	-	-	-
TOTAL RECEIPTS	50,508	102,819	-	187,200	22,495	37,513	-	3,991
EXPENDITURES								
Current								
Personal services	15,819	-	-	-	-	-	-	-
Operations	12,929	236,601	298	-	17,948	31,475	-	2,291
Capital outlay	1,817	-	-	164,129	-	-	-	-
Highway and streets	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	4,547	-	-	-
TOTAL EXPENDITURES	30,565	236,601	298	164,129	22,495	31,475	-	2,291
RECEIPTS OVER (UNDER) EXPENDITURES	19,943	(133,782)	(298)	23,071	-	6,038	-	1,700
UNENCUMBERED CASH, BEGINNING	115,148	594,037	1,229	98,469	-	14,934	1,776	11,554
UNENCUMBERED CASH, ENDING	\$ 135,091	\$ 460,255	\$ 931	\$ 121,540	\$ -	\$ 20,972	\$ 1,776	\$ 13,254

HARVEY COUNTY, KANSAS

NONBUDGETED SPECIAL PURPOSE FUNDS  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 For Year Ended December 31, 2013

Schedule 2-15  
 Page 2 of 2

	Health and Wellness	Sheriff Reserves	West Park Jetty Grant	Oscar Task Force	Offender Registration	Sheriff Forfeitures	Health Department Grants	Vehicle Fund
<b>RECEIPTS</b>								
Fees	\$ 5,145	-	\$ -	\$ -	1,537	\$ -	-	\$ 260,840
Charges for services	-	-	-	-	-	-	26,051	-
Grants and donations	-	200	-	-	-	-	368,129	-
Forfeitures	-	-	-	-	-	56,446	-	-
Reimbursements and other Transfers	200	-	-	-	-	-	1,262	359
<b>TOTAL RECEIPTS</b>	<u>5,345</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>1,537</u>	<u>56,446</u>	<u>395,442</u>	<u>261,199</u>
<b>EXPENDITURES</b>								
Current								
Personal services	-	-	-	-	-	-	396,717	-
Operations	5,612	240	250	-	63	-	76,801	27,112
Capital outlay	-	-	-	-	-	1,060	10,631	-
Highway and streets	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	234,087
<b>TOTAL EXPENDITURES</b>	<u>5,612</u>	<u>240</u>	<u>250</u>	<u>-</u>	<u>63</u>	<u>1,060</u>	<u>484,149</u>	<u>261,199</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<u>(267)</u>	<u>(40)</u>	<u>(250)</u>	<u>-</u>	<u>1,474</u>	<u>55,386</u>	<u>(88,707)</u>	<u>-</u>
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>24,094</u>	<u>272</u>	<u>534</u>	<u>1,828</u>	<u>-</u>	<u>-</u>	<u>149,579</u>	<u>-</u>
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 23,827</u>	<u>\$ 232</u>	<u>\$ 284</u>	<u>\$ 1,828</u>	<u>\$ 1,474</u>	<u>\$ 55,386</u>	<u>\$ 60,872</u>	<u>\$ -</u>

HARVEY COUNTY, KANSAS  
 CAPITAL PROJECT FUNDS  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 For Year Ended December 31, 2013

Schedule 2-16

	Kansas Logistics Park	Fairground Improvement Project	Airport Runway Project
RECEIPTS AND OTHER SOURCES			
Interest	\$ -	\$ -	\$ 485
EXPENDITURES			
Contractual services	-	-	-
Cost of issuance	-	-	-
Transfer to - Bond and Interest Fund	3,740	671	-
TOTAL EXPENDITURES	<u>3,740</u>	<u>671</u>	<u>-</u>
RECEIPTS AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(3,740)	(671)	485
UNENCUMBERED CASH, BEGINNING	<u>3,740</u>	<u>671</u>	<u>74,964</u>
UNENCUMBERED CASH, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,449</u>

## HARVEY COUNTY, KANSAS

BOND AND INTEREST FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

Schedule 2-17

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Taxes			
Ad valorem property tax	\$ 592,589	\$ 574,433	\$ 18,156
Delinquent tax	12,937	11,371	1,566
Motor vehicle tax	57,912	54,448	3,464
Recreational vehicle tax	726	963	(237)
16/20M vehicle tax	1,533	741	792
Neighborhood revitalization	(7,660)	(7,642)	(18)
Tax increment financing	(2,091)	-	(2,091)
Special assessments	77,071	65,082	11,989
Other	267	-	267
Transfer from - solid waste fund	410,663	410,663	-
Transfer from - Capital Project funds	4,411	-	4,411
Transfer from - Cost of Issuance fund	4,547	-	4,547
<b>TOTAL RECEIPTS</b>	<u>1,152,905</u>	<u>\$ 1,110,059</u>	<u>\$ 42,846</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	890,000	\$ 880,000	\$ 10,000
Interest	216,392	228,374	(11,982)
Bond fees	1	-	1
Other	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,106,393</u>	<u>\$ 1,108,374</u>	<u>\$ (1,981)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	46,512		
UNENCUMBERED CASH, BEGINNING	<u>85,098</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 131,610</u>		

## HARVEY COUNTY, KANSAS

SOLID WASTE FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 (ACTUAL AND BUDGET)  
 For Year Ended December 31, 2013

	Actual	Budget	Variance Over (Under)
			Schedule 2-18
			Variance Over (Under)
<b>RECEIPTS</b>			
Tipping fees	\$ 659,267	\$ 659,154	\$ 113
Brush and limb fees	305,331	295,995	9,336
Solid waste fees	878,836	830,562	48,274
Recycling	25,986	31,540	(5,554)
Other	20,337	-	20,337
	<u>1,889,757</u>	<u>\$ 1,817,251</u>	<u>\$ 72,506</u>
<b>TOTAL RECEIPTS</b>			
<b>EXPENDITURES</b>			
Sanitation			
Closure and postclosure costs	10,047	\$ 21,571	\$ (11,524)
Construction and demolition	224,177	285,960	(61,783)
Composting	3,491	6,573	(3,082)
Municipal solid waste program	1,092,838	1,169,719	(76,881)
Recycling	36,111	50,292	(14,181)
	<u>1,366,664</u>	<u>1,534,115</u>	<u>(167,451)</u>
Total sanitation			
Transfers out			
Bond and interest fund	410,663	410,663	-
Capital improvement fund	30,000	-	30,000
	<u>440,663</u>	<u>410,663</u>	<u>30,000</u>
Total transfers out			
<b>TOTAL EXPENDITURES</b>	<u>1,807,327</u>	<u>\$ 1,944,778</u>	<u>\$ (137,451)</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	82,430		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>328,722</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 411,152</u>		

## HARVEY COUNTY, KANSAS

AGENCY FUNDS  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS  
 For Year Ended December 31, 2013

Schedule 3

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>DISTRIBUTABLE FUNDS</b>				
Current tax	\$ 17,788,553	\$ 40,350,050	\$ 36,693,548	\$ 21,445,055
Prepaid tax	-	-	-	-
Delinquent tax	73,820	186,033	148,850	111,003
Motor vehicle tax	124,024	3,870,760	3,848,171	146,613
Recreational vehicle tax	3,834	46,962	47,389	3,407
Redemptions	685,547	1,026,447	955,841	756,153
Escape tax	192	2,548	364	2,376
County and township gas tax	-	918,948	918,948	-
Mineral production tax	-	11,633	11,633	-
Neighborhood revitalization	-	441,841	441,841	-
Tax increment financing	-	111,562	111,562	-
State oil and gas depletion	52,240	8,826	-	61,066
County special assessments	-	77,765	77,765	-
<b>TOTAL DISTRIBUTABLE FUNDS</b>	<b>18,728,210</b>	<b>47,053,375</b>	<b>43,255,912</b>	<b>22,525,673</b>
<b>STATE FUNDS</b>				
State educational building tax	-	261,701	260,982	719
State institutional building tax	-	130,850	130,491	359
State general fund	-	7	7	-
State vehicle tax	-	51,139	51,139	-
Drivers licenses - State	4,877	275,769	276,634	4,012
Motor vehicle registration	-	2,131,653	2,131,653	-
Motor vehicle CMV	68	-	68	-
Motor vehicle sales tax	72,634	1,073,213	1,067,984	77,863
Heritage trust fund	2,370	14,600	15,565	1,405
<b>TOTAL STATE FUNDS</b>	<b>79,949</b>	<b>3,938,932</b>	<b>3,934,523</b>	<b>84,358</b>
<b>SUBDIVISION FUNDS</b>				
Cities	5,282	11,417,423	11,398,169	24,536
Regional library	65	118,630	118,599	96
School districts	10,644	16,910,514	16,875,732	45,426
Townships	873	1,568,008	1,567,620	1,261
Fire districts	676	283,193	282,704	1,165
Prairie Lawn Cemetery	-	56	56	-
Drainage districts	-	43,422	43,422	-
Watershed districts	-	162,359	162,355	4
<b>TOTAL SUBDIVISION FUNDS</b>	<b>17,540</b>	<b>30,503,605</b>	<b>30,448,657</b>	<b>72,488</b>
<b>OTHER AGENCY FUNDS</b>				
Emergency Shelter Grant	-	60,272	60,272	-
HOME rehabilitation	-	23,139	23,139	-
Antique vehicle registration	6,674	6,860	6,850	6,684
Tag refunds	(99)	24,565	24,554	(88)
Drivers license fee - County	39,911	96,003	39,911	96,003
Insufficient checks	(19,159)	12,359	8,757	(15,557)
Payroll clearing	107,536	4,028,953	4,003,805	132,684
Long and Short	-	228	422	(194)
Special clearing	276	6,597,780	6,598,056	-
Micro loan	55,072	9,061	748	63,385
Sheriff - prisoner account	86,586	44,533	62,111	69,008
Register of Deeds	41,110	513,087	518,416	35,781
Clerk of the District Court	43,600	2,814,456	2,687,094	170,962
Law Library	36,017	47,966	45,693	38,290
<b>TOTAL OTHER AGENCY FUNDS</b>	<b>397,524</b>	<b>14,279,262</b>	<b>14,079,828</b>	<b>596,958</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 19,223,223</b>	<b>\$ 95,775,174</b>	<b>\$ 91,718,920</b>	<b>\$ 23,279,477</b>

## HARVEY COUNTY, KANSAS

RELATED MUNICIPAL ENTITY - HARVEY COUNTY PUBLIC BUILDING COMMISSION  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS  
 For Year Ended December 31, 2013

	Schedule 4
	<u>Actual</u>
RECEIPTS	
Rental payments from Harvey County, Kansas	<u>\$ 987,969</u>
EXPENDITURES	
Debt service - principal	950,000
Debt service - interest	<u>37,969</u>
TOTAL EXPENDITURES	<u>987,969</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-
UNENCUMBERED CASH, BEGINNING	<u>-</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ -</u></u>

Michael E. Evans, CPA  
Roger W. Field, CPA  
Gregory D. Daughetee, CPA  
Clark R. Cowl, CPA  
Todd V. Pflughoeft, CPA  
Steven R. Stoecklein, CPA  
Kenneth D. Hamby, CPA  
John W. Denney, CPA  
Michael R. Meisenheimer, CPA  
Nick L. Mueiting, CPA  
Billy J. Klug, CPA  
Randall R. Hofmeier, CPA  
Brent L. Knoche, CPA

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the summary statement of receipts, expenditures, and unencumbered cash of Harvey County, Kansas (the County) as of and for the year ended December 31, 2013, and the related notes to the financial statement, which comprise the County's regulatory basis financial statement, and have issued our report thereon dated April 24, 2014, which was modified because the financial statement is prepared on the regulatory basis of accounting.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Other Reports

We noted certain items that we reported to management of the County in a separate letter dated April 24, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Certified Public Accountants

Hutchinson, Kansas  
April 24, 2014

## HARVEY COUNTY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For Year Ended December 31, 2013

Page 1 of 2

Programs	Federal CFDA Number	Grant I.D. Number	Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Health and Environment</u>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		\$ 151,460
<i>Total U.S. Department of Agriculture</i>			<u>151,460</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Housing Resource Corporation</u>			
Emergency Solutions Grant	14.231		82,343
HOME Investment Partnership	14.239	HR10-0085	47,389
<i>Total U.S. Department of Housing and Urban Development</i>			<u>129,732</u>
<b><u>U.S. Department of Justice</u></b>			
Bulletproof Vest Partnership	16.607		525
<i>Total U.S. Department of Justice</i>			<u>525</u>
<b><u>U.S. Department of Transportation</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Transportation</u>			
Formula Grants for Other Than Urbanized Areas	20.509		62,825
Safety Belt Performance Grants	20.609		2,053
<i>Total U.S. Department of Transportation</i>			<u>64,878</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Aging</u>			
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043		1,920
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		20,558
Special Programs for the Aging - Title III, Part E - National Family Caregiver Support	93.052		9,294
<u>Kansas Department of Health and Environment</u>			
Public Health Emergency Preparedness	93.069		27,653
Family Planning Services	93.217		15,056
Immunization Grants	93.268		3,647
Center for Disease Control - Investigation and Technical Assistance Prevention and Public Health Fund Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure	93.283		3,482
Child Care Mandatory and Matching Funds of the Child Care and Block Grant	93.539		44,459
Block Grant	93.596		21,063
Preventative Health and Health Services Block Grant	93.991		1,207
Maternal Child Health Block Grant	93.994		15,157
<i>Total U.S. Department of Health and Human Services</i>			<u>163,496</u>
<b><u>Corporation for National and Community Service</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Department of Transportation</u>			
Retired and Senior Volunteer Program	94.002		20,010
<i>Total Corporation for National and Community Service</i>			<u>20,010</u>
<b><u>U.S. Department of Homeland Security</u></b>			
State of Kansas Pass-Through Programs			
<u>Kansas Division of Emergency Preparedness</u>			
Disaster Grants - Public Assistance	97.036		22,676
Emergency Management Performance Grant	97.042		30,787
<i>Total U.S. Department of Homeland Security</i>			<u>53,463</u>
Total Federal Awards Expended			<u>\$ 583,564</u>

See accompanying notes to schedule of expenditures of federal awards.

## HARVEY COUNTY, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For Year Ended December 31, 2013

Page 2 of 2

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2013, and is presented on the regulatory basis of accounting in accordance with the Kansas Municipal Audit and Accounting Guide. Expenditures include disbursements, accounts payable, and encumbrances. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the cash and unencumbered cash balances and its receipts, expenditures, and budgetary results for the year then ended on the regulatory basis of accounting.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Pass-through identity numbers are presented where available.

NOTE C—FEDERAL AWARDS PASS-THROUGH TO SUBRECIPIENTS

The County provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA No.</u>	<u>Amount Provided</u>
Emergency Solutions Grant	14.231	<u>\$ 82,343</u>

Michael E. Evans, CPA  
Roger W. Field, CPA  
Gregory D. Daughetee, CPA  
Clark R. Cowl, CPA  
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Michael R. Meisenheimer, CPA  
Nick L. Muetting, CPA  
Billy J. Klug, CPA  
Randall R. Hofmeier, CPA  
Brent L. Knoche, CPA

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

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Harvey County, Kansas (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

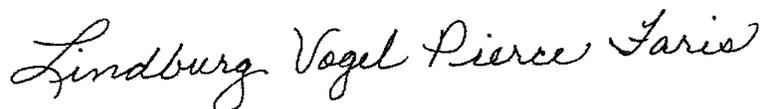
### Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants

Hutchinson, Kansas  
April 24, 2014

HARVEY COUNTY, KANSAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For Year Ended December 31, 2013

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statement of the County, prepared on the regulatory basis of accounting in accordance with the cash basis and budget laws of the State of Kansas prescribed by the Kansas Municipal Audit and Accounting Guide described in note 1 to the financial statement.
2. No significant deficiencies relating to the audit of the financial statement of the County are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statement of the County were disclosed during the audit.
4. No deficiencies material to major federal award programs was disclosed during the audit.
5. The auditors' report on compliance for the major federal award programs expressed a unmodified opinion.
6. There were no audit findings relative to major federal award programs.
7. The programs tested as major programs include:

	CFDA No.
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Emergency Solutions Grant	14.231
Formula Grants for Other Than Urbanized Areas	20.509

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

**FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings.

## HARVEY COUNTY, KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For Year Ended December 31, 20132012-01 Prevention and Public Health Fund Capacity Building to Strengthen Public Health Immunization Infrastructure – CFDA 93.539**Significant deficiency:**

- *Condition:* Procedures were not in place to document employee time allocated to the program, either through actual time records or a time study. As a result, no information was available to support the allocation of employee salaries and fringe benefits included as expenditures of the program.
- *Recommendation:* We recommend that the County establish procedures to document employee time where the salaries and fringe benefits may be claimed as an expenditure to be reimbursed by a grant, either through actual time records or a time study.
- *Current Status:* The Harvey County Health Department now requires actual time spent or time studies to allocate employee payroll and fringe benefits to programs.

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

- *Condition:* The quarterly report for the period May 1, 2012 through July 31, 2012 was dated November 13, 2012, which was 90 days past the filing requirement of the pass-through entity, the Kansas Department of Health and Environment.
- *Recommendation:* We recommend that the County consider contingency planning, including employee resignations, to ensure that required tasks continue to be performed, including for grant reporting.
- *Current Status:* Harvey County created a contingency plan that has designated another employee within the Health Department to be responsible for departmental financial activities in the absence of both the Health Department's Fiscal Management Coordinator and the Health Department Director, with assistance and oversight by Harvey County Administration.