

STAFFORD COUNTY, KANSAS

Financial Statements With Independent Auditors' Report

For the Year Ended December 31, 2011

STAFFORD COUNTY, KANSAS
 Financial Statements With Independent Auditors' Report
 For the Year Ended December 31, 2011

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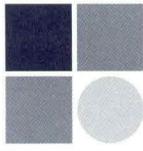
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Financial Statements With Independent Auditors' Report
For the Year Ended December 31, 2011

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the County Commission
Stafford County, Kansas
St. John, Kansas

We have audited the accompanying financial statements of **Stafford County, Kansas**, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of **Stafford County, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, **Stafford County, Kansas**, has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Stafford County, Kansas**, as of December 31, 2011, or the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Stafford County, Kansas**, as of December 31, 2011, and their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball, Chtd.

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

July 23, 2012

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories							
General Fund	\$ 808,477	-	2,443,119	2,928,426	323,170	22,529	345,699
Special Revenue Funds							
Ambulance Fund	222,849	-	318,874	301,500	240,223	1,739	241,962
Appraiser's Cost Fund	10,642	-	129,140	128,984	10,798	669	11,467
Fire District No. 1 - General Fund	49,354	-	227,768	222,171	54,951	8,545	63,496
Fire District No. 1 - Special Fund	279,234	-	56,153	35,033	300,354	-	300,354
Health Fund	124,547	-	185,524	208,675	101,396	252	101,648
Health Capital Outlay Fund	158,692	-	10,000	9,892	158,800	9,892	168,692
Noxious Weed Fund	13,281	-	75,622	85,128	3,775	7	3,782
Noxious Weed Capital Outlay Fund	46,885	-	12,500	1,266	58,119	-	58,119
Road and Bridge Fund	286,337	-	1,945,113	2,061,532	169,918	1,964	171,882
Special Highway Improvement Fund	189,056	-	70,800	184,307	75,549	-	75,549
Special Machinery Fund	45,526	-	10,915	32,700	23,741	-	23,741
Local Alcoholic Liquor Fund	-	-	1,130	-	1,130	-	1,130
Special Parks and Recreation Fund	-	-	147	147	-	-	-
Appraisal Equipment Reserve Fund	29,445	-	-	7,824	21,621	-	21,621
Emergency 911 Fund	32,757	-	15,841	15,023	33,575	85	33,660
Emergency 911 - Wireless Fund	1,865	-	101,645	90,720	12,790	-	12,790
Dare Fund	499	-	825	1,271	53	-	53
Service for the Elderly Fund	-	-	77,055	77,055	-	-	-
Public Health Emergency Preparedness Grant Fund	7,314	-	10,000	10,135	7,179	54	7,233
Risk Management Reserve Fund	214,422	-	-	2,227	212,195	-	212,195
Rural Fire Grant Fund	-	-	1,168	1,168	-	-	-
Special Capital Improvement Fund	1,063,328	-	-	774,603	288,725	-	288,725
EMS Reserve Fund	126,415	-	506	-	126,921	-	126,921
Stafford County Hospital Fund	-	-	475,702	475,702	-	-	-
Register of Deeds Technology Fee Fund	28,038	-	11,407	12,833	26,612	576	27,188
Proprietary Fund Categories							
Enterprise Fund							
Solid Waste Fund	112,219	-	306,114	290,142	128,191	4,728	132,919
Internal Service Fund							
Insurance Reserve Fund	601,543	-	578,758	420,315	759,986	-	759,986

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

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Fiduciary Fund Category							
Private Purpose Trust Funds							
Special Law Enforcement Fund	\$ 422	-	-	-	422	-	422
Prosecutors Assistance and Training Fund	802	-	1,462	94	2,170	-	2,170
Special Motor Vehicle Fund	85,432	-	54,730	48,542	91,620	-	91,620
Fire District No. 1 - Endowment Fund	30,329	-	313	30,642	-	-	-
Total Reporting Entity (Excluding Agency Funds)	\$ 4,569,710	-	7,122,331	8,458,057	3,233,984	51,040	3,285,024
Composition of Cash							
							\$ 10,952,703
							500
							800,453
							11,753,656
							(8,423,581)
							(45,051)
							\$ 3,285,024

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

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories					
General Fund	\$ 3,042,117	-	3,042,117	2,928,426	(113,691)
Special Revenue Funds					
Ambulance Fund	368,687	-	368,687	301,500	(67,187)
Appraiser's Cost Fund	137,787	-	137,787	128,984	(8,803)
Fire District No. 1 - General Fund	254,625	-	254,625	222,171	(32,454)
Health Fund	212,690	-	212,690	208,675	(4,015)
Noxious Weed Fund	90,633	-	90,633	85,128	(5,505)
Noxious Weed Capital Outlay Fund	33,864	-	33,864	1,266	(32,598)
Road and Bridge Fund	2,063,948	-	2,063,948	2,061,532	(2,416)
Special Alcohol Program Fund	1,171	-	1,171	-	(1,171)
Special Parks and Recreation Fund	1,171	-	1,171	147	(1,024)
Emergency 911 Fund	52,961	-	52,961	15,023	(37,938)
Emergency 911 - Wireless Fund	15,551	92,629	108,180	90,720	(17,460)
Service for the Elderly Fund	78,935	-	78,935	77,055	(1,880)
Stafford County Hospital Fund	480,109	-	480,109	475,702	(4,407)
Proprietary Fund Category					
Enterprise Fund					
Solid Waste Fund	353,168	-	353,168	290,142	(63,026)

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

STAFFORD COUNTY, KANSAS
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 1,747,169	1,681,754	1,714,766	(33,012)
Delinquent Tax	19,957	20,528	10,000	10,528
Motor Vehicle Tax	82,510	98,121	114,258	(16,137)
Recreational Vehicle Tax	1,827	2,196	2,664	(468)
16/20 M Vehicle Tax	22,024	22,588	23,196	(608)
Mineral Production Tax	52,923	75,573	50,134	25,439
Sales Tax	260,946	271,567	250,000	21,567
Intergovernmental	545	-	543	(543)
Licenses and Fees	95,524	123,193	75,000	48,193
Federal and State Grants	-	20,933	-	20,933
Interest Income	100,015	61,497	220,000	(158,503)
Miscellaneous	9,413	10,095	1,000	9,095
Reimbursed Expenses	32,835	24,642	-	24,642
Transfers In	18,686	30,432	-	30,432
Total Cash Receipts	<u>2,444,374</u>	<u>2,443,119</u>	<u>2,461,561</u>	<u>(18,442)</u>
Expenditures				
County Commissioners	47,716	49,180	52,250	(3,070)
County Clerk	117,650	104,371	134,000	(29,629)
County Treasurer	140,548	158,167	162,800	(4,633)
County Attorney	73,335	78,257	83,000	(4,743)
Register of Deeds	80,531	97,776	83,266	14,510
Sheriff	542,726	619,799	527,200	92,599
Unified Courts	32,696	39,587	62,000	(22,413)
Courthouse General	260,123	263,484	400,000	(136,516)
Courthouse Janitorial	35,244	11,971	43,829	(31,858)
Information Technology	58,364	57,226	91,000	(33,774)
Emergency Preparedness	19,446	39,574	50,683	(11,109)
Fair and Fair Buildings	10,000	10,000	10,000	-
Mental Health	19,096	19,095	19,095	-
Mental Retardation	65,000	62,476	62,476	-
Extension Council	124,800	128,500	128,500	-
Soil Conservation District	25,000	25,000	25,000	-
Juvenile Detention	8,011	-	14,000	(14,000)
Historical Society	19,000	19,000	19,000	-
Environmental Planning	-	12,838	6,443	6,395
Employee Benefits	897,174	1,014,900	970,000	44,900
Economic Development	36,628	98,114	78,114	20,000
Neighborhood Revitalization Rebate	-	19,111	19,461	(350)
Transfers Out	200,000	-	-	-

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

STAFFORD COUNTY, KANSAS
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Total Expenditures	2,813,088	2,928,426	3,042,117	(113,691)
Cash Receipts Over (Under) Expenditures	(368,714)	(485,307)		
Unencumbered Cash - Beginning	1,177,191	808,477		
Unencumbered Cash - Ending	\$ 808,477	323,170		

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

STAFFORD COUNTY, KANSAS
Ambulance Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 193,955	148,791	151,723	(2,932)
Delinquent Tax	2,472	2,155	1,000	1,155
Motor Vehicle Tax	12,960	12,069	12,636	(567)
Recreational Vehicle Tax	288	269	295	(26)
16/20 M Vehicle Tax	3,115	1,996	2,565	(569)
Federal and State Grants	5,110	4,575	-	4,575
Ambulance Run Fees	153,280	148,120	70,000	78,120
Reimbursed Expenses	62	899	-	899
Total Cash Receipts	<u>371,242</u>	<u>318,874</u>	<u>238,219</u>	<u>80,655</u>
Expenditures				
Personal Services	189,000	185,192	257,500	(72,308)
Contractual	53,782	59,073	54,715	4,358
Commodities	32,429	31,101	39,850	(8,749)
Capital Outlay	3,145	24,443	14,900	9,543
Neighborhood Revitalization Rebate	-	1,691	1,722	(31)
Transfers Out	70,000	-	-	-
Total Expenditures	<u>348,356</u>	<u>301,500</u>	<u>368,687</u>	<u>(67,187)</u>
Cash Receipts Over (Under) Expenditures	22,886	17,374		
Unencumbered Cash - Beginning	<u>199,963</u>	<u>222,849</u>		
Unencumbered Cash - Ending	\$ <u>222,849</u>	<u>240,223</u>		

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

STAFFORD COUNTY, KANSAS
Appraiser's Cost Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 122,009	115,537	117,798	(2,261)
Delinquent Tax	1,423	1,427	500	927
Motor Vehicle Tax	6,267	6,948	7,948	(1,000)
Recreational Vehicle Tax	139	155	185	(30)
16/20 M Vehicle Tax	1,718	1,552	1,614	(62)
Fees	3,174	3,521	1,500	2,021
Miscellaneous	-	-	700	(700)
Total Cash Receipts	<u>134,730</u>	<u>129,140</u>	<u>130,245</u>	<u>(1,105)</u>
Expenditures				
Personal Services	112,196	115,763	119,500	(3,737)
Contractual	13,077	11,024	12,650	(1,626)
Commodities	779	689	2,200	(1,511)
Capital Outlay	2	195	2,100	(1,905)
Transfers Out	10,000	-	-	-
Neighborhood Revitalization Rebate	-	1,313	1,337	(24)
Total Expenditures	<u>136,054</u>	<u>128,984</u>	<u>137,787</u>	<u>(8,803)</u>
Cash Receipts Over (Under) Expenditures	(1,324)	156		
Unencumbered Cash - Beginning	<u>11,966</u>	<u>10,642</u>		
Unencumbered Cash - Ending	<u>\$ 10,642</u>	<u>10,798</u>		

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

STAFFORD COUNTY, KANSAS
Fire District No.1 - General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 212,723	212,207	215,416	(3,209)
Delinquent Tax	1,605	1,947	-	1,947
Motor Vehicle Tax	6,465	6,992	7,534	(542)
Recreational Vehicle Tax	186	175	196	(21)
16/20 M Vehicle Tax	3,015	2,997	2,573	424
Intergovernmental	1,855	695	-	695
Collections	-	600	-	600
Reimbursed Expenses	104	2,155	-	2,155
Total Cash Receipts	<u>225,953</u>	<u>227,768</u>	<u>225,719</u>	<u>2,049</u>
Expenditures				
Personal Services	61,956	67,046	45,000	22,046
Contractual	33,266	49,966	60,015	(10,049)
Commodities	21,383	28,092	62,750	(34,658)
Capital Outlay	6,438	27,067	59,000	(31,933)
Transfers Out	85,000	50,000	27,860	22,140
Total Expenditures	<u>208,043</u>	<u>222,171</u>	<u>254,625</u>	<u>(32,454)</u>
Cash Receipts Over (Under) Expenditures	17,910	5,597		
Unencumbered Cash - Beginning	<u>31,444</u>	<u>49,354</u>		
Unencumbered Cash - Ending	\$ <u>49,354</u>	<u>54,951</u>		

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

STAFFORD COUNTY, KANSAS
Fire District No. 1 - Special Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Fire Contract Fees	\$ 1,400	-
Miscellaneous	8	-
Reimbursed Expenses	70,517	6,153
Transfers In	85,000	50,000
Total Cash Receipts	<u>156,925</u>	<u>56,153</u>
Expenditures		
Capital Outlay	137,755	20,638
Contractual	-	14,395
Total Expenditures	<u>137,755</u>	<u>35,033</u>
Cash Receipts Over (Under) Expenditures	19,170	21,120
Unencumbered Cash - Beginning	<u>260,064</u>	<u>279,234</u>
Unencumbered Cash - Ending	<u>\$ 279,234</u>	<u>300,354</u>

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

STAFFORD COUNTY, KANSAS
Health Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 77,024	48,114	49,020	(906)
Delinquent Tax	936	811	700	111
Motor Vehicle Tax	4,206	4,457	5,017	(560)
Recreational Vehicle Tax	93	100	117	(17)
16/20 M Vehicle Tax	1,148	645	1,018	(373)
Intergovernmental	70,851	58,491	45,000	13,491
Reimbursements and Collections	62,926	72,906	35,000	37,906
Total Cash Receipts	<u>217,184</u>	<u>185,524</u>	<u>135,872</u>	<u>49,652</u>
Expenditures				
Personal Services	106,684	127,697	132,559	(4,862)
Contractual	21,646	17,312	23,800	(6,488)
Commodities	41,123	46,638	50,225	(3,587)
Capital Outlay	483	6,481	5,550	931
Neighborhood Revitalization Rebate	-	547	556	(9)
Transfers Out	45,000	10,000	-	10,000
Total Expenditures	<u>214,936</u>	<u>208,675</u>	<u>212,690</u>	<u>(4,015)</u>
Cash Receipts Over (Under) Expenditures	2,248	(23,151)		
Unencumbered Cash - Beginning	<u>122,299</u>	<u>124,547</u>		
Unencumbered Cash - Ending	\$ <u>124,547</u>	<u>101,396</u>		

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

STAFFORD COUNTY, KANSAS
Health Capital Outlay Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 45,000	10,000
Expenditures		
Capital Outlay	-	9,892
Cash Receipts Over (Under) Expenditures	45,000	108
Unencumbered Cash - Beginning	113,692	158,692
Unencumbered Cash - Ending	\$ 158,692	158,800

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

STAFFORD COUNTY, KANSAS
Noxious Weed Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 73,306	58,612	59,752	(1,140)
Delinquent Tax	807	803	500	303
Motor Vehicle Tax	3,451	4,207	4,777	(570)
Recreational Vehicle Tax	77	94	111	(17)
16/20 M Vehicle Tax	705	787	970	(183)
Reimbursements and Collections	10,451	11,119	12,000	(881)
Total Cash Receipts	<u>88,797</u>	<u>75,622</u>	<u>78,110</u>	<u>(2,488)</u>
Expenditures				
Personal Services	48,064	49,412	49,355	57
Contractual	4,865	6,253	8,850	(2,597)
Commodities	17,780	16,297	29,250	(12,953)
Capital Outlay	-	-	2,500	(2,500)
Neighborhood Revitalization Rebate	-	666	678	(12)
Transfers Out	20,000	12,500	-	12,500
Total Expenditures	<u>90,709</u>	<u>85,128</u>	<u>90,633</u>	<u>(5,505)</u>
Cash Receipts Over (Under) Expenditures	(1,912)	(9,506)		
Unencumbered Cash - Beginning	<u>15,193</u>	<u>13,281</u>		
Unencumbered Cash - Ending	<u>\$ 13,281</u>	<u>3,775</u>		

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

STAFFORD COUNTY, KANSAS
Noxious Weed Capital Outlay Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 20,000	12,500	-	12,500
Expenditures				
Capital Outlay	6,979	1,266	33,864	(32,598)
Cash Receipts Over (Under) Expenditures	13,021	11,234		
Unencumbered Cash - Beginning	33,864	46,885		
Unencumbered Cash - Ending	\$ 46,885	58,119		

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

STAFFORD COUNTY, KANSAS

Road and Bridge Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 1,101,155	1,243,970	1,268,350	(24,380)
Delinquent Tax	16,083	14,774	-	14,774
Motor Vehicle Tax	85,823	72,913	71,746	1,167
Recreational Vehicle Tax	1,914	1,620	1,673	(53)
16/20 M Vehicle Tax	18,810	16,703	14,565	2,138
Intergovernmental	351,013	337,311	380,050	(42,739)
Reimbursements and Collections	101,549	257,822	63,000	194,822
Total Cash Receipts	<u>1,676,347</u>	<u>1,945,113</u>	<u>1,799,384</u>	<u>145,729</u>
Expenditures				
Personal Services	518,451	553,159	600,000	(46,841)
Contractual	118,596	179,818	185,900	(6,082)
Commodities	957,170	1,116,420	1,121,651	(5,231)
Capital Outlay	-	142,000	142,000	-
Neighborhood Revitalization Rebate	-	14,135	14,397	(262)
Transfers Out	180,000	56,000	-	56,000
Total Expenditures	<u>1,774,217</u>	<u>2,061,532</u>	<u>2,063,948</u>	<u>(2,416)</u>
Cash Receipts Over (Under) Expenditures	(97,870)	(116,419)		
Unencumbered Cash - Beginning	<u>384,207</u>	<u>286,337</u>		
Unencumbered Cash - Ending	<u>\$ 286,337</u>	<u>169,918</u>		

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

STAFFORD COUNTY, KANSAS
Special Highway Improvement Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursed Expenses	\$ -	14,800
Transfers In	180,000	56,000
Total Cash Receipts	180,000	70,800
Expenditures		
Commodities	242,798	184,307
Cash Receipts Over (Under) Expenditures	(62,798)	(113,507)
Unencumbered Cash - Beginning	251,854	189,056
Unencumbered Cash - Ending	\$ 189,056	75,549

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

STAFFORD COUNTY, KANSAS
Special Machinery Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	\$ -	10,915
Expenditures		
Capital Outlay	142,759	32,700
Cash Receipts Over (Under) Expenditures	(142,759)	(21,785)
Unencumbered Cash - Beginning	188,285	45,526
Unencumbered Cash - Ending	\$ 45,526	23,741

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

STAFFORD COUNTY, KANSAS
Local Alcoholic Liquor Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Intergovernmental	\$ -	1,130	400	730
Expenditures				
Commodities	-	-	1,171	(1,171)
Cash Receipts Over (Under) Expenditures	-	1,130		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	1,130		

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

STAFFORD COUNTY, KANSAS
Special Parks and Recreation Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Intergovernmental	\$ 545	147	400	(253)
Expenditures				
Contractual	545	147	1,171	(1,024)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

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

STAFFORD COUNTY, KANSAS
Appraisal Equipment Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 10,000	-
Expenditures		
Contractual	609	4,251
Commodities	-	106
Capital Outlay	-	3,467
Total Expenditures	609	7,824
Cash Receipts Over (Under) Expenditures	9,391	(7,824)
Unencumbered Cash - Beginning	20,054	29,445
Unencumbered Cash - Ending	\$ 29,445	21,621

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

STAFFORD COUNTY, KANSAS
Emergency 911 Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Reimbursements and Collections	\$ 16,951	15,841	20,000	(4,159)
Expenditures				
Contractual	5,793	9,688	12,000	(2,312)
Commodities	13,016	378	5,000	(4,622)
Capital Outlay	5,346	4,957	35,961	(31,004)
Total Expenditures	24,155	15,023	52,961	(37,938)
Cash Receipts Over (Under) Expenditures	(7,204)	818		
Unencumbered Cash - Beginning	39,961	32,757		
Unencumbered Cash - Ending	\$ 32,757	33,575		

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

STAFFORD COUNTY, KANSAS
Emergency 911 - Wireless Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Collections	\$ 9,306	9,016	6,500	2,516
911 Wireless Grant	112,024	92,629	-	92,629
Total Cash Receipts	121,330	101,645	<u>6,500</u>	<u>95,145</u>
Expenditures				
Contractual	19,348	31,813	15,551	16,262
Commodities	407	-	-	-
Capital Outlay	108,761	58,907	-	58,907
(a) Adjustment for Qualifying Budget Credits	-	-	92,629	(92,629)
Total Expenditures	128,516	90,720	<u>108,180</u>	<u>(17,460)</u>
Cash Receipts Over (Under) Expenditures	(7,186)	10,925		
Unencumbered Cash - Beginning	9,051	1,865		
Unencumbered Cash - Ending	\$ 1,865	12,790		
(a) Adjustment for Qualifying Budget Credits			\$ <u>92,629</u>	
State Aid Over Amount Budgeted				

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

STAFFORD COUNTY, KANSAS
Dare Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	\$ 950	825
Expenditures		
Commodities	557	654
Contractual	935	617
Total Expenditures	1,492	1,271
Cash Receipts Over (Under) Expenditures	(542)	(446)
Unencumbered Cash - Beginning	1,041	499
Unencumbered Cash - Ending	\$ 499	53

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

STAFFORD COUNTY, KANSAS
Service for the Elderly Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 71,446	70,948	72,358	(1,410)
Delinquent Tax	815	837	1,500	(663)
Motor Vehicle Tax	3,776	4,223	4,656	(433)
Recreational Vehicle Tax	84	94	109	(15)
16/20 M Vehicle Tax	779	953	945	8
Total Cash Receipts	<u>76,900</u>	<u>77,055</u>	<u>79,568</u>	<u>(2,513)</u>
Expenditures				
Appropriations	76,900	76,248	78,114	(1,866)
Neighborhood Revitalization Rebate	-	807	821	(14)
Total Expenditures	<u>76,900</u>	<u>77,055</u>	<u>78,935</u>	<u>(1,880)</u>
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ <u>-</u>	<u>-</u>		

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

STAFFORD COUNTY, KANSAS
H1N1 Grant Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2011
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Aid	\$ 14,972	-
Expenditures		
Personal Services	9,623	-
Contractual	1,311	-
Commodities	422	-
Capital Outlay	1,584	-
Total Expenditures	12,940	-
Cash Receipts Over (Under) Expenditures	2,032	-
Unencumbered Cash - Beginning	(2,032)	-
Unencumbered Cash - Ending	\$ -	-

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

STAFFORD COUNTY, KANSAS
Public Health Emergency Preparedness Grant Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal and State Aid	\$ 11,408	10,000
Expenditures		
Personal Services	13,763	7,464
Contractual	2,302	1,163
Commodities	107	539
Capital Outlay	3,342	969
Total Expenditures	19,514	10,135
Cash Receipts Over (Under) Expenditures	(8,106)	(135)
Unencumbered Cash - Beginning	15,420	7,314
Unencumbered Cash - Ending	\$ 7,314	7,179

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

STAFFORD COUNTY, KANSAS
Risk Management Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursed Expenses	\$ 1,166	-
Expenditures		
Contractual	4,820	1,942
Capital Outlay	1,803	285
Total Expenditures	6,623	2,227
Cash Receipts Over (Under) Expenditures	(5,457)	(2,227)
Unencumbered Cash - Beginning	219,879	214,422
Unencumbered Cash - Ending	\$ 214,422	212,195

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

STAFFORD COUNTY, KANSAS
Rural Fire Grant Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Aid	\$ 6,995	-
Federal Aid	5,162	1,168
Total Cash Receipts	12,157	1,168
Expenditures		
Capital Outlay	5,162	1,168
Cash Receipts Over (Under) Expenditures	6,995	-
Unencumbered Cash - Beginning	(6,995)	-
Unencumbered Cash - Ending	\$ -	-

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

STAFFORD COUNTY, KANSAS
Special Capital Improvement Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	200,000	-
Expenditures		
Contractual	54,419	42,250
Capital Outlay	2,385	732,353
Total Expenditures	56,804	774,603
Cash Receipts Over (Under) Expenditures	143,196	(774,603)
Unencumbered Cash - Beginning	920,132	1,063,328
Unencumbered Cash - Ending	\$ 1,063,328	288,725

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

STAFFORD COUNTY, KANSAS
EMS Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous Receipts	\$ 3,219	506
Reimbursed Expenses	1,000	-
Transfers In	70,000	-
Total Cash Receipts	<u>74,219</u>	<u>506</u>
Expenditures		
Contractual	968	-
Capital Outlay	41,836	-
Total Expenditures	<u>42,804</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	31,415	506
Unencumbered Cash - Beginning	<u>95,000</u>	<u>126,415</u>
Unencumbered Cash - Ending	<u>\$ 126,415</u>	<u>126,921</u>

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

STAFFORD COUNTY, KANSAS
Stafford County Hospital Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 381,975	441,470	450,138	(8,668)
Delinquent Tax	7,009	4,262	5,000	(738)
Motor Vehicle Tax	24,922	23,508	24,888	(1,380)
Recreational Vehicle Tax	611	524	580	(56)
16/20 M Vehicle Tax	4,699	5,938	5,053	885
Total Cash Receipts	<u>419,216</u>	<u>475,702</u>	<u>485,659</u>	<u>(9,957)</u>
Expenditures				
Appropriations	419,216	470,685	475,000	(4,315)
Neighborhood Revitalization Rebate	-	5,017	5,109	(92)
Total Expenditures	<u>419,216</u>	<u>475,702</u>	<u>480,109</u>	<u>(4,407)</u>
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ <u>-</u>	<u>-</u>		

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

STAFFORD COUNTY, KANSAS
Register of Deeds Technology Fee Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Fees	\$ 12,542	11,338
Interest Income	74	69
Total Cash Receipts	<u>12,616</u>	<u>11,407</u>
Expenditures		
Commodities	90	2,240
Contractual	3,160	5,951
Capital Outlay	7,704	4,642
Total Expenditures	<u>10,954</u>	<u>12,833</u>
Cash Receipts Over (Under) Expenditures	1,662	(1,426)
Unencumbered Cash - Beginning	<u>26,376</u>	<u>28,038</u>
Unencumbered Cash - Ending	<u>\$ 28,038</u>	<u>26,612</u>

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

STAFFORD COUNTY, KANSAS

Solid Waste Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 167,923	273,370	278,724	(5,354)
Delinquent Tax	1,752	2,329	500	1,829
Motor Vehicle Tax	7,438	9,408	10,942	(1,534)
Recreational Vehicle Tax	166	211	255	(44)
16/20 M Vehicle Tax	1,700	3,674	2,221	1,453
Reimbursements and Collections	14,153	17,122	8,000	9,122
Total Cash Receipts	193,132	306,114	300,642	5,472
Expenditures				
Personal Services	55,426	57,189	55,260	1,929
Contractual	96,485	220,785	121,495	99,290
Commodities	6,518	9,062	10,250	(1,188)
Capital Outlay	-	-	163,000	(163,000)
Neighborhood Revitalization	-	3,106	3,163	(57)
Total Expenditures	158,429	290,142	353,168	(63,026)
Cash Receipts Over (Under) Expenditures	34,703	15,972		
Unencumbered Cash - Beginning	77,516	112,219		
Unencumbered Cash - Ending	\$ 112,219	128,191		

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

STAFFORD COUNTY, KANSAS
Insurance Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Collections	\$ 518,170	577,626
Reimbursed Expenses	-	1,132
Total Cash Receipts	518,170	578,758
Expenditures		
Contractual	360,248	420,315
Cash Receipts Over (Under) Expenditures	157,922	158,443
Unencumbered Cash - Beginning	443,621	601,543
Unencumbered Cash - Ending	\$ 601,543	759,986

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

STAFFORD COUNTY, KANSAS
Special Law Enforcement Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	422	422
Unencumbered Cash - Ending	\$ 422	422

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

STAFFORD COUNTY, KANSAS
Prosecutors Assistance and Training Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous Income	\$ 391	1,462
Expenditures		
Disbursements	250	39
Contractual	-	55
Capital Outlay	450	-
Total Expenditures	700	94
Cash Receipts Over (Under) Expenditures	(309)	1,368
Unencumbered Cash - Beginning	1,111	802
Unencumbered Cash - Ending	\$ 802	2,170

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

STAFFORD COUNTY, KANSAS
Special Motor Vehicle Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous Income	\$ 1,003	273
Fees	48,902	54,457
Total Cash Receipts	<u>49,905</u>	<u>54,730</u>
Expenditures		
Personal Services	9,418	10,415
Contractual	3,851	6,447
Commodities	4,116	1,223
Capital Outlay	1,603	25
Transfers Out	18,686	30,432
Total Expenditures	<u>37,674</u>	<u>48,542</u>
Cash Receipts Over (Under) Expenditures	12,231	6,188
Unencumbered Cash - Beginning	<u>73,201</u>	<u>85,432</u>
Unencumbered Cash - Ending	<u>\$ 85,432</u>	<u>91,620</u>

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

STAFFORD COUNTY, KANSAS
Fire District No. 1 - Endowment Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest Income	\$ 636	313
Expenditures		
Contractual	-	30,291
Capital Outlay	-	351
Total Expenditures	-	30,642
Cash Receipts Over (Under) Expenditures	636	(30,329)
Unencumbered Cash - Beginning	29,693	30,329
Unencumbered Cash - Ending	\$ 30,329	-

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

STAFFORD COUNTY, KANSAS
Distributable Funds, State Funds, and Subdivision Funds
 Summary of Cash Receipts and Cash Disbursements
 For the Year Ended December 31, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds				
Ad Valorem Tax	\$ 7,274,242	11,498,837	10,700,397	8,072,682
Delinquent Real Estate Tax	30,520	96,435	91,159	35,796
Delinquent Personal Property Tax	9,704	173,427	169,035	14,096
Motor Vehicle Tax	171,338	635,434	627,129	179,643
16/20M Heavy Truck Tax	75,755	137,107	123,242	89,620
Total Distributable Funds	7,561,559	12,541,240	11,710,962	8,391,837
State Funds				
State Educational Building	-	82,967	82,967	-
State Motor Vehicle	-	462,233	462,233	-
State Institutional Building	-	41,484	41,484	-
Total State Funds	-	586,684	586,684	-
Subdivision Funds				
Cities	-	821,055	821,055	-
Townships	10,775	1,583,548	1,583,845	10,478
School Districts	14,649	4,196,328	4,189,727	21,250
Groundwater Management Districts	-	107,328	107,328	-
Cemetery District	39	168,580	168,603	16
Regional Library	-	81,388	81,388	-
Total Subdivision Funds	25,463	6,958,227	6,951,946	31,744
Total	\$ 7,587,022	20,086,151	19,249,592	8,423,581

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

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

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Agency Funds				
Fee Offices				
Game Licenses	\$ 1,995	6,752	8,360	387
District Court	18,844	1,247,497	1,241,145	25,196
Sheriff	977	7,579	7,424	1,132
Sheriff Special Alcohol Program Fund	1,831	147	399	1,579
Sales Tax	7,618	204,839	197,714	14,743
Drivers License	-	14,176	14,176	-
Concealed Weapons	2,030	785	1,465	1,350
County Attorney Forfeiture	550	-	200	350
County Attorney Insufficient Checks	144	170	-	314
Total Agency Funds	\$ 33,989	1,481,945	1,470,883	45,051

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

STAFFORD COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Stafford County, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Reporting Entity

The County is a municipal corporation governed by an elected three-member commission. The financial statements of the County consist of all funds of the County that are considered to be controlled by or dependent on the County. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The County has no component units.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

Basis of Presentation – Fund Accounting

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

The following categories of funds comprise the financial activities of the County for the year ended December 31, 2011.

Governmental Fund Categories

General Fund – to account for all financial resources except those required to be reported in another fund.

Special Revenue Funds – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

Proprietary Fund Categories

Enterprise Fund – to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

STAFFORD COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Fund – to account for activities that provide goods or services to other funds, departments, or agencies of the County or to other governments, on a cost-reimbursement basis when the County is the predominant participant in the activity.

Fiduciary Fund Categories

Private Purpose Trust Funds – to account for assets held by the County as trustee or agent for others. The principal and income of these funds may be expended in the course of the fund's designated operations.

Agency Funds – to account for assets held by the County as trustee or agent for others.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

Departure From Accounting Principles Generally Accepted in the United States of America

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

Budgetary Information

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

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

STAFFORD COUNTY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

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

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds: Fire District No.1 – Special Fund, Health Capital Outlay Fund, Special Highway Improvement Fund, Special Machinery Fund, Appraisal Equipment Reserve Fund, Dare Fund, Public Health Emergency Preparedness Grant Fund, Risk Management Reserve Fund, Rural Fire Grant Fund, Special Capital Improvement Fund, EMS Reserve Fund and Register of Deeds Technology Fee Fund.

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

Deposits and Investments

The County follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures, and unencumbered cash.

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, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

STAFFORD COUNTY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County does not use "peak periods". All deposits were legally secured at December 31, 2011.

At December 31, 2011, the County's carrying amount of deposits was \$11,753,656 and the bank balance was \$12,193,188. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$756,876 was covered by federal depository insurance and \$11,436,312 was collateralized with securities held by 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 require investments to be adequately secured. The County had no investments at December 31, 2011.

Compensated Absences

Vacation

The County's policy regarding vacation is that a full-time employee earns 1 day vacation per month, i.e. 12 days per year. After 10 years of continuous employment, a full-time employee is eligible for 6 additional vacation days per year. Accumulation of vacation time shall not exceed a total of 160 hours for full-time employees.

Sick Leave

The policy regarding sick leave is that an employee can accumulate a maximum of 60 days of sick leave, which is canceled upon termination of the employee.

A potential liability for accumulated vacation and sick leave is shown on the schedule of long-term debt.

Deferred Compensation Plan

The County sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The County is not required to make any contributions.

STAFFORD COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Defined Benefit Pension Plan

Plan Description

The County contributes to the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERs is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERs employers. The employer rate established for calendar year 2011 was 7.74%. The County's employer contributions to KPERs for the years ending December 31, 2011, 2010 and 2009 were \$137,637, \$122,626, and \$107,477, respectively, equal to the required contributions for each year as set forth by the legislature.

Other Post Employment Benefits

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

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

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust and agency funds of the County for special purposes.

STAFFORD COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reimbursements

The County records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

NOTE 2 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Stafford County, Kansas'** interfund transfers and statutory authority for the year ended December 31, 2011 were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Road and Bridge Fund	Special Highway Improvement Fund	K.S.A. 68-590	\$ 56,000
Health Fund	Health Capital Outlay Fund	K.S.A. 19-120	10,000
Noxious Weed Fund	Noxious Weed Capital Outlay Fund	K.S.A. 2-1318	12,500
Special Motor Vehicle Fund	General Fund	K.S.A. 8-145	30,432
Fire District No. 1 – General Fund	Fire District No. 1 – Special Fund	K.S.A. 12-110d	50,000

NOTE 3 – LITIGATION

Stafford County, Kansas is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the County.

NOTE 4 – RISK MANAGEMENT

Stafford County, Kansas carries commercial insurance for risks of loss including property, general liability, inland marine, crime, umbrella, automobile, and fidelity bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 5 – GRANTS AND SHARED REVENUES

Stafford County, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the County, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 6 – COMPARATIVE DATA

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in **Stafford County, Kansas'** cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

STAFFORD COUNTY, KANSAS

Notes to Financial Statements

December 31, 2011

NOTE 7 – LANDFILL CLOSURE AND POSTCLOSURE CARE

State and federal laws and regulations require that **Stafford County, Kansas** place a final cover on its landfill site when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The current year expenditures relating to the operation of the landfill are provided in the Solid Waste Fund in the financial statements. The County is not incurring a liability based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste.

The estimate of closure liability at year end would be \$14,990. This liability is based on what it would cost to perform all closure care in 2012. The County expects the landfill to continue to operate indefinitely. Actual costs may be higher due to inflation, changes in technology or in regulations. The County is not required to currently accumulate funds to pay the future costs of closure, and has not done so. These future costs will be met when due by the allocation of general tax revenues, the issuance of debt, or both.

NOTE 8 – SELF-INSURANCE HEALTH CARE COVERAGE

During the year ended December 31, 2011, employees of the County were covered by the County's medical self-insurance plan (the "Plan"). Claims were paid by a third party administrator acting on behalf of the County. The plan was authorized by Kansas law and was documented by contractual agreement. The contract is renewable annually and administrative fees and stop-loss premiums are included in the contractual provisions. The County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Benefit Management, Inc., a commercial insurer licensed to do business in Kansas in accordance with the Kansas insurance code. Stop loss coverage was in effect for individual claims exceeding \$30,000 for a specific deductible, \$45,000 for an aggregating specific deductible, and for aggregate loss, which is based on a factor determined by Benefit Management, Inc. The aggregate stop-loss provision for the year ended 2011 was \$536,651. Latest financial statements for Benefit Management, Inc., available for the year ended December 31, 2011, are filed with the State of Kansas Insurance Commissioner, Topeka, Kansas and are public records.

Self-Insurance Liability	Beginning of Fiscal Year Balance	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2011	\$ 35,126	350,813	350,113	35,826
2010	77,835	316,229	365,938	28,126
2009	32,184	350,877	305,226	77,835

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

One quarterly report for the Heritage Trust Fund was not submitted by the due date to the State of Kansas, which is a violation of K.S.A. 79-3107b.

The County Clerk did not remit game license fees to the County Treasurer daily, which is a violation of K.S.A. 32-984.

STAFFORD COUNTY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Per K.S.A. 79-2101, after filing of the abstract of delinquent personal property taxes with the District Court, judicial proceedings by the County Attorney to collect delinquent taxes should take place. Judicial proceedings for delinquent personal property taxes previously filed with the District Court have not been performed by the County Attorney.

The County has not conducted a tax sale of property that is delinquent in payments, which is a violation of K.S.A. 19-211.

NOTE 10 – SUBSEQUENT EVENTS

On June 1, 2012, the County issued \$555,000 in no-fund warrants to assist with the debt of the Stafford County Hospital. These warrants will be required to be paid back over a four year period.

NOTE 11 – LONG-TERM DEBT

Stafford County, Kansas has the following long-term debt:

Lease Obligation

On December 6, 2010, the County entered into a \$80,000 lease agreement with First Bank for a 2010 Chevrolet Traumahawk Ambulance. This lease expires on December 6, 2014. The lease contains a fiscal funding clause.

STAFFORD COUNTY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 11 - LONG-TERM DEBT (continued)

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Capital Leases Payable										
2010 Chevrolet Traumahawk Ambulance	3.45%	12/6/2010	\$ 80,000	12/6/2014	\$ 80,000	-	19,880		60,120	1,901
Compensated Absences					274,727			18,011	292,738	
Landfill Closure and Post Closure Care Incurred but not Reported Claims					21,413			(6,423)	14,990	
					28,126			7,700	35,826	
Total Long-Term Debt					\$ 404,266	-	19,880	19,288	403,674	1,901

Current maturities of long-term debt and interest for the next three years through maturity are as follows:

	YEAR			Total
	2012	2013	2014	
Principal				
Capital Leases Payable	\$ 19,641	20,334	20,145	60,120
Interest				
Capital Leases Payable	2,798	2,140	1,447	6,385
Total Principal and Interest	\$ 22,439	22,474	21,592	66,505