

**AUDITED FINANCIAL STATEMENT
AND SUPPLEMENTARY INFORMATION**

POTTAWATOMIE COUNTY, KANSAS

December 31, 2012

Reese & Novelly, PA
Certified Public Accountants
Wamego, Kansas

Audited Financial Statement and Supplementary Information

Pottawatomie County, Kansas

Year Ended December 31, 2012

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REESE & NOVELLY, P.A.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

*Rick I. Reese, CPA
Nicholas J. Novelly, CPA
Carol E. McCullough, CPA*

*Annette D. Fiedler, CPA
Patricia E. Ungebeuer, CPA
Melanie L. Tuttle, CPA
Abbie R. Stierly, CPA*

Board of County Commissioners
Pottawatomie County, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Pottawatomie County, Kansas (Municipal Financial Reporting Entity), as of and for the year ended December 31, 2012, and the related notes to the financial statement (as listed in the table of contents).

Management's Responsibility for the Financial Statement

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

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 and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the standards applicable to financial audits in *Kansas Municipal Audit and Accounting Guide*, issued by the Director of Accounts and Reports, State of Kansas Department of Administration. 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 of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Pottawatomie County, Kansas, as of December 31, 2012, or changes in its financial position for the year then ended. Further, the County has not presented a management’s discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Opinion on Regulatory Basis of Accounting

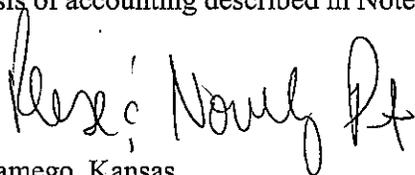
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of each fund of Pottawatomie County, Kansas, as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Report on Governing Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2013, on our consideration of Pottawatomie County, Kansas’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 or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) as well as the schedules of receipts and disbursements-related municipal entities, composition of ending cash balances, tax roll reconciliation, schedules of receipts and disbursements-individual agency funds, accounts receivable-charges, credits, and balance (Schedules 4, 5, 6, 7, and 8 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.



Wamego, Kansas
May 21, 2013

**REGULATORY
FINANCIAL STATEMENT
AND NOTE DISCLOSURES**

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

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General	\$ 7,527,145	\$ 93,789	\$ 19,588,261	\$ 18,735,755	\$ 8,473,440	\$ 615,261	\$ 9,088,701
Bond and Interest Funds:							
Bond and Interest	512,489		841,512	837,119	516,882		516,882
Special Purpose Funds:							
Emergency Telephone Service	63,964		10,561	65,027	9,498		9,498
Court Trustee	36,028		51		36,079		36,079
Regional Library	4,401		313,165	315,358	2,208		2,208
Rural Highway System	651,810		2,113,395	2,254,349	510,856	81,502	592,358
Tort Liability	135,669		88,756	86,411	138,014		138,014
Fair Association	17		8	21	4		4
Historical Society	94,801		33,539	45,498	82,842		82,842
Special Parks and Recreation	73,431		4,960	1,280	77,111		77,111
Special Alcohol Program	78,072		17,569	22,000	73,641		73,641
Regional Library Employee Benefit Fund	364		32,644	32,793	215		215
Noxious Weed Chemical	165,735		154,449	146,930	173,254		173,254
E-911	156,982		11,519	13,982	154,519		154,519
County 911			104,273		104,273		104,273
Special Highway Improvement	1,897,879		732,254	597,875	2,032,258	128,026	2,160,284
Attorney Check Fee	19,281		3,990	312	22,959		22,959
Attorney Forfeiture Fund	2,213		1,808	615	3,406		3,406
Law Enforcement Trust	3,346		10,243	7,502	6,087		6,087
Capital Improvement	12,507,985		1,500,000	13,000,000	1,007,985		1,007,985
Equipment Reserve	324,865		81,925	53,251	353,539		353,539
Prosecuting Attorney Training	11,126		2,546	4,032	9,640		9,640
Special Auto	160,061		186,216	192,355	153,922		153,922

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

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

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Special Purpose Funds (continued)							
Deeds Technology	40,182		44,378	19,601	64,959		64,959
Offender Registration Fund	4,912		3,580	3,250	5,242		5,242
TOTAL SPECIAL PURPOSE	16,433,124		5,451,829	16,862,442	5,022,511	209,528	5,232,039
Capital Projects:							
Timber Creek Stormwater	269		45,575	11,847	33,997		33,997
Whispering Meadows Construction			450,627	426,233	24,394		24,394
Jail/Courthouse Construction	292,061		13,000,000	6,462,422	6,829,639		6,829,639
TOTAL CAPITAL PROJECTS	292,330	-	13,496,202	6,900,502	6,888,030	-	6,888,030
Business Funds:							
Blue Township Sewer Operations	436,579	2,449	570,582	531,657	477,953	24,000	501,953
Blue Township Sewer Reserve	146,752		496,164	64,992	577,924		577,924
Timbercreek Water Operations	98,511		174,336	133,866	138,981	700	139,681
Timbercreek Water Reserve	272,807		44,702		317,509		317,509
Fostoria Sewer Operations	24,894		2,823	1,168	26,549		26,549
Fostoria Sewer Reserve	14,914		1,090		16,004		16,004
Brook Ridge Sewer Operations	2,955		3,502	1,507	4,950		4,950
Brook Ridge Sewer Maintenance	5,018		1,928	753	6,193		6,193
Brook Ridge Sewer Reserve	9,500				9,500		9,500
TOTAL BUSINESS	1,011,930	2,449	1,295,127	733,943	1,575,563	24,700	1,600,263
TOTAL PRIMARY GOVERNMENT	25,777,018	96,238	40,672,931	44,069,761	22,476,426	849,489	23,325,915

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

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

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Related Municipal Entities:							
Fire Districts:							
Joint No. 1 General Fund	266		67,265	67,250	281		281
No. 2 General Fund	16,842		20,848	22,674	15,016		15,016
Joint No. 3 General Fund	19,765		59,108	31,911	46,962		46,962
Joint No. 4 General Fund	78,919		13,459	39,528	52,850		52,850
No. 5 General Fund	18,245		157,361	152,596	23,010	8,543	31,553
No. 6 General Fund	10,302		25,508	28,789	7,021		7,021
No. 7 General Fund	31,826		45,991	57,540	20,277		20,277
No. 8 General Fund	72,510	36	25,421	26,424	71,543		71,543
No. 10 General Fund	37,037	1,319	111,051	88,888	60,519		60,519
No. 10 Reserve	14,333				14,333		14,333
Pottawatomie County Economic							
Development Corporation	22,054		1,111,482	926,142	207,394	1,090	208,484
Pottawatomie County Extension Council	37,098		234,821	217,874	54,045		54,045
TOTAL RELATED MUNICIPAL ENTITIES	359,197	1,355	1,872,315	1,659,616	573,251	9,633	582,884
TOTAL REPORTING ENTITY	\$ 26,136,215	\$ 97,593	\$ 42,545,246	\$ 45,729,377	\$ 23,049,677	\$ 859,122	\$ 23,908,799

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

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

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Composition of Cash:

Checking accounts	\$ 13,414,233
Certificates of deposit	16,406,054
Municipal Investment Pool	17,001,367
Change fund and petty cash	850
Savings	7,678
Clerk of the District Court	162,588
Pottawatomie County Sheriff	3,046
Law Library	10,899
Pottawatomie County Economic Development Corporation (Related Municipal Entity)	208,484
Pottawatomie County Extension Council (Related Municipal Entity)	<u>54,045</u>
TOTAL CASH	47,269,244
Agency Funds per Schedule 3	<u>(23,360,445)</u>
TOTAL REPORTING ENTITY (EXCLUDING AGENCY)	<u><u>\$ 23,908,799</u></u>

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

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pottawatomie County, Kansas (Municipality) is a municipal corporation governed by an elected three-member commission. This regulatory financial statement presents the Municipality (the primary government) and its related municipal entities. The accounting policies of the Municipality conform to the cash-basis and budget laws of Kansas (regulatory basis). The following is a summary of the more significant policies:

1. The Financial Reporting Entity: The financial reporting entity of Pottawatomie County, Kansas, is comprised of the primary government (the Municipality) and its related municipal entities.

The basic criterion for including a separate entity in the Municipality's financial reporting entity is the financial accountability of the Municipality for the separate entity. The Municipality is financially accountable if it appoints a voting majority of a related municipal entity's governing body and if it either has the ability to impose its will on the related municipal entity or there is a potential for the related municipal entity to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

The related municipal entities are included in the Municipality's reporting entity because they are established to benefit the Municipality and/or its constituents.

- a. *Fire Districts*: Each of the Fire Districts is a separate legal entity, formed by State Statutes under the Municipality. The governing bodies are appointed by the County Commissioners. Each district levies its own tax and provides fire protection services to their local rural communities based upon established boundaries. Separate financial statements of each Fire District may be obtained from the County Administrator's office.
 - b. *Pottawatomie County Economic Development Corporation (PCED)*: A separate legal entity in which the County Commissioners appoint the governing body. The Municipality annually provides significant operating subsidies to the PCED. Separate financial statements of PCED may be obtained by contacting their office in Wamego, Kansas.
 - c. *Pottawatomie County Extension Council (PCEC)*: A separate legal entity, formed under state statute K.S.A. 2-610, in which the governing body is elected annually. The PCEC provides services in such areas as agriculture, home economics, and 4-H clubs, to all persons in the County. The Municipality annually provides significant operating subsidies to the PCEC. Separate financial statements of PCEC may be obtained by contacting their office in Westmoreland, Kansas.
2. Regulatory Basis Fund Types: The accounts of the Municipality are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its cash, liabilities, fund balance, receipts, and expenditures.

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statement in this report, into generic regulatory basis fund types and broad fund categories as follows:

Governmental Funds

The General Fund is the chief operating fund of the Municipality. It is used to account for all financial resources except those that are required to be accounted for in another fund.

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

Bond and Interest Funds are used to account for the accumulation of resources, including tax levies, transfer from other funds and payment of long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Business Funds

Business Funds are used to account for operations that provide goods or services to the general public on a continuing basis. Such operations are financed and operated in a manner similar to private business entities and (a) are intended to be self supporting through charges to users or (b) the governing body has deemed it appropriate to account for them as business funds for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Trust Funds are used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Funds are used to account for assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, tax collection accounts, etc.).

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America: The municipal reporting entity prepares the financial statements using *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting, which is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas.

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

The *KMAAG* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. 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 receipt is recorded in the fund receiving cash from another fund, and the expenditure would be charged in the fund from which the transfer is made. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The *KMAAG* regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflow or outflows, other than those mentioned above.

The Municipality 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 municipality to use the *KMAAG* regulatory basis of accounting.

4. 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. 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 1.
 - b. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
 - c. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
 - d. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

The statutes permit transferring budgeted amounts between line items within an individual fund; County policy requires such transfers to be approved by the County Commissioners. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for capital project funds, trust funds and the following special purpose and business funds:

Special Purpose Funds: Special Highway Improvement; Attorney Check Fee; Attorney Forfeiture Fund; Law Enforcement Trust; Capital Improvement; Equipment Reserve; Prosecuting Attorney Training; Special Auto; Deeds Technology

Business Funds: Blue Township Sewer Reserve; Timbercreek Water Reserve; Fostoria Sewer Reserve; Brook Ridge Sewer Reserve

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.

5. Special Assessments: Projects financed in part by special assessments are financed through general obligation bonds of the Municipality and/or revolving loans issued by the Kansas Department of Transportation. Both of which are retired either from the General Fund or the Bond and Interest Fund as appropriate. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the General Fund or Bond and Interest Fund as appropriate.
6. Cash and Investments: The Municipality uses an internally pooled cash system in which the cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments, unless specifically designated, are allocated to the general fund and the utility funds based upon their average cash balances. Investments are stated at cost, which approximates market.

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

- 7. Property Taxes: In accordance with governing 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. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year.
- 8. Reimbursements: The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the reimbursement is recorded as a qualifying budget credit in the fund receiving the reimbursement.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- 1. Amendments to Legal Budgets: The legal budgets for the Blue Township Sewer Operations Fund and Fire District #6 Fund were amended during 2012.

NOTE C – DEPOSITS AND INVESTMENTS

As of December 31, 2012, the Municipality had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in years)</u>	<u>Rating</u>
Certificates of Deposit	\$ 16,410,145	Less than 1 year	N/A
Kansas Municipal Investment Pool	17,001,368	Less than 1 year	S&P AA Af/S1+
Total Fair Value	<u>\$ 33,411,513</u>		

K.S.A. 9-1401 establishes the depositories which may be used by the Municipality. The statute requires banks eligible to hold the Municipality’s funds have a main or branch bank in the county in which the Municipality 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 Municipality has no other policies that would further limit interest rate risk.

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

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

Concentration of credit risk: State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Municipality's allocation of investments as of December 31, 2012, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Certificates of Deposit	49%
Kansas Municipal Investment Pool	51%

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federally 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, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Municipality's designated "peak periods" are from December 3 – February 3 and April 15 – June 15. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the carrying amount of the Municipality's deposits, including certificates of deposit, was \$30,005,349 and the bank balance was \$30,795,662. The bank balance was held by six banks which did not result in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$10,222,327 was covered by federal depository insurance; \$16,945,569 was collateralized with securities held by the pledging financial institutions' agents in the Municipality's name, and the balance of \$3,627,766 was unsecured under a designated peak period.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality 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.

At December 31, 2012, the Municipality had invested \$17,001,368 in the State's municipal investment pool. The municipal investment pool 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 U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

Related Municipal Entity Cash Balances:

The cash of the Fire Districts was held by the County in an agency capacity and is included in the above analyses.

At year-end, the carrying amount of the Pottawatomie County Economic Development’s deposits including certificates of deposit was \$208,484 and the bank balance was \$208,574. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The entire bank balance was covered by FDIC insurance.

At year-end, the carrying amount of the Pottawatomie County Extension’s deposits was \$54,045 and the bank balance was \$66,542. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The entire bank balance was covered by FDIC insurance.

NOTE D—LONG TERM DEBT

The following is a summary of debt transactions of the Municipality for the year ended December 31, 2012. See Notes N and O for the schedules of long-term liabilities and current maturities of long-term debt.

	Payable Beginning of Year	Issued	Retired	Payable End of Year
General Obligation Bonds	\$ 6,412,029	\$ 105,000	\$ 445,800	\$ 6,071,229
Revolving Notes	3,990,304	467,849	684,615	3,773,538
Temporary Notes		135,000	135,000	-
Capital Leases	454,723		454,723	-
Total	\$ 10,857,056	\$ 707,849	\$ 1,720,138	\$ 9,844,767

Total interest expense for the year was \$404,101.

The general obligation bonds encompass project related expenditures for general obligation (street improvements as allowed per K.S.A. 68-709 and 68-28) in addition to expenditures related to the respective sewer and water districts (as allowed per K.S.A. 19-27a07 and 19-3540). The entire amount of the debt is accounted for in the General Bond and Interest fund.

The amount of debt for each type is as follows:

	Water Districts	Sewer Districts	Street Improvements	End of Year
General Obligation Bonds	963,957	1,411,341	3,695,931	6,071,229

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

The County participated in two projects in which funding were provided through the Kansas Water Pollution Control Revolving Fund (KWPCRF) for innovative green infrastructure water quality projects. The program is administered by the Kansas Department of Health and Environment (KDHE). The County participated in the loan program for the following projects and received loan forgiveness at the completion of the projects:

1. Timber Creek Urban Storm water Management Project (C20 1860 01): The initial loan for the project was \$475,000. The agreement allowed the County to borrow 100% of the eligible project costs with up to 75% of the principle to be forgiven. The project began in 2012, however the County Commission voted to terminate the project due to higher than anticipated bids. Therefore, as of December 31, 2012, \$44,800 was drawn down on the loan for design expenses. The project was closed as of November 30, 2012, and the amount of principal forgiveness on the loan was \$33,600, which is reflected in the retired column above and in Note N.
2. Blue Township Sewer District Connection to Manhattan, Kansas Wastewater Treatment System (C20 1786 01): The County entered into an Inter-Local Agreement dated July 21, 2009, with the City of Manhattan (City) funded by KWPCRF Loan program. The loan agreement between the KDHE, the County and the City of Manhattan for the sewer project was for an initial amount of \$5,000,000 to be split between the County and the City. As of October 31, 2012 the project was substantially completed and the loan was finalized and the total amount borrowed was \$4,676,603. The loan agreement allowed for 15% principal forgiveness at the completion of the project. The total principle forgiveness was \$698,227. The County's portion of the amount borrowed was \$3,034,345, of which \$451,888 was forgiven. The amount forgiven for the County is included in the retired column above, as well as in Note N.

Bonded Indebtedness Limitation

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the Municipality to not more than three percent of the assessed value of all tangible property within such county, as certified to the County Clerk on the preceding August 25.

Total assessed valuation as of October 28, 2011	437,375,625
3% Debt Limit	13,121,269
Total Outstanding General Obligation Debt	6,071,229
Less portions excluded per K.S.A. 19-27a07 and 19-3540	(2,375,298)
Less portions excluded per K.S.A. 68-728	(3,695,931)
Total Outstanding Eligible General Obligation Debt	-
General Obligation Debt Margin	<u>13,121,269</u>

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

Related Municipal Entity Long-Term Debt

Fire District #2 was obligated at December 31, 2012 for a capital lease of \$10,000 primarily covering equipment, expiring through 2015, at an imputed interest rate of 2.95 percent.

Fire District #5 was obligated at December 31, 2012 for capital leases of \$129,622 primarily covering equipment, expiring through 2018, at varying rates of imputed interest from 3.00 to 3.90 percent.

Fire District #6 was obligated at December 31, 2012 for a capital lease of \$22,139 primarily covering equipment, expiring through 2017, at an imputed interest rate of 3.50 percent.

Fire District #7 was obligated at December 31, 2012 for a capital lease of \$12,977 primarily covering equipment, expiring through 2016, at an imputed interest rate of 4.675 percent.

Fire District #10 was obligated at December 31, 2012 for a capital lease of \$248,373 primarily covering construction of a new fire station, expiring through 2020, at an imputed interest rate of 3.92 percent.

NOTE E—DEFINED BENEFIT PENSION PLAN

Plan Description: The non-school Municipality participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy: K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at four percent of covered salary for Tier 1 members and at six percent of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at seven percent of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that 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.

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

The County's employer contributions to KPERS for the years ending December 31, 2012, 2011 and 2010, were \$369,377, \$339,059, and \$301,144, respectively, equal to the statutory required contributions for each year.

The County's employer contributions to KP&F for the years ending December 31, 2012, 2011 and 2010, were \$195,366, \$155,596, and \$143,108, respectively, equal to the required contributions for each year.

NOTE F—DEFERRED COMPENSATION

The Municipality sponsors a salary deferral plan that covers all full-time employees who have met certain service requirements. Contributions to the plan with the exception of required matching contributions are at the discretion of the County Commissioners. During 2012 the retirement plan expense was approximately \$65,780.

NOTE G—OTHER POST EMPLOYMENT BENEFIT

As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality 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 Budget Reconciliation Act (COBRA), the municipality 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.

NOTE H—COMPENSATED ABSENCES

The Municipality provides certain vacation time benefits, i.e., paid time off, to full and part-time employees based upon length of service with the Municipality and contractual agreements. Unused vacation time up to a maximum of 160 hours (unless stated otherwise in the employment contract) is paid to the employee or legal representative of the employee upon termination of employment, retirement or death. Payment of unused vacation time is based upon the employee's rate of pay at the time of termination, retirement or death.

At December 31, 2012, the County's liability for unused vacation time is approximately \$322,700 attributable entirely to governmental funds.

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

NOTE I—CAPITAL PROJECTS

At year-end, capital projects authorizations with approved change orders compared with disbursement and accounts payable from inception are as follows:

<u>Project Name</u>	<u>Cash disbursements and accounts payable to date</u>	<u>Project Authorizations</u>
Timber Creek Stormwater	48,508	48,508
BTSE Sewer Improvements *	5,320,829	5,388,000
Whispering Meadows Unit 1	290,241	747,845
Jail/Courthouse Project	7,170,362	12,792,213
	<u>TOTAL</u>	<u>TOTAL</u>
	<u>\$ 12,829,940</u>	<u>\$ 18,976,566</u>

BTSE Sewer Improvements

In February 2007, the County (acting on behalf of the Blue Township Sewer Benefit District) entered into an inter-local agreement with the City of Manhattan. As part of the City of Manhattan annexation and development of a portion of the District's servicing area, the City and the County have agreed to construct internal infrastructure in order to connect the District's sanitary sewer system to the City's sanitary sewer system. The construction of the improvements began in 2010 and was completed in 2012. The financing of this project has been established through (1) a portion of County funds; (2) the County received a grant in the award of \$388,000; and (3) a combined (single) loan for approximately \$4.7 million. The loan is a combined loan between the City and the County and the KS Department of Health and Environment for state revolving loan funds (including a portion of federal funds.) The County is the responsible Agency handling all of the project funds and is responsible for expending the funds in accordance with the inter-local agreement and the loan agreement.

The County is responsible for paying back 2/3 of the loan (included interest) (approximately \$2.6 million) and the City will be responsible for paying back 1/3 of the loan (including interest) (approximately \$1.4 million.) The portion of loan proceeds reported in Note C, represent only the County's portion of loan proceeds; the City's portion of the proceeds received into the County were reported in the Schedule of Receipts and Expenditures (Schedule 2) as reimbursements. The amounts of expenditures for the entire project (City and County) are reported above and are included in the Schedule of Receipts and Expenditures (Schedule 2.)

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

NOTE J—COMMITMENTS AND CONTINGENCIES

Construction Contracts: At December 31, 2012, the Municipality had several pending construction project contracts. Commitments related to significant contracts include contracts for the Municipality's street improvements.

Risk Management: The Municipality is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Municipality manages these various risks of loss through commercial insurance with varying deductibles. All deductibles are \$1,000 or less. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Litigation: There are a number of claims and/or lawsuits to which the Municipality is a party as a result of matters and complaints arising in the ordinary course of Municipality activities. The Municipality's management and legal counsel anticipate that the potential claims against the Municipality not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the Municipality.

Solid Waste Landfill Post-closure Care Costs: The Municipality closed its solid waste facility and received approval over the period of 1993 through 1995. Any liability for post-closure care costs associated with the landfill has not been determined. The Municipality incurs costs annually to monitor the closed facility.

NOTES TO FINANCIAL STATEMENT

POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2012

NOTE K—TRANSFERS

Operating transfers were as follows:

<u>FROM</u>	<u>TO</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	PC Economic Development	K.S.A. 1-4102	\$ 170,000
General Fund	PC Extension Services	K.S.A. 2-610	185,841
General Fund	Capital Improvement Fund	K.S.A. 19-120	1,500,000
General Fund	Equipment Reserve Fund	K.S.A. 19-119	81,925
General Fund	Bond & Interest Fund	Equity transfer	600
General Fund	Timber Creek Stormwater	Equity transfer	400
General Fund	Rock Creek Drainage	Equity transfer	2
General Fund	Emmett Township	Equity transfer	3
General Fund	Special Highway	K.S.A. 68-590	400,000
Rural Highway Fund	General Fund	K.S.A. 68-590	1,489,739
Bond & Interest Fund	General Fund	Equity transfer	400
Utility Operations Funds	Utility Reserve Funds	K.S.A. 12-631o	25,248
Utility Operations Funds	Utility Reserve Funds	K.S.A. 12-825d	44,702
Special Auto Fund	General Fund	K.S.A. 8-145	160,061
Capital Improvement Fund	Jail/Courthouse Project	K.S.A. 19-120	13,000,000
			<u>\$ 17,058,921</u>

NOTE L—CONCENTRATIONS

The Municipality receives approximately forty-six percent of its ad valorem taxes from one taxpayer who operates a coal burning electric generation plant located in the County.

NOTE M—MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

In preparing these financial statements, the Municipality has evaluated events and transactions for potential recognition or disclosure through May 21, 2013, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2012

NOTE N - SCHEDULE OF LONG-TERM DEBT

The following is a schedule of changes in long-term debt for the County for the year ended December 31, 2012

	Interest Rate	Date Issued	Original Amount	Date of Final Maturity
General Obligation Bonds				
1995 Fostoria	5.25%	10/19/1995	\$ 46,029	10/19/2035
1996-A Hunters Crossing III/Timbercreek II Phase III	4.8/6.25%	8/1/1996	501,000	10/1/2016
1998 Hunters Crossing II	3.75/4.85%	9/1/1998	172,000	10/1/2013
2001-A Hunters Crossing III/Timber Crk II, Phase 4A	4.15/5.62%	1/15/2001	625,000	10/1/2016
2001-B Hunters Crossing IIIB/Eagles Landing I	3.90/5.30%	10/15/2001	560,000	10/1/2021
2002-A Timbercreek II Phase IVB	3.60/5.00%	5/1/2002	415,000	10/1/2017
2002-B Eagles Landing II	4.60/5.50%	9/15/2002	385,000	10/1/2022
2005-A Eagles Landing Unit III & IV	3.60/5.00%	4/1/2005	745,000	10/1/2025
2005-B Eagles Landing Unit V	4.05/5.50%	10/1/2005	300,000	10/1/2025
2006-A Eagles Landing Unit VI & VII	4.15/5.50%	6/15/2006	585,000	10/1/2026
2006-B Timbercreek Water Improv	3.80/5.25%	6/15/2006	550,000	10/1/2016
2006-C Elbo Creek Estates I/Wildcat Woods I	3.65/5.00%	10/1/2006	1,805,000	10/1/2026
2007-A Sunset Ridge/Falling Leaf/Eagles Landing 8	3.70/4.50%	3/15/2007	815,000	10/1/2027
2007-B Cedar Meadows/Country Breeze	3.80/4.75%	10/1/2007	120,000	10/1/2017
2008-A Brook Ridge	3.30/4.15%	6/1/2008	280,000	10/1/2023
2008-B Wildcat Woods II	4.00/5.10%	10/1/2008	180,000	10/1/2028
2010-A Sunset Ridge Unit 2	3.50/5.50%	9/15/2010	150,000	10/1/2030
2011-A Nelson's Ridge I	2.30/5.00%	9/15/2011	690,000	10/1/2031
2012-A Whispering Meadows Unit 1		9/15/2012	105,000	10/1/2032
TOTAL GENERAL OBLIGATION BONDS			<u>9,029,029</u>	
Revolving Note Payable				
TR0058 Brook Ridge Phase 1	3.65%	11/1/2007	460,309	8/1/2023
TR0080 Pine Springs	3.75%	6/23/2008	181,149	8/1/2018
TR0081 Wildcat Woods	3.75%	6/23/2008	345,812	8/1/2028
TR0128 Ashley/Megan Vineyards	3.91%	9/28/2009	237,811	8/1/2020
TR0141 Whispering Meadows Unit 1	3.25%	3/26/2012	332,254	8/1/2031
TR0148 Elbo Creek Estates Unit 2	3.18%	12/1/2012	190,000	8/1/2032
C20 1786-01 Blue Township Sewer	2.55%	1/8/2010	3,463,000	9/1/2031
C20 1860-01 Timber Creek Stormwater	2.50%	10/24/2011	535,212	
TOTAL REVOLVING NOTE PAYABLE			<u>5,745,547</u>	
Temporary Notes (series)				
2012-1 Whispering Meadows Unit 1	1.15%	2/15/2012	135,000	2/15/2013
TOTAL TEMPORARY NOTES			<u>135,000</u>	
Capital Leases				
Loader - Solid Waste	2.95%	12/27/2010	44,733	9/1/2014
Road Graders	2.18%	09/19/11	421,090	02/03/16
TOTAL CAPITAL LEASES			<u>465,823</u>	
TOTAL INDEBTEDNESS			<u>\$ 15,375,399</u>	

Outstanding January 1, 2012	Issued	Retired	Net Change	Outstanding December 31, 2012	Interest Paid
\$ 37,029		\$ 800	\$ (800)	\$ 36,229	\$ 1,944
125,000		25,000	(25,000)	100,000	6,976
20,000		10,000	(10,000)	10,000	965
260,000		45,000	(45,000)	215,000	12,220
350,000		30,000	(30,000)	320,000	16,280
205,000		30,000	(30,000)	175,000	9,182
265,000		20,000	(20,000)	245,000	12,250
590,000		30,000	(30,000)	560,000	24,580
240,000		15,000	(15,000)	225,000	10,717
485,000		25,000	(25,000)	460,000	22,120
305,000		55,000	(55,000)	250,000	12,028
1,505,000		70,000	(70,000)	1,435,000	59,969
710,000		30,000	(30,000)	680,000	28,445
80,000		10,000	(10,000)	70,000	3,210
235,000		15,000	(15,000)	220,000	9,243
165,000		5,000	(5,000)	160,000	7,865
145,000		5,000	(5,000)	140,000	6,465
690,000		25,000	(25,000)	665,000	28,375
	105,000		105,000	105,000	-
<u>6,412,029</u>	<u>105,000</u>	<u>445,800</u>	<u>(340,800)</u>	<u>6,071,229</u>	<u>272,834</u>
388,085		25,977	(25,977)	362,108	15,135
133,310		17,002	(17,002)	116,308	5,332
307,438		13,149	(13,149)	294,289	12,298
217,921		20,668	(20,668)	197,253	8,521
	332,254		332,254	332,254	-
				-	
2,943,550	90,795	563,019	(472,224)	2,471,326	77,669
	44,800	44,800		-	44
<u>3,990,304</u>	<u>467,849</u>	<u>684,615</u>	<u>(216,766)</u>	<u>3,773,538</u>	<u>118,999</u>
-	135,000	135,000		-	992
-	135,000	135,000	-	-	992
33,633		33,633	(33,633)	-	1,272
421,090		421,090	(421,090)	-	10,004
454,723	-	454,723	(454,723)	-	11,276
<u>\$ 10,857,056</u>	<u>\$ 707,849</u>	<u>\$ 1,720,138</u>	<u>\$ (1,012,289)</u>	<u>\$ 9,844,767</u>	<u>\$ 404,101</u>

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2012

NOTE O: SCHEDULE OF MATURITY OF LONG TERM DEBT

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
PRINCIPAL				
General obligation bonds	470,900	475,900	491,000	521,000
Revolving loans	<u>194,543</u>	<u>201,327</u>	<u>207,938</u>	<u>214,554</u>
TOTAL PRINCIPAL	<u>665,443</u>	<u>677,227</u>	<u>698,938</u>	<u>735,554</u>
INTEREST				
General obligation bonds	256,387	236,164	215,858	195,126
Revolving loans	<u>112,242</u>	<u>105,460</u>	<u>98,848</u>	<u>92,231</u>
TOTAL INTEREST	<u>368,629</u>	<u>341,624</u>	<u>314,706</u>	<u>287,357</u>
	<u>\$ 1,034,072</u>	<u>\$ 1,018,851</u>	<u>\$ 1,013,644</u>	<u>\$ 1,022,911</u>

<u>2017</u>	<u>2018-2022</u>	<u>2023-2027</u>	<u>2028-2032</u>	<u>2033-2037</u>	<u>Total</u>
401,100	1,901,200	1,538,100	265,500	6,529	6,071,229
221,391	1,062,234	939,812	731,739		3,773,538
<u>622,491</u>	<u>2,963,434</u>	<u>2,477,912</u>	<u>997,239</u>	<u>6,529</u>	<u>9,844,767</u>
172,859	629,772	236,470	31,018	640	1,974,294
85,395	323,001	172,054	44,360		1,033,591
<u>258,254</u>	<u>952,773</u>	<u>408,524</u>	<u>75,378</u>	<u>640</u>	<u>3,007,885</u>
<u>\$ 880,745</u>	<u>\$ 3,916,207</u>	<u>\$ 2,886,436</u>	<u>\$ 1,072,617</u>	<u>\$ 7,169</u>	<u>\$ 12,852,652</u>

GOVERNMENT AUDITING STANDARDS



REESE & NOVELLY, P.A.

Certified Public Accountants

Rick I. Reese, CPA
Nicholas J. Novelly, CPA
Carol E. McCullough, CPA

Annette D. Fiedler, CPA
Patricia E. Ungebeuer, CPA
Melanie L. Tuttle, CPA
Abbie R. Stierly, CPA

**INDEPENDENT AUDITORS' 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**

Board of County Commissioners
Pottawatomie County, Kansas

We have audited the accompanying regulatory basis financial statement of Pottawatomie County, Kansas (County) as of and for the year ended December 31, 2012, which collectively comprise the County's regulatory basis financial statements and have issued our report thereon dated May 21, 2013. The report was qualified because, as described more fully in Note A, the County has prepared these financial statements using accounting practices prescribed and permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, issued by the Director of Accounts and Reports, State of Kansas Department of Administration.

Internal Control Over Financial Reporting

Management of Pottawatomie County, Kansas, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purposes of expressing our opinion on the financial statements, 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 statements will not be prevented, or detected and corrected on a timely basis.

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 deficiencies,

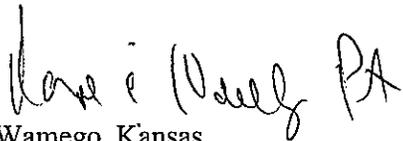
significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County, in a separate letter dated May 21, 2013.

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


Wamego, Kansas
May 21, 2013

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
BUDGETED FUNDS ONLY (SCHEDULE 1)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	<u>Certified Budget (As Amended)</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Favorable (Unfavorable) Variance</u>
Governmental Type Funds:					
General	\$ 19,999,620	\$ 251,788	\$ 20,251,408	\$ 18,735,755	\$ 1,515,653
Bond and Interest Funds:					
Bond and Interest	1,329,857		1,329,857	837,119	492,738
Special Purpose Funds:					
Emergency Telephone Service	262,813		262,813	65,027	197,786
Court Trustee	36,015		36,015		36,015
Regional Library	315,358		315,358	315,358	-
Rural Highway System	2,416,916		2,416,916	2,254,349	162,567
Tort Liability	158,809		158,809	86,411	72,398
Fair Association	21		21	21	-
Historical Society	80,718		80,718	45,498	35,220
Special Parks and Recreation	41,957		41,957	1,280	40,677
Special Alcohol Program	62,812		62,812	22,000	40,812
Regional Library EMBF	32,793		32,793	32,793	-
Noxious Weed Chemical	319,663		319,663	146,930	172,733
E-911	85,847		85,847	13,982	71,865
County 911					-

See independent auditors' report.

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
BUDGETED FUNDS ONLY (SCHEDULE 1)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	<u>Certified Budget (As Amended)</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Favorable (Unfavorable) Variance</u>
Business Funds:					
Blue Township Sewer Operations	685,450		685,450	531,657	153,793
Timbercreek Water	156,450		156,450	133,866	22,584
Fostoria Sewer Operations	19,001		19,001	1,168	17,833
Brook Ridge Sewer Operations	2,975		2,975	1,507	1,468
Brook Ridge Sewer Maintenance	4,500		4,500	753	3,747
Related Municipal Entities:					
Fire Districts:					
Joint No. 1 General Fund	67,533		67,533	67,250	283
No. 2 General Fund	23,359		23,359	22,674	685
Joint No. 3 General Fund	40,361	2,839	43,200	31,911	11,289
Joint No. 4 General Fund	57,870		57,870	39,528	18,342
No. 5 General Fund	159,591	3,488	163,079	152,596	10,483
No. 6 General Fund	29,200	3,500	32,700	28,789	3,911
No. 7 General Fund	58,521		58,521	57,540	981
No. 8 General Fund	44,468		44,468	26,424	18,044
No. 10 General Fund	116,185		116,185	88,888	27,297

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 10,585,000	\$ 10,451,960	\$ (133,040)
Delinquent tax	50,000	141,777	91,777
In lieu of tax	1,000	36,688	35,688
Local alcohol liquor tax	9,117	4,960	(4,157)
Motor vehicle tax	561,749	594,858	33,109
Vehicles rent excise tax		17,352	17,352
Sales and compensating use tax	2,450,000	3,145,660	695,660
Fines, forfeitures, and penalties	26,000	103,075	77,075
City and county highway fund	651,500	764,971	113,471
16/20M vehicle tax	18,186	17,670	(516)
District coroner fee	6,000	7,286	1,286
Recreation vehicle tax	13,716	14,827	1,111
Neighborhood revitalization rebate		(7,070)	(7,070)
Special assessments	25,000		(25,000)
Refunds		(2,315)	(2,315)
Licenses and permits	450,600	1,089,149	638,549
Charges for services	352,500	606,041	253,541
Use of property	153,500	228,388	74,888
Reimbursements and grants	20,000	524,783	504,783
Miscellaneous receipts	100,000	198,002	98,002
Transfers in	1,200,000	1,650,199	450,199
TOTAL CASH RECEIPTS	16,673,868	19,588,261	2,914,393
Expenditures:			
Legislative:			
County Commission:			
Personnel services	79,000	78,607	393
Contractual services and other charges	13,650	7,978	5,672
Materials and supplies	750	706	44
Capital outlay	1,100	1,087	13
TOTAL LEGISLATIVE	94,500	88,378	6,122

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Judicial:			
County Attorney:			
Personnel services	294,000	291,582	2,418
Contractual services and other charges	41,400	24,421	16,979
Materials and supplies	9,400	7,684	1,716
Capital outlay	1,500	1,255	245
TOTAL COUNTY ATTORNEY	346,300	324,942	21,358
Clerk of the District Court:			
Contractual services and other charges	197,475	196,774	701
Materials and supplies	14,825	14,385	440
Capital outlay	2,500	1,365	1,135
TOTAL CLERK OF THE DISTRICT COURT	214,800	212,524	2,276
Court Services Officer:			
Contractual services and other charges	19,122	9,679	9,443
District Coroner:			
Personnel services	8,000	8,000	-
Contractual services and other charges	21,000	18,324	2,676
TOTAL DISTRICT CORONER	29,000	26,324	2,676
TOTAL JUDICIAL	609,222	573,469	35,753
Financial and Administrative:			
Financial Operations:			
Personnel services	347,500	341,363	6,137
Contractual services and other charges	151,000	146,050	4,950
Materials and supplies	7,750	5,451	2,299
Capital outlay	28,000	27,644	356
TOTAL FINANCIAL OPERATIONS	534,250	520,508	13,742

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Appraiser:			
Personnel services	265,000	263,635	1,365
Contractual services and other charges	39,350	38,668	682
Materials and supplies	12,850	12,731	119
Capital outlay	10,300	10,266	34
TOTAL APPRAISER	327,500	325,300	2,200
Geographic Information System:			
Personnel services	97,100	97,028	72
Contractual services and other charges	16,450	12,657	3,793
Materials and supplies	9,100	5,751	3,349
Capital outlay	3,500	2,279	1,221
TOTAL GEOGRAPHIC INFORMATION SYSTEMS	126,150	117,715	8,435
Building and Grounds:			
Personnel services	90,150	85,125	5,025
Contractual services and other charges	208,070	156,289	51,781
Materials and supplies	23,100	18,452	4,648
Capital outlay	5,500	3,492	2,008
TOTAL BUILDING AND GROUNDS	326,820	263,358	63,462
County Clerk:			
Personnel services	110,100	101,488	8,612
Contractual services and other charges	9,400	6,667	2,733
Materials and supplies	6,650	4,250	2,400
Capital outlay	3,850	3,848	2
TOTAL COUNTY CLERK	130,000	116,253	13,747
Register of Deeds:			
Personnel services	104,250	103,855	395
Contractual services and other charges	12,850	11,078	1,772
Materials and supplies	11,200	8,879	2,321
TOTAL REGISTER OF DEEDS	128,300	123,812	4,488

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Election Expense:			
Personnel services	5,605	5,603	2
Contractual services and other charges	42,500	42,474	26
Materials and supplies	25,895	14,861	11,034
TOTAL ELECTION EXPENSE	74,000	62,938	11,062
Employee Benefits:			
Personnel services	66,500	65,778	722
Contractual services and other charges	3,227,625	2,576,427	651,198
TOTAL EMPLOYEE BENEFITS	3,294,125	2,642,205	651,920
County Treasurer:			
Personnel services	162,400	160,865	1,535
Contractual services and other charges	29,250	15,230	14,020
Materials and supplies	5,900	3,489	2,411
Capital outlay	5,900	5,869	31
TOTAL COUNTY TREASURER	203,450	185,453	17,997
Unclassified:			
Contractual services and other charges	202,000	109,431	92,569
Materials and supplies	3,500	1,012	2,488
Miscellaneous		61	(61)
Allocations and distributions	22,500	22,270	230
Transfers out	1,587,610	1,582,531	5,079
TOTAL UNCLASSIFIED	1,815,610	1,715,305	100,305
Zoning and Planning:			
Personnel services	75,000	50,154	24,846
Contractual services and other charges	33,280	31,663	1,617
Materials and supplies	3,825	3,201	624
Capital outlay	2,570	2,565	5
TOTAL ZONING AND PLANNING	114,675	87,583	27,092
TOTAL FINANCIAL AND ADMINISTRATIVE	7,074,880	6,160,430	914,450

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Public Safety:			
Ambulance Service:			
Contractual services and other charges	1,411,850	1,408,789	3,061
Materials and supplies	150	131	19
Capital outlay	490,000	489,005	995
TOTAL AMBULANCE SERVICE	<u>1,902,000</u>	<u>1,897,925</u>	<u>4,075</u>
First Responder:			
Contractual services and other charges	2,000		2,000
Materials and supplies	1,500		1,500
Capital outlay	1,500		1,500
Miscellaneous	2,000		2,000
TOTAL FIRST RESPONDER	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Local Emergency Management:			
Personnel services	43,000	43,156	(156)
Contractual services and other charges	33,400	17,096	16,304
Materials and supplies	9,100	7,579	1,521
Capital outlay	49,000	22,305	26,695
Adjustment for qualifying budget credit	23,959		23,959
TOTAL LOCAL EMERGENCY MANAGEMENT	<u>158,459</u>	<u>90,136</u>	<u>68,323</u>
Fire Supervisor:			
Personnel services	43,000	42,956	44
Contractual services and other charges	9,200	5,016	4,184
Materials and supplies	11,250	9,279	1,971
Capital outlay	1,000		1,000
TOTAL FIRE SUPERVISOR	<u>64,450</u>	<u>57,251</u>	<u>7,199</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Sheriff:			
Personnel services	1,565,739	1,565,703	36
Contractual services and other charges	121,500	129,077	(7,577)
Materials and supplies	233,500	232,904	596
Capital outlay	156,000	153,410	2,590
Adjustment for qualifying budget credit	12,944		12,944
TOTAL SHERIFF	2,089,683	2,081,094	8,589
Detention Center:			
Personnel services	260,000	258,992	1,008
Contractual services and other charges	94,000	40,612	53,388
Materials and supplies	95,000	88,952	6,048
Capital outlay	2,000		2,000
TOTAL DETENTION CENTER	451,000	388,556	62,444
Juvenile Detention:			
Contractual services and other charges	95,000	77,400	17,600
TOTAL PUBLIC SAFETY	4,767,592	4,592,362	175,230
Public Works:			
Cemeteries:			
Contractual services and other charges	12,000	10,460	1,540
Materials and supplies	2,500	1,471	1,029
TOTAL CEMETERIES	14,500	11,931	2,569
Noxious Weed:			
Personnel services	157,500	152,073	5,427
Contractual services and other charges	45,675	24,254	21,421
Materials and supplies	113,600	100,484	13,116
Capital outlay	625	625	-
Adjustment for qualifying budget credit	1,261		1,261
TOTAL NOXIOUS WEED	318,661	277,436	41,225

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Road and Bridge:			
Personnel services	1,650,000	1,643,164	6,836
Contractual services and other charges	591,048	587,039	4,009
Materials and supplies	1,883,900	1,880,583	3,317
Capital outlay	655,000	653,789	1,211
Transfers out	400,400	400,400	-
Adjustment for qualifying budget credit	15,665		15,665
TOTAL ROAD AND BRIDGE	5,196,013	5,164,975	31,038
Solid Waste Disposal:			
Personnel services	87,000	84,863	2,137
Contractual services and other charges	306,200	305,697	503
Materials and supplies	21,550	20,659	891
Capital outlay	37,500	37,455	45
TOTAL SOLID WASTE DISPOSAL	452,250	448,674	3,576
TOTAL PUBLIC WORKS	5,981,424	5,903,016	78,408
Health and Welfare:			
County Health:			
Personnel services	414,190	363,570	50,620
Contractual services and other charges	72,825	80,175	(7,350)
Materials and supplies	52,050	32,887	19,163
Capital outlay	11,000	8,985	2,015
Adjustment for qualifying budget credit	152,694		152,694
TOTAL COUNTY HEALTH	702,759	485,617	217,142
Pawnee Mental Health:			
Allocations and distributions	47,500	47,500	-
Developmental Disability:			
Allocations and distributions	151,925	151,925	-

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Council on Aging:			
Personnel services	66,000	56,026	9,974
Contractual services and other charges	75,000	47,128	27,872
Materials and supplies	20,500	21,771	(1,271)
Allocations and distributions	25,100	24,600	500
Adjustment for qualifying budget credit	44,578		44,578
TOTAL COUNCIL ON AGING	231,178	149,525	81,653
Environmental Health:			
Personnel services	49,000	49,422	(422)
Contractual services and other charges	5,300	3,081	2,219
Materials and supplies	5,050	3,694	1,356
Capital outlay	950	938	12
Adjustment for qualifying budget credit	687		687
TOTAL ENVIRONMENTAL HEALTH	60,987	57,135	3,852
TOTAL HEALTH AND WELFARE	1,194,349	891,702	302,647
Culture and Recreation:			
County Park Operations:			
Contractual services and other charges	2,500	1,035	1,465
Materials and supplies	4,600	3,897	703
Capital outlay	1,500	625	875
TOTAL COUNTY PARK OPERATIONS	8,600	5,557	3,043
County Fair Operations:			
Allocations and distributions	85,000	85,000	-
TOTAL CULTURE AND RECREATION	93,600	90,557	3,043
Environment:			
Conservation District:			
Allocations and distributions	80,000	80,000	-

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
GENERAL FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Economic Development:			
Transfer to component unit	170,000	170,000	-
Extension Services:			
Transfer to component unit	185,841	185,841	-
TOTAL ENVIRONMENT	435,841	435,841	-
TOTAL EXPENDITURES	20,251,408	18,735,755	1,515,653
RECEIPTS OVER (UNDER) EXPENDITURES	(3,577,540)	852,506	4,430,046
Beginning Unencumbered Cash Balance	4,527,540	7,527,145	2,999,605
Adjustment to unencumbered cash for prior year cancelled encumbrances		93,789	93,789
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 950,000</u>	<u>\$ 8,473,440</u>	<u>\$ 7,523,440</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - BOND AND INTEREST
BOND AND INTEREST FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Special assessments	\$ 858,354	\$ 830,563	\$ (27,791)
Delinquent specials		10,167	10,167
Debt proceeds		182	182
Transfers in		600	600
	<u>858,354</u>	<u>841,512</u>	<u>(16,842)</u>
TOTAL CASH RECEIPTS	858,354	841,512	(16,842)
Expenditures:			
Principal	544,099	522,595	21,504
Interest	314,357	314,124	233
Cash Reserve	456,199		456,199
Miscellaneous	15,202		15,202
Operating transfers		400	(400)
	<u>1,329,857</u>	<u>837,119</u>	<u>492,738</u>
TOTAL EXPENDITURES	1,329,857	837,119	492,738
RECEIPTS OVER (UNDER) EXPENDITURES	(471,503)	4,393	475,896
Beginning Unencumbered Cash Balance	<u>471,503</u>	<u>512,489</u>	<u>40,986</u>
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 516,882	\$ 516,882

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - EMERGENCY TELEPHONE SERVICE
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 150,000	\$ 10,422	\$ (139,578)
Use of property		52	52
Miscellaneous receipts	85,847	87	(85,760)
	<u>235,847</u>	<u>10,561</u>	<u>(225,286)</u>
TOTAL CASH RECEIPTS	<u>235,847</u>	<u>10,561</u>	<u>(225,286)</u>
Expenditures:			
Contractual and other expenditures	75,000	58,894	16,106
Material and supplies	2,000	1,304	696
Capital Outlay	185,813	4,829	180,984
	<u>262,813</u>	<u>65,027</u>	<u>197,786</u>
TOTAL EXPENDITURES	<u>262,813</u>	<u>65,027</u>	<u>197,786</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(26,966)	(54,466)	(27,500)
Beginning Unencumbered Cash Balance	<u>26,966</u>	<u>63,964</u>	<u>36,998</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 9,498</u>	<u>\$ 9,498</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - COURT TRUSTEE
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Use of property	\$	\$ 51	\$ 51
Expenditures:			
Contractual and other expenditures	36,015		36,015
RECEIPTS OVER (UNDER) EXPENDITURES	(36,015)	51	36,066
Beginning Unencumbered Cash Balance	36,015	36,028	13
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 36,079	\$ 36,079

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - REGIONAL LIBRARY
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 294,326	\$ 291,511	\$ (2,815)
Delinquent tax		3,188	3,188
Motor vehicle tax	16,553	17,410	857
16/20M vehicle tax	606	595	(11)
Recreation vehicle tax	419	461	42
TOTAL CASH RECEIPTS	311,904	313,165	1,261
Expenditures:			
Allocations and distributions	315,358	315,358	-
RECEIPTS OVER (UNDER) EXPENDITURES	(3,454)	(2,193)	1,261
Beginning Unencumbered Cash Balance	3,454	4,401	947
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 2,208	\$ 2,208

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RURAL HIGHWAY SYSTEM
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 1,998,974	\$ 1,983,748	\$ (15,226)
Delinquent tax		18,684	18,684
Motor vehicle tax	97,167	103,702	6,535
Vehicles rent excise tax		4	4
16/20M vehicle tax	4,202	4,104	(98)
Recreation vehicle tax	2,627	2,849	222
Use of property		304	304
TOTAL CASH RECEIPTS	2,102,970	2,113,395	10,425
Expenditures:			
Contractual and other expenditures	95,000	72,126	22,874
Material and supplies	695,000	692,485	2,515
Operating transfers	1,626,916	1,489,738	137,178
TOTAL EXPENDITURES	2,416,916	2,254,349	162,567
RECEIPTS OVER (UNDER) EXPENDITURES	(313,946)	(140,954)	172,992
Beginning Unencumbered Cash Balance	313,946	651,810	337,864
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 510,856	\$ 510,856

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - TORT LIABILITY
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 82,377	\$ 81,307	\$ (1,070)
Delinquent tax		1,371	1,371
Motor vehicle tax	5,436	5,650	214
Vehicles rent excise tax		167	167
16/20M vehicle tax	181	176	(5)
Recreation vehicle tax	128	141	13
Neighborhood revitalization rebate		(56)	(56)
TOTAL CASH RECEIPTS	<u>88,122</u>	<u>88,756</u>	<u>634</u>
Expenditures:			
Contractual and other expenditures	<u>158,809</u>	<u>86,411</u>	<u>72,398</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(70,687)	2,345	73,032
Beginning Unencumbered Cash Balance	<u>70,687</u>	<u>135,669</u>	<u>64,982</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 138,014</u>	<u>\$ 138,014</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - FAIR ASSOCIATION
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Delinquent tax	\$ 5	\$ 8	\$ 3
Expenditures:			
Allocations and distributions	21	21	-
RECEIPTS OVER (UNDER) EXPENDITURES	(16)	(13)	3
Beginning Unencumbered Cash Balance	16	17	1
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - HISTORICAL SOCIETY
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 30,891	\$ 30,489	\$ (402)
Delinquent tax		558	558
Motor vehicle tax	2,265	2,318	53
Vehicles rent excise tax		68	68
16/20M vehicle tax	70	69	(1)
Recreation vehicle tax	53	58	5
Neighborhood revitalization rebate		(21)	(21)
TOTAL CASH RECEIPTS	33,279	33,539	260
Expenditures:			
Contractual and other expenditures	100	23	77
Material and supplies	30,618		30,618
Allocations and distributions	50,000	45,475	4,525
TOTAL EXPENDITURES	80,718	45,498	35,220
RECEIPTS OVER (UNDER) EXPENDITURES	(47,439)	(11,959)	35,480
Beginning Unencumbered Cash Balance	47,439	94,801	47,362
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 82,842	\$ 82,842

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - SPECIAL PARKS AND RECREATION
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Local alcohol liquor tax	\$ 9,117	\$ 4,960	\$ (4,157)
Expenditures:			
Allocations and distributions	41,957	1,280	40,677
RECEIPTS OVER (UNDER) EXPENDITURES	(32,840)	3,680	36,520
Beginning Unencumbered Cash Balance	32,840	73,431	40,591
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 77,111</u>	<u>\$ 77,111</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - SPECIAL ALCOHOL PROGRAM
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Local alcohol liquor tax	\$ 22,895	\$ 17,569	\$ (5,326)
Expenditures:			
Allocations and distributions	62,812	22,000	40,812
RECEIPTS OVER (UNDER) EXPENDITURES	(39,917)	(4,431)	35,486
Beginning Unencumbered Cash Balance	39,917	78,072	38,155
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 73,641</u>	<u>\$ 73,641</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - REGIONAL LIBRARY EMPLOYEE BENEFIT FUND
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 30,558	\$ 30,422	\$ (136)
Delinquent tax		316	316
Motor vehicle tax	1,713	1,797	84
16/20M vehicle tax	62	61	(1)
Recreation vehicle tax	43	48	5
TOTAL CASH RECEIPTS	32,376	32,644	268
Expenditures:			
Allocations and distributions	32,793	32,793	-
RECEIPTS OVER (UNDER) EXPENDITURES	(417)	(149)	268
Beginning Unencumbered Cash Balance	417	364	(53)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 215	\$ 215

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - NOXIOUS WEED CHEMICAL
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Charges for services	\$ 175,000	\$ 154,402	\$ (20,598)
Reimbursements and grants		47	47
TOTAL CASH RECEIPTS	<u>175,000</u>	<u>154,449</u>	<u>(20,551)</u>
Expenditures:			
Material and supplies	317,313	144,429	172,884
Capital Outlay	2,350	2,308	42
Miscellaneous		193	(193)
TOTAL EXPENDITURES	<u>319,663</u>	<u>146,930</u>	<u>172,733</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(144,663)	7,519	152,182
Beginning Unencumbered Cash Balance	<u>144,663</u>	<u>165,735</u>	<u>21,072</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 173,254</u>	<u>\$ 173,254</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - E-911
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$	\$ 10,185	\$ 10,185
Use of property		221	221
Reimbursements and grants		1,113	1,113
TOTAL CASH RECEIPTS	-	11,519	11,519
Expenditures:			
Contractual and other expenditures	85,847	13,982	71,865
RECEIPTS OVER (UNDER) EXPENDITURES	(85,847)	(2,463)	83,384
Beginning Unencumbered Cash Balance	85,847	156,982	71,135
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 154,519	\$ 154,519

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - COUNTY 911 FUND
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Use of property	\$	\$ 104,273	\$ 104,273
Expenditures:			
RECEIPTS OVER (UNDER) EXPENDITURES	-	104,273	104,273
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 104,273	\$ 104,273

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
NON-BUDGETED SPECIAL PURPOSE FUNDS - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Special Highway Improvement	Attorney Check Fee	Attorney Forfeiture	Law Enforcement Trust Fund	Capital Improvement
Cash Receipts:					
Licenses and permits	\$	\$ 540	\$	\$	\$
Miscellaneous receipts		3,450	1,808	10,243	
Debt proceeds	332,254				
Transfers in	400,000				1,500,000
TOTAL CASH RECEIPTS	<u>732,254</u>	<u>3,990</u>	<u>1,808</u>	<u>10,243</u>	<u>1,500,000</u>
Expenditures:					
Personnel expenditures					
Contractual and other expenditures	596,971		615	12	
Material and supplies		312		5,240	
Capital Outlay				2,250	
Debt payments:					
Interest	904				
Operating transfers					13,000,000
TOTAL EXPENDITURES	<u>597,875</u>	<u>312</u>	<u>615</u>	<u>7,502</u>	<u>13,000,000</u>
RECEIPTS OVER (UNDER) EXPENDITURES	134,379	3,678	1,193	2,741	(11,500,000)
Beginning Unencumbered Cash Balance	<u>1,897,879</u>	<u>19,281</u>	<u>2,213</u>	<u>3,346</u>	<u>12,507,985</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 2,032,258</u>	<u>\$ 22,959</u>	<u>\$ 3,406</u>	<u>\$ 6,087</u>	<u>\$ 1,007,985</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
NON-BUDGETED SPECIAL PURPOSE FUNDS - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	<u>Equipment Reserve</u>	<u>Prosecuting Attorney Training</u>	<u>Special Auto</u>	<u>Deeds Technology</u>	<u>Offender Registration</u>
Cash Receipts:					
Licenses and permits	\$	\$	\$ 186,216	\$ 44,378	\$ 3,580
Miscellaneous receipts		2,546			
Debt proceeds					
Transfers in	81,925				
TOTAL CASH RECEIPTS	<u>81,925</u>	<u>2,546</u>	<u>186,216</u>	<u>44,378</u>	<u>3,580</u>
Expenditures:					
Personnel expenditures			19,825		
Contractual and other expenditures		4,032	3,569	11,297	1,000
Material and supplies			8,899	24	
Capital Outlay	53,251			8,280	2,250
Debt payments:					
Interest					
Operating transfers			160,061		
TOTAL EXPENDITURES	<u>53,251</u>	<u>4,032</u>	<u>192,355</u>	<u>19,601</u>	<u>3,250</u>
RECEIPTS OVER (UNDER) EXPENDITURES	28,674	(1,486)	(6,139)	24,777	330
Beginning Unencumbered Cash Balance	<u>324,865</u>	<u>11,126</u>	<u>160,061</u>	<u>40,182</u>	<u>4,912</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 353,539</u>	<u>\$ 9,640</u>	<u>\$ 153,922</u>	<u>\$ 64,959</u>	<u>\$ 5,242</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
CAPITAL PROJECT FUNDS - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	<u>Timber Creek Stormwater</u>	<u>Whispering Meadows Construction</u>	<u>Jail/ Courthouse Project</u>
Cash Receipts:			
Licenses and permits	375		
Charges for services		210,516	
Use of property		46	
Debt proceeds	44,800	240,065	
Transfers in	400		13,000,000
	<u>45,575</u>	<u>450,627</u>	<u>13,000,000</u>
TOTAL CASH RECEIPTS			
Expenditures:			
Contractual and other expenditures	603	290,241	6,461,945
Material and supplies			477
Debt payments:			
Principal	11,200	135,000	
Interest	44	992	
	<u>11,847</u>	<u>426,233</u>	<u>6,462,422</u>
TOTAL EXPENDITURES			
RECEIPTS OVER (UNDER) EXPENDITURES	33,728	24,394	6,537,578
Beginning Unencumbered Cash Balance	<u>269</u>		<u>292,061</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 33,997</u>	<u>\$ 24,394</u>	<u>\$ 6,829,639</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - BLUE TOWNSHIP SEWER OPERATIONS
BUSINESS FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 500,000	\$ 569,472	\$ 69,472
Charges for services		752	752
Miscellaneous receipts		358	358
	<u>500,000</u>	<u>570,582</u>	<u>70,582</u>
TOTAL CASH RECEIPTS	<u>500,000</u>	<u>570,582</u>	<u>70,582</u>
Expenditures:			
Personnel expenditures	32,000	22,718	9,282
Contractual and other expenditures	379,300	285,639	93,661
Material and supplies	14,500	9,252	5,248
Capital Outlay	4,000		4,000
Debt payments:			
Principal	43,650	111,131	(67,481)
Interest	156,000	77,669	78,331
Operating transfers	56,000	25,248	30,752
	<u>685,450</u>	<u>531,657</u>	<u>153,793</u>
TOTAL EXPENDITURES	<u>685,450</u>	<u>531,657</u>	<u>153,793</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(185,450)	38,925	224,375
Beginning Unencumbered Cash Balance	253,262	436,579	183,317
Adjustment to unencumbered cash for prior year cancelled encumbrances		2,449	2,449
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 67,812</u>	<u>\$ 477,953</u>	<u>\$ 410,141</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS - BLUE TOWNSHIP SEWER RESERVE
BUSINESS FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Cash Receipts:

Licenses and permits	\$ 107,300
Charges for services	2,500
Reimbursements and grants	270,321
Debt proceeds	90,795
Transfers in	<u>25,248</u>

TOTAL CASH RECEIPTS 496,164

Expenditures:

Contractual and other expenditures	<u>64,992</u>
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RECEIPTS OVER (UNDER) EXPENDITURES 431,172

Beginning Unencumbered Cash Balance 146,752

ENDING UNENCUMBERED CASH BALANCE \$ 577,924

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - TIMBERCREEK WATER OPERATIONS
BUSINESS FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Sales and compensating use tax	\$	\$ 302	\$ 302
Licenses and permits	144,720	173,680	28,960
Miscellaneous receipts		354	354
TOTAL CASH RECEIPTS	144,720	174,336	29,616
Expenditures:			
Personnel expenditures	34,500	31,055	3,445
Contractual and other expenditures	54,500	44,969	9,531
Material and supplies	19,450	13,140	6,310
Capital Outlay	3,000		3,000
Operating transfers	45,000	44,702	298
TOTAL EXPENDITURES	156,450	133,866	22,584
RECEIPTS OVER (UNDER) EXPENDITURES	(11,730)	40,470	52,200
Beginning Unencumbered Cash Balance	84,891	98,511	13,620
ENDING UNENCUMBERED CASH BALANCE	\$ 73,161	\$ 138,981	\$ 65,820

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - FOSTORIA SEWER OPERATIONS
BUSINESS FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Miscellaneous receipts	\$ 2,000	\$ 2,823	\$ 823
Expenditures:			
Contractual and other expenditures	3,000	1,168	1,832
Material and supplies	16,001		16,001
TOTAL EXPENDITURES	19,001	1,168	17,833
RECEIPTS OVER (UNDER) EXPENDITURES	(17,001)	1,655	18,656
Beginning Unencumbered Cash Balance	17,001	24,894	7,893
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 26,549	\$ 26,549

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS - FOSTORIA SEWER RESERVE
BUSINESS FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Cash Receipts:

Miscellaneous receipts \$ 1,090

Expenditures:

RECEIPTS OVER (UNDER) EXPENDITURES 1,090

Beginning Unencumbered Cash Balance 14,914

ENDING UNENCUMBERED CASH BALANCE \$ 16,004

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - BROOK RIDGE SEWER OPERATIONS
BUSINESS FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 2,750	\$ 3,502	\$ 752
Expenditures:			
Contractual and other expenditures	2,350	1,021	1,329
Material and supplies	625	486	139
TOTAL EXPENDITURES	<u>2,975</u>	<u>1,507</u>	<u>1,468</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(225)	1,995	2,220
Beginning Unencumbered Cash Balance	<u>1,429</u>	<u>2,955</u>	<u>1,526</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 1,204</u></u>	<u><u>\$ 4,950</u></u>	<u><u>\$ 3,746</u></u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - BROOK RIDGE SEWER MAINTENANCE
BUSINESS FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Special assessments	\$ 3,417	\$ 1,928	\$ (1,489)
Expenditures:			
Contractual and other expenditures	4,250	753	3,497
Material and supplies	250		250
TOTAL EXPENDITURES	4,500	753	3,747
RECEIPTS OVER (UNDER) EXPENDITURES	(1,083)	1,175	2,258
Beginning Unencumbered Cash Balance	1,221	5,018	3,797
ENDING UNENCUMBERED CASH BALANCE	\$ 138	\$ 6,193	\$ 6,055

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS - BROOK RIDGE SEWER RESERVE
BUSINESS FUND - (SCHEDULE 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Cash Receipts:

Licenses and permits

\$ _____

Expenditures:

RECEIPTS OVER (UNDER) EXPENDITURES

-

Beginning Unencumbered Cash Balance

_____ 9,500

ENDING UNENCUMBERED CASH BALANCE

_____ \$ 9,500

See independent auditors' report.

**SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
AGENCY FUNDS (SCHEDULE 3)**

POTTAWATOMIE COUNTY, KANSAS

For the Year Ended December 31, 2012

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Distributable Funds:				
Ad Valorem Taxes:				
Current real estate	\$ 19,455,252	\$ 38,337,290	\$ 36,304,650	\$ 21,487,892
Current personal property	718,490	1,054,761	1,155,493	617,758
Current 16/20M vehicle	33,274	54,225	52,001	35,498
Delinquent real estate	188,905	484,608	529,574	143,939
Delinquent personal property	4,982	35,276	34,457	5,801
Delinquent 16/20M vehicle	398	2,403	2,764	37
Motor vehicle	414,126	1,946,721	1,924,547	436,300
Excise tax holding fund	25,727	62,307	65,005	23,029
Total Distributable Funds	20,841,154	41,977,591	40,068,491	22,750,254
State Funds:				
State education building		437,225	437,225	-
State institutional building		218,614	218,614	-
State General Fund		13	13	-
Total State Funds	-	655,852	655,852	-
Subdivision Funds:				
Cities	427,491	5,052,328	5,072,798	407,021
Townships		204,612	204,612	-
School districts		19,108,401	19,108,401	-
Hospital districts	3,795	1,262,374	1,261,150	5,019
Drainage districts	3,848	18,130	18,064	3,914
Cemetery districts		26,680	26,680	-
Watershed districts	953	210,207	210,109	1,051
Rural water districts	8,219	7	548	7,678
Total Subdivision Funds	444,306	25,882,739	25,902,362	424,683

See independent auditors' report.

**SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
AGENCY FUNDS (SCHEDULE 3)**

POTTAWATOMIE COUNTY, KANSAS

For the Year Ended December 31, 2012

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Other Agency Funds:				
Game licenses		1,990	1,990	-
Kansas waterfowl stamp		90	90	-
Brook Ridge sewer agency		1,085	1,085	-
Blue Township sewer agency		6,888	6,348	540
County activity fund	1,052	802	827	1,027
Cereal malt beverage stamp		250	250	-
Kansas drivers license		38,098	38,098	-
Motor license		1,347,960	1,347,960	-
Over and under		84,587	84,587	-
Sales tax		791,391	791,391	-
Unclaimed estates	3,934		406	3,528
Neighborhood revitalization		36,656	36,656	-
Community development block grant		46,560	42,680	3,880
Total Other Agency Funds	4,986	2,356,357	2,352,368	8,975
	21,290,446	70,872,539	68,979,073	23,183,912
Outside Accounts Considered to be Agency Funds				
District Court	33,015	1,099,804	970,231	162,588
Pottawatomie County Sheriff	2,095	54,455	53,504	3,046
Law Library	6,291	16,766	12,158	10,899
	41,401	1,171,025	1,035,893	176,533
TOTAL AGENCY FUNDS	\$ 21,331,847	\$ 72,043,564	\$ 70,014,966	\$ 23,360,445

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RELATED MUNICIPAL ENTITY
GENERAL FUND - (SCHEDULE 4)**

POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 1

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 61,580	\$ 62,145	\$ 565
Delinquent tax		353	353
Motor vehicle tax	4,362	4,435	73
16/20M vehicle tax	325	274	(51)
Recreation vehicle tax	63	58	(5)
TOTAL CASH RECEIPTS	<u>66,330</u>	<u>67,265</u>	<u>935</u>
Expenditures:			
Allocations and distributions	<u>67,533</u>	<u>67,250</u>	<u>283</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(1,203)	15	1,218
Beginning Unencumbered Cash Balance	<u>1,203</u>	<u>266</u>	<u>(937)</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ -</u></u>	<u><u>\$ 281</u></u>	<u><u>\$ 281</u></u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RELATED MUNICIPAL ENTITY
GENERAL FUND - (SCHEDULE 4)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 2

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 19,000	\$ 18,904	\$ (96)
Delinquent tax		160	160
Motor vehicle tax	1,507	1,520	13
16/20M vehicle tax	114	118	4
Recreation vehicle tax	71	38	(33)
Reimbursements and grants		2	2
Miscellaneous receipts		106	106
TOTAL CASH RECEIPTS	20,692	20,848	156
Expenditures:			
Contractual and other expenditures	6,400	6,121	279
Material and supplies	2,975	2,578	397
Capital Outlay	13,984	13,975	9
TOTAL EXPENDITURES	23,359	22,674	685
RECEIPTS OVER (UNDER) EXPENDITURES	(2,667)	(1,826)	841
Beginning Unencumbered Cash Balance	2,667	16,842	14,175
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 15,016	\$ 15,016

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RELATED MUNICIPAL ENTITY
GENERAL FUND - (SCHEDULE 4)**

POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 3

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 30,000	\$ 29,791	\$ (209)
Delinquent tax		371	371
Motor vehicle tax	2,299	2,358	59
16/20M vehicle tax	384	296	(88)
Recreation vehicle tax	86	91	5
Charges for services		15,500	15,500
Reimbursements and grants		10,656	10,656
Miscellaneous receipts		45	45
TOTAL CASH RECEIPTS	32,769	59,108	26,339
Expenditures:			
Contractual and other expenditures	21,000	17,492	3,508
Material and supplies	13,500	14,419	(919)
Capital Outlay	5,861		5,861
Adjustment for qualifying budget credit	2,839		2,839
TOTAL EXPENDITURES	43,200	31,911	11,289
RECEIPTS OVER (UNDER) EXPENDITURES	(10,431)	27,197	37,628
Beginning Unencumbered Cash Balance	10,431	19,765	9,334
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 46,962	\$ 46,962

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RELATED MUNICIPAL ENTITY
GENERAL FUND - (SCHEDULE 4)**

POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 4

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 12,000	\$ 11,885	\$ (115)
Delinquent tax		123	123
Motor vehicle tax	1,083	1,286	203
16/20M vehicle tax	132	82	(50)
Recreation vehicle tax	7	29	22
Reimbursements and grants		2	2
Miscellaneous receipts		52	52
TOTAL CASH RECEIPTS	13,222	13,459	237
Expenditures:			
Personnel expenditures	1,500	1,180	320
Contractual and other expenditures	6,000	5,095	905
Material and supplies	10,000	7,253	2,747
Capital Outlay	40,370	26,000	14,370
TOTAL EXPENDITURES	57,870	39,528	18,342
RECEIPTS OVER (UNDER) EXPENDITURES	(44,648)	(26,069)	18,579
Beginning Unencumbered Cash Balance	44,648	78,919	34,271
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 52,850	\$ 52,850

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RELATED MUNICIPAL ENTITY
GENERAL FUND - (SCHEDULE 4)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 5

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 130,000	\$ 127,855	\$ (2,145)
Delinquent tax		5,734	5,734
Motor vehicle tax	14,256	15,467	1,211
Vehicles rent excise tax		2	2
16/20M vehicle tax	250	272	22
Recreation vehicle tax	267	320	53
Reimbursements and grants		3,488	3,488
Miscellaneous receipts		4,223	4,223
TOTAL CASH RECEIPTS	144,773	157,361	12,588
Expenditures:			
Personnel expenditures	5,000	4,095	905
Contractual and other expenditures	25,000	24,001	999
Material and supplies	43,000	46,216	(3,216)
Capital Outlay	86,591	78,284	8,307
Adjustment for qualifying budget credit	3,488		3,488
TOTAL EXPENDITURES	163,079	152,596	10,483
RECEIPTS OVER (UNDER) EXPENDITURES	(18,306)	4,765	23,071
Beginning Unencumbered Cash Balance	18,306	18,245	(61)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 23,010	\$ 23,010

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RELATED MUNICIPAL ENTITY
GENERAL FUND - (SCHEDULE 4)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 6

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 19,000	\$ 18,837	\$ (163)
Delinquent tax		522	522
Motor vehicle tax	2,363	2,186	(177)
16/20M vehicle tax	215	226	11
Recreation vehicle tax	80	114	34
Reimbursements and grants		3,500	3,500
Miscellaneous receipts		123	123
TOTAL CASH RECEIPTS	21,658	25,508	3,850
Expenditures:			
Personnel expenditures	1,200	1,156	44
Contractual and other expenditures	8,000	7,151	849
Material and supplies	8,000	5,075	2,925
Capital Outlay	12,000	15,407	(3,407)
TOTAL EXPENDITURES	32,700	28,789	3,911
RECEIPTS OVER (UNDER) EXPENDITURES	(11,042)	(3,281)	7,761
Beginning Unencumbered Cash Balance	11,042	10,302	(740)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 7,021	\$ 7,021

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RELATED MUNICIPAL ENTITY
GENERAL FUND - (SCHEDULE 4)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 7

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 42,000	\$ 39,405	\$ (2,595)
Delinquent tax		220	220
Motor vehicle tax	5,775	5,964	189
16/20M vehicle tax	122	156	34
Recreation vehicle tax	219	200	(19)
Reimbursements and grants		34	34
Miscellaneous receipts		12	12
TOTAL CASH RECEIPTS	48,116	45,991	(2,125)
Expenditures:			
Contractual and other expenditures	10,000	9,462	538
Material and supplies	5,500	5,078	422
Capital Outlay	43,021	43,000	21
TOTAL EXPENDITURES	58,521	57,540	981
RECEIPTS OVER (UNDER) EXPENDITURES	(10,405)	(11,549)	(1,144)
Beginning Unencumbered Cash Balance	10,405	31,826	21,421
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 20,277	\$ 20,277

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RELATED MUNICIPAL ENTITY
GENERAL FUND - (SCHEDULE 4)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 8

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 25,000	\$ 24,975	\$ (25)
Delinquent tax		11	11
Motor vehicle tax	86	77	(9)
16/20M vehicle tax	1	2	1
Recreation vehicle tax	3	3	-
Reimbursements and grants		164	164
Miscellaneous receipts		189	189
TOTAL CASH RECEIPTS	25,090	25,421	331
Expenditures:			
Contractual and other expenditures	14,000	13,442	558
Material and supplies	15,000	12,982	2,018
Capital Outlay	15,468		15,468
TOTAL EXPENDITURES	44,468	26,424	18,044
RECEIPTS OVER (UNDER) EXPENDITURES	(19,378)	(1,003)	18,375
Beginning Unencumbered Cash Balance	19,378	72,510	53,132
Adjustment to unencumbered cash for prior year cancelled encumbrances		36	36
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 71,543	\$ 71,543

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS - RELATED MUNICIPAL ENTITY
GENERAL FUND - (SCHEDULE 4)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 10

Year Ended December 31, 2012

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 90,000	\$ 88,066	\$ (1,934)
Delinquent tax		2,264	2,264
Motor vehicle tax	13,881	14,961	1,080
16/20M vehicle tax	196	174	(22)
Recreation vehicle tax	382	398	16
Reimbursements and grants		4,999	4,999
Miscellaneous receipts		189	189
TOTAL CASH RECEIPTS	104,459	111,051	6,592
Expenditures:			
Personnel expenditures	4,500	4,095	405
Contractual and other expenditures	25,000	24,015	985
Material and supplies	24,000	22,414	1,586
Capital Outlay	62,685	38,364	24,321
TOTAL EXPENDITURES	116,185	88,888	27,297
RECEIPTS OVER (UNDER) EXPENDITURES	(11,726)	22,163	33,889
Beginning Unencumbered Cash Balance	11,726	37,037	25,311
Adjustment to unencumbered cash for prior year cancelled encumbrances		1,319	1,319
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 60,519	\$ 60,519

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
RELATED MUNICIPAL ENTITY - (SCHEDULE 4)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 10 RESERVE

Year Ended December 31, 2012

Cash Receipts:	\$ _____
Expenditures:	_____
RECEIPTS OVER (UNDER) EXPENDITURES	-
Beginning Unencumbered Cash Balance	_____ 14,333
ENDING UNENCUMBERED CASH BALANCE	\$ <u>14,333</u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
RELATED MUNICIPAL ENTITY - (SCHEDULE 4)**

POTTAWATOMIE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Year Ended December 31, 2012

Cash Receipts:	
Special projects	512,220
Proceeds from disposition of property	419,964
Use of property	6,955
Miscellaneous receipts	2,343
Transfers from primary government	<u>170,000</u>
TOTAL CASH RECEIPTS	<u>1,111,482</u>
Expenditures:	
Personnel expenditures	125,241
Contractual and other expenditures	785,536
Material and supplies	8,975
Capital Outlay	6,040
Miscellaneous	<u>350</u>
TOTAL EXPENDITURES	<u>926,142</u>
RECEIPTS OVER (UNDER) EXPENDITURES	185,340
Beginning Unencumbered Cash Balance	<u>22,054</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 207,394</u></u>

See independent auditors' report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
RELATED MUNICIPAL ENTITY - (SCHEDULE 4)**

POTTAWATOMIE COUNTY EXTENSION COUNCIL

Year Ended December 31, 2012

Cash Receipts:

Interest revenue	\$ 134
Reimbursements and grants	3,831
Kansas State University reimbursement	35,776
Educational services	9,239
Transfers from primary government	<u>185,841</u>

TOTAL CASH RECEIPTS	<u>234,821</u>
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Expenditures:

Personnel expenditures	107,386
Personnel expenditures reimbursed by Kansas State University	35,776
Employee benefits	26,019
Contractual and other expenditures	40,732
Contractual and other expenditures - grant expenditures	975
Material and supplies	<u>6,986</u>

TOTAL EXPENDITURES	<u>217,874</u>
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RECEIPTS OVER (UNDER) EXPENDITURES	16,947
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Beginning Unencumbered Cash Balance	<u>37,098</u>
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ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 54,045</u></u>
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See independent auditors' report.

OTHER INFORMATION

SCHEDULE 5 - COMPOSITION OF ENDING CASH BALANCES

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

COUNTY TREASURER

Checking account:

Farmers State Bank, Westmoreland \$ 13,414,233

Savings account:

First National Bank, Wamego 7,678

Certificates of deposits:

Union State Bank, Olsburg 400,000

Morrill & Janes, Onaga 2,000,000

First National Bank, Wamego 7,000,000

Kansas State Bank, Manhattan 2,000,000

Bennington State Bank, Wamego 5,006,054

16,406,054

Change fund and petty cash 850

Municipal Investment Pool 17,001,367

TOTAL COUNTY TREASURER \$ 46,830,182

CLERK OF THE DISTRICT COURT

Checking:

Farmers State Bank, Westmoreland 162,588

POTTAWATOMIE COUNTY SHERIFF

Checking:

Farmers State Bank, Westmoreland 3,046

LAW LIBRARY

Checking:

Farmers State Bank, Westmoreland 10,899

COMPONENT UNITS

Pottawatomie County Economic Development Corp. 208,484

Pottawatomie County Extension Council 54,045

262,529

TOTAL CASH BALANCES \$ 47,269,244

See independent auditors' report.

SCHEDULE 6 - TAX ROLL RECONCILIATION

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

2011 Tax roll - as adjusted:

County Clerk's abstract of 2011 tax roll	\$ 37,986,069
Special assessments	1,778,480
16/20 M trucks	54,616
Personal Property under \$5	(457)
General tax differences	143
Adjustments to original tax roll:	
Added taxes	18,045
Abated taxes	<u>(214,770)</u>

Adjusted 2011 tax roll \$ 39,622,126

2011 Tax roll - as accounted for:

Collections during 2011 through December 2011	21,059,059
Collections during 2012 through September 2012	18,092,988
Refunds through September 2012	<u>(39,345)</u>

Net tax roll collections 39,112,702

Delinquent personal property as of September 30, 2012	43,509
Delinquent real estate taxes as of September 30, 2012	<u>465,915</u>

Net delinquent taxes 509,424

2011 tax roll accounted for \$ 39,622,126

See independent auditors' report.

**SCHEDULE 7 - RECEIPTS AND DISBURSEMENTS
CLERK OF THE DISTRICT COURT**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Balance, Beginning of Year		<u>\$ 33,015</u>
Receipts:		
Judgements, restitutions, etc.	\$ 567,640	
Clerk fees - State	142,516	
Clerk fees - County	4,734	
Fines	99,905	
Law enforcement training center	18,710	
Refund	506	
Law library	14,187	
State attorney fee	21,711	
County attorney fee	40,030	
Marriage license fees	4,189	
Interest	148	
Prosecuting attorney training center	2,566	
Indigent defense fees	2,630	
Judicial branch surcharge	52,621	
Criminal probation fee	5,124	
Forfeitures	100	
Other	<u>36,310</u>	
	TOTAL RECEIPTS	1,013,627
Expenditures:		
To State Treasurer:		
Clerk fees	142,516	
Fines	99,905	
Law enforcement training center	18,710	
State attorney fees	21,711	
Marriage license fees	4,189	
Interest	144	
Reinstatement fees	1,986	
Indigent defense fees	<u>2,630</u>	
	TOTAL EXPENDITURES TO STATE TREASURER	<u>291,791</u>

See independent auditors' report.

**SCHEDULE 7 - RECEIPTS AND DISBURSEMENTS
CLERK OF THE DISTRICT COURT**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Expenditures:

To County Treasurer:

County attorney fees	40,030
Refund	506
Law library	14,187
Clerk fees	4,734
Prosecuting attorney training	2,566
Other	39,748

TOTAL EXPENDITURES TO COUNTY TREASURER 101,771

Judgement, restitutions, and other	437,771
Judicial branch surcharge	52,621
Forfeitures	100

TOTAL OTHER EXPENDITURES 490,492

TOTAL EXPENDITURES 884,054

BALANCE, END OF YEAR \$ 162,588

Composition of ending balance:

Cash in Farmers State Bank, Westmoreland, Kansas	<u><u>\$ 162,588</u></u>
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See independent auditors' report.

**SCHEDULE 7 - RECEIPTS AND DISBURSEMENTS
COUNTY SHERIFF**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Balance, Beginning of Year	<u>\$ 2,095</u>
Receipts:	
VIN fees	21,880
Miscellaneous fees	14,998
Sheriff's fees	9,179
Concealed carry fees	4,778
Offender registration fees	<u>3,620</u>
TOTAL RECEIPTS	<u>54,455</u>
Expenditures:	
To County Treasurer:	
VIN fees	21,605
Sheriff's fees	8,880
Concealed carry fees	4,420
Offender registration fees	<u>3,580</u>
TOTAL EXPENDITURES TO COUNTY TREASURER	<u>38,485</u>
Other expenditures	<u>15,019</u>
TOTAL EXPENDITURES	<u>53,504</u>
BALANCE, END OF YEAR	<u><u>\$ 3,046</u></u>
Composition of ending balance:	
Cash in Farmers State Bank, Westmoreland, Kansas	<u><u>\$ 3,046</u></u>

See independent auditors' report.

**SCHEDULE 7 - RECEIPTS AND DISBURSEMENTS
LAW LIBRARY**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

Balance, Beginning of Year	<u>\$ 6,291</u>
Receipts:	
Deposits of District Court	16,086
Dues	540
Miscellaneous	<u>140</u>
TOTAL RECEIPTS	<u>16,766</u>
Expenditures:	
West Payment	517
Jackson County Law Library	6,706
Salary	1,200
Secretary of State	330
Reimbursement	3,124
Miscellaneous	<u>281</u>
TOTAL EXPENDITURES	<u>12,158</u>
BALANCE, END OF YEAR	<u><u>\$ 10,899</u></u>
Composition of ending balance:	
Cash in Farmers State Bank, Westmoreland, Kansas	<u><u>\$ 10,899</u></u>

See independent auditors' report.

SCHEDULE 8 - ACCOUNTS RECEIVABLE - CHARGES, CREDITS, AND BALANCE

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

COUNTY ENGINEER

Balance, Beginning of Year	\$	
Add charges:		
Sales of services, material, and equipment		269,220
Less credits:		
Collected on account		<u>269,220</u>
Balance, End of Year	\$	<u><u>-</u></u>

NOXIOUS WEED

Balance, Beginning of Year	\$	1,590
Add charges:		
Sales of services, material, and equipment		153,979
Less credits:		
Collected on account		<u>154,358</u>
Balance, End of Year	\$	<u><u>1,211</u></u>

See independent auditors' report.

SCHEDULE 8 - ACCOUNTS RECEIVABLE - CHARGES, CREDITS, AND BALANCE

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2012

COUNTY HEALTH DEPARTMENT

Balance, Beginning of Year	\$	3,210
Add charges:		
Services provided		97,371
Other charges		<u>1,305</u>
Total Charges and Increases		<u>98,676</u>
Less credits:		
Collections:		
Insurance carriers		9,304
Medicaid		2,862
Medicare		12,090
Client and contracts		26,040
Adjustments and write-off's		<u>46,237</u>
Total Payments and Adjustments		<u>96,533</u>
Balance, End of Year	\$	<u><u>5,353</u></u>
Schedule of Aged Receivables:		
Under 30 days		1,529
30 - 60 days		924
60 - 90 days		435
90 - 365 days		1,936
Over 365 days		<u>529</u>
Balance, End of Year	\$	<u><u>5,353</u></u>

See independent auditors' report.