



EDW.B.
STEPHENSON
& CO.

CERTIFIED
PUBLIC
ACCOUNTANTS

COWLEY COUNTY, KANSAS

WINFIELD, KANSAS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,2005

1002 Main Winfield.
KS 67156 (620) 221-
9320

COWLEY COUNTY, KANSAS

WINFIELD, KANSAS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005

Prepared By

Edw. B. Stephenson & Co.
Certified Public Accountants
Winfield, Kansas

COWLEY COUNTY, KANSAS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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COWLEY COUNTY, KANSAS
FINICIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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**EDW. B
STEPHENSON
& Co.**

**CERTIFIED PUBLIC
ACCOUNTANTS**

EDW. B. STEPHENSON (1905-
1985)

JAMES R. DOBBS (1927-1997)

MORRIS W. JARVIS (1935-
1999)

HARRY L. SHETLAR, JR.
(1931-2000)

N. DEAN BRADBURY (1936-
2005)

PARTNERS

LOREN L. PONTIOUS, C.P.A.

MAURICE P ROBERTS, C.P.A.

AARON R IVERSON, C.P.A.

STAFF ACCOUNTANTS

LEROY CAMMERER

TAMMY SCHAFFER

BRADY A. DUTTON

MEUSSA J. SCHOOLEY

INDEPENDENT AUDITORS' REPORT

To the Cowley County Commissioners
Cowley County Courthouse Winfield,
Kansas 67156

We have audited the accompanying financial statements of Cowley County, Kansas, as of and for the year ended December 31, 2005, as listed in the Table of Contents, except as listed below. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note **I**, the County's policy is to prepare financial statements on a prescribed basis of accounting that demonstrates compliance with the cash-basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, because of the County's policy to prepare its financial statements on the basis of accounting discussed in the third paragraph above, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Cowley County, Kansas, as of December 31, 2005, the results of its operations for or the cash flows of its proprietary fund types for the year then ended.

Also, in our opinion, except for the omission described in the fourth paragraph above, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balance of Cowley County, Kansas, as of December 31, 2005, and its cash receipts, cash disbursements, and expenditures compared to budget for the year then ended on the basis of accounting described in Note **I**.

COWLEY COUNTY, KANSAS
SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
FOR THE YEAR ENDED DECEMBER 31, 2005

STATEMENT -1-

PAGE 1 OF 3

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General	\$ 219,238.68	\$ 5,384,742.17	\$ 5,345,358.33	\$ 258,622.52	\$ 94,910.78	\$ 353,533.30
Special Revenue:						
Employee Benefit	572,073.97	1,542,825.77	1,433,651.47	681,248.27	381.50	681,629.77
Election	44,502.70	44,643.13	81,452.80	7,693.03	94.48	7,787.51
Economic Development	4,321.46	123,775.08	80,632.96	47,463.58	12.82	47,476.40
Appraiser Cost	1,592.99	422,520.14	422,761.77	1,351.36	31.64	1,383.00
Noxious Weed	42,653.78	172,113.08	170,628.84	44,138.02	7,890.83	52,028.85
Road and Bridge	88,724.70	2,893,034.36	2,854,073.52	127,685.54	1,138.09	128,823.63
Special Parks and Recreation	2,450.44	5,079.05	2,450.44	5,079.05	-	5,079.05
Special Alcohol Programs	2,516.32	5,079.07	4,000.00	3,595.39	-	3,595.39
Special Sales Tax 2005 Bonds	-	142,721.12	-	142,721.12	-	142,721.12
Special Equipment Reserve	553,011.12	84,494.82	142,356.83	495,149.11	6,594.95	501,744.06
911 System	157,441.94	138,668.13	119,814.77	176,295.30	3,039.07	179,334.37
911 Wireless	13,076.92	37,073.70	-	50,150.62	-	50,150.62
Special Machinery	297,368.78	285,707.93	241,801.64	341,275.07	-	341,275.07
Capital Improvements	332,921.75	8,560,073.57	1,339,950.77	7,553,044.55	166,937.98	7,719,982.53
Special Highway Improvement	316,195.42	202,273.94	271,075.00	247,394.36	-	247,394.36
Community Corrections	118,235.88	166,953.91	279,449.07	5,740.72	584.80	6,325.52
Juvenile Service	144,764.55	401,310.29	418,631.05	127,443.79	-	127,443.79
Mental Health Counseling Center	825,677.92	4,069,195.17	4,163,626.76	731,246.33	437,348.87	1,168,595.20
Prosecuting Attorney Training	3,621.54	2,783.00	3,865.72	2,538.82	325.00	2,863.82
Drug Screening	1,706.64	12,076.09	12,715.65	1,067.08	645.49	1,712.57
Reg Deeds: Technology	53,665.30	51,633.91	19,427.53	85,871.68	-	85,871.68
Grants	13,052.43	281,063.36	293,565.47	550.32	533.98	1,084.30

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS
SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
FOR THE YEAR ENDED DECEMBER 31, 2005

STATEMENT -1-

PAGE 2 OF 3

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Capital Projects:						
Bridge Construction	\$ 267,095.53	\$ 267,000.00	\$ 534,095.53	\$ -	\$ -	\$ -
Debt Service:						
Bond and Interest	59,183.04	298,550.55	18,605.00	339,128.59	20.40	339,148.99
Proprietary:						
Public Works Department	407,355.68	1,022,656.67	964,372.06	465,640.29	57,824.15	523,464.44
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,542,449.48</u>	<u>\$ 26,618,048.01</u>	<u>\$ 19,218,362.98</u>	<u>\$ 11,942,134.51</u>	<u>\$ 778,314.83</u>	<u>\$ 12,720,449.34</u>
Component Units:						
Jt. Board of Health - General	\$ 197,093.68	\$ 951,118.20	\$ 896,068.15	\$ 252,143.73	\$ 2,190.90	\$ 254,334.63
Law Library	9,463.44	39,119.29	27,439.93	21,142.80	-	21,142.80
Total Component Units	<u>\$ 206,557.12</u>	<u>\$ 990,237.49</u>	<u>\$ 923,508.08</u>	<u>\$ 273,286.53</u>	<u>\$ 2,190.90</u>	<u>\$ 275,477.43</u>
Total Reporting Entity	<u>\$ 4,749,006.60</u>	<u>\$ 27,608,285.50</u>	<u>\$ 20,141,871.06</u>	<u>\$ 12,215,421.04</u>	<u>\$ 780,505.73</u>	<u>\$ 12,995,926.77</u>

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS
SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
FOR THE YEAR ENDED DECEMBER 31, 2005

STATEMENT -1-

PAGE 3 OF 3

Composition of Cash

County General:

Cash on Hand	\$	2,310.00
Demand Account - CornerBank, N.A., Winfield, Ks.		2,500.00
Demand Account - CornerBank, N.A., Winfield, Ks.		1,024,692.62
Money Market Account - Home National Bank, Arkansas City, Ks.		826,061.53
Certificate of Deposit - CornerBank, N.A., Winfield, Ks.		6,800,000.00
Certificate of Deposit - The State Bank, Winfield, Ks.		600,000.00
Certificate of Deposit - Union State Bank, Arkansas City, Ks.		924,402.53
Certificate of Deposit - Home National Bank, Arkansas City, Ks.		1,650,000.00
Certificate of Deposit - Citizens Bank of Kansas, Winfield, Ks.		600,000.00
Certificate of Deposit - Emerald Bank, Burden, Ks.		50,000.00
Repurchase Agreement - CornerBank, N.A., Winfield, Ks.		15,439,431.89
Cowley County Temporary Note due May 12, 2006		267,020.40
Deposits in Transit		79,691.40
Outstanding Checks		(558,511.87)

Mental Health Center Component Unit:

Cash on Hand	\$	325.00
Demand Account - CornerBank, N.A., Winfield, Ks.		230,853.61
Savings Account - CornerBank, N.A., Winfield, Ks.		675,006.59
Savings Account - CornerBank, N.A., Winfield, Ks.		262,410.00
		<u>1,168,595.20</u>

Other Component Units Cash:

Cash on Hand	\$	250.00
Demand Accounts - Various		129,389.05
Certificate of Deposit - Citizens Bank of Kansas, Winfield, Ks.		145,838.38
		<u>275,477.43</u>

Total Cash

\$ 29,151,671.13

Agency Funds Per Statement 4

(16,155,744.36)

Total Reporting Entity (Excluding Agency Funds)

\$ 12,995,926.77

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005

STATEMENT -2-

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Credit	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
General Fund	\$ 5,506,137.00	\$ -	\$ 5,506,137.00	\$ 5,345,358.33	\$ 160,778.67
Special Revenue Funds:					
Employee Benefit	1,742,241.00	-	1,742,241.00	1,433,651.47	308,589.53
Election	106,674.00	-	106,674.00	81,452.80	25,221.20
Economic Development	120,000.00	-	120,000.00	80,632.96	39,367.04
Appraiser Cost	422,364.00	2,497.77	424,861.77	422,761.77	2,100.00
Noxious Weed	175,526.00	-	175,526.00	170,628.84	4,897.16
Road and Bridge	2,598,802.00	267,000.00	2,865,802.00	2,854,073.52	11,728.48
Special Parks and Recreation	5,000.00	-	5,000.00	2,450.44	2,549.56
Special Alcohol Programs	7,878.00	-	7,878.00	4,000.00	3,878.00
911 System	243,815.00	-	243,815.00	119,814.77	124,000.23
Community Corrections	315,304.00	-	315,304.00	279,449.07	35,854.93
Juvenile Service	406,538.00	12,500.00	419,038.00	418,631.05	406.95
Drug Screening	14,131.00	-	14,131.00	12,715.65	1,415.35
Debt Service Funds:					
Bond and Interest	94,774.00	-	94,774.00	18,605.00	76,169.00
Proprietary Funds:					
Public Works Department	1,293,019.00	-	1,293,019.00	964,372.06	328,646.94

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS

STATEMENT -3-

STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET FOR THE YEAR ENDED DECEMBER 31, 2005

(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes:				
Current Ad Valorem Tax	\$ 2,815,787.09	\$ 3,666,607.22	\$ 3,823,065.00	\$ (156,457.78)
Delinquencies/Redemptions	168,784.29	(36,845.92)	70,000.00	(106,845.92)
Intangible Tax	113,232.59	99,097.23	97,225.00	1,872.23
Motor Vehicle Tax	511,520.04	468,933.36	442,284.00	26,649.36
RV Tax	11,245.97	9,439.05	9,023.00	416.05
16/20M Tax	10,527.27	1,106.60	10,472.00	(9,365.40)
Payments in Lieu of Tax	3,009.03	4,926.44	5,000.00	(73.56)
Mineral Property Tax	5,068.08	5,578.84	2,400.00	3,178.84
Liquor Control Tax	2,449.61	5,079.06	2,000.00	3,079.06
Local Ad Valorem Tax Reduction	-	-	-	-
State Revenue Sharing	-	-	-	-
Cereal Malt Beverage Licenses	100.00	100.00	200.00	(100.00)
County Officer Fees	108,571.69	131,577.58	107,000.00	24,577.58
Game License Fees	4,300.00	5,520.70	4,000.00	1,520.70
Mortgage Registration Fees	278,998.21	322,705.04	290,000.00	32,705.04
Motor Vehicle License Fees	48,704.61	76,583.13	61,750.00	14,833.13
Delinquent Personal Tax Fees	126,558.53	81,930.98	80,000.00	1,930.98
Current Tax Penalty	47,733.26	25,848.40	45,000.00	(19,151.60)
Civil Process Fees	8,275.00	20,250.00		20,250.00
Vehicle Tax Penalty	3,734.34	3,620.77	4,000.00	(379.23)
Interest on Idle Funds	104,074.53	162,379.90	90,000.00	72,379.90
Work Release	38,390.16	65,092.54	35,000.00	30,092.54
Indigent Fees	22,485.96	11,647.54	24,000.00	(12,352.46)
Rentals - Farm and Annex	44,387.48	46,016.92	40,000.00	6,016.92
Memorial Lawn Cemetery Fees	32,590.68	30,656.87	30,000.00	656.87
Miscellaneous	21,084.08	84,145.74	22,900.00	61,245.74
Attorney's Diversion	12,367.75	16,774.93	6,500.00	10,274.93
Planning Board	6.89	-	-	-
Other Grants	2,459.50	1,187.00	-	1,187.00
Civil Defense	52,590.66	32,654.43	41,000.00	(8,345.57)
Mental Health Bldg Reimbursement	-	35,500.00	-	35,500.00
Reimbursed Expenses	7,691.37	6,627.82	50,000.00	(43,372.18)
Transfers from Other Funds	154,371.00	-	40,000.00	(40,000.00)
Total Cash Receipts	\$ 4,761,099.67	\$ 5,384,742.17	\$ 5,432,819.00	\$ (48,076.83)

The Accompanying Notes Are an Integral Part of This Statement

COWLEY COUNTY, KANSAS
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

STATEMENT -3-

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures				
Administrative	\$ 725,087.98	\$ 721,462.73	\$ 684,422.00	\$ (37,040.73)
Memorial Lawn Cemetery	79,305.37	79,061.04	66,840.00	(12,221.04)
County Clerk	113,829.97	122,804.22	130,164.00	7,359.78
County Treasurer	156,542.89	175,909.04	177,002.00	1,092.96
County Attorney	249,332.69	319,158.93	291,532.00	(27,626.93)
Register of Deeds	94,847.92	99,576.39	115,922.00	16,345.61
Sheriff	913,220.08	984,159.17	896,566.00	(87,593.17)
Sheriff - Jail	942,296.37	1,025,238.07	1,010,751.00	(14,487.07)
Unified Court	175,267.91	187,693.09	234,675.00	46,981.91
County Engineer	5,702.38	3,851.14	5,800.00	1,948.86
Data Processing	111,070.40	110,152.72	116,041.00	5,888.28
Technology	59,908.12	34,985.74	44,000.00	9,014.26
Civil Defense	120,553.38	116,114.39	132,678.00	16,563.61
Planning Board	-	-	-	-
Drug Task Force	1,616.89	-	-	-
Juvenile Intake	21,962.85	24,260.78	17,050.00	(7,210.78)
Special Law Enforcement	-	4,563.65	-	(4,563.65)
Contingency	-	-	276,000.00	276,000.00
Appropriation - Soil Conservation	24,000.00	25,200.00	25,200.00	-
Appropriation - Council on Aging	142,000.00	142,000.00	142,000.00	-
Appropriation - Ambulance	203,609.00	191,452.00	191,452.00	-
Appropriation - Extension Council	143,874.00	143,874.00	143,874.00	-
Appropriation - Historical Society	47,773.00	47,773.00	47,773.00	-
Appropriation - Joint Health Dept	286,290.00	286,290.00	286,290.00	-
Appropriation - Mental Health Dept	78,121.00	165,621.00	165,621.00	-
Appropriation - Mental Retardation	165,621.00	165,621.00	165,621.00	-
Appropriation - Reach Program	50,902.00	47,863.00	47,863.00	-
Appropriation - Other	-	23,673.23	21,000.00	(2,673.23)
Transfers to Other Funds	221,982.79	97,000.00	70,000.00	(27,000.00)
Legal General Fund Budget	\$ 5,134,717.99	\$ 5,345,358.33	\$ 5,506,137.00	\$ 160,778.67
Adjust for Qualifying Budget Credits	-	-	-	-
Total Expenditures	\$ 5,134,717.99	\$ 5,345,358.33	\$ 5,506,137.00	\$ 160,778.67
Receipts Over (Under) Expenditures	\$ (373,618.32)	\$ 39,383.84		
Unencumbered Cash, Beginning	592,857.00	219,238.68		
Unencumbered Cash, Ending	\$ 219,238.68	\$ 258,622.52		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

EMPLOYEE BENEFIT FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
	Actual	Actual	Budget	
Cash Receipts				
Taxes:				
Current Ad Valorem Taxes	\$ 1,302,981.67	\$ 967,269.16	\$ 1,006,639.00	\$ (39,369.84)
Delinquencies/Redemptions	78,428.76	(17,518.16)	20,000.00	(37,518.16)
Payment in Lieu of Taxes/Other	-	-	200.00	(200.00)
Motor Vehicle Tax	215,376.84	216,358.59	204,657.00	11,701.59
RV Tax	4,724.44	4,360.85	4,175.00	185.85
16/20M Tax	5,042.67	463.16	4,845.00	(4,381.84)
Miscellaneous	3,254.00	58,733.54	-	58,733.54
Reimbursed Expenses	99,531.21	313,158.63	85,611.00	227,547.63
Transfers from Other Funds	-	-	-	-
Total Cash Receipts	<u>\$ 1,709,339.59</u>	<u>\$ 1,542,825.77</u>	<u>\$ 1,326,127.00</u>	<u>\$ 216,698.77</u>
Expenditures				
Health Insurance	\$ 972,573.93	\$ 798,032.53	\$ 992,460.00	\$ 194,427.47
FICA/Medicare	283,072.64	296,023.58	308,703.00	12,679.42
KPERs	95,555.00	119,279.93	131,949.00	12,669.07
Unemployment Insurance	15,459.51	12,590.43	14,258.00	1,667.57
Workmens Compensation	85,594.73	102,167.33	137,831.00	35,663.67
Employee Physicals	4,698.90	6,208.50	5,000.00	(1,208.50)
KP&F	102,361.23	99,349.17	127,040.00	27,690.83
Contingency	-	-	25,000.00	25,000.00
Legal Employee Benefit Fund Budget	<u>\$ 1,559,315.94</u>	<u>\$ 1,433,651.47</u>	<u>\$ 1,742,241.00</u>	<u>\$ 308,589.53</u>
Adjust for Qualifying Budget Credits	-	-	-	-
Total Expenditures	<u>\$ 1,559,315.94</u>	<u>\$ 1,433,651.47</u>	<u>\$ 1,742,241.00</u>	<u>\$ 308,589.53</u>
Receipts Over (Under) Expenditures	<u>\$ 150,023.65</u>	<u>\$ 109,174.30</u>		
Unencumbered Cash, Beginning	<u>422,050.32</u>	<u>572,073.97</u>		
Unencumbered Cash, Ending	<u>\$ 572,073.97</u>	<u>\$ 681,248.27</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

ELECTION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes:				
Current Ad Valorem Taxes	\$ 84,775.01	\$ 31,301.33	\$ 32,339.00	\$ (1,037.67)
Delinquencies/Redemptions	5,196.02	(1,128.82)	1,500.00	(2,628.82)
Payment in Lieu of Taxes/Other	-	-	-	-
Motor Vehicle Tax	13,873.04	14,073.08	13,305.00	768.08
RV Tax	304.38	283.69	271.00	12.69
16/20M Tax	321.14	29.85	315.00	(285.15)
Miscellaneous Revenue	-	84.00	-	84.00
Transfers from Other Funds	36,521.00	-	-	-
Total Cash Receipts	\$ 140,990.59	\$ 44,643.13	\$ 47,730.00	\$ (3,086.87)
Expenditures				
Personnel Services	\$ 70,249.50	\$ 55,145.10	\$ 41,674.00	\$ (13,471.10)
Contractual Services	29,520.05	11,526.81	40,000.00	28,473.19
Commodities	37,898.99	14,606.79	25,000.00	10,393.21
Other	-	174.10	-	(174.10)
Transfers to Other Funds	-	-	-	-
Legal Election Fund Budget	\$ 137,668.54	\$ 81,452.80	\$ 106,674.00	\$ 25,221.20
Adjust for Qualifying Budget Credits	-	-	-	-
Total Expenditures	\$ 137,668.54	\$ 81,452.80	\$ 106,674.00	\$ 25,221.20
Receipts Over (Under) Expenditures	\$ 3,322.05	\$ (36,809.67)		
Unencumbered Cash, Beginning	41,180.65	44,502.70		
Unencumbered Cash, Ending	\$ 44,502.70	\$ 7,693.03		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

ECONOMIC DEVELOPMENT FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Appropriations	\$ 3,900.61	\$ 97,801.20	\$ 90,000.00	\$ 7,801.20
Transfers from Other Funds	10,000.00	20,000.00	30,000.00	(10,000.00)
Miscellaneous	505.26	5,973.88	-	5,973.88
Total Cash Receipts	<u>\$ 14,405.87</u>	<u>\$ 123,775.08</u>	<u>\$ 120,000.00</u>	<u>\$ 3,775.08</u>
Expenditures				
Personnel	\$ 5,591.10	\$ 33,337.15	\$ 40,253.00	\$ 6,915.85
Contractual	4,416.69	21,211.75	66,247.00	45,035.25
Commodities	76.62	26,084.06	11,000.00	(15,084.06)
Capital Outlay	-	-	2,500.00	2,500.00
Legal Economic Dev. Fund Budget	<u>\$ 10,084.41</u>	<u>\$ 80,632.96</u>	<u>\$ 120,000.00</u>	<u>\$ 39,367.04</u>
Adjust for Qualifying Budget Credits	-	-	-	-
Total Expenditures	<u>\$ 10,084.41</u>	<u>\$ 80,632.96</u>	<u>\$ 120,000.00</u>	<u>\$ 39,367.04</u>
Receipts Over (Under) Expenditures	\$ 4,321.46	\$ 43,142.12		
Unencumbered Cash, Beginning	<u>-</u>	<u>4,321.46</u>		
Unencumbered Cash, Ending	<u>\$ 4,321.46</u>	<u>\$ 47,463.58</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

APPRAISER COST FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes:				
Current Ad Valorem Taxes	\$ 280,026.87	\$ 372,846.15	\$ 388,673.00	\$ (15,826.85)
Delinquencies/Redemptions	19,239.15	(3,584.15)	7,000.00	(10,584.15)
Payment in Lieu of Taxes/Other	-	-	-	-
Motor Vehicle Tax	57,374.57	46,812.95	43,993.00	2,819.95
RV Tax	1,259.90	940.66	898.00	42.66
16/20M Tax	1,265.85	123.73	1,042.00	(918.27)
Reimbursed Expense	1,350.00	2,497.77	-	2,497.77
Miscellaneous Revenue	5,410.24	2,883.03	-	2,883.03
Transfers from Other Funds	25,000.00	-	-	-
Total Cash Receipts	\$ 390,926.58	\$ 422,520.14	\$ 441,606.00	\$ (19,085.86)
Expenditures				
Personnel Services	\$ 324,395.50	\$ 348,095.36	\$ 341,214.00	\$ (6,881.36)
Contractual	67,428.44	62,980.44	67,750.00	4,769.56
Commodities	17,372.93	11,685.97	9,900.00	(1,785.97)
Capital Outlay	-	-	3,500.00	3,500.00
Transfers to Other Funds	2,000.00	-	-	-
Legal Appraiser Cost Fund Budget	\$ 411,196.87	\$ 422,761.77	\$ 422,364.00	\$ (397.77)
Adjust for Qualifying Budget Credits	-	-	2,497.77	2,497.77
Total Expenditures	\$ 411,196.87	\$ 422,761.77	\$ 424,861.77	\$ 2,100.00
Receipts Over (Under) Expenditures	\$ (20,270.29)	\$ (241.63)		
Unencumbered Cash, Beginning	21,863.28	1,592.99		
Unencumbered Cash, Ending	\$ 1,592.99	\$ 1,351.36		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

NOXIOUS WEED FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes:				
Current Ad Valorem Taxes	\$ 67,089.44	\$ 52,721.44	\$ 54,720.00	\$ (1,998.56)
Delinquencies/Redemptions	4,894.79	(851.53)	2,000.00	(2,851.53)
Payment in Lieu of Taxes/Other	-	-	-	-
Motor Vehicle Tax	14,704.33	11,241.50	10,532.00	709.50
RV Tax	322.62	225.65	215.00	10.65
16/20M Tax	340.46	31.64	249.00	(217.36)
Weed Chemical Sales	72,510.19	108,696.82	73,000.00	35,696.82
Miscellaneous Revenue	-	-	-	-
Reimbursed Expense	12,000.00	47.56	-	47.56
Transfers from Other Funds	5,068.00	-	-	-
Total Cash Receipts	\$ 176,929.83	\$ 172,113.08	\$ 140,716.00	\$ 31,397.08
Expenditures				
Personnel Services	\$ 32,502.68	\$ 33,068.32	\$ 42,526.00	\$ 9,457.68
Contractual Services	10,587.98	11,015.32	14,000.00	2,984.68
Chemicals	103,945.96	113,490.71	107,000.00	(6,490.71)
Commodities	5,487.35	13,054.49	12,000.00	(1,054.49)
Transfers to Other Funds	-	-	-	-
Legal Noxious Weed Fund Budget	\$ 152,523.97	\$ 170,628.84	\$ 175,526.00	\$ 4,897.16
Adjust for Qualifying Budget Credits	-	-	-	-
Total Expenditures	\$ 152,523.97	\$ 170,628.84	\$ 175,526.00	\$ 4,897.16
Receipts Over (Under) Expenditures	\$ 24,405.86	\$ 1,484.24		
Unencumbered Cash, Beginning	18,247.92	42,653.78		
Unencumbered Cash, Ending	\$ 42,653.78	\$ 44,138.02		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

ROAD AND BRIDGE FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes:				
Current Ad Valorem Taxes	\$ 1,186,087.41	\$ 1,350,977.83	\$ 1,408,993.00	\$ (58,015.17)
Delinquencies/Redemptions	68,783.03	(16,375.46)	25,000.00	(41,375.46)
Payment in Lieu of Taxes/Other	-	-	-	-
Motor Vehicle Tax	171,274.57	196,145.65	186,185.00	9,960.65
RV Tax	3,757.54	3,959.74	3,798.00	161.74
16/20M Tax	3,981.25	368.45	4,408.00	(4,039.55)
Motor Fuel Tax	941,918.72	964,181.83	954,000.00	10,181.83
Miscellaneous	60,843.07	60,264.62	-	60,264.62
Reimbursed Expense	-	570.32	-	570.32
Transfers from Bridge Construction	-	243,621.60	-	243,621.60
Transfer from Special Highway	-	89,319.78	-	89,319.78
Total Cash Receipts	\$ 2,436,645.59	\$ 2,893,034.36	\$ 2,582,384.00	\$ 310,650.36
Expenditures				
District No. 1	\$ 513,738.94	\$ 666,513.33	\$ 620,267.00	\$ (46,246.33)
District No. 2	509,895.94	473,130.01	619,016.00	145,885.99
District No. 3	464,793.16	522,380.46	617,971.00	95,590.54
Special Bridge	218,986.36	233,940.93	282,405.00	48,464.07
Special Road and Bridge	86,430.76	331,226.78	295,000.00	(36,226.78)
District Overhead	163,835.55	143,882.01	164,143.00	20,260.99
Transfers to Other Funds	400,000.00	483,000.00	-	(483,000.00)
Legal Road and Bridge Fund Budget	\$ 2,357,680.71	\$ 2,854,073.52	\$ 2,598,802.00	\$ (255,271.52)
Adjust for Qualifying Budget Credits	-	-	267,000.00	267,000.00
Total Expenditures	\$ 2,357,680.71	\$ 2,854,073.52	\$ 2,865,802.00	\$ 11,728.48
Receipts Over (Under) Expenditures	\$ 78,964.88	\$ 38,960.84		
Unencumbered Cash, Beginning	9,759.82	88,724.70		
Unencumbered Cash, Ending	\$ 88,724.70	\$ 127,685.54		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

SPECIAL PARKS AND RECREATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental: Liquor Tax	\$ 3,260.82	\$ 5,079.05	<u>\$ 5,000.00</u>	<u>\$ 79.05</u>
Expenditures				
Appropriations	<u>1,657.23</u>	<u>2,450.44</u>	<u>\$ 5,000.00</u>	<u>\$ 2,549.56</u>
Receipts Over (Under) Expenditures	\$ 1,603.59	\$ 2,628.61		
Unencumbered Cash, Beginning	<u>846.85</u>	<u>2,450.44</u>		
Unencumbered Cash, Ending	<u>\$ 2,450.44</u>	<u>\$ 5,079.05</u>		

SPECIAL ALCOHOL PROGRAMS FUND

Cash Receipts				
Intergovernmental: Liquor Tax	\$ 1,638.38	\$ 5,079.07	<u>\$ 5,000.00</u>	<u>\$ 79.07</u>
Expenditures				
Appropriations	<u>4,000.00</u>	<u>4,000.00</u>	<u>\$ 7,878.00</u>	<u>\$ 3,878.00</u>
Receipts Over (Under) Expenditures	\$ (2,361.62)	\$ 1,079.07		
Unencumbered Cash, Beginning	<u>4,877.94</u>	<u>2,516.32</u>		
Unencumbered Cash, Ending	<u>\$ 2,516.32</u>	<u>\$ 3,595.39</u>		

SPECIAL SALES TAX FOR REPAYMENT OF 2005 BONDS FUND

Cash Receipts				
Sales Tax Revenues	<u>\$ -</u>	<u>\$ 142,721.12</u>	<u>\$ -</u>	<u>\$ 142,721.12</u>
Expenditures				
Appropriations	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ -	\$ 142,721.12		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 142,721.12</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

SPECIAL EQUIPMENT RESERVE FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Interest on Idle Funds	\$ 5,285.87	\$ 7,494.82		
Transfer from Other Funds	192,500.00	77,000.00		N O
Total Cash Receipts	<u>\$ 197,785.87</u>	<u>\$ 84,494.82</u>		
Expenditures				
Office Equipment	\$ 81,299.93	\$ 136,374.33		B U D G E T
Temporary Notes Expenditure	-	-		
Other Equipment	15,000.00	5,982.50		
Transfers to Other Funds	195,960.00	-		
Total Expenditures	<u>\$ 292,259.93</u>	<u>\$ 142,356.83</u>		
Receipts Over (Under) Expenditures	\$ (94,474.06)	\$ (57,862.01)		R E Q U I R E D
Unencumbered Cash, Beginning	<u>647,485.18</u>	<u>553,011.12</u>		
Unencumbered Cash, Ending	<u>\$ 553,011.12</u>	<u>\$ 495,149.11</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

911 SYSTEM FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 146,887.39	\$ 138,668.13	\$ 170,000.00	\$ (31,331.87)
Expenditures				
Contractual Services	\$ 83,918.25	\$ 113,039.34	\$ 120,000.00	\$ 6,960.66
Commodities	63.98	2,668.95	10,000.00	7,331.05
Capital Outlay	1,723.55	4,106.48	113,815.00	109,708.52
Total Expenditures	<u>\$ 85,705.78</u>	<u>\$ 119,814.77</u>	<u>\$ 243,815.00</u>	<u>\$ 124,000.23</u>
Receipts Over (Under) Expenditures	\$ 61,181.61	\$ 18,853.36		
Unencumbered Cash, Beginning	<u>96,260.33</u>	<u>157,441.94</u>		
Unencumbered Cash, Ending	<u>\$ 157,441.94</u>	<u>\$ 176,295.30</u>		

911 WIRELESS FUND

	Prior Year Actual	Current Year	
		Actual	
Cash Receipts			NO
User Fees	\$ 13,076.92	\$ 36,306.86	
Interest on Idle Funds	-	766.84	
Total Cash Receipts	<u>\$ 13,076.92</u>	<u>\$ 37,073.70</u>	BUDGET
Expenditures			
Contractual Services	<u>-</u>	<u>-</u>	
Receipts Over (Under) Expenditures	\$ 13,076.92	\$ 37,073.70	REQUIRED
Unencumbered Cash, Beginning	<u>-</u>	<u>13,076.92</u>	
Unencumbered Cash, Ending	<u>\$ 13,076.92</u>	<u>\$ 50,150.62</u>	

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

SPECIAL MACHINERY FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Miscellaneous Receipts	\$ 8,015.76	\$ 2,707.93		
Transfers from Other Funds	231,634.00	283,000.00		NO
Total Cash Receipts	<u>\$ 239,649.76</u>	<u>\$ 285,707.93</u>		
Expenditures				
Road Equipment	\$ 305,301.00	\$ 241,801.64		BUDGET
Receipts Over (Under) Expenditures	\$ (65,651.24)	\$ 43,906.29		
Unencumbered Cash, Beginning	363,020.02	297,368.78		REQUIRED
Unencumbered Cash, Ending	<u>\$ 297,368.78</u>	<u>\$ 341,275.07</u>		

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COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

CAPITAL IMPROVEMENTS FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
2005 Bond Project Proceeds	\$ -	\$ 8,450,106.15		N O
2005 Bond Costs of Issuance Proceeds	\$ -	55,000.00		
Interest on Idle Funds	6,190.11	54,967.42		
Transfers from Other Funds	-	-		
Total Cash Receipts	\$ 6,190.11	\$ 8,560,073.57		
Expenditures				
Salary & Wages	\$ -	\$ 10,831.53		B U D G E T
Contractual Services	148,114.70	23,450.26		
Commodities	-	9.36		
2005 Bond Project: Shaughnessy Fickel	-	353,381.83		
2005 Bond Project: State Bank Building	-	728,288.88		
Other Capital Outlay	153,768.19	69,274.66		
2005 Bond Underwriter Fees	-	-		
2005 Bond Costs of Issuance	-	52,963.35		R E Q U I R E D
Transfers to Grants Fund	-	101,750.90		
Total Expenditures	\$ 301,882.89	\$ 1,339,950.77		
Receipts Over (Under) Expenditures	\$ (295,692.78)	\$ 7,220,122.80		
Unencumbered Cash, Beginning	628,614.53	332,921.75		
Unencumbered Cash, Ending	\$ 332,921.75	\$ 7,553,044.55		

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COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

SPECIAL HIGHWAY IMPROVEMENT FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
	Actual	Actual	Budget	
Cash Receipts				
Reimbursed Expense	\$ -	\$ 63.62		N O
Interest on Idle Funds	5,953.92	2,210.32		
Transfers from Other Funds	168,366.00	200,000.00		
Total Cash Receipts	\$ 174,319.92	\$ 202,273.94		
				B U D G E T
Expenditures				
Construction	\$ 116,999.93	\$ 180,680.22		
Contractual	-	1,075.00		
Transfers to Other Funds	-	89,319.78		R E Q U I R E D
Total Expenditures	\$ 116,999.93	\$ 271,075.00		
Receipts Over (Under) Expenditures	\$ 57,319.99	\$ (68,801.06)		
Unencumbered Cash, Beginning	258,875.43	316,195.42		
Unencumbered Cash, Ending	\$ 316,195.42	\$ 247,394.36		

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COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

COMMUNITY CORRECTIONS FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental:				
Community Corrections Grant	\$ 230,318.16	\$ 152,966.19	\$ 224,499.00	\$ (71,532.81)
Drug Grant and Other Grants	-	-	35,429.00	(35,429.00)
Case Management	6,536.98	13,987.72	-	13,987.72
Miscellaneous	580.00	-	13,566.00	(13,566.00)
Total Cash Receipts	<u>\$ 237,435.14</u>	<u>\$ 166,953.91</u>	<u>\$ 273,494.00</u>	<u>\$ (106,540.09)</u>
Expenditures				
Community Corrections				
Personnel Services	\$ 214,773.75	\$ 235,151.75	\$ 242,514.00	\$ 7,362.25
Contractual Services	46,672.51	34,879.30	46,966.00	12,086.70
Commodities	23,301.09	9,418.02	14,824.00	5,405.98
Capital Outlay	-	-	11,000.00	11,000.00
Legal Community Corr. Fund Budget	<u>\$ 284,747.35</u>	<u>\$ 279,449.07</u>	<u>\$ 315,304.00</u>	<u>\$ 35,854.93</u>
Adjust for Qualifying Budget Credits	-	-	-	-
Total Expenditures	<u>\$ 284,747.35</u>	<u>\$ 279,449.07</u>	<u>\$ 315,304.00</u>	<u>\$ 35,854.93</u>
Receipts Over (Under) Expenditures	<u>\$ (47,312.21)</u>	<u>\$ (112,495.16)</u>		
Unencumbered Cash, Beginning	<u>165,548.09</u>	<u>118,235.88</u>		
Unencumbered Cash, Ending	<u>\$ 118,235.88</u>	<u>\$ 5,740.72</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

JUVENILE SERVICE FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Graduated Sanction & Prevention	\$ 386,885.60	\$ 365,868.33	\$ 332,730.00	\$ 33,138.33
Juvenile & Other	32,059.19	35,441.96	33,808.00	1,633.96
Transfers from Other Funds	11,482.79	-	40,000.00	(40,000.00)
Total Cash Receipts	<u>\$ 430,427.58</u>	<u>\$ 401,310.29</u>	<u>\$ 406,538.00</u>	<u>\$ (5,227.71)</u>
Expenditures				
Graduated Sanction & Prevention	\$ 377,667.84	\$ 390,229.28	\$ 372,730.00	\$ (17,499.28)
Juvenile & Other	21,663.24	28,401.77	33,808.00	5,406.23
Legal Juvenile Service Fund Budget	<u>\$ 399,331.08</u>	<u>\$ 418,631.05</u>	<u>\$ 406,538.00</u>	<u>\$ (12,093.05)</u>
Adjust for Qualifying Budget Credits	-	-	12,500.00	12,500.00
Total Expenditures	<u>\$ 399,331.08</u>	<u>\$ 418,631.05</u>	<u>\$ 419,038.00</u>	<u>\$ 406.95</u>
Receipts Over (Under) Expenditures	\$ 31,096.50	\$ (17,320.76)		
Unencumbered Cash, Beginning	<u>113,668.05</u>	<u>144,764.55</u>		
Unencumbered Cash, Ending	<u>\$ 144,764.55</u>	<u>\$ 127,443.79</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

COUNTY MENTAL HEALTH COUNSELING CENTER

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
County Appropriation	\$ 101,369.84	\$ 126,847.76		N O
State Financing	1,096,701.50	1,141,204.50		
Service Fees, Other Revenues	2,751,494.63	2,801,142.91		
Total Cash Receipts	<u>\$ 3,949,565.97</u>	<u>\$ 4,069,195.17</u>		
			B U D G E T	
Expenditures				
Personnel Services	\$ 2,466,537.45	\$ 2,644,410.81		
Other Costs	1,427,087.03	1,519,215.95		
Total Expenditures	<u>\$ 3,893,624.48</u>	<u>\$ 4,163,626.76</u>		R E Q U I R E D
Receipts Over (Under) Expenditures	\$ 55,941.49	\$ (94,431.59)		
Unencumbered Cash, Beginning	<u>769,736.43</u>	<u>825,677.92</u>		
Unencumbered Cash, Ending	<u>\$ 825,677.92</u>	<u>\$ 731,246.33</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

PROSECUTING ATTORNEY TRAINING FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				NO
District Court	\$ 3,367.00	\$ 2,783.00		
Expenditures				
Contractual Services	\$ 2,262.34	\$ 3,865.72		BUDGET
Receipts Over (Under) Expenditures	\$ 1,104.66	\$ (1,082.72)		
Unencumbered Cash, Beginning	2,516.88	3,621.54		REQUIRED
Unencumbered Cash, Ending	<u>\$ 3,621.54</u>	<u>\$ 2,538.82</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

DRUG SCREENING FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Program Revenues	\$ 9,874.97	\$ 12,076.09	\$ 12,000.00	\$ 76.09
Expenditures				
Testing Fees and Refunds	\$ 10,299.21	\$ 12,715.65	\$ 14,131.00	\$ 1,415.35
Receipts Over (Under) Expenditures	\$ (424.24)	\$ (639.56)		
Unencumbered Cash, Beginning	2,130.88	1,706.64		
Unencumbered Cash, Ending	\$ 1,706.64	\$ 1,067.08		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

REGISTER OF DEEDS TECHNOLOGY FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Miscellaneous	\$ 49,810.70	\$ 49,964.00		N O
Interest on Idle Funds	-	1,669.91		
Total Cash Receipts	<u>\$ 49,810.70</u>	<u>\$ 51,633.91</u>		
Expenditures				B U D G E T
Contractual	\$ 30,531.37	\$ 14,085.58		
Commodities	7,863.80	5,341.95		
Transfers to Other Funds	15,000.00	-		
Total Expenditures	<u>\$ 53,395.17</u>	<u>\$ 19,427.53</u>		R E Q U I R E D
Receipts Over (Under) Expenditures	\$ (3,584.47)	\$ 32,206.38		
Unencumbered Cash, Beginning	<u>57,249.77</u>	<u>53,665.30</u>		
Unencumbered Cash, Ending	<u>\$ 53,665.30</u>	<u>\$ 85,871.68</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

GRANTS FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Grants Received	\$ 165,819.96	\$ 179,312.46		N O
Transfers from Capital Improv. Fund	-	101,750.90		
Total Cash Receipts	<u>\$ 165,819.96</u>	<u>\$ 281,063.36</u>		
Expenditures				B U D G E T
Appropriations	<u>\$ 142,587.10</u>	<u>\$ 293,565.47</u>		
Receipts Over (Under) Expenditures	\$ 23,232.86	\$ (12,502.11)		
Unencumbered Cash, Beginning	(10,180.43)	13,052.43		R E Q U I R E D
Unencumbered Cash, Ending	<u>\$ 13,052.43</u>	<u>\$ 550.32</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

BRIDGE CONSTRUCTION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Interest on Idle Funds	\$ 3,036.68	\$ -		N O
Temporary Note Proceeds	-	267,000.00		
Transfers from Other Funds	-	-		
Total Cash Receipts	<u>\$ 3,036.68</u>	<u>\$ 267,000.00</u>		
				B U D G E T
Expenditures				
Contractual	\$ -	\$ 23,378.40		
Transfers to Other Funds	-	510,717.13		
Total Expenditures	<u>\$ -</u>	<u>\$ 534,095.53</u>		R E Q U I R E D
Receipts Over (Under) Expenditures	\$ 3,036.68	\$ (267,095.53)		
Unencumbered Cash, Beginning	264,058.85	267,095.53		
Unencumbered Cash, Ending	<u>\$ 267,095.53</u>	<u>\$ -</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS

STATEMENT -3-

STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET FOR THE YEAR ENDED DECEMBER 31, 2005 (With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

BOND AND INTEREST FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes:				
Current Ad Valorem Taxes	\$ 186,725.58	\$ 845.15	\$ -	\$ 845.15
Delinquencies and Redemptions	12,862.27	(2,284.15)	4,000.00	(6,284.15)
Payment in Lieu of Taxes/Other	-	-	-	-
Motor Vehicle Tax	38,194.92	31,326.96	29,438.00	1,888.96
RV Tax	839.36	629.52	601.00	28.52
16/20M Tax	806.60	82.54	697.00	(614.46)
Miscellaneous Revenues	36,992.50	855.00	18,605.00	(17,750.00)
2005 Bond Premium Proceeds	-	-	-	-
Transfers from Other Funds	-	267,095.53	-	267,095.53
Total Cash Receipts	<u>\$ 276,421.23</u>	<u>\$ 298,550.55</u>	<u>\$ 53,341.00</u>	<u>\$ 245,209.55</u>
Expenditures				
Note Principal	\$ 250,000.00	\$ 10,000.00	\$ 10,000.00	\$ -
Note Interest	18,722.50	8,605.00	8,605.00	-
Other	7.50	-	76,169.00	76,169.00
Transfers to Other Funds	-	-	-	-
Legal Bond & Interest Fund Budget	<u>\$ 268,730.00</u>	<u>\$ 18,605.00</u>	<u>\$ 94,774.00</u>	<u>\$ 76,169.00</u>
Adjust for Qualifying Budget Credits	-	-	-	-
Total Expenditures	<u>\$ 268,730.00</u>	<u>\$ 18,605.00</u>	<u>\$ 94,774.00</u>	<u>\$ 76,169.00</u>
Receipts Over (Under) Expenditures	\$ 7,691.23	\$ 279,945.55		
Unencumbered Cash, Beginning	<u>51,491.81</u>	<u>59,183.04</u>		
Unencumbered Cash, Ending	<u>\$ 59,183.04</u>	<u>\$ 339,128.59</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS STATEMENT -3-
STATEMENTS OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2005
(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

PUBLIC WORKS DEPARTMENT FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Landfill Revenue	\$ 1,069,348.50	\$ 1,022,579.93	\$ 1,125,000.00	\$ (102,420.07)
Miscellaneous	1,554.64	76.74	-	76.74
Total Cash Receipts	<u>\$ 1,070,903.14</u>	<u>\$ 1,022,656.67</u>	<u>\$ 1,125,000.00</u>	<u>\$ (102,343.33)</u>
Expenditures				
Personnel Services	\$ 154,786.08	\$ 161,914.02	\$ 164,745.00	\$ 2,830.98
Tonnage Fees	71,663.54	49,324.19	-	(49,324.19)
Solid Waste Fees	8,359.08	19,177.78	-	(19,177.78)
Hauling Fees	605,023.61	571,196.17	798,000.00	226,803.83
Other Contractual Services	50,190.33	77,616.34	88,000.00	10,383.66
Commodities	26,022.29	28,253.67	30,500.00	2,246.33
Capital Outlay	-	56,889.89	211,774.00	154,884.11
Legal Public Works Fund Budget	<u>\$ 916,044.93</u>	<u>\$ 964,372.06</u>	<u>\$ 1,293,019.00</u>	<u>\$ 328,646.94</u>
Adjust for Qualifying Budget Credits	-	-	-	-
Total Expenditures	<u>\$ 916,044.93</u>	<u>\$ 964,372.06</u>	<u>\$ 1,293,019.00</u>	<u>\$ 328,646.94</u>
Receipts Over (Under) Expenditures	\$ 154,858.21	\$ 58,284.61		
Unencumbered Cash, Beginning	<u>252,497.47</u>	<u>407,355.68</u>		
Unencumbered Cash, Ending	<u>\$ 407,355.68</u>	<u>\$ 465,640.29</u>		

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS

STATEMENT -4-

AGENCY FUNDS

PAGE 1 OF 2

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2005

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Current Tax	\$ 15,916,125.00	\$ 26,440,900.79	\$ 27,314,153.50	\$ 15,042,872.29
Current Tax Refunds	(21,061.55)	53,977.57	60,494.30	(27,578.28)
Redemptions	98,105.45	487,301.42	175,066.39	410,340.48
Delinquent Per. Prop. Tax	69,447.60	145,697.94	73,491.50	141,654.04
Per. Prop. Tax Paid in Adv.	86.51	2,534.43	2,620.94	-
Foreclosure Sale	21,383.61	1,440.00	80.00	22,743.61
Foreclosure Costs	13,950.46	80.00	5,796.81	8,233.65
Escaped Tax	-	-	-	-
Severance Tax	-	11,157.67	11,157.67	-
Taxes in Bankruptcy	395.45	38.54	0.00	433.99
Taxes in Suspense	3,009.15	2,222.47	5,156.62	75.00
Payment in Lieu of Taxes	22,196.98	404,703.48	222,196.98	204,703.48
Sales Tax Residue	-	-	-	-
Vehicle Taxes	105,175.57	4,023,218.43	3,836,108.25	292,285.75
RV Taxes	1,061.39	76,003.45	73,402.69	3,662.15
Cereal Malt Beverage	-	25.00	-	25.00
Candidate Filing Fee	-	35.00	-	35.00
Delinquent P.P. Tax - Partial	24,866.54	12,238.37	8,537.90	28,567.01
Total Distributable Funds	\$ 16,254,742.16	\$ 31,661,574.56	\$ 31,788,263.55	\$ 16,128,053.17
State Funds:				
State Educational Building	\$ 6,158.15	\$ 217,442.71	\$ 223,600.86	\$ -
State Institutional Building	3,079.07	109,761.89	112,840.96	-
State Correctional Building	4,184.31	1,727.83	5,912.14	-
Game Licenses	40,237.00	76,544.60	116,755.60	26.00
State Park Permits	-	79.00	79.00	-
State Motor Vehicle	-	1,509,042.24	1,509,042.24	-
Auto Sales Tax	-	826,174.05	826,174.05	-
Heritage Trust Fund	2,362.72	13,517.53	13,526.58	2,353.67
Total State Funds	\$ 56,021.25	\$ 2,754,289.85	\$ 2,807,931.43	\$ 2,379.67

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS

STATEMENT -4-

AGENCY FUNDS

PAGE 2 OF 2

**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Subdivision Funds:				
School Districts	\$ -	\$ 14,126,256.30	\$ 14,126,256.30	\$ -
Cities	-	7,266,010.13	7,266,010.13	-
Townships	7,665.46	1,438,670.31	1,438,431.25	7,904.52
Cemeteries	-	26,428.70	26,425.35	3.35
Watersheds	-	89,002.40	89,002.40	-
Community Building	-	7,558.92	7,547.38	11.54
Fire Districts	-	512,829.40	512,731.92	97.48
Special County/City/Township	-	1,498,644.94	1,498,644.94	-
SC Regional Library	-	101,403.31	101,403.31	-
Improvement Districts	0.41	14,725.47	14,725.88	-
Total Subdivision Funds	<u>\$ 7,665.87</u>	<u>\$ 25,081,529.88</u>	<u>\$ 25,081,178.86</u>	<u>\$ 8,016.89</u>
Other Agency Funds				
Cash Over and Short	\$ -	\$ 3,258.55	\$ 11.73	\$ 3,246.82
State Income Tax	-	-	-	-
County Drug Task Force	2,322.14	3,128.86	-	5,451.00
Memorial Lawn Cemetery	8,655.04	769.85	828.08	8,596.81
Total Other Agency Funds	<u>\$ 10,977.18</u>	<u>\$ 7,157.26</u>	<u>\$ 839.81</u>	<u>\$ 17,294.63</u>
Total Agency Funds	<u>\$ 16,329,406.46</u>	<u>\$ 59,504,551.55</u>	<u>\$ 59,678,213.65</u>	<u>\$ 16,155,744.36</u>

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS
STATEMENT OF CHANGES IN LONG-TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2005

STATEMENT -5-

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds and Temporary Notes										
Series 2000	4.9-5.6%	11/1/00	\$ 200,000	11/1/2014	\$ 160,000.00	\$ -	\$ 10,000.00		\$ 150,000.00	\$ 8,605.00
Series 2005	3.5-4.0%	10/1/05	8,500,000	10/1/2020	-	8,500,000.00	-		8,500,000.00	-
Temporary Note	2.75%	5/15/05	267,000	5/15/2006	-	267,000.00	-		267,000.00	-
Total Bonded Debt					\$ 160,000.00	\$8,767,000.00	\$ 10,000.00		\$ 8,917,000.00	\$ 8,605.00
Compensated Absences	N/A	N/A	N/A	N/A	479,668.58			\$ 160,651.95	640,320.53	
TOTAL LONG-TERM DEBT					<u>\$ 639,668.58</u>	<u>\$8,767,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 160,651.95</u>	<u>\$ 9,557,320.53</u>	<u>\$ 8,605.00</u>

COWLEY COUNTY, KANSAS
SCHEDULE OF MATURITY OF LONG-TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2005

Statement -6-

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 thru 2015</u>	<u>2016 thru 2020</u>	<u>Total</u>
PRINCIPAL								
General Obligation Bonds	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 75,000.00	\$ -	\$ 150,000.00
G.O. Sales Tax Bond 2005	410,000.00	425,000.00	445,000.00	465,000.00	490,000.00	2,790,000.00	3,475,000.00	8,500,000.00
Temporary Note	267,000.00							
TOTAL PRINCIPAL	<u>\$ 692,000.00</u>	<u>\$ 440,000.00</u>	<u>\$ 460,000.00</u>	<u>\$ 480,000.00</u>	<u>\$ 505,000.00</u>	<u>\$2,865,000.00</u>	<u>\$3,475,000.00</u>	<u>\$ 8,650,000.00</u>
INTEREST								
General Obligation Bonds	\$ 7,980.00	\$ 7,125.00	\$ 6,390.00	\$ 5,640.00	\$ 4,875.00	\$ 10,735.00	\$ -	\$ 42,745.00
G.O. Sales Tax Bond 2005	306,442.50	290,042.50	273,042.50	255,242.50	238,967.50	935,295.00	400,750.00	2,699,782.50
Temporary Note	7,342.50	-	-	-	-	0.00	0.00	7,342.50
TOTAL INTEREST	<u>\$ 321,765.00</u>	<u>\$ 297,167.50</u>	<u>\$ 279,432.50</u>	<u>\$ 260,882.50</u>	<u>\$ 243,842.50</u>	<u>\$ 946,030.00</u>	<u>\$ 400,750.00</u>	<u>\$ 2,749,870.00</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$1,013,765.00</u>	<u>\$ 737,167.50</u>	<u>\$ 739,432.50</u>	<u>\$ 740,882.50</u>	<u>\$ 748,842.50</u>	<u>\$3,811,030.00</u>	<u>\$3,875,750.00</u>	<u>\$11,399,870.00</u>

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS**JOINT BOARD OF HEALTH**

STATEMENT -7-

PAGE 1 OF 2

**COMPONENT UNITS - STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

	Prior Year Actual	Current Year Actual
GENERAL FUND		
Cash Receipts:		
County Appropriation	\$ 286,290.00	\$ 286,290.00
Federal Grants	286,139.24	249,192.85
State & Local Grants	228,182.17	309,569.81
Fees and Donations	76,814.00	102,563.15
Interest	912.22	3,502.39
Total Cash Receipts	\$ 878,337.63	\$ 951,118.20
Expenditures and Transfers		
Salaries	\$ 524,357.51	\$ 499,698.59
Employee Benefits	134,194.05	133,852.76
Contractual Services	39,793.76	51,979.03
Operating Expenses	173,839.95	202,367.96
Capital Outlay	8,763.45	8,169.81
Transfers to Other Funds	-	-
Total Expenditures and Transfers	\$ 880,948.72	\$ 896,068.15
Receipts Over (Under) Expenditures	\$ (2,611.09)	\$ 55,050.05
Unencumbered Cash Balance - Beginning	199,704.77	197,093.68
UNENCUMBERED CASH BALANCE - ENDING	\$ 197,093.68	\$ 252,143.73

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS

LAW LIBRARY

STATEMENT -7-

PAGE 2 OF 2

COMPONENT UNITS - STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2005

(With Comparative Actual Totals for the Prior Year Ended December 31, 2004)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts:		
District Court	\$ 39,457.61	\$ 38,839.29
Interest	-	-
Reimbursed Expenses	-	-
Dues	270.00	280.00
Total Cash Receipts	<u>\$ 39,727.61</u>	<u>\$ 39,119.29</u>
Expenditures and Transfers		
Books	\$ 37,155.48	\$ 27,439.93
Supplies	-	-
Total Expenditures and Transfers	<u>\$ 37,155.48</u>	<u>\$ 27,439.93</u>
Receipts Over (Under) Expenditures	\$ 2,572.13	\$ 11,679.36
Unencumbered Cash Balance - Beginning	<u>6,891.31</u>	<u>9,463.44</u>
Unencumbered Cash Balance - Ending	<u>\$ 9,463.44</u>	<u>\$ 21,142.80</u>

The Accompanying Notes Are an Integral Part of This Statement.

COWLEY COUNTY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cowley County is a municipal corporation governed by an elected three-person commission. Cowley County, Kansas, is a county located on the southern border of Kansas, approximately forty five miles south of Wichita, Kansas. It is 1,155 square miles in size, has a population of about 37,000, and was organized and chartered in March, 1870.

The financial statements of the County have been prepared in compliance with the cash-basis and budget laws of Kansas. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances; that is, commitments related to unperformed (executory) contracts for goods or services.

REPORTING ENTITY

As required by generally accepted accounting principles, these financial statements present Cowley County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units. The Cowley County Mental Health and Counseling Center is governed by a seven member Board appointed by the County Commission. Because it is not considered a separate legal entity from the County, it is reported as if it were part of the primary government as a special revenue fund. As indicated in the statements, this entity is on a fiscal year ending on June 30. Therefore, the blended report for this entity is for the year ended June 30, 2005.

Discretely Presented Component Units. The component units section at the bottom of the financial statements includes the financial data of the County's other component units. They are reported in a separate section to emphasize that they are legally separate from the County. Except for the Law Library, the governing bodies of the other component units are appointed by the County Commission. The Law Library is operated by a Board of Trustees elected by the County Bar Association. The operation of the Cowley County Extension Council is not material, does not require an audit, and is omitted from this report.

The Law Library operates on financing provided by fees assessed in District Court cases. Even though it is financially independent from the County, it is still included as a component of the County because of a requirement to audit it with the County. The Joint Board of Health provides public health services and programs to the entire County and receives a significant portion of its funding from the County appropriation.

Complete financial statements of the individual component units can be obtained from the County Clerk's office at the courthouse or from their respective administrative offices at the following locations:

Cowley County Law Library
311 E. 9th Ave.
Winfield, Kansas

Cowley County Health Department
320 E. 9th Ave., Suite B
Winfield, Kansas

COWLEY COUNTY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

BASIS OF PRESENTATION

The financial transactions of the County are recorded in individual funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the County for the year 2005:

Governmental Funds

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Fund - to account for the proceeds of specific revenues (other than special assessments or major capital projects) that are restricted by law or administrative action to be expended for specified purposes.

Proprietary Funds

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

Fiduciary Funds

Trust and Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include: (1) Expendable Trust Funds, (2) Nonexpendable Trust Funds, and (3) Agency Funds.

BASIS OF ACCOUNTING

The County has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. All governmental and expendable trust funds are accounted for, using the modified cash basis provided for under Kansas Statutes. Revenues are recognized when cash is received. Expenditures are generally recognized when the executory liability is established, rather than when the actual, or executed, liability is realized. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not recognized until paid, and (2) principal and interest on general long-term debt, which is recognized when due.

Departure from Generally Accepted Accounting Principles

The basis of presentation described above results in a statement of revenues on the cash basis and expenditures on a modified accrual basis, further modified by the inclusion of encumbrances. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expense, and liabilities such as deferred revenue, matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a

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reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

The required balance sheet, income statement, and the statement of changes in financial position are not presented for the proprietary fund types. Generally accepted accounting principles require these fund types to be accounted for by the full accrual method of accounting.

The Commissioners of Cowley County have received a waiver of the requirement of K.S.A. 75-1120a(c) for the year ended December 31, 2005. The method described above is in accordance with this waiver.

BUDGETARY DATA

Kansas Statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempt by statute), Debt Service Funds, and Enterprise Funds. In general, the statutes provide that a budget shall be prepared by August 1, published in a local paper by August 5, that a public hearing be held by August 15, and that final adoption occur by 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.

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

A legal operating budget is not required for Capital Projects Funds, Trust and Agency Funds, and the following Special Revenue Funds:

- Capital Improvements Fund
- Special Machinery Fund
- Special Highway Improvement Fund
- Bridge Construction Fund
- Special Equipment Reserve Fund
- County Mental Health Counseling Center (Blended Component Unit)
- Register of Deeds Technology Fund
- Federal and State Grants Fund

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

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ASSETS, LIABILITIES AND FUND ACCOUNTING

Investments

Investments consist primarily of certificates of deposit and repurchase agreements. All investments are stated at cost.

Cash balances in all funds are considered in determining the amount to be invested. All investment income except the amounts specifically designated to the Special Equipment Fund, Capital Improvement Fund, and Bridge Fund has been credited to the General Fund.

General Fixed Assets

The County has not maintained records of General Fixed Assets; however, a waiver of this requirement is in effect for the year ended December 31, 2005, as authorized by K.S.A. 75-1120a(c).

Vacation and Sick Leave

The County's policies regarding vacation and sick pay are the following:

Full-time (forty hours per week) employees shall participate in earning vacation leave and sick leave. Part-time employees do not participate in any vacation and sick time; only one part-time employee receives paid holidays.

Vacation Leave:

All regular full-time employees are eligible for paid vacation leave. Eligible employees accrue vacation leave from date of hire on a month-to-month basis, except that paid vacation leave shall not be taken until completion of one year of employment. Vacation leave entitlement increases under a schedule based on continuous years of service. Certain other rules and limitations also apply to vacation entitlements.

Sick Leave:

All regular full-time employees are eligible for paid sick leave. Sick leave is permitted under several situations and conditions. Eligible employees accrue and accumulate sick leave at the rate of eight (8) hours (1 normal working day) per calendar month. The maximum accumulation of unused sick leave is limited to 720 hours (90 days), on the first day of each year. Employees may accumulate days during the year, but the maximum limit on the first day of any subsequent year shall be 90 days. Conversion of sick pay is permitted. Any employee who has accumulated 90 days, the maximum accumulation, of sick leave may convert additional sick leave accrued to pay on a ratio of one hour sick leave to one hour of pay. Termination triggers the payment of accrued sick pay for employees with more than nine years of service; those with more than nineteen years of service receive pay for 100% of their accrued sick leave.

Summary:

Liabilities for vacation and sick pay are not recorded in the financial statements by the County. At December 31, 2005, the governmental funds of the County had a vested liability for accumulated unpaid vacation pay of \$206,854.53 and accumulated unpaid sick pay of \$404,990.42. Under GAAP reporting, these liabilities would be reflected as an item in the General Long-Term Liabilities Group of Accounts. At December 31, 2005, the Proprietary Fund of the County had a vested liability for accumulated unpaid vacation

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pay of \$5,608.66, and accumulated unpaid sick pay of \$22,866.92. Under GAAP reporting, these liabilities would be reflected in that fund.

Defined Benefit Pension Plan

Plan Description. Cowley County participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, *et seq.* 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. That report may be obtained by writing to KPERS (400 SW 8th Avenue, Suite 200; Topeka, KS 66603-3925) or by calling 1-800-228-0366.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates. The KPERS employer rate established for calendar year 2005 is 4.01% for the first six months and 4.21% for the second six months. Cowley County employer contributions to KPERS for the years ending December 31, 2005, 2004, and 2003 were \$119,279.93, \$95,555.00, and \$91,760.50, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2005 is 11.69%. Cowley County contributions to KP&F for the years ended December 31, 2005, 2004 and 2003 were \$99,349.17, \$102,361.23, and \$83,108.84, respectively.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

No violations of Kansas Statutes were noted during the examination of Cowley County, Kansas for the year ended December 31, 2005.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNTS

Cash and Investments

The County maintains cash deposits in all five financial institutions with home offices located in the County. Earnings on these accounts are deposited in the County General Fund, and other such funds as statute requires.

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Statement 1, Page 3 of 3 provides a detail listing of the County's deposits as of the current year end. These balances are collateralized by FDIC insurance and pledged securities held under joint custody receipts issued by a third-party bank.

The County's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its agent in the County's name. Category 2 and 3 represent more risky investments. All of the County's Repurchase Agreement investments are rated as Category 1 investments.

Accounts Receivable

Receivables from intergovernmental sources totaled \$78,259.17 at December 31, 2005. Since the County is on the modified cash basis method of reporting (see Note I), these amounts are not reported as revenues or assets.

Changes in General Fixed Assets

As noted previously, the County has not maintained records of General Fixed Assets and a waiver of this requirement was obtained from the State of Kansas. Therefore, there is no detail of or analysis of changes in Fixed Assets for 2005.

Capitalized Interest for Proprietary Fixed Asset Additions

There were no construction projects in the Proprietary Funds that required the capitalization of interest.

Lease Obligations

The County was aware of no lease purchase agreements outstanding on December 31, 2005.

Long-Term Debt

Cowley County's debt, a summary of the changes in that debt, and a summary of the debt service requirements, are presented in Statements 5 and 6. During the year the County issued \$8,500,000 General Obligation Sales Tax Bonds, Series 2005. The County has pledged all proceeds from a new County Sales Tax, and if insufficient, then backed by a pledge of ad valorem taxes, to repay the Bonds.

Provisions of the bond ordinances make the creation and use of the following Funds and Accounts a requirement for the County to assure timely repayment of the debt:

- Sales Tax Revenue Fund
- Project Fund for General Obligation Sales Tax Bonds, Series 2005
- Debt Service Account for General Obligation Sales Tax Bonds, Series 2005
- Sales Tax Surplus Account
- Costs of Issuance Account for General Obligation Sales Tax Bonds, Series 2005
- Rebate Fund for General Obligation Sales Tax Bonds, Series 2005

Most of these Funds were not created until 2006, but the funds were adequately accounted for in the existing Bond and Interest Fund, Capital Improvements Fund, and Special Sales Tax for Repayment of 2005 Bonds Fund. All accrued interest and premium received from the sale of the Series 2005 Bonds were deposited in the Bond and Interest Fund. As required, \$55,000 was

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deposited in the Costs of Issuance Account of the Capital Improvement Fund, and the related payments of these costs was reported in the Capital Improvement Fund Expenditures Costs of Issuance Account. The remaining proceeds were deposited into the Capital Improvements Fund in the Account 2005 Bond Project Proceeds. Expenditures to date on the project were reported in the Capital Improvements Fund Expenditures accounts. This Fund's activity is reported in Statement 3 of these financial statements. Collections of the Special County Sales Tax in excess of the annual bond principal and interest requirements are to be transferred into a Surplus Account. Surplus Account funds may be expended for debt service requirements of the Series 2005 Bond Issue, or may be used for the costs of operations and maintenance of the Project. During 2005 no transfers were made into the Surplus Account.

Claims and Judgments

The following claims, judgements, and contingent liabilities were observed during the audit.

Veteran's Home Pledge

Cowley County has pledged \$100,000 in support of maintaining The Veteran's Home in Winfield. Cowley County's pledge was to be paid in 10 annual installments of \$10,000 each. \$30,000 of this liability is still outstanding at December 31, 2005.

Closure and Post-Closure Care Costs

Cowley County had operated a landfill for many years as the only trash depository in Cowley County. The County decided to close its landfill in order to avoid satisfying certain environmental requirements. The County was originally to close the landfill by 9/26/97, but this was extended into 1998. Cowley County entered into an inter-local agreement with Sumner County and Chautauqua County (originally included Elk County) to provide for the joint operation of a landfill. This inter-local is a separate legal entity, not included in this audit or this report.

Cowley County was required by EPA regulation 40 CFR 258 to provide financial assurance that the County could fund post-closure costs, estimated to be \$1,461,330, by 10/15/97 and has done so. Since the County has waived GAAP based reporting (see Note I), the liability that would be recorded in the proprietary account is only reported here.

Subsequent Events

There were no material subsequent events to the year ending December 31, 2005 which could have impacted future tax revenues or expenditures.

Pending or Threatened Litigation

Several law suits against the County are pending. The County does have liability insurance coverage; however, the County cannot accurately estimate what loss, if any, will result from these claims.

Accounts Payable and Encumbrances

As explained previously, the County is on the modified cash basis of accounting which calls for the recognition of Encumbrances and Accounts Payable, without distinction. Both Encumbrances and Accounts Payable are charged to expenses as soon as they are incurred and are shown as immediate debts of each fund. The amounts of those debts are reflected by fund in Statement -1- and may be summarized as follows:

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Fund	Amount
Cowley County Funds Encumbrances	\$ 511,163.01
County Mental Health Center Encumbrances	437,348.87
Total	<u><u>\$ 948,511.88</u></u>

Capital Projects

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

	Expenditures To Date	Project Authorization
Construction or Remodeling County Courthouse/Jail/Law Enforcement Center	<u>\$ 1,081,670.71</u>	<u>\$ 9,927,500.00</u>
Expenditures to Date:		
State Bank Building	\$ 728,288.88	
Construction: Shaughnessy Fickel	353,381.83	

Inter-fund Transfers

Inter-fund transfer details are as follows:

From Fund	To Fund	Authority (K.S.A.)	Amount
General	Economic Development	19-4102	20,000.00
General	Special Equipment Reserve	19-119	77,000.00
Road & Bridge #1	Special Machinery	68-141g	50,000.00
Road & Bridge #2	Special Machinery	68-141g	105,000.00
Road & Bridge #3	Special Machinery	68-141g	108,000.00
Road & Bridge #4	Special Machinery	68-141g	20,000.00
R&B Spec. Rd & Bridge	Special Highway Improv.	68-590	200,000.00
Bridge Construction	Road & Bridge	68-141g	243,621.60
Bridge Construction	Bond & Interest	68-141g	267,095.53
Capital Improvements	Grants	19-120	101,750.90
Special Highway Improv.	Road & Bridge	68-590	89,319.78
Total			<u><u>\$ 1,281,787.81</u></u>

Unencumbered Cash Balances

Beginning Unencumbered Fund Balances have been carried forward from the prior year without adjustment. Unencumbered Fund Balances represent the Treasurer's Cash Balance for each fund, less any outstanding Accounts Payable or Encumbrances at December 31, 2005.

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Treasurer's Motor Vehicle Operating Fund

The County Treasurer administers Kansas' Motor Vehicle License assessments and retains a portion of the assessments as reimbursement for these services. After the year end, the excess of the reimbursements over the expenses of providing the services is transferred into the General Fund as a Cash Receipts item titled Motor Vehicle License Fees. The activity in the Cowley County Motor Vehicle Operating Fund is not reported in the financial statements, other than the transfer of the year end balance (the excess) into the General Fund in the following year. The cash receipts and disbursements in this fund for 2005 and 2004 were as follows:

Kansas Motor Vehicle Fund Activity	2005	2004
Total Fees Collected	\$ 1,663,025.03	\$ 1,632,628.67
Fees Retained by County	<u>(177,243.50)</u>	<u>(176,164.75)</u>
Net Fees Due Kansas	\$ 1,485,781.53	\$ 1,456,463.92
Total Fees Remitted to Kansas	<u>(1,485,781.53)</u>	<u>(1,456,463.92)</u>
Fees Payable To (Receivable From) Kansas at 12/31	<u>\$ -</u>	<u>\$ -</u>
 Cowley County Motor Vehicle Operating Fund Activity		
Revenues, Fees & Other Support		
Total Fees Retained by County (per above)	\$ 177,243.50	\$ 176,164.75
Lien Fees, Antique Fees, Other Fees & Interest	<u>17,224.64</u>	<u>16,633.42</u>
Total Revenues, Fees & Other Support	<u>\$ 194,468.14</u>	<u>\$ 192,798.17</u>
Expenditures		
Payroll Reimbursements to County	\$ 94,459.70	\$ 95,078.72
Supplies	10,127.92	7,350.86
Equipment	6,336.35	8,858.70
Other Expenditures	<u>5,285.00</u>	<u>4,926.77</u>
Total Expenditures	<u>\$ 116,208.97</u>	<u>\$ 116,215.05</u>
Excess of Receipts over Expenditures:		
Payable To County at 12/31	<u>\$ 78,259.17</u>	<u>\$ 76,583.12</u>

IV. RELATED PARTY TRANSACTIONS

No related party transactions or activities were discovered during the course of the audit.

V. GRANTS

Federal Homeland Security Grants

The County acted as a pass-through agent for the processing of grant funds from the State Homeland Security Grant Program (SHSGP), administered by the Kansas Highway Patrol. During the

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current year Cowley County expended \$780,020.81 of SHSGP awards, for the benefit of law enforcement divisions of the County, Cities, and other municipalities in the County. All Federal Homeland Security Grant awards through SHSGP were restricted, that is, they could only be used to purchase products from Fischer Scientific. These expenditures are considered an expenditure of the Kansas Highway Patrol. They were not treated as expenditures of the County and therefore not subject to our audit.

Federal Voting Equipment Grant

The County was awarded a \$163,210 Federal Grant to purchase automated voting equipment. The Grant is administered by the Kansas Secretary of State's office. On November 29, 2005 the County made a commitment of \$163,750 to iVotronic for the purchase of a computerized voting system under the terms of this Grant. This commitment relates to funds held by the Kansas Secretary of State. It is not a commitment of County Cowley funds. Accordingly, this commitment has not been reported as an expenditure of County funds or as an encumbrance of the Cowley County Grants Fund. This expenditure is considered an expenditure of the Kansas Secretary of State's office.