

Riley County, Kansas

**Financial Statements
December 31, 2010**

Riley County, Kansas
Financial Statements
For the Year Ended December 31, 2010

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INDEPENDENT AUDITORS' REPORT

August 26, 2011

The Board of Commissioners
Riley County, Kansas

We have audited the accompanying primary government financial statements of Riley County, Kansas, as of and for the year ended December 31, 2010 as listed in the table of contents. These financial statements are the responsibility of Riley County, Kansas 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 applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statements referred to above do not include the financial data of component units of Riley County, Kansas, as of December 31, 2010.

As described in Note 1, Riley County, Kansas prepares its 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. The effects on the financial statements of the variances between these accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The Board of Commissioners
Riley County, Kansas

In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the primary government of Riley County, Kansas, as of December 31, 2010, and its cash receipts and expenditures compared to budget for the year then ended in conformity with the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riley County, Kansas 's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated August 26, 2011, on our consideration of Riley County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Board of Commissioners and management of Riley County, Kansas, and for filing with the Kansas Department of Administration, Division of Accounts and Reports and federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

James L. Gordon CPA PA

James L. Gordon, C.P.A., P.A.

Riley County, Kansas

Statement 1 Page 1

Summary of Cash Receipts, Expenditures, and Unencumbered Cash For the Year Ended December 31, 2010

<u>Fund</u>	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 3,622,091.97	\$ 18,693,891.49	\$ 18,440,940.44	\$ 3,875,043.02	\$ 558,641.81	\$ 4,433,684.83
Special Revenue Funds:						
Fire District	13,686.00	542,214.19	552,351.91	3,548.28	27,300.24	30,848.52
County Building	251,406.88	404,047.15	488,993.58	166,460.45	5,318.75	171,779.20
Economic Development	336,199.24	513,827.16	62,656.00	787,370.40	0.00	787,370.40
Register of Deeds Technology	72,317.28	73,608.74	89,336.82	56,589.20	0.00	56,589.20
Worker's Compensation	137,498.70	276.70	952.84	136,822.56	0.00	136,822.56
Special Alcohol and Drug Abuse Programs	6,779.99	5,097.71	2,500.00	9,377.70	0.00	9,377.70
RCPD Levy	21,673.03	3,313,972.92	3,281,877.71	53,768.24	25,364.22	79,132.46
Rural Fire Capital Outlay	336,218.78	57,000.00	192,937.80	200,280.98	95,969.00	296,249.98
Capital Improvements	2,259,922.65	2,910,162.29	1,840,256.92	3,329,828.02	43,260.24	3,373,088.26
County Auction	51,235.39	0.00	48,443.54	2,791.85	0.00	2,791.85
Motor Vehicle Operations	47,183.58	345,771.86	370,717.51	22,237.93	38.92	22,276.85
Adult Services	59,592.72	407,795.55	444,656.06	22,732.21	751.42	23,483.63
Prosecuting Attorney Training	2,170.31	7,100.82	4,841.30	4,429.83	0.00	4,429.83
War Memorial	13,884.43	1,050.00	315.00	14,619.43	0.00	14,619.43
Special Prosecutor Trust	6,367.44	506.92	5,834.95	1,039.41	0.00	1,039.41
Juvenile Services	121,287.60	249,293.10	331,938.74	38,641.96	621.99	39,263.95
Debt Service Funds:						
Bond and Interest	309,056.30	4,422,889.17	4,454,933.62	277,011.85	0.00	277,011.85
Capital Projects Funds:						
Landfill	25,412.79	15,000.00	22,058.61	18,354.18	647.83	19,002.01
Road and Bridge	3,549,022.28	1,681,454.36	1,660,418.68	3,570,057.96	3,117.89	3,573,175.85
Konza Sewer District	21.82	0.00	21.82	0.00	0.00	0.00
Sharm Drive Paving District	0.00	0.00	0.00	0.00	0.00	0.00
Resourceful Ks Energy	0.00	660,586.04	660,586.04	0.00	0.00	0.00
Proprietary Funds:						
Emergency 911	459,551.51	191,565.42	311,455.67	339,661.26	165,733.21	505,394.47
Solid Waste Disposal	518,536.26	1,996,438.24	2,290,744.81	224,229.69	134,747.25	358,976.94
University Park						
Improvement District	3,238.75	24,339.56	20,554.24	7,024.07	0.00	7,024.07
Water and Sewer	11,279.36	81,488.97	90,183.53	2,584.80	4,245.79	6,830.59
Water and Sewer Reserve	5,035.46	15,000.00	13,867.20	6,168.26	0.00	6,168.26
Hunter's Island						
Water District	5,647.58	23,677.45	23,726.65	5,598.38	1,759.32	7,357.70
Water Reserve	16,092.89	0.00	0.00	16,092.89	0.00	16,092.89

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

Riley County, Kansas

Summary of Cash Receipts,
Expenditures, and Unencumbered Cash
For the Year Ended December 31, 2010

<u>Fund</u>	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Proprietary Funds:(Continued)						
Moehlman Bottoms						
Water District	7,283.42	13,075.35	14,280.92	6,077.85	904.97	6,982.82
Reserve	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00
Terra Heights						
Sewer	11,721.00	22,804.40	28,352.87	6,172.53	840.22	7,012.75
Sewer Sinking	37,800.48	27,351.00	15,421.57	49,729.91	0.00	49,729.91
Valleywood						
Combined Operations	16,846.08	27,117.38	30,692.11	13,271.35	149.24	13,420.59
Combined Operations Reserve	31,894.54	10,000.00	13,304.34	28,590.20	0.00	28,590.20
Konza						
Water District	21,912.04	75,266.07	75,645.02	21,533.09	3,688.82	25,221.91
Water Reserve	120,353.70	22,500.00	3,294.25	139,559.45	292.50	139,851.95
Deep Creek						
Sewer	8,173.39	4,798.71	5,900.54	7,071.56	341.93	7,413.49
Reserve	19,543.09	1,610.44	0.00	21,153.53	0.00	21,153.53
Mertz/McGehee Drainage	6,183.36	0.00	0.00	6,183.36	0.00	6,183.36
Carson						
Sewer Benefit District	11,772.96	2,902.87	12,358.33	2,317.50	0.00	2,317.50
Sewer Reserve	8,000.00	10,000.00	0.00	18,000.00	0.00	18,000.00
Total Primary Government (Excluding Agency Funds)	<u>\$ 12,568,895.05</u>	<u>\$ 36,855,482.03</u>	<u>\$ 35,907,351.94</u>	<u>\$ 13,517,025.14</u>	<u>\$ 1,073,735.56</u>	<u>\$ 14,590,760.70</u>

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

Summary of Cash Receipts,
Expenditures, and Unencumbered Cash
For the Year Ended December 31, 2010

Composition of Cash

Certificates of Deposit:

Riley State Bank	\$	500,000.00
Riley State Bank		300,000.00
Riley State Bank		300,000.00
Riley State Bank		100,000.00
Kansas State Bank		200,000.00
Kansas State Bank		400,000.00
Kansas State Bank		300,000.00
Kansas State Bank		200,000.00
Kansas State Bank		500,000.00
Kansas State Bank		500,000.00

CDARS:

Community First National Bank	500,000.00
Community First National Bank	500,000.00
Community First National Bank	600,000.00
Kansas State Bank	800,000.00
Kansas State Bank	200,000.00
Kansas State Bank	500,000.00
Kansas State Bank	500,000.00
Kansas State Bank	700,000.00
Kansas State Bank	300,000.00
Kansas State Bank	500,000.00
Kansas State Bank	700,000.00
Kansas State Bank	300,000.00
Kansas State Bank	500,000.00
Kansas State Bank	400,000.00
Kansas State Bank	600,000.00
Kansas State Bank	100,000.00
Kansas State Bank	500,000.00
Kansas State Bank	400,000.00
Kansas State Bank	100,000.00

Savings Accounts:

Riley State Bank	172,370.65
Leonardville State Bank	5,000.00

Checking Accounts:

Kansas State Bank	42,389,490.19
Commerce Bank Money Market	6,142.17
Petty Cash and Change Funds	3,345.41

Total Primary Government 54,576,348.42

Agency Funds per Statement 4 (39,985,587.72)

Total Primary Government (Excluding Agency Funds) \$ 14,590,760.70

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

Riley County, Kansas

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Summary of Expenditures
Actual and Budget
(Budgeted Funds Only)

<u>Fund</u>	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	\$ 18,489,055.00	\$ 0.00	\$ 18,489,055.00	\$ 18,440,940.44	\$ (48,114.56)
Special Revenue Funds:					
Fire District	564,097.00	0.00	564,097.00	552,351.91	(11,745.09)
County Building	665,387.00	0.00	665,387.00	488,993.58	(176,393.42)
Economic Development	581,898.00	0.00	581,898.00	62,656.00	(519,242.00)
* Register of Deeds Technology	91,120.00	0.00	91,120.00	89,336.82	(1,783.18)
Worker's Compensation	139,313.00	0.00	139,313.00	952.84	(138,360.16)
Special Alcohol and Drug Abuse Programs	9,615.00	0.00	9,615.00	2,500.00	(7,115.00)
RCPD Levy	3,370,401.00	0.00	3,370,401.00	3,281,877.71	(88,523.29)
Rural Fire Capital Outlay	260,000.00	0.00	260,000.00	192,937.80	(67,062.20)
* Capital Improvements	5,597,009.00	0.00	5,597,009.00	1,840,256.92	(3,756,752.08)
* County Auction	51,235.00	0.00	51,235.00	48,443.54	(2,791.46)
* Motor Vehicle Operations	311,000.00	0.00	311,000.00	370,717.51	59,717.51
* Adult Services	539,576.00	0.00	539,576.00	444,656.06	(94,919.94)
* Prosecuting Attorney Training	5,000.00	0.00	5,000.00	4,841.30	(158.70)
* War Memorial	6,223.00	0.00	6,223.00	315.00	(5,908.00)
* Special Prosecutor Trust	8,000.00	0.00	8,000.00	5,834.95	(2,165.05)
* Juvenile Services	360,537.00	0.00	360,537.00	331,938.74	(28,598.26)
Debt Service Funds:					
Bond and Interest	2,038,997.00	2,727,791.00	4,766,788.00	4,454,933.62	(311,854.38)
Capital Projects Funds:					
* Landfill Capital Project	34,702.00	0.00	34,702.00	22,058.61	(12,643.39)
* Road and Bridge Capital Project	4,014,469.00	0.00	4,014,469.00	1,660,418.68	(2,354,050.32)
* Konza Sewer District	0.00	0.00	0.00	21.82	21.82
* Sharm Drive Paving District	607.00	0.00	607.00	0.00	(607.00)
* Resourceful Ks Energy	0.00	0.00	0.00	660,586.04	660,586.04
Proprietary Funds:					
Emergency 911	640,234.00	0.00	640,234.00	311,455.67	(328,778.33)
Solid Waste Disposal	2,322,779.00	0.00	2,322,779.00	2,290,744.81	(32,034.19)
University Park Improvement District	23,005.00	0.00	23,005.00	20,554.24	(2,450.76)
Water and Sewer	91,467.00	0.00	91,467.00	90,183.53	(1,283.47)
* Water and Sewer Reserve	25,313.00	0.00	25,313.00	13,867.20	(11,445.80)
Hunter's Island Water District	33,451.00	0.00	33,451.00	23,726.65	(9,724.35)
* Water Reserve	2,511.00	0.00	2,511.00	0.00	(2,511.00)

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

Riley County, Kansas

Statement 2

Page 2

Summary of Expenditures
Actual and Budget
(Budgeted Funds Only)

Proprietary Funds:(Continued)						
Moehlman Bottoms						
	Water District	17,790.00	0.00	17,790.00	14,280.92	(3,509.08)
*	Reserve	8,147.00	0.00	8,147.00	0.00	(8,147.00)
Terra Heights						
	Sewer	35,499.00	0.00	35,499.00	28,352.87	(7,146.13)
*	Sewer Sinking	37,057.00	0.00	37,057.00	15,421.57	(21,635.43)
Valleywood						
	Combined Operations	51,912.00	0.00	51,912.00	30,692.11	(21,219.89)
*	Combined Operations Reserve	29,237.00	0.00	29,237.00	13,304.34	(15,932.66)
Konza						
	Water District	90,233.00	0.00	90,233.00	75,645.02	(14,587.98)
*	Water Reserve	62,396.00	0.00	62,396.00	3,294.25	(59,101.75)
Deep Creek						
	Sewer	9,925.00	0.00	9,925.00	5,900.54	(4,024.46)
*	Reserve	14,556.00	0.00	14,556.00	0.00	(14,556.00)
	Mertz/McGehee Drainage	6,183.00	0.00	6,183.00	0.00	(6,183.00)
Carson						
	Sewer Benefit District	14,112.00	0.00	14,112.00	12,358.33	(1,753.67)
*	Sewer Reserve	17,612.00	0.00	17,612.00	0.00	(17,612.00)
	Total Primary Government (Excluding Agency Funds)	<u>\$ 40,671,660.00</u>	<u>\$ 2,727,791.00</u>	<u>\$ 43,399,451.00</u>	<u>\$ 35,907,351.94</u>	<u>\$ (7,492,099.06)</u>

* Fund not required to be budgeted

General Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 11,085,439.54	\$ 11,493,450.00	\$ (408,010.46)
Delinquent	221,449.51	0.00	221,449.51
Motor Vehicle	1,130,420.58	1,137,650.00	(7,229.42)
Vehicle Rental Excise Tax	26,408.11	23,000.00	3,408.11
Recreational Vehicle Tax	13,244.27	12,350.00	894.27
Special Highway	984,000.21	927,500.00	56,500.21
Sales Tax	1,561,842.39	1,000,000.00	561,842.39
Intangibles Tax	363,470.21	320,000.00	43,470.21
Interest and Charges on Taxes	4,750.89	100,000.00	(95,249.11)
Severance (Mineral Production) Tax	2,574.85	0.00	2,574.85
Licenses, Permits, Fees and Charges	760,825.03	176,600.00	584,225.03
Mortgage Fees	849,538.38	755,000.00	94,538.38
Recording Fees	107,360.00	113,000.00	(5,640.00)
Interest	268,508.52	300,000.00	(31,491.48)
Reimbursed Expenses	393,761.39	0.00	393,761.39
Federal Aid and Program Income	394,600.87	31,000.00	363,600.87
Juvenile Service-JJA Sanctions	51,825.26	50,000.00	1,825.26
General Obligation Bonds	375,000.00	0.00	375,000.00
State Aid	11,532.25	0.00	11,532.25
Transfers In	87,339.23	250,607.00	(163,267.77)
Total Cash Receipts	<u>18,693,891.49</u>	<u>\$ 16,690,157.00</u>	<u>\$ 2,003,734.49</u>
Expenditures and Transfers			
Subject to Budget			
County Attorney:			
Personal Services	882,290.99	\$ 966,031.00	\$ (83,740.01)
Contractual Services	133,022.21	100,689.00	32,333.21
Commodities	20,731.75	27,000.00	(6,268.25)
Capital Outlay	10,380.39	0.00	10,380.39
Employee Benefits	299,878.00	350,633.00	(50,755.00)
Total County Attorney	<u>1,346,303.34</u>	<u>1,444,353.00</u>	<u>(98,049.66)</u>

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

**General Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
County Clerk:			
Personal Services	434,565.51	452,958.00	(18,392.49)
Contractual Services	24,237.56	20,400.00	3,837.56
Commodities	4,380.80	5,907.00	(1,526.20)
Employee Benefits	129,401.79	167,595.00	(38,193.21)
Total County Clerk	<u>592,585.66</u>	<u>646,860.00</u>	<u>(54,274.34)</u>
County Commissioners:			
Personal Services	104,424.06	104,395.00	29.06
Contractual Services	7,215.32	15,250.00	(8,034.68)
Commodities	485.01	400.00	85.01
Employee Benefits	26,168.66	38,626.00	(12,457.34)
Total County Commissioners	<u>138,293.05</u>	<u>158,671.00</u>	<u>(20,377.95)</u>
County Counselor:			
Personal Services	280,462.37	282,715.00	(2,252.63)
Contractual Services	32,336.52	44,200.00	(11,863.48)
Commodities	3,681.94	4,750.00	(1,068.06)
Capital Outlay	349.45	1,600.00	(1,250.55)
Employee Benefits	85,808.49	104,604.00	(18,795.51)
Total County Counselor	<u>402,638.77</u>	<u>437,869.00</u>	<u>(35,230.23)</u>
Register of Deeds:			
Personal Services	220,580.28	227,211.00	(6,630.72)
Contractual Services	12,932.36	21,195.00	(8,262.64)
Commodities	4,010.27	6,400.00	(2,389.73)
Capital Outlay	418.81	5,600.00	(5,181.19)
Employee Benefits	77,461.10	84,068.00	(6,606.90)
Total Register of Deeds	<u>315,402.82</u>	<u>344,474.00</u>	<u>(29,071.18)</u>

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

Riley County, Kansas

Statement 3-1

General Fund
 Statement of Cash Receipts and Expenditures
 Actual and Budget
 For the Year Ended December 31, 2010

	Actual	Budget	Variance Over (Under)
County Treasurer:			
Personal Services	399,349.48	409,423.00	(10,073.52)
Contractual Services	32,763.21	39,500.00	(6,736.79)
Commodities	5,037.93	8,800.00	(3,762.07)
Capital Outlay	0.00	1,000.00	(1,000.00)
Employee Benefits	139,699.78	151,486.00	(11,786.22)
Total County Treasurer	<u>576,850.40</u>	<u>610,209.00</u>	<u>(33,358.60)</u>
District Court:			
Contractual Services	125,160.89	129,200.00	(4,039.11)
Commodities	22,777.90	37,300.00	(14,522.10)
Capital Outlay	2,628.95	6,100.00	(3,471.05)
Total District Court	<u>150,567.74</u>	<u>172,600.00</u>	<u>(22,032.26)</u>
Emergency Preparedness:			
Personal Services	100,277.42	102,963.00	(2,685.58)
Contractual Services	14,343.08	15,930.00	(1,586.92)
Commodities	17,836.23	7,100.00	10,736.23
Capital Outlay	13,044.22	0.00	13,044.22
Employee Benefits	34,010.60	38,097.00	(4,086.40)
Total Emergency Preparedness	<u>179,511.55</u>	<u>164,090.00</u>	<u>15,421.55</u>
County Coroner:			
Personal Services	4,852.12	4,852.00	0.12
Contractual Services	43,889.26	21,700.00	22,189.26
Employee Benefits	377.35	371.00	6.35
Total County Coroner	<u>49,118.73</u>	<u>26,923.00</u>	<u>22,195.73</u>
Juvenile Intake:			
Contractual Services	112,100.00	110,000.00	2,100.00
Commodities	(2,569.12)	0.00	(2,569.12)
Total Juvenile Intake	<u>109,530.88</u>	<u>110,000.00</u>	<u>(469.12)</u>

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

Riley County, Kansas

Statement 3-1

**General Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Fair:			
Contractual Services	67,489.14	66,980.00	509.14
Commodities	16,584.21	19,000.00	(2,415.79)
Capital Outlay	11,880.79	10,095.00	1,785.79
Total Fair	<u>95,954.14</u>	<u>96,075.00</u>	<u>(120.86)</u>
Museum:			
Personal Services	219,063.51	216,960.00	2,103.51
Contractual Services	9,189.75	7,970.00	1,219.75
Commodities	3,302.73	2,250.00	1,052.73
Capital Outlay	446.52	0.00	446.52
Employee Benefits	54,067.41	75,572.00	(21,504.59)
Total Museum	<u>286,069.92</u>	<u>302,752.00</u>	<u>(16,682.08)</u>
Parks:			
Personal Services	208,805.58	208,867.00	(61.42)
Contractual Services	33,589.19	29,400.00	4,189.19
Commodities	24,799.81	25,900.00	(1,100.19)
Capital Outlay	35,660.62	47,200.00	(11,539.38)
Employee Benefits	57,759.53	62,979.00	(5,219.47)
Total Parks	<u>360,614.73</u>	<u>374,346.00</u>	<u>(13,731.27)</u>
Domestic Violence:			
Personal Services	10,500.00	0.00	10,500.00
Total Domestic Violence	<u>10,500.00</u>	<u>0.00</u>	<u>10,500.00</u>

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

General Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010

	Actual	Budget	Variance Over (Under)
Election:			
Personal Services	145,589.85	185,306.00	(39,716.15)
Contractual Services	122,450.09	138,350.00	(15,899.91)
Commodities	10,839.33	29,331.00	(18,491.67)
Capital Outlay	0.00	1,500.00	(1,500.00)
Employee Benefits	51,430.33	55,213.00	(3,782.67)
Total Election	<u>330,309.60</u>	<u>409,700.00</u>	<u>(79,390.40)</u>
JJA Prevention:			
Contractual Services	53,718.29	0.00	53,718.29
Total JJA Prevention	<u>53,718.29</u>	<u>0.00</u>	<u>53,718.29</u>
Ambulance:			
Contractual Services	732,447.95	842,890.00	(110,442.05)
Total Ambulance	<u>732,447.95</u>	<u>842,890.00</u>	<u>(110,442.05)</u>
GIS:			
Personal Services	134,645.92	158,358.00	(23,712.08)
Contractual Services	20,943.89	21,630.00	(686.11)
Commodities	952.24	1,000.00	(47.76)
Capital Outlay	899.18	900.00	(0.82)
Employee Benefits	41,945.97	58,592.00	(16,646.03)
Total GIS	<u>199,387.20</u>	<u>240,480.00</u>	<u>(41,092.80)</u>
County Appraiser:			
Personal Services	744,001.17	751,514.00	(7,512.83)
Contractual Services	82,545.74	79,245.00	3,300.74
Commodities	12,600.54	32,200.00	(19,599.46)
Capital Outlay	7,802.39	10,000.00	(2,197.61)
Employee Benefits	264,759.03	274,577.00	(9,817.97)
Total County Appraiser	<u>1,111,708.87</u>	<u>1,147,536.00</u>	<u>(35,827.13)</u>

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

Riley County, Kansas

Statement 3-1

**General Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Information Systems:			
Personal Services	276,448.15	287,248.00	(10,799.85)
Contractual Services	173,299.94	169,200.00	4,099.94
Commodities	9,089.58	26,500.00	(17,410.42)
Capital Outlay	148,965.38	136,200.00	12,765.38
Employee Benefits	95,386.89	103,301.00	(7,914.11)
Total Information Systems	<u>703,189.94</u>	<u>722,449.00</u>	<u>(19,259.06)</u>
Planning & Development:			
Personal Services	244,437.73	253,897.00	(9,459.27)
Contractual Services	44,036.69	54,859.00	(10,822.31)
Commodities	3,940.87	5,850.00	(1,909.13)
Capital Outlay	0.00	1,500.00	(1,500.00)
Employee Benefits	63,841.15	90,590.00	(26,748.85)
Total Planning & Development	<u>356,256.44</u>	<u>406,696.00</u>	<u>(50,439.56)</u>
General:			
Personal Services	62,033.48	50,000.00	12,033.48
Contractual Services	1,183,716.16	945,500.00	238,216.16
Commodities	1,547.54	7,500.00	(5,952.46)
Capital Outlay	41,666.00	900,000.00	(858,334.00)
Employee Benefits	9,424.79	7,600.00	1,824.79
Total General	<u>1,298,387.97</u>	<u>1,910,600.00</u>	<u>(612,212.03)</u>
Road and Bridge:			
Personal Services	2,012,561.96	2,118,133.00	(105,571.04)
Contractual Services	412,514.67	546,200.00	(133,685.33)
Commodities	2,746,152.84	1,994,000.00	752,152.84
Capital Outlay	163,123.72	65,500.00	97,623.72
Employee Benefits	689,760.02	738,973.00	(49,212.98)
Total Road and Bridge	<u>6,024,113.21</u>	<u>5,462,806.00</u>	<u>561,307.21</u>

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

**General Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Noxious Weed:			
Personal Services	284,690.36	288,218.00	(3,527.64)
Contractual Services	20,123.62	31,725.00	(11,601.38)
Commodities	113,011.15	60,000.00	53,011.15
Capital Outlay	11,200.00	400.00	10,800.00
Employee Benefits	104,913.07	106,641.00	(1,727.93)
Total Noxious Weed	<u>533,938.20</u>	<u>486,984.00</u>	<u>46,954.20</u>
21st Judicial Dist Teen Court:			
Personal Services	42,670.72	0.00	42,670.72
Contractual Services	5,103.77	0.00	5,103.77
Commodities	261.23	0.00	261.23
Employee Benefits	11,445.72	0.00	11,445.72
Total 21st Judicial Dist Teen Court	<u>59,481.44</u>	<u>0.00</u>	<u>59,481.44</u>
Juvenile Intake Case Manager:			
Contractual Services	20,592.00	0.00	20,592.00
Commodities	56.65	0.00	56.65
Capital Outlay	214.98	0.00	214.98
Total Juvenile Intake Case Manager	<u>20,863.63</u>	<u>0.00</u>	<u>20,863.63</u>
21st Judicial Dist Surv Prog:			
Contractual Services	1,269.86	0.00	1,269.86
Commodities	1,099.20	0.00	1,099.20
Total Teen Court	<u>2,369.06</u>	<u>0.00</u>	<u>2,369.06</u>
LEPC-HMTA:			
Contractual Services	10,449.25	0.00	10,449.25
Total LEPC-HMTA	<u>10,449.25</u>	<u>0.00</u>	<u>10,449.25</u>
Juvenile Supervision:			
Contractual Services	34.19	0.00	34.19
Commodities	381.24	0.00	381.24
Total Juvenile Supervision	<u>415.43</u>	<u>0.00</u>	<u>415.43</u>

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

Riley County, Kansas

Statement 3-1

**General Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Appropriations:			
Council on Aging	313,387.00	313,387.00	0.00
Big Lakes Development	183,855.00	183,855.00	0.00
Pawnee Mental Health	225,785.00	225,785.00	0.00
Extension Council	465,894.00	465,894.00	0.00
Health Department	276,780.00	276,780.00	0.00
Soil Conservation District	51,945.00	51,945.00	0.00
Animal Shelter	41,708.00	41,708.00	0.00
Emergency Shelter	10,700.00	10,700.00	0.00
Riley County Genealogical Society	3,083.00	3,083.00	0.00
Liability Insurance	417,825.23	381,555.00	36,270.23
Transfers Out	399,000.00	15,000.00	384,000.00
Total Expenditures and Transfers Subject to Budget	18,440,940.44	\$ 18,489,055.00	\$ (48,114.56)
 Receipts Over (Under) Expenditures	 252,951.05		
 Unencumbered Cash, Beginning	 3,622,091.97		
 Unencumbered Cash, Ending	 <u>\$ 3,875,043.02</u>		

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

Fire District Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 452,602.82	\$ 473,175.00	\$ (20,572.18)
Delinquent	9,413.66	2,500.00	6,913.66
Motor Vehicle	67,672.47	67,800.00	(127.53)
Recreational Vehicle Tax	1,499.49	1,285.00	214.49
Miscellaneous	3,750.00	1,000.00	2,750.00
Transfer In	7,275.75	0.00	7,275.75
Total Cash Receipts	542,214.19	\$ 545,760.00	\$ (3,545.81)
Expenditures and Transfers			
Subject to Budget			
Personal Services	105,210.96	\$ 103,932.00	\$ 1,278.96
Contractual Services	144,692.45	124,970.00	19,722.45
Commodities	136,406.92	133,600.00	2,806.92
Capital Outlay	54,469.82	143,140.00	(88,670.18)
Employee Benefits	37,082.33	38,455.00	(1,372.67)
Transfer Out	74,489.43	20,000.00	54,489.43
Total Expenditures and Transfers Subject to Budget	552,351.91	\$ 564,097.00	\$ (11,745.09)
Receipts Over (Under) Expenditures	(10,137.72)		
Unencumbered Cash, Beginning	13,686.00		
Unencumbered Cash, Ending	\$ 3,548.28		

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

Riley County, Kansas

Statement 3-3

County Building Fund
 Statement of Cash Receipts and Expenditures
 Actual and Budget
 For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 277,422.39	\$ 287,480.00	\$ (10,057.61)
Real Estate Redemption	0.00	0.00	0.00
Delinquent	4,179.63	3,700.00	479.63
Motor Vehicle	21,694.82	22,000.00	(305.18)
Vehicle Rental Excise Tax	497.50	500.00	(2.50)
Recreational Vehicle Tax	252.81	300.00	(47.19)
Transfer In	100,000.00	100,000.00	0.00
Total Cash Receipts	<u>404,047.15</u>	<u>\$ 413,980.00</u>	<u>\$ (9,932.85)</u>
Expenditures and Transfers			
Subject to Budget			
Contractual Services	384,783.17	\$ 475,000.00	\$ (90,216.83)
Commodities	7,118.44	65,387.00	(58,268.56)
Capital Outlay	<u>97,091.97</u>	<u>125,000.00</u>	<u>(27,908.03)</u>
Total Expenditures and			
Transfers Subject to Budget	<u>488,993.58</u>	<u>\$ 665,387.00</u>	<u>\$ (176,393.42)</u>
Receipts Over (Under) Expenditures	(84,946.43)		
Unencumbered Cash, Beginning	<u>251,406.88</u>		
Unencumbered Cash, Ending	<u>\$ 166,460.45</u>		

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

Riley County, Kansas

Statement 3-4

Economic Development Fund
 Statement of Cash Receipts and Expenditures
 Actual and Budget
 For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue:			
City of Manhattan Konza Development			
Shared Cost Reimbursement	\$ 513,805.34	\$ 0.00	\$ 513,805.34
Transfer In	21.82	0.00	21.82
Total Cash Receipts	<u>513,827.16</u>	<u>\$ 0.00</u>	<u>\$ 513,827.16</u>
Expenditures and Transfers			
Subject to Budget			
Contractual Services	62,656.00	\$ 0.00	\$ 62,656.00
Capital Outlay	0.00	581,898.00	(581,898.00)
Total Expenditures and Transfers Subject to Budget	<u>62,656.00</u>	<u>\$ 581,898.00</u>	<u>\$ (519,242.00)</u>
Receipts Over (Under) Expenditures	451,171.16		
Unencumbered Cash, Beginning	<u>336,199.24</u>		
Unencumbered Cash, Ending	<u>\$ 787,370.40</u>		

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

**Register of Deeds Technology Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Fees	\$ 73,535.00	\$ 65,739.00	\$ 7,796.00
Interest	73.74	0.00	73.74
Total Cash Receipts	<u>73,608.74</u>	<u>\$ 65,739.00</u>	<u>\$ 7,869.74</u>
Expenditures and Transfers			
Subject to Budget			
Contractual Services	89,336.82	\$ 0.00	\$ 89,336.82
Capital Outlay	0.00	91,120.00	(91,120.00)
Total Expenditures and			
Transfers Subject to Budget	<u>89,336.82</u>	<u>\$ 91,120.00</u>	<u>\$ (1,783.18)</u>
Receipts Over (Under) Expenditures	(15,728.08)		
Unencumbered Cash, Beginning	<u>72,317.28</u>		
Unencumbered Cash, Ending	<u>\$ 56,589.20</u>		

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

**Worker's Compensation Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Delinquent	\$ 121.72	\$ 0.00	\$ 121.72
Interest	154.98	0.00	154.98
Total Cash Receipts	276.70	\$ 0.00	\$ 276.70
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	952.84	\$ 139,313.00	\$ (138,360.16)
Total Expenditures and			
Transfers Subject to Budget	952.84	\$ 139,313.00	\$ (138,360.16)
 Receipts Over (Under) Expenditures	(676.14)		
 Unencumbered Cash, Beginning	137,498.70		
 Unencumbered Cash, Ending	\$ 136,822.56		

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

**Special Alcohol and Drug Abuse Programs Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under) <u> </u>
Cash Receipts			
Taxes and Shared Revenue:			
Local Alcoholic Liquor Tax	\$ 5,097.71	\$ 4,600.00	\$ 497.71
Total Cash Receipts	<u>5,097.71</u>	<u>\$ 4,600.00</u>	<u>\$ 497.71</u>
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	<u>2,500.00</u>	\$ 9,615.00	\$ (7,115.00)
Total Expenditures and			
Transfers Subject to Budget	<u>2,500.00</u>	<u>\$ 9,615.00</u>	<u>\$ (7,115.00)</u>
 Receipts Over (Under) Expenditures	2,597.71		
 Unencumbered Cash, Beginning	<u>6,779.99</u>		
 Unencumbered Cash, Ending	<u>\$ 9,377.70</u>		

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

Riley County, Kansas

Statement 3-8

RCPD Levy Fund
 Statement of Cash Receipts and Expenditures
 Actual and Budget
 For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 2,848,802.90	\$ 2,952,521.00	\$ (103,718.10)
Delinquent	49,792.68	280.00	49,512.68
Motor Vehicle	264,832.78	262,000.00	2,832.78
Vehicle Rental Excise Tax	6,334.46	6,350.00	(15.54)
Recreational Vehicle Tax	3,124.66	3,150.00	(25.34)
Transfers In	141,085.44	141,085.00	0.44
Total Cash Receipts	<u>3,313,972.92</u>	<u>\$ 3,365,386.00</u>	<u>\$ (51,413.08)</u>
Expenditures and Transfers			
Subject to Budget			
Contractual Services	3,256,087.26	\$ 3,337,880.00	\$ (81,792.74)
Commodities	25,790.45	32,521.00	(6,730.55)
Total Expenditures and			
Transfers Subject to Budget	<u>3,281,877.71</u>	<u>\$ 3,370,401.00</u>	<u>\$ (88,523.29)</u>
Receipts Over (Under) Expenditures	32,095.21		
Unencumbered Cash, Beginning	<u>21,673.03</u>		
Unencumbered Cash, Ending	<u>\$ 53,768.24</u>		

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

**Rural Fire Capital Outlay Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Transfer In	\$ 57,000.00	\$ 20,000.00	\$ 37,000.00
Total Cash Receipts	57,000.00	\$ 20,000.00	\$ 37,000.00
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	3,912.80	\$ 0.00	\$ 3,912.80
Capital Outlay	189,025.00	260,000.00	(70,975.00)
Total Expenditures and			
Transfers Subject to Budget	192,937.80	\$ 260,000.00	\$ (67,062.20)
 Receipts Over (Under) Expenditures	(135,937.80)		
 Unencumbered Cash, Beginning	336,218.78		
 Unencumbered Cash, Ending	\$ 200,280.98		

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

**Capital Improvements Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Delinquent Taxes	\$ 26.83	\$ 27.00	\$ (0.17)
Interest	2,033.02	0.00	2,033.02
Property Sales	385,267.26	452,092.00	(66,824.74)
General Obligation Bond	2,271,345.75	2,556,839.00	(285,493.25)
Transfer In	251,489.43	201,522.00	49,967.43
Total Cash Receipts	2,910,162.29	\$ 3,210,480.00	\$ (300,317.71)
Expenditures and Transfers			
Subject to Budget			
Contractual Services	213,516.75	\$ 0.00	\$ 213,516.75
Commodities	2,506.96	0.00	2,506.96
Capital Outlay	1,495,641.62	5,490,924.00	(3,995,282.38)
Bond Underwriter Fees	22,506.15	0.00	22,506.15
Transfer Out	106,085.44	106,085.00	0.44
Total Expenditures and Transfers Subject to Budget	1,840,256.92	\$ 5,597,009.00	\$ (3,756,752.08)
Receipts Over (Under) Expenditures	1,069,905.37		
Unencumbered Cash, Beginning	2,259,922.65		
Unencumbered Cash, Ending	\$ 3,329,828.02		

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

Riley County, Kansas

Statement 3-11

County Auction Fund
 Statement of Cash Receipts and Expenditures
 Actual and Budget
 For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Total Cash Receipts	\$ 0.00	\$ 0.00	\$ 0.00
Expenditures and Transfers			
Subject to Budget			
Contractual Services	1,167.79	\$ 11,235.00	\$ (10,067.21)
Transfer Out	<u>47,275.75</u>	<u>40,000.00</u>	<u>7,275.75</u>
Total Expenditures and			
Transfers Subject to Budget	<u>48,443.54</u>	<u>\$ 51,235.00</u>	<u>\$ (2,791.46)</u>
Receipts Over (Under) Expenditures	(48,443.54)		
Unencumbered Cash, Beginning	<u>51,235.39</u>		
Unencumbered Cash, Ending	<u>\$ 2,791.85</u>		

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

**Motor Vehicle Operations Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Motor Vehicle Fees	\$ 334,984.86	\$ 311,000.00	\$ 23,984.86
Leinholder Fees	8,512.00	0.00	8,512.00
Vehicle License Fees	2,275.00	0.00	2,275.00
Total Cash Receipts	345,771.86	\$ 311,000.00	\$ 34,771.86
Expenditures and Transfers			
Subject to Budget			
Personal Services	169,301.39	\$ 182,967.00	\$ (13,665.61)
Contractual Services	35,723.67	39,637.00	(3,913.33)
Commodities	22,316.29	21,000.00	1,316.29
Capital Outlay	30,900.80	3,500.00	27,400.80
Employee Benefits	65,136.13	63,896.00	1,240.13
Transfer Out	47,339.23	0.00	47,339.23
Total Expenditures and Transfers Subject to Budget	370,717.51	\$ 311,000.00	\$ 59,717.51
Receipts Over (Under) Expenditures	(24,945.65)		
Unencumbered Cash, Beginning	47,183.58		
Unencumbered Cash, Ending	\$ 22,237.93		

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

Adult Services Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010

	Actual	Budget	Variance Over (Under)
Cash Receipts			
State Aid-Department of Corrections	\$ 407,795.55	\$ 477,296.00	\$ (69,500.45)
Total Cash Receipts	407,795.55	\$ 477,296.00	\$ (69,500.45)
Expenditures and Transfers			
Subject to Budget			
Personal Services	304,338.82	\$ 380,000.00	\$ (75,661.18)
Contractual Services	24,956.07	50,000.00	(25,043.93)
Commodities	15,523.19	15,000.00	523.19
Employee Benefits	99,837.98	94,576.00	5,261.98
Total Expenditures and Transfers Subject to Budget	444,656.06	\$ 539,576.00	\$ (94,919.94)
Receipts Over (Under) Expenditures	(36,860.51)		
Unencumbered Cash, Beginning	59,592.72		
Unencumbered Cash, Ending	\$ 22,732.21		

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

**Prosecuting Attorney Training Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Fees	\$ 7,100.82	\$ 3,500.00	\$ 3,600.82
Total Cash Receipts	7,100.82	\$ 3,500.00	\$ 3,600.82
Expenditures and Transfers			
Subject to Budget			
Contractual Services	4,841.30	\$ 5,000.00	\$ (158.70)
Total Expenditures and			
Transfers Subject to Budget	4,841.30	\$ 5,000.00	\$ (158.70)
Receipts Over (Under) Expenditures	2,259.52		
Unencumbered Cash, Beginning	2,170.31		
Unencumbered Cash, Ending	\$ 4,429.83		

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

War Memorial Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Donations	\$ 1,050.00	\$ 1,000.00	\$ 50.00
Total Cash Receipts	1,050.00	\$ 1,000.00	\$ 50.00
Expenditures and Transfers			
Subject to Budget			
Contractual Services	315.00	\$ 6,223.00	\$ (5,908.00)
Total Expenditures and			
Transfers Subject to Budget	315.00	\$ 6,223.00	\$ (5,908.00)
Receipts Over (Under) Expenditures	735.00		
Unencumbered Cash, Beginning	13,884.43		
Unencumbered Cash, Ending	\$ 14,619.43		

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

**Special Prosecutor Trust Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Miscellaneous Collections	\$ 506.92	\$ 0.00	\$ 506.92
Total Cash Receipts	506.92	\$ 0.00	\$ 506.92
Expenditures and Transfers Subject to Budget			
Contractual Services	5,834.95	\$ 8,000.00	\$ (2,165.05)
Total Expenditures and Transfers Subject to Budget	5,834.95	\$ 8,000.00	\$ (2,165.05)
Receipts Over (Under) Expenditures	(5,328.03)		
Unencumbered Cash, Beginning	6,367.44		
Unencumbered Cash, Ending	\$ 1,039.41		

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

Riley County, Kansas

Statement 3-17

Juvenile Services Fund
 Statement of Cash Receipts and Expenditures
 Actual and Budget
 For the Year Ended December 31, 2010

	Actual	Budget	Variance Over (Under)
Cash Receipts			
JJA Prevention	\$ 246,346.10	\$ 314,267.00	\$ (67,920.90)
Miscellaneous Collection	2,947.00	0.00	2,947.00
Total Cash Receipts	<u>249,293.10</u>	<u>\$ 314,267.00</u>	<u>\$ (64,973.90)</u>
Expenditures and Transfers			
Subject to Budget			
Personal Services	215,196.00	\$ 247,289.00	\$ (32,093.00)
Contractual Services	17,445.68	20,476.00	(3,030.32)
Commodities	10,870.92	6,500.00	4,370.92
Capital Outlay	16,052.04	0.00	16,052.04
Employee Benefits	72,374.10	86,272.00	(13,897.90)
Total Expenditures and Transfers Subject to Budget	<u>331,938.74</u>	<u>\$ 360,537.00</u>	<u>\$ (28,598.26)</u>
Receipts Over (Under) Expenditures	(82,645.64)		
Unencumbered Cash, Beginning	<u>121,287.60</u>		
Unencumbered Cash, Ending	<u>\$ 38,641.96</u>		

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

Riley County, Kansas

Statement 3-18

**Bond and Interest Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 682,305.05	\$ 707,219.00	\$ (24,913.95)
Delinquent	14,017.46	0.00	14,017.46
Motor Vehicle	70,993.87	65,460.00	5,533.87
Vehicle Rental Excise Tax	1,504.08	1,310.00	194.08
Recreational Vehicle Tax	809.05	705.00	104.05
Go Bond Proceeds	2,727,791.00	0.00	2,727,791.00
Special Assessments	166,832.19	185,379.00	(18,546.81)
Transfers In	758,636.47	759,633.00	(996.53)
Total Cash Receipts	<u>4,422,889.17</u>	<u>\$ 1,719,706.00</u>	<u>\$ 2,703,183.17</u>
Expenditures and Transfers			
Subject to Budget			
Principal	4,056,081.72	\$ 1,451,083.00	\$ 2,604,998.72
Interest	329,649.29	292,149.00	37,500.29
Bond Issuance Fees	26,643.85	0.00	26,643.85
Agent Fees	3,695.45	3,857.00	(161.55)
Bond Call Fees	38,863.31	0.00	38,863.31
Cash Basis Requirement	0.00	291,908.00	(291,908.00)
Total Expenditures and Transfers Subject to Budget	4,454,933.62	2,038,997.00	2,415,936.62
Adjustment for Qualifying Budget Credits	<u>0.00</u>	<u>2,727,791.00</u>	<u>(2,727,791.00)</u>
Total Expenditures	<u>4,454,933.62</u>	<u>\$ 4,766,788.00</u>	<u>\$ (311,854.38)</u>
Receipts Over (Under) Expenditures	(32,044.45)		
Unencumbered Cash, Beginning	<u>309,056.30</u>		
Unencumbered Cash, Ending	<u>\$ 277,011.85</u>		

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

**Landfill Capital Project Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Transfer In	\$ 15,000.00	\$ 15,000.00	\$ 0.00
Total Cash Receipts	15,000.00	\$ 15,000.00	\$ 0.00
Expenditures and Transfers			
Subject to Budget			
Contractual Services	22,058.61	\$ 28,702.00	\$ (6,643.39)
Commodities	0.00	6,000.00	(6,000.00)
Total Expenditures and			
Transfers Subject to Budget	22,058.61	\$ 34,702.00	\$ (12,643.39)
Receipts Over (Under) Expenditures	(7,058.61)		
Unencumbered Cash, Beginning	25,412.79		
Unencumbered Cash, Ending	\$ 18,354.18		

**Road and Bridge Capital Project Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
State Sales Tax	\$ 1,681,454.36	\$ 1,000,000.00	\$ 681,454.36
K-DOT Grant	0.00	2,000,000.00	(2,000,000.00)
Total Cash Receipts	1,681,454.36	\$ 3,000,000.00	\$ (1,318,545.64)
Expenditures and Transfers			
Subject to Budget			
Contractual Services	272,097.16	\$ 3,316,292.00	\$ (3,044,194.84)
Commodities	1,902.44	0.00	1,902.44
Capital Outlay	688,242.08	0.00	688,242.08
Transfer Out	698,177.00	698,177.00	0.00
Total Expenditures and Transfers Subject to Budget	1,660,418.68	\$ 4,014,469.00	\$ (2,354,050.32)
Receipts Over (Under) Expenditures	21,035.68		
Unencumbered Cash, Beginning	3,549,022.28		
Unencumbered Cash, Ending	\$ 3,570,057.96		

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

**Konza Sewer District Capital Project Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Total Cash Receipts	\$ 0.00	\$ 0.00	\$ 0.00
Expenditures and Transfers			
Subject to Budget			
Transfer Out	21.82	0.00	21.82
Total Expenditures and			
Transfers Subject to Budget	21.82	\$ 0.00	\$ 21.82
Receipts Over (Under) Expenditures	(21.82)		
Unencumbered Cash, Beginning	21.82		
Unencumbered Cash, Ending	\$ 0.00		

**Sharm Drive Paving District Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Total Cash Receipts	\$ 0.00	\$ 0.00	\$ 0.00
Expenditures and Transfers			
Subject to Budget			
Transfer Out	0.00	607.00	(607.00)
Total Expenditures and			
Transfers Subject to Budget	0.00	\$ 607.00	\$ (607.00)
Receipts Over (Under) Expenditures	0.00		
Unencumbered Cash, Beginning	0.00		
Unencumbered Cash, Ending	\$ 0.00		

**Resourceful Ks Energy Capital Project Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Federal Energy Grant	\$ 660,586.04	\$ 0.00	\$ 660,586.04
Total Cash Receipts	660,586.04	\$ 0.00	\$ 660,586.04
Expenditures and Transfers			
Subject to Budget			
Contractual Services	630,298.75	\$ 0.00	\$ 630,298.75
Commodities	17,287.29	0.00	17,287.29
Capital Outlay	13,000.00	0.00	13,000.00
Total Expenditures and Transfers Subject to Budget	660,586.04	\$ 0.00	\$ 660,586.04
Receipts Over (Under) Expenditures	0.00		
Unencumbered Cash, Beginning	0.00		
Unencumbered Cash, Ending	\$ 0.00		

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

Emergency 911 Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Charges for Services	\$ 191,016.76	\$ 180,682.00	\$ 10,334.76
Interest	548.66	0.00	548.66
	191,565.42	\$ 180,682.00	\$ 10,883.42
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	194,348.15	\$ 115,650.00	\$ 78,698.15
Capital Outlay	117,107.52	524,584.00	(407,476.48)
Total Expenditures and			
Transfers Subject to Budget	311,455.67	\$ 640,234.00	\$ (328,778.33)
 Receipts Over (Under) Expenditures	(119,890.25)		
 Unencumbered Cash, Beginning	459,551.51		
 Unencumbered Cash, Ending	\$ 339,661.26		

**Solid Waste Disposal Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Charges for Services	\$ 1,994,266.02	\$ 2,140,000.00	\$ (145,733.98)
Other Income	2,172.22	0.00	2,172.22
Total Cash Receipts	1,996,438.24	\$ 2,140,000.00	\$ (143,561.76)
Expenditures and Transfers			
Subject to Budget			
Personal Services	114,551.90	\$ 118,050.00	\$ (3,498.10)
Contractual Services	1,784,126.27	1,897,250.00	(113,123.73)
Commodities	35,153.60	58,100.00	(22,946.40)
Capital Outlay	251,176.53	152,200.00	98,976.53
Employee Benefits	47,907.51	39,350.00	8,557.51
Transfer Out	57,829.00	57,829.00	0.00
Total Expenditures and Transfers Subject to Budget	2,290,744.81	\$ 2,322,779.00	\$ (32,034.19)
Receipts Over (Under) Expenditures	(294,306.57)		
Unencumbered Cash, Beginning	518,536.26		
Unencumbered Cash, Ending	\$ 224,229.69		

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

**University Park Improvement District Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 6,660.23	\$ 6,563.00	\$ 97.23
Delinquent	308.30	0.00	308.30
Motor Vehicle	0.03	0.00	0.03
Charges for Service	17,371.00	10,500.00	6,871.00
Total Cash Receipts	24,339.56	\$ 17,063.00	\$ 7,276.56
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	20,554.24	\$ 23,005.00	\$ (2,450.76)
Total Expenditures and			
Transfers Subject to Budget	20,554.24	\$ 23,005.00	\$ (2,450.76)
 Receipts Over (Under) Expenditures	3,785.32		
 Unencumbered Cash, Beginning	3,238.75		
 Unencumbered Cash, Ending	\$ 7,024.07		

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

**University Park Water and Sewer Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 4,407.66	\$ 4,513.00	\$ (105.34)
Special Assessments	355.46	0.00	355.46
Delinquent	148.86	149.00	(0.14)
Motor Vehicle	0.08	1.00	(0.92)
Deposits	525.00	525.00	0.00
Charges for Service	61,051.91	60,000.00	1,051.91
Transfer In	15,000.00	15,000.00	0.00
Total Cash Receipts	81,488.97	\$ 80,188.00	\$ 1,300.97
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	52,389.96	\$ 52,007.00	\$ 382.96
Commodities	16,411.49	15,000.00	1,411.49
Capital Outlay	6,382.08	9,460.00	(3,077.92)
Transfer Out	15,000.00	15,000.00	0.00
Total Expenditures and Transfers Subject to Budget	90,183.53	\$ 91,467.00	\$ (1,283.47)
 Receipts Over (Under) Expenditures	(8,694.56)		
 Unencumbered Cash, Beginning	11,279.36		
 Unencumbered Cash, Ending	\$ 2,584.80		

**University Park Water and Sewer Reserve Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Transfer In	\$ 15,000.00	\$ 16,398.00	\$ (1,398.00)
Total Cash Receipts	15,000.00	\$ 16,398.00	\$ (1,398.00)
Expenditures and Transfers			
Subject to Budget			
Contractual Services	8,473.75	\$ 5,000.00	\$ 3,473.75
Commodities	2,622.45	5,000.00	(2,377.55)
Capital Outlay	2,771.00	15,313.00	(12,542.00)
Total Expenditures and Transfers Subject to Budget	13,867.20	\$ 25,313.00	\$ (11,445.80)
Receipts Over (Under) Expenditures	1,132.80		
Unencumbered Cash, Beginning	5,035.46		
Unencumbered Cash, Ending	\$ 6,168.26		

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

**Hunter's Island Water District Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Deposits	\$ 150.00	\$ 150.00	\$ 0.00
Charges for Services	23,527.45	23,400.00	127.45
Total Cash Receipts	23,677.45	\$ 23,550.00	\$ 127.45
Expenditures and Transfers			
Subject to Budget			
Contractual Services	14,599.24	\$ 13,053.00	\$ 1,546.24
Commodities	9,127.41	18,419.00	(9,291.59)
Transfer Out	0.00	1,979.00	(1,979.00)
Total Expenditures and Transfers Subject to Budget	23,726.65	\$ 33,451.00	\$ (9,724.35)
Receipts Over (Under) Expenditures	(49.20)		
Unencumbered Cash, Beginning	5,647.58		
Unencumbered Cash, Ending	\$ 5,598.38		

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

Riley County, Kansas

Statement 3-30

Hunter's Island Water Reserve Fund
 Statement of Cash Receipts and Expenditures
 Actual and Budget
 For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Transfer In	\$ 0.00	\$ 1,979.00	\$ (1,979.00)
Total Cash Receipts	<u>0.00</u>	<u>\$ 1,979.00</u>	<u>\$ (1,979.00)</u>
Expenditures and Transfers			
Subject to Budget			
Commodities	0.00	\$ 1,000.00	\$ (1,000.00)
Capital Outlay	<u>0.00</u>	<u>1,511.00</u>	<u>(1,511.00)</u>
Total Expenditures and Transfers Subject to Budget	<u>0.00</u>	<u>\$ 2,511.00</u>	<u>\$ (2,511.00)</u>
Receipts Over (Under) Expenditures	0.00		
Unencumbered Cash, Beginning	<u>16,092.89</u>		
Unencumbered Cash, Ending	<u>\$ 16,092.89</u>		

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

**Moehlman Bottoms Water District Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Charges for Services	\$ 13,075.35	\$ 13,066.00	\$ 9.35
Total Cash Receipts	13,075.35	\$ 13,066.00	\$ 9.35
Expenditures and Transfers			
Subject to Budget			
Contractual Services	10,033.83	\$ 7,923.00	\$ 2,110.83
Commodities	4,247.09	4,720.00	(472.91)
Transfers Out	0.00	5,147.00	(5,147.00)
Total Expenditures and Transfers Subject to Budget	14,280.92	\$ 17,790.00	\$ (3,509.08)
Receipts Over (Under) Expenditures	(1,205.57)		
Unencumbered Cash, Beginning	7,283.42		
Unencumbered Cash, Ending	\$ 6,077.85		

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

**Moehlman Bottoms Reserve Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Transfer In	\$ 0.00	\$ 5,147.00	\$ (5,147.00)
Total Cash Receipts	0.00	\$ 5,147.00	\$ (5,147.00)
Expenditures and Transfers			
Subject to Budget			
Contractual Services	0.00	\$ 1,000.00	\$ (1,000.00)
Commodities	0.00	500.00	(500.00)
Capital Outlay	0.00	6,647.00	(6,647.00)
Total Expenditures and Transfers Subject to Budget	0.00	\$ 8,147.00	\$ (8,147.00)
Receipts Over (Under) Expenditures	0.00		
Unencumbered Cash, Beginning	5,000.00		
Unencumbered Cash, Ending	\$ 5,000.00		

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

**Terra Heights Sewer Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 4,660.69	\$ 4,865.00	\$ (204.31)
Charges for Services	18,143.71	19,000.00	(856.29)
Total Cash Receipts	22,804.40	\$ 23,865.00	\$ (1,060.60)
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	12,741.30	\$ 17,595.00	\$ (4,853.70)
Commodities	611.57	1,350.00	(738.43)
Transfer Out	15,000.00	16,554.00	(1,554.00)
Total Expenditures and			
Transfers Subject to Budget	28,352.87	\$ 35,499.00	\$ (7,146.13)
 Receipts Over (Under) Expenditures	(5,548.47)		
 Unencumbered Cash, Beginning	11,721.00		
 Unencumbered Cash, Ending	\$ 6,172.53		

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

**Terra Heights Sewer Sinking Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Collections	\$ 12,351.00	\$ 12,600.00	\$ (249.00)
Transfer In	15,000.00	16,554.00	(1,554.00)
Total Cash Receipts	27,351.00	\$ 29,154.00	\$ (1,803.00)
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	2,630.50	\$ 5,000.00	\$ (2,369.50)
Commodities	985.60	5,000.00	(4,014.40)
Capital Outlay	9,175.00	23,430.00	(14,255.00)
Transfer Out	2,630.47	3,627.00	(996.53)
Total Expenditures and Transfers Subject to Budget	15,421.57	\$ 37,057.00	\$ (21,635.43)
Receipts Over (Under) Expenditures	11,929.43		
Unencumbered Cash, Beginning	37,800.48		
Unencumbered Cash, Ending	\$ 49,729.91		

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

**Valleywood Combined Operations Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Property Tax	\$ 7,726.02	\$ 8,351.00	\$ (624.98)
Delinquent	47.15	0.00	47.15
Special Assessments	8,409.63	0.00	8,409.63
Charges for Services	10,784.58	30,000.00	(19,215.42)
Customer Deposits	150.00	1,000.00	(850.00)
Total Cash Receipts	27,117.38	\$ 39,351.00	\$ (12,233.62)
Expenditures and Transfers Subject to Budget			
Contractual Services	20,535.83	\$ 32,350.00	\$ (11,814.17)
Commodities	156.28	325.00	(168.72)
Transfer Out	10,000.00	19,237.00	(9,237.00)
Total Expenditures and Transfers Subject to Budget	30,692.11	\$ 51,912.00	\$ (21,219.89)
Receipts Over (Under) Expenditures	(3,574.73)		
Unencumbered Cash, Beginning	16,846.08		
Unencumbered Cash, Ending	\$ 13,271.35		

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

**Valleywood Combined Operations Reserve Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Transfer In	\$ 10,000.00	\$ 19,237.00	\$ (9,237.00)
Total Cash Receipts	10,000.00	\$ 19,237.00	\$ (9,237.00)
Expenditures and Transfers			
Subject to Budget			
Contractual Services	13,304.34	\$ 5,000.00	\$ 8,304.34
Commodities	0.00	500.00	(500.00)
Capital Outlay	0.00	23,737.00	(23,737.00)
Total Expenditures and			
Transfers Subject to Budget	13,304.34	\$ 29,237.00	\$ (15,932.66)
Receipts Over (Under) Expenditures	(3,304.34)		
Unencumbered Cash, Beginning	31,894.54		
Unencumbered Cash, Ending	\$ 28,590.20		

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

Riley County, Kansas

Statement 3-37

Konza Water District Fund
 Statement of Cash Receipts and Expenditures
 Actual and Budget
 For the Year Ended December 31, 2010

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Charges for Services	\$ 74,216.07	\$ 69,000.00	\$ 5,216.07
Customer Deposits	1,050.00	600.00	450.00
Total Cash Receipts	<u>75,266.07</u>	<u>\$ 69,600.00</u>	<u>\$ 5,666.07</u>
Expenditures and Transfers			
Subject to Budget			
Contractual Services	50,961.66	\$ 59,204.00	\$ (8,242.34)
Commodities	2,183.36	6,150.00	(3,966.64)
Capital Outlay	0.00	4,500.00	(4,500.00)
Transfer Out	22,500.00	20,379.00	2,121.00
Total Expenditures and Transfers Subject to Budget	<u>75,645.02</u>	<u>\$ 90,233.00</u>	<u>\$ (14,587.98)</u>
Receipts Over (Under) Expenditures	(378.95)		
Unencumbered Cash, Beginning	<u>21,912.04</u>		
Unencumbered Cash, Ending	<u>\$ 21,533.09</u>		

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

**Konza Water Reserve Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Transfer In	\$ 22,500.00	\$ 20,379.00	\$ 2,121.00
Total Cash Receipts	22,500.00	\$ 20,379.00	\$ 2,121.00
Expenditures and Transfers			
Subject to Budget			
Contractual Services	1,753.40	\$ 25,000.00	\$ (23,246.60)
Commodities	1,540.85	5,000.00	(3,459.15)
Capital Outlay	0.00	32,396.00	(32,396.00)
Total Expenditures and Transfers Subject to Budget	3,294.25	\$ 62,396.00	\$ (59,101.75)
Receipts Over (Under) Expenditures	19,205.75		
Unencumbered Cash, Beginning	120,353.70		
Unencumbered Cash, Ending	\$ 139,559.45		

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

**Deep Creek Sewer Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Special Assessments	\$ 4,648.71	\$ 5,500.00	\$ (851.29)
Customer Deposits	150.00	150.00	0.00
Total Cash Receipts	4,798.71	\$ 5,650.00	\$ (851.29)
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	5,243.51	\$ 4,420.00	\$ 823.51
Commodities	657.03	410.00	247.03
Transfer Out	0.00	5,095.00	(5,095.00)
Total Expenditures and Transfers Subject to Budget	5,900.54	\$ 9,925.00	\$ (4,024.46)
 Receipts Over (Under) Expenditures	(1,101.83)		
 Unencumbered Cash, Beginning	8,173.39		
 Unencumbered Cash, Ending	\$ 7,071.56		

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

**Deep Creek Reserve Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Miscellaneous Reimbursements	\$ 1,610.44	\$ 1,737.00	\$ (126.56)
Transfer In	0.00	5,095.00	(5,095.00)
Total Cash Receipts	1,610.44	\$ 6,832.00	\$ (5,221.56)
 Expenditures and Transfers			
Subject to Budget			
Contractual Services	0.00	\$ 5,000.00	\$ (5,000.00)
Commodities	0.00	500.00	(500.00)
Capital Outlay	0.00	9,056.00	(9,056.00)
Total Expenditures and Transfers Subject to Budget	0.00	\$ 14,556.00	\$ (14,556.00)
 Receipts Over (Under) Expenditures	1,610.44		
 Unencumbered Cash, Beginning	19,543.09		
 Unencumbered Cash, Ending	\$ 21,153.53		

**Mertz / McGehee Drainage Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts	\$ 0.00	\$ 0.00	\$ 0.00
Total Cash Receipts	0.00	\$ 0.00	\$ 0.00
Expenditures and Transfers			
Subject to Budget			
Contractual Services	0.00	\$ 6,183.00	\$ (6,183.00)
Total Expenditures and			
Transfers Subject to Budget	0.00	\$ 6,183.00	\$ (6,183.00)
Receipts Over (Under) Expenditures	0.00		
Unencumbered Cash, Beginning	6,183.36		
Unencumbered Cash, Ending	\$ 6,183.36		

**Carson Sewer Benefit District Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Ad Valorem Tax	\$ 2,797.87	\$ 2,798.00	\$ (0.13)
Miscellaneous Collections	105.00	0.00	105.00
Total Cash Receipts	2,902.87	\$ 2,798.00	\$ 104.87
Expenditures and Transfers			
Subject to Budget			
Contractual Services	2,358.33	\$ 6,500.00	\$ (4,141.67)
Transfer Out	10,000.00	7,612.00	2,388.00
Total Expenditures and Transfers Subject to Budget	12,358.33	\$ 14,112.00	\$ (1,753.67)
Receipts Over (Under) Expenditures	(9,455.46)		
Unencumbered Cash, Beginning	11,772.96		
Unencumbered Cash, Ending	\$ 2,317.50		

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

**Carson Sewer Reserve Fund
Statement of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2010**

	Actual	Budget	Variance Over (Under)
Cash Receipts			
Transfer In	\$ 10,000.00	\$ 7,612.00	\$ 2,388.00
Total Cash Receipts	10,000.00	\$ 7,612.00	\$ 2,388.00
Expenditures and Transfers			
Subject to Budget			
Commodities	0.00	\$ 17,612.00	\$ (17,612.00)
Total Expenditures and Transfers Subject to Budget	0.00	\$ 17,612.00	\$ (17,612.00)
Receipts Over (Under) Expenditures	10,000.00		
Unencumbered Cash, Beginning	8,000.00		
Unencumbered Cash, Ending	\$ 18,000.00		

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

Riley County, Kansas

Statement 4
Page 1

Agency Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2010

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Ad Valorem Property Tax	\$ 30,628,624.39	\$ 57,091,601.36	\$ 55,178,599.14	\$ 32,541,626.61
Special Assessments	3,161,702.39	6,510,493.21	6,026,479.24	3,645,716.36
Motor Vehicle Tax	843,558.21	4,272,483.38	4,287,911.73	828,129.86
Real Estate Redemption	384,929.99	725,243.37	865,231.85	244,941.51
Advance Tax	0.00	4,765.95	4,765.95	0.00
Tax Sale	6,880.25	24,610.04	24,040.43	7,449.86
Special Delinquent Personal	3,942.54	100,112.80	100,983.41	3,071.93
City - County Highway Tax	0.00	1,246,684.57	1,246,684.57	0.00
Vehicle Rental Excise Tax	0.00	99,452.70	99,452.70	0.00
Recreational Vehicle Tax	7,164.37	50,264.94	48,757.97	8,671.34
16/20 Trucks	37,595.95	55,793.74	54,898.53	38,491.16
Total Distributable Funds	<u>35,074,398.09</u>	<u>70,181,506.06</u>	<u>67,937,805.52</u>	<u>37,318,098.63</u>
State Funds:				
State General	0.00	68.73	68.73	0.00
Educational Building	404.43	540,257.85	540,062.86	599.42
Institutional Building	202.21	270,129.05	270,031.55	299.71
Motor Vehicle Tags	13,459.50	2,397,245.02	2,398,004.52	12,700.00
Game Licenses	31.50	9,987.00	9,949.50	69.00
Total State Funds	<u>14,097.64</u>	<u>3,217,687.65</u>	<u>3,218,117.16</u>	<u>13,668.13</u>
Subdivision Funds:				
School Districts	11,526.33	24,094,714.95	24,092,209.72	14,031.56
Townships	341.10	730,960.23	730,920.92	380.41
Cities	12,813.41	16,496,856.02	16,493,472.31	16,197.12
Cemeteries	2,041.48	42,440.59	42,674.37	1,807.70
NCK Library System	0.00	138,159.47	137,975.54	183.93
Mill Creek Watershed	0.00	228.21	228.21	0.00
Total Subdivision Funds	<u>26,722.32</u>	<u>41,503,359.47</u>	<u>41,497,481.07</u>	<u>32,600.72</u>

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

Agency Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2010

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Other Funds:				
Riley County Police Department	2,108,689.43	15,277,827.69	14,940,790.95	2,445,726.17
Law Enforcement Trust	12,273.45	1,799.10	0.00	14,072.55
Long & Short Accounts	17,279.51	1,341.23	0.00	18,620.74
Tax Holding	27,763.66	284,499.11	281,323.60	30,939.17
Drivers License	640.00	46,570.50	46,365.00	845.50
Sales and Compensating Tax	101,871.78	1,600,292.16	1,591,147.83	111,016.11
Total Other Funds	<u>2,268,517.83</u>	<u>17,212,329.79</u>	<u>16,859,627.38</u>	<u>2,621,220.24</u>
Total	<u>\$ 37,383,735.88</u>	<u>\$132,114,882.97</u>	<u>\$129,513,031.13</u>	<u>\$ 39,985,587.72</u>

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

1. Summary of Significant Accounting Policies

Reporting Entity

Riley County, Kansas is a municipal corporation governed by an elected three-member board of commissioners. These financial statements present Riley County, the primary government. A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statements referred to above do not include the financial data of component units of Riley County, Kansas.

For financial reporting purposes the financial activities of the following special districts are accounted for as if they were part of the County's operations in proprietary (enterprise) funds because the County's governing body, in separate session, serves as the governing body for each of these special districts:

- Fire District
- University Park Water and Sewer District
- Hunter's Island Water District
- Moehlman Bottoms Water District
- Terra Heights Sewer Maintenance District
- Valleywood Combined Operations District
- Konza Water District
- Deep Creek Sewer Fund
- Mertz/McGehee Drainage
- Carson Sewer Fund

In addition, under applicable state statutes, the County provides accounting services to the University Park Improvement District, which provides recreation facilities for that district within the County. This is accounted for as a proprietary (enterprise) fund in the County's financial statements. Revenues required for the upkeep of these recreational facilities are derived solely from customer user fees.

Joint Ventures - A joint venture is a legal entity or other organization that results from a contractual arrangement that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or an ongoing financial responsibility.

Jointly Governed Organizations - Jointly governed organizations consist of a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

Members of the Riley County governing body are also members of the following organizations' governing bodies. In addition, the County appropriates funds, as disclosed in the financial statements, to these organizations:

Riley County Health Department
Riley County Law Enforcement Agency
Big Lakes Regional Planning Council
Regional Juvenile Detention Center

Fund Accounting

The accounts of the County are organized and operated on the basis of 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 out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds were utilized in recording the financial activities of the County for the year of 2010.

Government Funds

General Fund - The general fund is used to account for all unrestricted financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources, other than special assessments or major capital projects, that are restricted by law or administrative action to expenditures for specific purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt and the financing of special assessments which are general obligations of the County.

Capital Projects Fund - Capital projects funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities and improvements, other than those financed by enterprise funds.

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

Proprietary Funds

Enterprise Funds - Enterprise funds are used to account for operations where it is the intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The amounts shown in the totals rows on the accompanying financial statements are presented only to facilitate financial analysis and are not the equivalent of consolidated financial statements. Interfund transactions have not been eliminated from the total row of each financial statement.

Statutory Basis of Accounting

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

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

Departure From Generally Accepted Accounting Principles

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

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

Budgetary Information

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

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

Under K.S.A. 79-2930 the amount of each finally adopted budgeted fund may be less, but not more, than the amount published in the proposed budget for public hearing. Under K.S.A. 79-2929a, budgets may be amended during the year when unanticipated non-property tax revenues are available. 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. The following budgets were amended during the year:

	Original Budgeted Expenditures	Amended Budgeted Expenditures
Capital Improvements Fund	\$ 1,928,777.00	\$ 5,597,009.00
County Auction Fund	18,316.00	51,235.00
Adult Services Fund	400,642.00	539,576.00
County Building Fund	359,500.00	665,387.00
University Park Water and Sewer Fund	84,336.00	91,467.00
RCPD Levy Fund	3,191,446.00	3,370,401.00
Register of Deeds Technology Fund	60,000.00	91,120.00
Emergency 911 Fund	288,000.00	640,234.00

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

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

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

A legal operating budget is not required for capital projects funds, agency or distributable funds, proprietary reserve funds and the following special revenue funds:

- Register of Deeds Technology
- Capital Improvements
- County Auction
- Motor Vehicle Operations
- Adult Services
- Prosecuting Attorney Training
- War Memorial
- Special Prosecutor Trust
- Juvenile Services

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.

The County, for management purposes, prepares a budget for all funds, even though a legal annual budget is not required by state law for that fund. Such "management" budgets are not subject to the statutory budget limits that a legal annual budget is subject to. The County would not be in violation of the budget law if expenditures exceeded its "management" budget limit.

In 2010, the bond and interest fund issued par value bonds of \$2,615,000.00 to call \$1,995,000.00 of general obligation bonds and to defease \$620,000.00 of general obligation bonds. K.S.A. 79-2935 authorizes this transaction as an exemption to the cash basis and budget laws of the state of Kansas.

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

Investment Earnings

Cash balances in all funds are considered in determining the amount to be invested. Investment earnings are credited to the Emergency 911, Worker's Compensation, Register of Deeds Technology, Capital Improvements, and various capital project funds based on their average cash balances throughout the year. All other investment earnings are credited to the General Fund.

Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees are recorded when paid or taken by the employee. The County's policies regarding vacations, short-term sick leave, and personal time off are combined into an annual leave category. The annual leave policy permits employees to accumulate a maximum of 12 to 21 days. Upon termination or resignation from service with the County, employees are entitled to payment of all annual leave earned prior to termination or resignation. All regular full-time employees earn and accumulate extended sick leave at the rate of 1.85 hours for each regular pay period of service. Upon retirement, an employee may receive compensation for accumulated extended sick leave at the rates in the County's extended sick leave payout table. To qualify for extended sick leave payment, an employee must have 384 hours accumulated. The County will pay 120 hours compensation for 384 hours accumulated up to a maximum 376 hours compensation for 768 hours accumulated.

Pension Plan

Substantially all employees of the County are members of the State of Kansas Public Employees' Retirement System, a multiple-employer public employer state wide pension plan. The County's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

2. Compliance with Finance-Related Legal and Contractual Provisions

There were no funds, which required a legal operating budget, that exceeded budgeted expenditures in violation of K.S.A. 79-2935:

K.S.A. 20-349 requires that the financial affairs of the district court in each county be subject to audit pursuant to the provisions of K.S.A. 1978 Supp. 75-1122. The District Court operations are included in the County's General Fund. In addition, the Law Library is required to be audited as part of the County audit. The operations of the Law Library are not included in the financial statements of the County as the Law Library is independent of the County fiscally. Following is a summary of the Law Library cash receipts and expenditures for the year ended December 31, 2010:

Registration fees	\$ 4,860.00
Case fees from Clerk of the District Court	<u>43,733.12</u>
Total Cash Receipts	<u>48,593.12</u>
Expenditures	
Law librarian salary	1,992.00
Books and publications	54,052.22
Postage and other	<u>1,259.31</u>
Total Expenditures	<u>57,303.53</u>
Receipts Over (Under) Expenditures	(8,710.41)
Unencumbered Cash, Beginning	<u>11,097.13</u>
Unencumbered Cash, Ending	<u>\$ 2,386.72</u>

3. Deposits and Investments

The County pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's investments.

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the county and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

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

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

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County's designated "peak periods" with Kansas State Bank are from April 15th through June 13th and December 3rd through January 31st. All deposits were legally secured at December 31, 2010.

At December 31, 2010, the County's carrying amount of deposits was \$54,573,003.01 and the bank balance was \$55,904,852.37. Of the bank balance, \$1,261,161.08 was covered by federal depository insurance and \$54,643,691.29 was collateralized with securities held by the pledging financial institutions' agents in the County's name. The pledged securities are held under a tri-party custodial agreement signed by all three parties; the County, the pledging bank, and the independent third-party bank holding the pledged securities.

4. Property Taxes

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied 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 20 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year prior to January of the ensuing year.

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

5. Capital Projects

At year-end, capital project authorizations compared with expenditures from inception for uncompleted projects are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Landfill Capital Project Fund	\$21,668,666.28	\$16,040,637.44
Road and Bridge Capital Project Fund	3,728,060.03	1,374,027.43
Resourceful Ks Energy Capital Project Fund	1,171,318.00	639,968.50

6. Long-Term Debt

On December 1, 2010 the County issued \$4,915,000.000 of General Obligation Bonds. The proceeds from this issuance were used to provide \$2,248,839.60 to the Capital Improvement Fund, call \$1,995,000.00 of General Obligation Bonds, and defease \$620,000.00 of General Obligation Bonds by placing funds in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust accounts assets and liabilities for the defeased bonds are not included in the County's financial statements. At December 31, 2007, \$620,000.00 of outstanding bonds are considered defeased. The defeased bonds will be called on September 1, 2011.

General obligation bonds are secured by the full faith and credit of the County. In each year debt is outstanding, an ad valorem tax is levied equal to principal and interest due.

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

6. Long-Term Debt, cont'd

Changes in long-term liabilities for the county for the year ended December 31, 2010, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 1998-A	4.55%-4.6%	01/15/98	\$ 9,525,000.00	09/01/12	\$ 1,115,000.00	\$ 0.00	\$ 1,115,000.00	\$(1,115,000.00)	\$ 0.00	\$ 60,177.89
Series 1999-A	5.0%	03/01/99	262,218.00	09/01/14	25,000.00	0.00	5,000.00	(5,000.00)	20,000.00	1,250.00
Series 2000-A	5.1%-5.75%	10/15/00	241,500.00	09/01/20	150,000.00	0.00	150,000.00	(150,000.00)	0.00	10,524.67
Series 2002	3.3%-4.6%	09/01/02	1,155,000.00	09/01/22	735,000.00	0.00	675,000.00	(675,000.00)	60,000.00	53,966.28
Series 2004-A	3.0%-3.75%	01/15/04	241,000.00	09/01/14	135,000.00	0.00	135,000.00	(135,000.00)	0.00	5,718.67
Series 2005	3.2%-4.0%	05/15/05	2,345,000.00	09/01/18	2,025,000.00	0.00	235,000.00	(235,000.00)	1,790,000.00	74,010.00
Series 2005-B	3.25%-3.4%	08/15/05	3,410,000.00	09/01/12	1,560,000.00	0.00	1,560,000.00	(1,560,000.00)	0.00	62,031.33
Series 2009	5.8%-5.9%	07/15/09	90,000.00	09/01/19	90,000.00	0.00	5,000.00	(5,000.00)	85,000.00	5,960.31
Series 2010-A	2.0%-3.375%	3/1/10	375,000.00	09/01/20	0.00	375,000.00	0.00	375,000.00	375,000.00	0.00
Series 2010-B	3.0%-4.125%	12/1/10	4,915,000.00	09/01/25	0.00	4,915,000.00	0.00	4,915,000.00	4,915,000.00	0.00
State of Kansas Loan Agreements:										
KS DOT TR 0064	3.93%	10/01/07	628,000.00	08/01/17	513,038.87	0.00	56,994.70	(56,994.70)	456,044.17	18,879.84
KS DOT TR 0062	3.79%	09/27/07	1,200,000.00	08/01/17	963,636.27	0.00	109,884.70	(109,884.70)	853,751.57	34,112.72
Kansas Water Pollution Control Loan										
Control Loan	3.09%	05/24/00	180,106.30	03/01/20	99,939.31	0.00	9,202.32	(9,202.32)	90,736.99	3,017.58
Capital Leases:										
2 Ambulances	2.55%	11/03/10	374,902.00	11/03/15	0.00	374,902.00	66,824.00	308,078.00	308,078.00	0.00
Motor Graders	3.23%	06/04/10	0.00	05/01/12	0.00	368,400.00	69,597.82	298,802.18	298,802.18	0.00
Loader	4.99%	10/04/10	0.00	12/01/11	0.00	73,500.00	13,600.00	59,900.00	59,900.00	0.00
2 Ambulances	3.27%	10/08/09	344,476.00	09/08/14	344,476.00	0.00	64,533.63	(64,533.63)	279,942.37	11,263.37
Fire Station Improvements	3.29%	10/28/09	210,000.00	09/28/14	<u>210,000.00</u>	<u>0.00</u>	<u>39,326.00</u>	<u>(39,326.00)</u>	<u>170,674.00</u>	<u>6,909.00</u>
Total Contractual Indebtedness					7,966,090.45	6,106,802.00	4,309,963.17	1,796,838.83	9,762,929.28	347,821.66
Compensated Absences	N/A	N/A	N/A	N/A	867,995.68	0.00	9,095.32	(9,095.32)	858,900.36	0.00
Landfill Closure & Post Closure Care	N/A	N/A	N/A	N/A	<u>5,650,087.45</u>	<u>0.00</u>	<u>22,058.61</u>	<u>(22,058.61)</u>	<u>5,628,028.84</u>	<u>0.00</u>
Total Long-Term Debt					<u>\$ 14,484,173.58</u>	<u>\$ 6,106,802.00</u>	<u>\$ 4,341,117.10</u>	<u>\$ 1,765,684.90</u>	<u>\$ 16,249,858.48</u>	<u>\$ 347,821.66</u>

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

6. Long-Term Debt, cont'd

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

	Year(s)						Total	
	2011	2012	2013	2014	2015	2016-2020		2021-2025
Principal								
General Obligation Bonds	\$ 1,375,000.00	\$ 1,340,000.00	\$ 500,000.00	\$ 510,000.00	\$ 480,000.00	\$ 2,000,000.00	\$ 1,040,000.00	\$ 7,245,000.00
Loan Agreements	182,772.82	189,718.67	196,929.04	204,414.01	212,184.06	414,514.13	0.00	1,400,532.73
Capital Leases	228,780.31	471,198.17	176,026.90	179,775.57	61,615.60	0.00	0.00	1,117,396.55
Total Principal	<u>1,786,553.13</u>	<u>2,000,916.84</u>	<u>872,955.94</u>	<u>894,189.58</u>	<u>753,799.66</u>	<u>2,414,514.13</u>	<u>1,040,000.00</u>	<u>9,762,929.28</u>
Interest								
General Obligation Bonds	210,945.02	203,953.78	162,563.78	146,173.78	129,258.78	404,648.90	122,925.02	1,380,469.06
Loan Agreements	53,010.74	46,064.89	38,854.52	31,369.55	23,599.47	23,245.87	0.00	216,145.04
Capital Leases	27,246.30	38,457.01	13,313.98	7,667.55	1,897.76	0.00	0.00	88,582.60
Total Interest	<u>291,202.06</u>	<u>288,475.68</u>	<u>214,732.28</u>	<u>185,210.88</u>	<u>154,756.01</u>	<u>427,894.77</u>	<u>122,925.02</u>	<u>1,685,196.70</u>
Total Principal & Interest	<u>\$ 2,077,755.19</u>	<u>\$ 2,289,392.52</u>	<u>\$ 1,087,688.22</u>	<u>\$ 1,079,400.46</u>	<u>\$ 908,555.67</u>	<u>\$ 2,842,408.90</u>	<u>\$ 1,162,925.02</u>	<u>\$ 11,448,125.98</u>

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

7. Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	
General Fund	Landfill Capital Project Fund	\$ 15,000.00
General Fund	RCPD Levy Fund	35,000.00
General Fund	County Building Fund	100,000.00
General Fund	Capital Improvements Fund	234,000.00
General Fund	University Park Water and Sewer Fund	15,000.00
Motor Vehicle Operations Fund	General Fund	47,339.23
County Auction Fund	General Fund	40,000.00
County Auction Fund	Fire District Fund	7,275.75
Capital Improvements Fund	RCPD Levy Fund	106,085.44
Solid Waste Disposal Fund	Bond and Interest Fund	57,829.00
Road and Bridge Capital Project Fund	Bond and Interest Fund	698,177.00
Fire District Fund	Capital Improvements Fund	17,489.43
Fire District Fund	Rural Fire Capital Outlay Fund	57,000.00
University Park Water and Sewer Fund	University Park Water and Sewer Reserve Fund	15,000.00
Carson Sewer Benefit District Fund	Carson Sewer Reserve Fund	10,000.00
Valleywood Combined Operations Fund	Valleywood Combined Operations Reserve Fund	10,000.00
Terra Heights Sewer Fund	Terra Heights Sewer Sinking Fund	15,000.00
Terra Heights Sewer Sinking Fund	Bond and Interest Fund	2,630.47
Konza Water District Fund	Konza Water Reserve Fund	22,500.00
Konza Sewer District Capital Project Fund	Economic Development Fund	21.82

Transfers made were for funding, bond requirements, statute requirements or fund close out.

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

8. Risk Management

General

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

9. Compensated Absences

As of December 31, 2010, the accumulated vacation leave, sick leave, and overtime compensation due was:

Vacation leave	\$ 355,701.96
Sick leave	388,211.71
Overtime compensation	4,322.59
Taxes and benefits	<u>110,664.10</u>
Total	<u>\$ 858,900.36</u>

10. Defined Benefit Pension Plan

Plan Description

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

Riley County, Kansas

Notes to the Financial Statements December 31, 2010

10. Defined Benefit Pension Plan, cont'd.

Funding Policy

K.S.A. 74-4910 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for calendar year 2010 is 7.14%. The County employer contributions for the years ending December 31, 2010, 2009 and 2008 were \$514,864.50, \$428,591.35 and \$375,028.88, respectively, equal to the statutory required contributions for each year.

11. Closure and Post Closure Care Costs

State and federal laws and regulations require that Riley County, Kansas place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The landfill was closed December 31, 1991. Closure and post closure costs as of December 31, 2010 were \$16,040,637.44. It is estimated that an additional \$5,628,028.84 may be spent on closure and post closure care expenses between the date of the financial statements and December 31, 2021. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. These costs will be paid by taxpayers through the issuance of general obligation bonds.

12. Contingencies

The County entered into an interlocal agreement with the City of Manhattan, Kansas, to construct a main water trunk line which connects to the City's water system and extends the City's system to serve an area along K-177. The County will fund their equal share of the projects cost from the Economic Development Fund. The project is contingent on the City's being awarded an Environmental Protection Agency grant in the net amount of \$462,000.00. The County anticipates construction in 2012. The final cost to the County is estimated to be \$488,000.00

13. Subsequent Events

The County has evaluated events and transactions for potential recognition or disclosure through August 26, 2011, the date of the financial statements.

Appendix A

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

August 26, 2011

The Board of Commissioners
Riley County, Kansas

We have audited the financial statements of Riley County, Kansas as of and for the year ended December 31, 2010 and have issued our report thereon dated August 26, 2011. As described in Note 1, Riley County, Kansas prepares its 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. 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 Guide.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Riley County, Kansas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Riley County, Kansas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Riley County, Kansas' 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 Riley County, Kansas' 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 The Board of Commissioners of Riley County, Kansas in a separate letter dated August 26, 2011.

This report is intended solely for the information of the Board of Commissioners and management of Riley County, Kansas, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

James L. Gordon CPA PA

James L. Gordon, C.P.A., P.A.

Appendix B

Schedule of Receipts and Expenditures of Federal Awards
For the Year Ended December 31, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Balance Dec. 31, 2009	Revenues	Expenditures	Balance Dec. 31, 2010
Department of Energy							
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE0003812	\$ 3,000,000.00	\$ 0.00	\$ 660,586.04	\$ 715,409.85	\$ (54,823.81)
Department of Homeland Security							
Passed Through Kansas Department of Emergency Management							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1885-DR-KS	195,459.45	0.00	195,459.45	195,459.45	0.00
		FEMA-1932-DR-KS	60,929.89	0.00	60,929.89	60,929.89	0.00
Program Total			256,389.34	0.00	256,389.34	256,389.34	0.00
Emergency Management Performance Grant	97.042	1675	30,350.08	0.00	30,350.08	30,350.08	0.00
Hazard Mitigation Grant	97.039	042	20,072.00	0.00	7,800.00	7,800.00	0.00
Total Department of Homeland Security	---	---	306,811.42	0.00	294,539.42	294,539.42	0.00
Department of Agriculture							
Passed Through Kansas State University, Kansas Forest Service							
Cooperative Forestry Assistance	10.664	10-DG-11020000-025	4,999.00	0.00	0.00	4,999.00	(4,999.00)
Department of Transportation							
Passed Through Kansas Department of Transportation							
Federal-Aid Road Construction	20.205	81 C-4195-01	47,576.75	0.00	0.00	47,576.75	(47,576.75)
Department of Interior							
Payments In Lieu of Taxes	15.226	---	32,716.00	0.00	32,716.00	32,716.00	0.00
Total 2010 Federal Awards				<u>\$ 0.00</u>	<u>\$ 987,841.46</u>	<u>\$ 1,095,241.02</u>	<u>\$ (107,399.56)</u>

The notes are an integral part of this schedule.

**Notes to the Schedule of Receipts and Expenditures
of Federal Awards
For the Year Ended December 31, 2010**

1. General

The accompanying schedule of receipts and expenditures of federal awards presents the activity of all federal financial assistance programs of Riley County, Kansas. The reporting entity is defined in Note 1 to the County's primary government financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the report.

2. Basis of Presentation

The accompanying schedule of receipts and expenditures of federal awards is presented on a modified cash basis which is different than the basis of the basic financial statements which demonstrates compliance with the cash basis and budget laws of Kansas as is described in Note 1 to the County's primary government financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The receipts are reported on the cash basis, and expenditures are reported in the period in which the activity related to the award occurs. Certain items, such as contract retainage, are reported as expenditures on the accompanying schedule because the related activity has already occurred. The effect of the reporting differences is that \$102,400.56 of expenditures included on this schedule for 2010 will be reported as 2011 expenditures on the County's primary government financial statements.

**Report on Compliance With Requirements
That Could Have a Direct and Material Effect on Each Major Program
and on Internal Control Over Compliance
in Accordance With OMB Circular A-133**

August 26, 2011

Independent Auditor's Report

The Board of Commissioners
Riley County, Kansas

Compliance

We have audited Riley County, Kansas's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Riley County, Kansas's major federal programs for the year ended December 31, 2010. Riley County, Kansas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Riley County, Kansas's management. Our responsibility is to express an opinion on Riley County, Kansas's compliance based on our audit.

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

As described in items C-01 and C-02 in the accompanying schedule of findings and questioned costs, Riley County, Kansas did not comply with requirements regarding the Davis-Bacon Act and identifying excluded parties that are applicable to its Recovery Act: Energy Efficiency and Conservation Block Grant. Compliance with such requirements is necessary, in our opinion, for Riley County, Kansas to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Riley County, Kansas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item C-03 to be a material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item C-04 to be a significant deficiency.

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

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

James L. Gordon CPA PA

James L. Gordon, C.P.A., P.A.

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

Summary of Auditor's Results

Financial Statements

An unqualified opinion was issued on the primary financial statements of of Riley County, Kansas.

Internal Control over financial reporting:

1. Significant Deficiencies - We identified no deficiencies in the design or operation of internal control over financial reporting that we consider to be a significant deficiency.
2. Material Weaknesses - We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the County.

Federal Awards

The dollar threshold used to distinguish between Type A and Type B program: \$300,000.00

The county does not qualify as a low-risk auditee.

Internal Control over major programs:

1. Significant Deficiencies - We identified a deficiency in the design or operation of internal control over major federal programs that we consider to be a significant deficiency.
2. Material Weaknesses - We identified a deficiency that we consider to be a material weakness.

We issued a qualified opinion on the County's compliance with requirements applicable to its major federal program, Recovery Act: Energy Efficiency and Conservation Block Grant.

There were no findings of Questioned Costs

We reported findings required under Section 510(a) of OMB Circular A-133.

Auditor's Concluding Remarks

We thank the Budget & Finance Officer for her cooperation and assistance throughout the audit. We will review the status of the Office's corrective actions during our next audit.

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

C-01 THE DAVIS-BACON CERTIFIED PAYROLLS WERE NOT ON FILE.

Background

Certified payrolls are necessary to provide reasonable assurance that contractors and subcontractors were properly notified of the Davis-Bacon Act requirements and the required certified payrolls were submitted to the non-Federal entity.

Description of Condition

The County has a letter from their contractors agreeing to pay Davis-Bacon wage rates. However, the county did not obtain certified payrolls before paying the contractors.

The contractors have subcontracted parts of their work to other parties. No certified payrolls were received from the subcontractors.

Cause of Condition

The County's representative sent certified statements to the DOE Project Officer indicating Davis-Bacon wages were paid, without first obtaining certified payrolls.

Effect of Condition

Workers covered by Davis-Bacon Act may have been underpaid. The county is at risk for any under payment that has occurred and violated the Acts requirements for posting notifications at the work site. Violations of the Davis-Bacon Act may be grounds for contract termination, contractor liability for any resulting costs to the government and debarment from future contracts for a period up to three years.

Recommendation

We recommend the county immediately take steps to identify all covered workers that have worked on the site. Steps then need to be taken to obtain certified payrolls from the contractor and subcontractors. A certified payroll is required from the project start date through the completion date. This includes interim periods when the contractor had no covered workers on site.

County's Response

County concurs with the finding. As of the date of the audit report, the county has obtained copies of certified payrolls and verified that covered employees were properly paid.

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

C-02 THE COUNTY DID NOT VERIFY THAT LOWER TIER ENTITIES WERE ELIGIBLE TO RECEIVE FEDERAL FUNDS.

Background

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Description of Condition

The County did not document checking the EPLS list or obtain a certification from the lower tier entities

Cause of Condition

Riley County's representative did not have the training required to identify all contract requirements, and was not aware of this provision in the A-133 supplement.

Effect of Condition

County is at risk of repaying federal government for any moneys it may have paid to an excluded entity.

Recommendation

The information contained in the EPLS is available in printed and electronic formats. The printed version is published monthly. Copies may be obtained by purchasing a yearly subscription from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, or by calling the Government Printing Office Inquiry and Order Desk at (202) 783-3238. The electronic version can be accessed on the Internet (<http://epls.arnet.gov>). We recommend the County document that all lower tier entities receiving payment under this grant were not excluded by accessing the internet site.

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

County's Response

County concurs with the finding. As of the date of the audit report, the county has verified that none of the lower tier entities appear on the federal suspended, debarred or otherwise excluded list.

C-03 THE COUNTY'S INTERNAL CONTROLS ARE INADEQUATE TO ENSURE THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IS ACCURATELY PREPARED, PLACING THE COUNTY AT RISK OF INCOMPLETE AND INACCURATE REPORTING TO THE FEDERAL GOVERNMENT. THIS COULD AFFECT THE AMOUNT OF FEDERAL FUNDING THE COUNTY RECEIVES IN THE FUTURE.

Background

As a condition of receiving federal funding, regulations require the county to prepare an annual Schedule of Expenditure of Federal Awards (SEFA) detailing the value and type of federal assistance received each year. The federal Office of Management and Budget issues instructions on how to prepare this schedule.

In the Riley County Clerk's Office, the Budget and Finance Officer (BFO) has been delegated responsibility for the preparation of the SEFA. Each county department receiving federal assistance is required to report the details of that assistance to BFO, who then prepares a single schedule for the county. The SEFA is a required part of the county's annual financial statement reporting package and identifies programs that are subject to the Riley County Single Audit each year. Auditors are required to assess the accuracy of the schedule as part of that work.

In fiscal year 2010, the county SEFA reported total federal awards of \$1,095,241.02.

Description of Condition

In our current audit, we inquired about written internal control documentation. The control environment lacked these required elements:

1. Key managers' responsibilities were not clearly defined.
2. Key managers did not have adequate knowledge to identify the required information to be included on the report.
3. Operating policies and procedures were not clearly written and communicated.
4. Procedures were not in place to identify and implement changes in regulations and guidance affecting Federal awards.

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

The Information and Communication system design did not meet the requirements of:

1. An accounting system that provides for separate identification of Federal and non-Federal transactions and allocation of transactions applicable to both.
2. Reports that are provided timely to managers for review and appropriate action.
3. Awareness of accurate information sources by those who need them.
4. Employees' duties and control responsibilities that are effectively communicated.

In our audit of the 2010 schedule, we found that:

1. Three of the six CFDA numbers were incorrectly reported,
2. Three program names were not accurate,
3. Two programs had reported 2010 revenues which were received in 2011,
4. Expenditures in 2010 for the Recovery Act: Energy Efficiency and Conservation Block Grant were understated.

Cause of Condition

Riley County has not been required to file a SEFA since 2004. As a consequence, the County's internal control priorities had shifted to other areas of concern.

In 2010 a major DOE award from ARRA funds was received by the county. The size of the award triggered the single audit requirements of A-133.

The County Commission through the county clerk has delegated to BFO the responsibility for preparation of the county's financial statements, including the SEFA. BFO has not put internal controls in place to ensure the SEFA is accurate and complete. BFO relies on recipient department to provide accurate information, but does not verify that information before preparing the SEFA.

Effect of Condition

By not following federal regulations for completing the report, the county is at risk for under reporting data, reporting the data in the wrong period and potential failure to recognize all major programs subject to single audits as required by A-133.

Recommendation

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

Recommendation

We recommend the county:

1. Provide knowledgeable and independent oversight of SEFA preparation and ensure that the staff preparing the schedule has the resources and training needed to prepare an accurate report.
2. Test and monitor systems used in SEFA preparation to ensure accurate reporting of federal assistance.
3. Establish centralized reporting guidance and assistance to departments receiving federal assistance to ensure timely, accurate and consistent information and periodically assess the effectiveness of the systems to ensure accurate reporting.
4. The DBF should provide guidance for complying with A-133 §___.205 (a), Determining Federal awards expended. The determination of when an award is expended should be based on when the activity related to the award occurs. These expenditures vary with the federal funding source and can occur either before or after federal awards are received. These expenditures can and often do occur in a different accounting period than reported in the financial statements under KMAG.
5. To insure all federal funds are identifiable in the financial statements, a consistent sub-account number should be adopted for posting all federal award receipts.

County's Response

County concurs with the finding. Policies and procedure review and modification are being undertaken to improve the accuracy of the schedule of federal awards.

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

**C-04 RILEY COUNTY'S INTERNAL CONTROLS DID NOT INCLUDE IDENTIFYING
APPLICABLE COMPLIANCE REQUIREMENTS FOR INDIVIDUAL PROGRAM AWARDS.**

Background

The Recovery Act: Energy Efficiency and Conservation Block Grant's project officer monitors compliance with contract specific terms.

There are other compliance requirements in addition to those monitored by the DOE Project Officer as detailed in the A-133 supplement and the award documents.

Description of Condition

The County's recipient department head did not independently determine and summarize the federal awards compliance requirements as outlined in A-133. Because of this, he incorrectly concluded that the Davis Bacon Act was not applicable to this award and was not aware of the excluded party verification requirement.

The County has the additional responsibility of monitoring lower tier entities' compliance.

Cause of Condition

The County did not require a summary analysis of all compliance requirements as part of the internal control procedures. Consequently the recipient department head relied on the DOE project officer 's correspondence for identifying the compliance requirements.

Effect of Condition

The contractor and vendors have been paid without documenting compliance with the Davis-Bacon Act requirements and payments could have been paid to an excluded entity by the County's contractors.

Recommendation

We recommend the county implement control procedures that identify and summarize all the federal award compliance requirements of every award program they receive. At least one individual needs to be trained to research these requirements for the whole county. This individual as well as the recipient department head would both check compliance before distributing federal funds to third parties.

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

County's Response

County concurs with the finding. New procedures will be implemented to require a compliance check list for each award.

Summary Schedule of Prior Year Audit Findings

The county was not subject to single audits in covered prior years. There are no prior audit findings to report.