

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

POTTAWATOMIE COUNTY, KANSAS

December 31, 2011

Reese & Novelly, PA
Certified Public Accountants
Wamego, Kansas

Audited Financial Statements and Other Financial Information

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

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Audited Financial Statements and Other Financial Information

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

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REESE & NOVELLY, P.A.
Certified Public Accountants

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

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

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Pottawatomie County, Kansas

We have audited the accompanying summary of cash receipts, expenditures, and unencumbered cash; summary of expenditures – budget and actual; and statements of cash receipts and expenditures for each fund of Pottawatomie County, Kansas (County), as of and for the year ended December 31, 2011, which collectively comprise the County's statutory basis financials statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

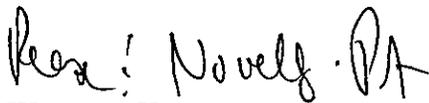
As described more fully in Note A, the County has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements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

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Pottawatomie County, Kansas, as of December 31, 2011, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, the County has not presented a management's discussion and analysis that accounting principles generally accepted in the United State has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Our audit was conducted for the purpose of forming an opinion on the statutory basis financial statements that collectively comprise Pottawatomie County, Kansas's statutory basis financial statements as a whole. The supplementary financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the County. 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 also not a required part of the statutory basis financial statements of the County. The supplementary information listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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.



Wamego, Kansas
May 21, 2012

FINANCIAL STATEMENTS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (STATEMENT 1)

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General	\$ 9,197,068	\$ 72,828	\$ 18,515,980	\$ 20,258,730	\$ 7,527,146	\$ 737,557	\$ 8,264,703
Debt Service:							
Bond and Interest	471,602		829,497	788,610	512,489		512,489
Special Revenue:							
Emergency Telephone Service	52,809		62,540	51,385	63,964		63,964
Court Trustee	35,991		37		36,028		36,028
Regional Library	9,357		308,853	313,809	4,401		4,401
Rural Highway System	791,246		2,073,310	2,212,746	651,810	70,023	721,833
Tort Liability	124,045		100,105	88,481	135,669		135,669
Fair Association	12		5		17		17
Historical Society	94,003		44,472	43,674	94,801		94,801
Special Parks and Recreation	66,850		7,575	994	73,431		73,431
Special Alcohol Program	80,552		19,520	22,000	78,072		78,072
Regional Library Employee Benefit Fund	804		31,888	32,328	364		364
Noxious Weed Chemical	171,113		185,490	190,868	165,735	34,885	200,620
E-911	108,648		313,900	265,566	156,982		156,982
Special Highway Improvement	1,971,599	4,722		78,442	1,897,879	90,521	1,988,400
Attorney Check Fee	17,762		4,710	3,191	19,281		19,281
Attorney Forfeiture Fund	2,213				2,213		2,213
Law Enforcement Trust	8,407			5,061	3,346		3,346
Capital Improvement	10,037,985		2,470,000		12,507,985		12,507,985
Equipment Reserve	356,430		1,047	32,612	324,865	11,051	335,916
Prosecuting Attorney Training	9,664		2,413	951	11,126		11,126
Special Auto	160,778		185,310	186,027	160,061		160,061
Deeds Technology	43,738		32,648	36,204	40,182		40,182
Offender Registration Fund	2,772		3,140	1,000	4,912		4,912
TOTAL SPECIAL REVENUE	14,146,778	4,722	5,846,963	3,565,339	16,433,124	206,480	16,639,604

See independent auditors' report and notes to financial statements.

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH (STATEMENT 1)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Capital Projects:							
Timber Creek Stormwater			2,000	1,731	269		269
Balderson Blvd Construction			37,518	37,518	-		-
Nelson's Ridge Construction Phase 1	401,588		1,401,999	1,803,587	-		-
Jail/Courthouse Construction			1,000,000	707,940	292,060		292,060
TOTAL CAPITAL PROJECTS	401,588	-	2,441,517	2,550,776	292,329	-	292,329
Proprietary fund types:							
Enterprise:							
Blue Township Sewer Operations	195,662		548,344	307,427	436,579	19,750	456,329
Blue Township Sewer Reserve	376,644		1,577,591	1,807,483	146,752		146,752
Timbercreek Water Operations	73,205	101	164,527	139,322	98,511	325	98,836
Timbercreek Water Reserve	230,466		42,341		272,807		272,807
Fostoria Sewer Operations	22,001		4,137	1,244	24,894		24,894
Fostoria Sewer Reserve	13,315		1,599		14,914		14,914
Brook Ridge Sewer Operations	1,405		2,856	1,306	2,955		2,955
Brook Ridge Sewer Maintenance	2,305		3,509	796	5,018		5,018
Brook Ridge Sewer Reserve	7,600		1,900		9,500		9,500
TOTAL ENTERPRISE	922,603	101	2,346,804	2,257,578	1,011,930	20,075	1,032,005
TOTAL PRIMARY GOVERNMENT	25,139,639	77,651	29,980,761	29,421,033	25,777,018	964,112	26,741,130

See independent auditors' report and notes to financial statements.

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH (STATEMENT 1)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Component Units:							
Fire Districts:							
Joint No. 1 General Fund	2,411		63,456	65,601	266		266
No. 2 General Fund	10,355		24,720	18,233	16,842	3,580	20,422
Joint No. 3 General Fund	45,187		35,273	60,695	19,765		19,765
Joint No. 4 General Fund	72,267		13,585	6,933	78,919		78,919
No. 5 General Fund	24,860	94	149,852	156,561	18,245		18,245
No. 6 General Fund	9,263		21,349	20,310	10,302	3,222	13,524
No. 7 General Fund	13,654	1,013	50,359	33,200	31,826		31,826
No. 8 General Fund	65,793		25,153	18,436	72,510	2,148	74,658
No. 10 General Fund	44,698		105,081	112,742	37,037	23,497	60,534
No. 10 Reserve	14,333				14,333		14,333
Pottawatomie County Economic Development Corporation	30,886		492,735	501,567	22,054	602	22,656
Pottawatomie County Extension Council	33,211		285,642	281,755	37,098		37,098
TOTAL COMPONENT UNITS	366,918	1,107	1,267,205	1,276,033	359,197	33,049	392,246
TOTAL REPORTING ENTITY	\$ 25,506,557	\$ 78,758	\$ 31,247,966	\$ 30,697,066	\$ 26,136,215	\$ 997,161	\$ 27,133,376

See independent auditors' report and notes to financial statements.

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH (STATEMENT 1)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

Composition of Cash:

Checking accounts	\$ 7,909,867
Certificates of deposit	26,445,132
Municipal Investment Pool	14,000,000
Change fund and petty cash	850
Savings	8,219
Clerk of the District Court	33,015
Pottawatomie County Sheriff	2,095
Pottawatomie County Economic Development Corporation (Component Unit)	22,656
Pottawatomie County Extension Council (Component Unit)	<u>37,098</u>
TOTAL CASH	48,458,932
Agency Funds per Statement 4	<u>(21,325,556)</u>
TOTAL REPORTING ENTITY (EXCLUDING AGENCY)	<u><u>\$ 27,133,376</u></u>

See independent auditors' report and notes to financial statements.

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
BUDGETED FUNDS ONLY (STATEMENT 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Certified Budget (As Amended)	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Favorable (Unfavorable) Variance
Governmental Fund Types:					
General	\$ 22,068,528	\$ 300,355	\$ 22,368,883	\$ 20,258,730	\$ 2,110,153
Debt Service:					
Bond and Interest	1,241,600		1,241,600	788,610	452,990
Special Revenue:					
Emergency Telephone Service	85,843		85,843	51,385	34,458
Court Trustee	35,940		35,940		35,940
Regional Library	313,809		313,809	313,809	-
Rural Highway System	2,543,743		2,543,743	2,212,746	330,997
Tort Liability	153,179		153,179	88,481	64,698
Fair Association	11		11		11
Historical Society	87,914		87,914	43,674	44,240
Special Parks and Recreation	43,658		43,658	994	42,664
Special Alcohol Program	64,864		64,864	22,000	42,864
Regional Library EMBF	32,328		32,328	32,328	-
Noxious Weed Chemical	201,450		201,450	190,868	10,582
E-911	80,801	255,122	335,923	265,566	70,357

See independent auditors' report and notes to financial statements.

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
BUDGETED FUNDS ONLY (STATEMENT 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	<u>Certified Budget (As Amended)</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Favorable (Unfavorable) Variance</u>
Proprietary fund types:					
Enterprise:					
Blue Township Sewer Operations	626,000		626,000	307,427	318,573
Timbercreek Water	155,784	13,257	169,041	139,322	29,719
Fostoria Sewer Operations	22,006		22,006	1,244	20,762
Brook Ridge Sewer Operations	2,975		2,975	1,306	1,669
Brook Ridge Sewer Maintenance	4,500		4,500	796	3,704
Component Units:					
Fire Districts:					
Joint No. 1 General Fund	67,613		67,613	65,601	2,012
No. 2 General Fund	28,777	3,500	32,277	18,233	14,044
Joint No. 3 General Fund	66,065	2,987	69,052	60,695	8,357
Joint No. 4 General Fund	41,030		41,030	6,933	34,097
No. 5 General Fund	156,806	1,276	158,082	156,561	1,521
No. 6 General Fund	27,155		27,155	20,310	6,845
No. 7 General Fund	53,007		53,007	33,200	19,807
No. 8 General Fund	71,473		71,473	18,436	53,037
No. 10 General Fund	132,585		132,585	112,742	19,843

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 10,000,000	\$ 9,871,406	\$ (128,594)
Delinquent tax		137,176	137,176
In lieu of tax	1,000	36,073	35,073
Local alcohol liquor tax	9,648	7,575	(2,073)
Motor vehicle tax	518,221	582,037	63,816
Vehicles rent excise tax		20,699	20,699
Sales and compensating use tax	2,150,000	3,016,145	866,145
Fines, forfeitures, and penalties	26,000	150,510	124,510
City and county highway fund	650,000	765,145	115,145
16/20M vehicle tax	14,500	18,502	4,002
District coroner fee	6,000	7,451	1,451
Recreation vehicle tax	13,750	13,806	56
Neighborhood revitalization rebate		(6,794)	(6,794)
Special assessments	25,000		(25,000)
Refunds		(2,460)	(2,460)
Licenses and permits	479,700	560,540	80,840
Charges for services	376,500	870,900	494,400
Use of property	203,400	279,486	76,086
Reimbursements and grants	20,000	356,968	336,968
Miscellaneous receipts	50,000	180,073	130,073
Transfers in	1,150,000	1,650,742	500,742
TOTAL CASH RECEIPTS	15,693,719	18,515,980	2,822,261
Expenditures:			
Legislative:			
County Commission:			
Personnel services	76,700	76,681	19
Contractual services and other charges	18,300	18,259	41
Materials and supplies	1,000	917	83
TOTAL LEGISLATIVE	96,000	95,857	143

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Judicial:			
County Attorney:			
Personnel services	289,045	287,145	1,900
Contractual services and other charges	44,506	33,871	10,635
Materials and supplies	10,925	10,434	491
TOTAL COUNTY ATTORNEY	344,476	331,450	13,026
Clerk of the District Court:			
Contractual services and other charges	195,800	195,479	321
Materials and supplies	8,500	8,190	310
Capital outlay	31,350	31,323	27
TOTAL CLERK OF THE DISTRICT COURT	235,650	234,992	658
Court Services Officer:			
Contractual services and other charges	19,122	18,743	379
District Coroner:			
Personnel services	8,000	8,000	-
Contractual services and other charges	21,000	21,000	-
TOTAL DISTRICT CORONER	29,000	29,000	-
TOTAL JUDICIAL	628,248	614,185	14,063
Financial and Administrative:			
Financial Operations:			
Personnel services	343,500	320,865	22,635
Contractual services and other charges	133,500	130,171	3,329
Materials and supplies	12,000	5,423	6,577
Capital outlay	19,500	4,656	14,844
TOTAL FINANCIAL OPERATIONS	508,500	461,115	47,385

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Appraiser:			
Personnel services	258,500	258,148	352
Contractual services and other charges	40,500	33,877	6,623
Materials and supplies	19,500	15,142	4,358
Capital outlay	1,000	680	320
TOTAL APPRAISER	319,500	307,847	11,653
Geographic Information System:			
Personnel services	97,100	94,937	2,163
Contractual services and other charges	26,600	14,216	12,384
Materials and supplies	9,600	6,154	3,446
Capital outlay	4,000		4,000
TOTAL GEOGRAPHIC INFORMATION SYSTEMS	137,300	115,307	21,993
Building and Grounds:			
Personnel services	90,150	81,979	8,171
Contractual services and other charges	182,800	149,312	33,488
Materials and supplies	49,850	18,576	31,274
Capital outlay	139,500	22,478	117,022
TOTAL BUILDING AND GROUNDS	462,300	272,345	189,955
County Clerk:			
Personnel services	140,000	116,985	23,015
Contractual services and other charges	23,500	22,772	728
Materials and supplies	6,500	5,705	795
TOTAL COUNTY CLERK	170,000	145,462	24,538
Register of Deeds:			
Personnel services	104,000	102,613	1,387
Contractual services and other charges	13,150	8,595	4,555
Materials and supplies	11,700	11,275	425
TOTAL REGISTER OF DEEDS	128,850	122,483	6,367

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Election Expense:			
Personnel services	2,000	977	1,023
Contractual services and other charges	20,000	17,759	2,241
Materials and supplies	23,000	8,202	14,798
TOTAL ELECTION EXPENSE	45,000	26,938	18,062
Employee Benefits:			
Personnel services	65,000	50,438	14,562
Contractual services and other charges	2,702,235	2,344,093	358,142
TOTAL EMPLOYEE BENEFITS	2,767,235	2,394,531	372,704
County Treasurer:			
Personnel services	156,000	151,324	4,676
Contractual services and other charges	25,700	16,853	8,847
Materials and supplies	4,400	1,820	2,580
Capital outlay	2,000	642	1,358
TOTAL COUNTY TREASURER	188,100	170,639	17,461
Unclassified:			
Contractual services and other charges	612,000	109,549	502,451
Materials and supplies	3,000	696	2,304
Capital outlay	50,000		50,000
Miscellaneous		11,220	(11,220)
Allocations and distributions	322,000	310,700	11,300
Transfers out	3,785,700	3,471,049	314,651
TOTAL UNCLASSIFIED	4,772,700	3,903,214	869,486
Zoning and Planning:			
Personnel services	50,000	49,050	950
Contractual services and other charges	34,650	32,812	1,838
Materials and supplies	3,600	3,356	244
TOTAL ZONING AND PLANNING	88,250	85,218	3,032
TOTAL FINANCIAL AND ADMINISTRATIVE	9,587,735	8,005,099	1,582,636

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Public Safety:			
Ambulance Service:			
Contractual services and other charges	1,278,000	1,270,214	7,786
Materials and supplies	2,000	1,869	131
Capital outlay	178,000	166,836	11,164
TOTAL AMBULANCE SERVICE	1,458,000	1,438,919	19,081
First Responder:			
Miscellaneous	2,000		2,000
Local Emergency Management:			
Personnel services	20,000	42,298	(22,298)
Contractual services and other charges	25,550	44,790	(19,240)
Materials and supplies	8,000	10,564	(2,564)
Capital outlay	43,000	58,073	(15,073)
Adjustment for qualifying budget credit	66,050		66,050
TOTAL LOCAL EMERGENCY MANAGEMENT	162,600	155,725	6,875
Fire Supervisor:			
Personnel services	43,000	42,044	956
Contractual services and other charges	6,850	5,135	1,715
Materials and supplies	10,250	9,966	284
Capital outlay	4,000	2,977	1,023
TOTAL FIRE SUPERVISOR	64,100	60,122	3,978
Sheriff:			
Personnel services	1,548,404	1,503,246	45,158
Contractual services and other charges	124,410	125,452	(1,042)
Materials and supplies	223,386	223,232	154
Capital outlay	162,000	161,465	535
Adjustment for qualifying budget credit	28,869		28,869
TOTAL SHERIFF	2,087,069	2,013,395	73,674

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Detention Center:			
Personnel services	231,500	222,574	8,926
Contractual services and other charges	102,000	101,781	219
Materials and supplies	117,500	115,894	1,606
TOTAL DETENTION CENTER	451,000	440,249	10,751
Juvenile Detention:			
Contractual services and other charges	99,750	97,749	2,001
TOTAL PUBLIC SAFETY	4,324,519	4,206,159	118,360
Public Works:			
Cemeteries:			
Contractual services and other charges	11,500	9,737	1,763
Materials and supplies	1,498	241	1,257
Capital outlay	1,002	1,002	-
TOTAL CEMETERIES	14,000	10,980	3,020
Noxious Weed:			
Personnel services	157,500	136,213	21,287
Contractual services and other charges	45,750	23,026	22,724
Materials and supplies	115,500	102,979	12,521
Capital outlay	1,400	1,400	-
Adjustment for qualifying budget credit	1,262		1,262
TOTAL NOXIOUS WEED	321,412	263,618	57,794
Road and Bridge:			
Personnel services	1,715,000	1,689,377	25,623
Contractual services and other charges	947,300	942,987	4,313
Materials and supplies	1,777,200	1,772,564	4,636
Capital outlay	357,000	354,351	2,649
Transfers out	5,000	2,000	3,000
Adjustment for qualifying budget credit	1,762		1,762
TOTAL ROAD AND BRIDGE	4,803,262	4,761,279	41,983

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Solid Waste Disposal:			
Personnel services	86,000	83,406	2,594
Contractual services and other charges	298,000	288,232	9,768
Materials and supplies	23,000	15,897	7,103
Capital outlay	19,000	17,049	1,951
TOTAL SOLID WASTE DISPOSAL	426,000	404,584	21,416
TOTAL PUBLIC WORKS	5,564,674	5,440,461	124,213
Health and Welfare:			
County Health:			
Personnel services	365,200	357,923	7,277
Contractual services and other charges	77,315	70,556	6,759
Materials and supplies	52,550	45,203	7,347
Capital outlay	5,000	723	4,277
Adjustment for qualifying budget credit	148,956		148,956
TOTAL COUNTY HEALTH	649,021	474,405	174,616
Pawnee Mental Health:			
Allocations and distributions	47,500	47,500	-
Developmental Disability:			
Allocations and distributions	147,500	147,500	-
Council on Aging:			
Personnel services	66,000	50,251	15,749
Contractual services and other charges	52,920	37,729	15,191
Materials and supplies	17,500	20,082	(2,582)
Allocations and distributions	25,410	23,100	2,310
Adjustment for qualifying budget credit	48,191		48,191
TOTAL COUNCIL ON AGING	210,021	131,162	78,859

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Environmental Health:			
Personnel services	47,100	51,704	(4,604)
Contractual services and other charges	5,300	4,119	1,181
Materials and supplies	6,000	3,899	2,101
Adjustment for qualifying budget credit	5,265		5,265
	<u>63,665</u>	<u>59,722</u>	<u>3,943</u>
TOTAL ENVIRONMENTAL HEALTH			
	<u>1,117,707</u>	<u>860,289</u>	<u>257,418</u>
Culture and Recreation:			
County Park Operations:			
Contractual services and other charges	2,500	543	1,957
Materials and supplies	2,900	1,628	1,272
Capital outlay	3,600	3,600	-
	<u>9,000</u>	<u>5,771</u>	<u>3,229</u>
TOTAL COUNTY PARK OPERATIONS			
County Fair Operations:			
Allocations and distributions	85,000	85,000	-
	<u>94,000</u>	<u>90,771</u>	<u>3,229</u>
TOTAL CULTURE AND RECREATION			
Environment:			
Conservation District:			
Allocations and distributions	80,000	80,000	-
Economic Development:			
Transfer to component unit	170,000	170,000	-
Extension Services:			
Transfer to component unit	180,000	180,000	-
	<u>430,000</u>	<u>430,000</u>	<u>-</u>
TOTAL ENVIRONMENT			

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
	<u> </u>	<u> </u>	<u> </u>
Bond & Interest:			
Contractual services and other charges	49,500	39,668	9,832
Debt payments:			
Principal	467,750	467,614	136
Interest	8,750	8,627	123
	<u>526,000</u>	<u>515,909</u>	<u>10,091</u>
TOTAL EXPENDITURES	<u>22,368,883</u>	<u>20,258,730</u>	<u>2,110,153</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(6,675,164)	(1,742,750)	4,932,414
Beginning Unencumbered Cash Balance	7,675,164	9,197,068	1,521,904
Adjustment to unencumbered cash for prior year cancelled encumbrances		72,828	72,828
		<u>72,828</u>	<u>72,828</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 1,000,000</u>	<u>\$ 7,527,146</u>	<u>\$ 6,527,146</u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - BOND AND INTEREST
 DEBT SERVICE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Special assessments	\$ 797,610	\$ 808,756	\$ 11,146
Delinquent specials		12,509	12,509
Debt proceeds		604	604
Transfers in		7,628	7,628
	<u>797,610</u>	<u>829,497</u>	<u>31,887</u>
Expenditures:			
Principal	483,648	469,681	13,967
Interest	314,065	306,797	7,268
Cash Reserve	433,160		433,160
Miscellaneous		1,405	(1,405)
Operating transfers	10,727	10,727	-
	<u>1,241,600</u>	<u>788,610</u>	<u>452,990</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(443,990)	40,887	484,877
Beginning Unencumbered Cash Balance	<u>443,990</u>	<u>471,602</u>	<u>27,612</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 512,489</u>	<u>\$ 512,489</u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - EMERGENCY TELEPHONE SERVICE
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 62,000	\$ 62,395	\$ 395
Use of property		65	65
Miscellaneous receipts		80	80
TOTAL CASH RECEIPTS	62,000	62,540	540
Expenditures:			
Contractual and other expenditures	55,000	50,722	4,278
Material and supplies	1,000	663	337
Capital Outlay	29,843		29,843
TOTAL EXPENDITURES	85,843	51,385	34,458
RECEIPTS OVER (UNDER) EXPENDITURES	(23,843)	11,155	34,998
Beginning Unencumbered Cash Balance	23,843	52,809	28,966
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 63,964	\$ 63,964

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - COURT TRUSTEE
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Use of property	\$	\$ 37	\$ 37
Expenditures:			
Contractual and other expenditures	35,940		35,940
RECEIPTS OVER (UNDER) EXPENDITURES	(35,940)	37	35,977
Beginning Unencumbered Cash Balance	35,940	35,991	51
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 36,028	\$ 36,028

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - REGIONAL LIBRARY
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 290,249	\$ 287,239	\$ (3,010)
Delinquent tax		3,026	3,026
Motor vehicle tax	16,708	17,509	801
16/20M vehicle tax	566	629	63
Recreation vehicle tax	431	450	19
TOTAL CASH RECEIPTS	307,954	308,853	899
Expenditures:			
Allocations and distributions	313,809	313,809	-
RECEIPTS OVER (UNDER) EXPENDITURES	(5,855)	(4,956)	899
Beginning Unencumbered Cash Balance	5,855	9,357	3,502
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 4,401	\$ 4,401

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - RURAL HIGHWAY SYSTEM
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 1,962,412	\$ 1,946,101	\$ (16,311)
Delinquent tax		15,928	15,928
Motor vehicle tax	98,483	103,818	5,335
Vehicles rent excise tax		1	1
16/20M vehicle tax	3,890	4,334	444
Recreation vehicle tax	2,728	2,820	92
Use of property		308	308
TOTAL CASH RECEIPTS	2,067,513	2,073,310	5,797
Expenditures:			
Contractual and other expenditures	86,000	76,584	9,416
Material and supplies	660,000	656,925	3,075
Operating transfers	1,797,743	1,479,237	318,506
TOTAL EXPENDITURES	2,543,743	2,212,746	330,997
RECEIPTS OVER (UNDER) EXPENDITURES	(476,230)	(139,436)	336,794
Beginning Unencumbered Cash Balance	476,230	791,246	315,016
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 651,810	\$ 651,810

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - TORT LIABILITY
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 93,500	\$ 92,418	\$ (1,082)
Delinquent tax		1,414	1,414
Motor vehicle tax	5,698	5,807	109
Vehicles rent excise tax		207	207
16/20M vehicle tax	173	185	12
Recreation vehicle tax	139	138	(1)
Neighborhood revitalization rebate		(64)	(64)
TOTAL CASH RECEIPTS	99,510	100,105	595
Expenditures:			
Contractual and other expenditures	153,179	88,481	64,698
RECEIPTS OVER (UNDER) EXPENDITURES	(53,669)	11,624	65,293
Beginning Unencumbered Cash Balance	53,669	124,045	70,376
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 135,669	\$ 135,669

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - FAIR ASSOCIATION
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Delinquent tax	\$	\$ 5	\$ 5
Expenditures:			
Allocations and distributions	11		11
RECEIPTS OVER (UNDER) EXPENDITURES	(11)	5	16
Beginning Unencumbered Cash Balance	11	12	1
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 17</u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - HISTORICAL SOCIETY
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 39,011	\$ 38,508	\$ (503)
Delinquent tax		546	546
Motor vehicle tax	2,217	2,258	41
Vehicles rent excise tax		80	80
16/20M vehicle tax	67	72	5
Recreation vehicle tax	54	54	-
Neighborhood revitalization rebate		(27)	(27)
Reimbursements and grants		2,981	2,981
TOTAL CASH RECEIPTS	41,349	44,472	3,123
Expenditures:			
Contractual and other expenditures	2,500	824	1,676
Material and supplies	35,414	1,931	33,483
Allocations and distributions	50,000	40,919	9,081
TOTAL EXPENDITURES	87,914	43,674	44,240
RECEIPTS OVER (UNDER) EXPENDITURES	(46,565)	798	47,363
Beginning Unencumbered Cash Balance	46,565	94,003	47,438
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 94,801	\$ 94,801

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - SPECIAL PARKS AND RECREATION
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Local alcohol liquor tax	\$ 9,648	\$ 7,575	\$ (2,073)
Expenditures:			
Allocations and distributions	43,658	994	42,664
RECEIPTS OVER (UNDER) EXPENDITURES	(34,010)	6,581	40,591
Beginning Unencumbered Cash Balance	34,010	66,850	32,840
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 73,431	\$ 73,431

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - SPECIAL ALCOHOL PROGRAM
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Local alcohol liquor tax	\$ 24,229	\$ 19,520	\$ (4,709)
Expenditures:			
Allocations and distributions	64,864	22,000	42,864
RECEIPTS OVER (UNDER) EXPENDITURES	(40,635)	(2,480)	38,155
Beginning Unencumbered Cash Balance	40,635	80,552	39,917
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 78,072	\$ 78,072

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - REGIONAL LIBRARY EMPLOYEE BENEFIT FUND
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 30,161	\$ 29,735	\$ (426)
Delinquent tax		284	284
Motor vehicle tax	1,708	1,764	56
16/20M vehicle tax	54	60	6
Recreation vehicle tax	44	45	1
	<u>31,967</u>	<u>31,888</u>	<u>(79)</u>
TOTAL CASH RECEIPTS	31,967	31,888	(79)
Expenditures:			
Allocations and distributions	<u>32,328</u>	<u>32,328</u>	<u>-</u>
	(361)	(440)	(79)
RECEIPTS OVER (UNDER) EXPENDITURES	(361)	(440)	(79)
Beginning Unencumbered Cash Balance	<u>361</u>	<u>804</u>	<u>443</u>
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 364	\$ 364

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - NOXIOUS WEED CHEMICAL
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Charges for services	\$ 175,000	\$ 185,490	\$ 10,490
Expenditures:			
Material and supplies	166,450	155,903	10,547
Capital Outlay	35,000	34,886	114
Miscellaneous		79	(79)
TOTAL EXPENDITURES	<u>201,450</u>	<u>190,868</u>	<u>10,582</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(26,450)	(5,378)	21,072
Beginning Unencumbered Cash Balance	<u>26,450</u>	<u>171,113</u>	<u>144,663</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 165,735</u>	<u>\$ 165,735</u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - E-911
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 58,000	\$ 58,642	\$ 642
Use of property		136	136
Reimbursements and grants		255,122	255,122
	<u>58,000</u>	<u>313,900</u>	<u>255,900</u>
TOTAL CASH RECEIPTS	<u>58,000</u>	<u>313,900</u>	<u>255,900</u>
Expenditures:			
Contractual and other expenditures	10,450	105,972	(95,522)
Capital Outlay	70,351	159,594	(89,243)
Adjustment for qualifying budget credit	255,122		255,122
	<u>335,923</u>	<u>265,566</u>	<u>70,357</u>
TOTAL EXPENDITURES	<u>335,923</u>	<u>265,566</u>	<u>70,357</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(277,923)	48,334	326,257
Beginning Unencumbered Cash Balance	<u>277,923</u>	<u>108,648</u>	<u>(169,275)</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 156,982</u>	<u>\$ 156,982</u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Special Highway Improvement	Attorney Check Fee	Attorney Forfeiture	Law Enforcement Trust Fund	Capital Improvement
Cash Receipts:					
Licenses and permits	\$	\$ 430	\$	\$	\$
Miscellaneous receipts		4,280			
Transfers in					2,470,000
TOTAL CASH RECEIPTS	-	4,710	-	-	2,470,000
Expenditures:					
Personnel expenditures					
Contractual and other expenditures	77,922			80	
Material and supplies	520				
Capital Outlay		3,191		4,981	
Operating transfers					
TOTAL EXPENDITURES	78,442	3,191	-	5,061	-
RECEIPTS OVER (UNDER) EXPENDITURES	(78,442)	1,519	-	(5,061)	2,470,000
Beginning Unencumbered Cash Balance	1,971,599	17,762	2,213	8,407	10,037,985
Adjustment to unencumbered cash for prior year cancelled encumbrances	4,722				
ENDING UNENCUMBERED CASH BALANCE	\$ 1,897,879	\$ 19,281	\$ 2,213	\$ 3,346	\$ 12,507,985

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Equipment Reserve	Prosecuting Attorney Training	Special Auto	Deeds Technology	Offender Registration
Cash Receipts:					
Licenses and permits	\$	\$	\$ 185,310	\$ 32,648	\$ 3,140
Miscellaneous receipts		2,413			
Transfers in	1,047				
TOTAL CASH RECEIPTS	<u>1,047</u>	<u>2,413</u>	<u>185,310</u>	<u>32,648</u>	<u>3,140</u>
Expenditures:					
Personnel expenditures			13,710		
Contractual and other expenditures		951	2,704	36,168	1,000
Material and supplies			6,807	36	
Capital Outlay	32,612		2,028		
Operating transfers			160,778		
TOTAL EXPENDITURES	<u>32,612</u>	<u>951</u>	<u>186,027</u>	<u>36,204</u>	<u>1,000</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(31,565)	1,462	(717)	(3,556)	2,140
Beginning Unencumbered Cash Balance	356,430	9,664	160,778	43,738	2,772
Adjustment to unencumbered cash for prior year cancelled encumbrances					
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 324,865</u>	<u>\$ 11,126</u>	<u>\$ 160,061</u>	<u>\$ 40,182</u>	<u>\$ 4,912</u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
CAPITAL PROJECT FUNDS - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Timber Creek Stormwater	Balderson Blvd Construction	Nelson's Ridge 1 Construction	Jail/ Courthouse Project
Cash Receipts:				
Taxes and Shared Revenue	\$	\$	\$ 11,581	\$
Use of property			234	
Reimbursements and grants		37,518		
Debt proceeds			1,390,184	
Transfers in	2,000			1,000,000
TOTAL CASH RECEIPTS	2,000	37,518	1,401,999	1,000,000
Expenditures:				
Contractual and other expenditures	1,075	37,518	308,547	707,940
Material and supplies	656			
Debt payments:				
Principal			1,475,000	
Interest			12,412	
Operating transfers			7,628	
TOTAL EXPENDITURES	1,731	37,518	1,803,587	707,940
RECEIPTS OVER (UNDER) EXPENDITURES	269	-	(401,588)	292,060
Beginning Unencumbered Cash Balance			401,588	
ENDING UNENCUMBERED CASH BALANCE	\$ 269	\$ -	\$ -	\$ 292,060

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - BLUE TOWNSHIP SEWER OPERATIONS
 ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 500,000	\$ 547,133	\$ 47,133
Charges for services		838	838
Miscellaneous receipts		373	373
	<u>500,000</u>	<u>548,344</u>	<u>48,344</u>
TOTAL CASH RECEIPTS	<u>500,000</u>	<u>548,344</u>	<u>48,344</u>
Expenditures:			
Personnel expenditures	56,000	28,794	27,206
Contractual and other expenditures	290,000	239,098	50,902
Material and supplies	20,000	14,918	5,082
Capital Outlay	10,000		10,000
Debt payments:			
Principal	225,000		225,000
Operating transfers	25,000	24,617	383
	<u>626,000</u>	<u>307,427</u>	<u>318,573</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>(126,000)</u>	<u>240,917</u>	<u>366,917</u>
Beginning Unencumbered Cash Balance	<u>151,762</u>	<u>195,662</u>	<u>43,900</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 25,762</u></u>	<u><u>\$ 436,579</u></u>	<u><u>\$ 410,817</u></u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BLUE TOWNSHIP SEWER RESERVE
ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

Cash Receipts:

Licenses and permits	\$ 39,000
Charges for services	16,965
Reimbursements and grants	288,968
Debt proceeds	1,208,041
Transfers in	<u>24,617</u>

TOTAL CASH RECEIPTS 1,577,591

Expenditures:

Contractual and other expenditures	1,752,251
Debt payments:	
Interest	<u>55,232</u>

TOTAL EXPENDITURES 1,807,483

RECEIPTS OVER (UNDER) EXPENDITURES (229,892)

Beginning Unencumbered Cash Balance 376,644

ENDING UNENCUMBERED CASH BALANCE \$ 146,752

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - TIMBERCREEK WATER OPERATIONS
ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Sales and compensating use tax	\$ 250	\$ 264	\$ 14
Licenses and permits	167,220	150,643	(16,577)
Reimbursements and grants		13,257	13,257
Miscellaneous receipts		363	363
TOTAL CASH RECEIPTS	167,470	164,527	(2,943)
Expenditures:			
Personnel expenditures	29,500	23,818	5,682
Contractual and other expenditures	56,634	54,223	2,411
Material and supplies	21,650	18,940	2,710
Capital Outlay	3,000		3,000
Operating transfers	45,000	42,341	2,659
Adjustment for qualifying budget credit	13,257		13,257
TOTAL EXPENDITURES	169,041	139,322	29,719
RECEIPTS OVER (UNDER) EXPENDITURES	(1,571)	25,205	26,776
Beginning Unencumbered Cash Balance	54,538	73,205	18,667
Adjustment to unencumbered cash for prior year cancelled encumbrances		101	101
ENDING UNENCUMBERED CASH BALANCE	\$ 52,967	\$ 98,511	\$ 45,544

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - FOSTORIA SEWER OPERATIONS
 ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Miscellaneous receipts	\$ 2,200	\$ 4,137	\$ 1,937
Expenditures:			
Contractual and other expenditures	2,500	1,244	1,256
Material and supplies	19,506		19,506
TOTAL EXPENDITURES	22,006	1,244	20,762
RECEIPTS OVER (UNDER) EXPENDITURES	(19,806)	2,893	22,699
Beginning Unencumbered Cash Balance	19,806	22,001	2,195
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 24,894	\$ 24,894

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - BROOK RIDGE SEWER OPERATIONS
 ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 3,000	\$ 2,856	\$ (144)
Expenditures:			
Personnel expenditures	1,000		1,000
Contractual and other expenditures	1,625	1,271	354
Material and supplies	350	35	315
TOTAL EXPENDITURES	<u>2,975</u>	<u>1,306</u>	<u>1,669</u>
RECEIPTS OVER (UNDER) EXPENDITURES	25	1,550	1,525
Beginning Unencumbered Cash Balance	<u>230</u>	<u>1,405</u>	<u>1,175</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 255</u>	<u>\$ 2,955</u>	<u>\$ 2,700</u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - BROOK RIDGE SEWER MAINTENANCE
 ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Special assessments	\$ 3,417	\$ 3,509	\$ 92
Expenditures:			
Contractual and other expenditures	4,250	796	3,454
Material and supplies	250		250
TOTAL EXPENDITURES	4,500	796	3,704
RECEIPTS OVER (UNDER) EXPENDITURES	(1,083)	2,713	3,796
Beginning Unencumbered Cash Balance	2,172	2,305	133
ENDING UNENCUMBERED CASH BALANCE	\$ 1,089	\$ 5,018	\$ 3,929

See independent auditors' report and notes to financial statements.

**SUMMARY OF CASH RECEIPTS, CASH DISBURSEMENTS, AND UNENCUMBERED
CASH - AGENCY FUNDS (STATEMENT 4)**

POTTAWATOMIE COUNTY, KANSAS

For the Year Ended December 31, 2011

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Ad Valorem Taxes:				
Current real estate	\$ 18,490,573	\$ 35,390,154	\$ 34,425,475	\$ 19,455,252
Current personal property	755,921	1,209,562	1,246,993	718,490
Current 16/20M vehicle	34,756	51,400	52,882	33,274
Delinquent real estate	146,090	580,842	538,027	188,905
Delinquent personal property	2,803	12,099	9,920	4,982
Delinquent 16/20M vehicle		471	73	398
Motor vehicle	368,212	1,895,641	1,849,727	414,126
Excise tax holding fund	27,137	70,764	72,174	25,727
Total Distributable Funds	19,825,492	39,210,933	38,195,271	20,841,154
State Funds:				
State education building		415,217	415,217	-
State institutional building		207,610	207,610	-
State General Fund		12	12	-
Total State Funds	-	622,839	622,839	-
Subdivision Funds:				
Cities	441,448	4,857,801	4,871,758	427,491
Townships		195,481	195,481	-
School districts		18,247,995	18,247,995	-
Hospital districts	1,599	1,184,560	1,182,364	3,795
Drainage districts	3,915	17,661	17,728	3,848
Cemetery districts		27,204	27,204	-
Watershed districts	939	207,304	207,290	953
Rural water districts	9,088	9	878	8,219
Total Subdivision Funds	456,989	24,738,015	24,750,698	444,306

See independent auditors' report and notes to financial statements.

**SUMMARY OF CASH RECEIPTS, CASH DISBURSEMENTS, AND UNENCUMBERED
CASH - AGENCY FUNDS (STATEMENT 4)**

POTTAWATOMIE COUNTY, KANSAS

For the Year Ended December 31, 2011

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Other Agency Funds:				
Game licenses	57	2,042	2,099	-
Brook Ridge sewer agency		2,820	2,820	-
Blue Township sewer agency		1,464	1,464	-
County activity fund	1,142	677	767	1,052
Cereal malt beverage stamp	100	225	325	-
Kansas drivers license		29,996	29,996	-
Motor license		1,331,139	1,331,139	-
Over and under		68,350	68,350	-
Sales tax		768,573	768,573	-
Unclaimed estates	3,934			3,934
Neighborhood revitalization		36,140	36,140	-
Community development block grant		46,560	46,560	-
Total Other Agency Funds	5,233	2,287,986	2,288,233	4,986
	<u>20,287,714</u>	<u>66,859,773</u>	<u>65,857,041</u>	<u>21,290,446</u>
Outside Accounts Considered to be Agency Funds				
District Court	25,050	616,306	608,341	33,015
Pottawatomie County Sheriff	1,968	43,393	43,266	2,095
	<u>27,018</u>	<u>659,699</u>	<u>651,607</u>	<u>35,110</u>
TOTAL AGENCY FUNDS	<u>\$ 20,314,732</u>	<u>\$ 67,519,472</u>	<u>\$ 66,508,648</u>	<u>\$ 21,325,556</u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 1

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 62,154	\$ 58,512	\$ (3,642)
Delinquent tax		355	355
Motor vehicle tax	4,080	4,227	147
16/20M vehicle tax	216	310	94
Recreation vehicle tax	54	52	(2)
TOTAL CASH RECEIPTS	66,504	63,456	(3,048)
Expenditures:			
Allocations and distributions	67,613	65,601	2,012
RECEIPTS OVER (UNDER) EXPENDITURES	(1,109)	(2,145)	(1,036)
Beginning Unencumbered Cash Balance	1,109	2,411	1,302
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 266	\$ 266

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 2

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 19,165	\$ 19,088	\$ (77)
Delinquent tax		351	351
Motor vehicle tax	1,581	1,518	(63)
16/20M vehicle tax	110	115	5
Recreation vehicle tax	75	74	(1)
Reimbursements and grants		3,500	3,500
Miscellaneous receipts		74	74
TOTAL CASH RECEIPTS	20,931	24,720	3,789
Expenditures:			
Contractual and other expenditures	6,000	4,210	1,790
Material and supplies	16,000	14,023	1,977
Capital Outlay	6,777		6,777
Adjustment for qualifying budget credit	3,500		3,500
TOTAL EXPENDITURES	32,277	18,233	14,044
RECEIPTS OVER (UNDER) EXPENDITURES	(11,346)	6,487	17,833
Beginning Unencumbered Cash Balance	11,346	10,355	(991)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 16,842	\$ 16,842

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 3

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 25,500	\$ 25,304	\$ (196)
Delinquent tax		391	391
Motor vehicle tax	2,471	2,375	(96)
16/20M vehicle tax	312	345	33
Recreation vehicle tax	103	105	2
Reimbursements and grants		6,740	6,740
Miscellaneous receipts		13	13
TOTAL CASH RECEIPTS	28,386	35,273	6,887
Expenditures:			
Contractual and other expenditures	13,000	12,844	156
Material and supplies	18,000	16,485	1,515
Capital Outlay	35,065	31,366	3,699
Adjustment for qualifying budget credit	2,987		2,987
TOTAL EXPENDITURES	69,052	60,695	8,357
RECEIPTS OVER (UNDER) EXPENDITURES	(40,666)	(25,422)	15,244
Beginning Unencumbered Cash Balance	40,666	45,187	4,521
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 19,765	\$ 19,765

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 4

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 12,200	\$ 12,109	\$ (91)
Delinquent tax		96	96
Motor vehicle tax	1,142	1,213	71
16/20M vehicle tax	125	91	(34)
Recreation vehicle tax	15	13	(2)
Miscellaneous receipts		63	63
TOTAL CASH RECEIPTS	13,482	13,585	103
Expenditures:			
Personnel expenditures	1,500	1,380	120
Contractual and other expenditures	6,000	3,881	2,119
Material and supplies	6,000	1,672	4,328
Capital Outlay	27,530		27,530
TOTAL EXPENDITURES	41,030	6,933	34,097
RECEIPTS OVER (UNDER) EXPENDITURES	(27,548)	6,652	34,200
Beginning Unencumbered Cash Balance	27,548	72,267	44,719
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 78,919	\$ 78,919

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 5

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 128,000	\$ 124,970	\$ (3,030)
Delinquent tax		3,973	3,973
Motor vehicle tax	14,555	16,364	1,809
Vehicles rent excise tax		1	1
16/20M vehicle tax	339	335	(4)
Recreation vehicle tax	302	291	(11)
Reimbursements and grants		1,276	1,276
Miscellaneous receipts	3,000	2,642	(358)
TOTAL CASH RECEIPTS	146,196	149,852	3,656
Expenditures:			
Personnel expenditures	4,000	3,840	160
Contractual and other expenditures	30,000	29,040	960
Material and supplies	35,000	36,212	(1,212)
Capital Outlay	87,806	87,469	337
Adjustment for qualifying budget credit	1,276		1,276
TOTAL EXPENDITURES	158,082	156,561	1,521
RECEIPTS OVER (UNDER) EXPENDITURES	(11,886)	(6,709)	5,177
Beginning Unencumbered Cash Balance	11,886	24,860	12,974
Adjustment to unencumbered cash for prior year cancelled encumbrances		94	94
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 18,245	\$ 18,245

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 6

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 18,500	\$ 18,135	\$ (365)
Delinquent tax		430	430
Motor vehicle tax	2,240	2,334	94
16/20M vehicle tax	216	218	2
Recreation vehicle tax	90	107	17
Miscellaneous receipts		125	125
TOTAL CASH RECEIPTS	21,046	21,349	303
Expenditures:			
Personnel expenditures	1,000	965	35
Contractual and other expenditures	6,500	5,865	635
Material and supplies	9,500	8,573	927
Capital Outlay	10,155	4,907	5,248
TOTAL EXPENDITURES	27,155	20,310	6,845
RECEIPTS OVER (UNDER) EXPENDITURES	(6,109)	1,039	7,148
Beginning Unencumbered Cash Balance	6,109	9,263	3,154
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 10,302	\$ 10,302

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 7

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 45,000	\$ 43,084	\$ (1,916)
Delinquent tax		371	371
Motor vehicle tax	4,745	4,927	182
16/20M vehicle tax	110	107	(3)
Recreation vehicle tax	160	201	41
Charges for services		1,500	1,500
Miscellaneous receipts		169	169
TOTAL CASH RECEIPTS	50,015	50,359	344
Expenditures:			
Contractual and other expenditures	14,000	11,535	2,465
Material and supplies	10,000	2,895	7,105
Capital Outlay	29,007	18,770	10,237
TOTAL EXPENDITURES	53,007	33,200	19,807
RECEIPTS OVER (UNDER) EXPENDITURES	(2,992)	17,159	20,151
Beginning Unencumbered Cash Balance	2,992	13,654	10,662
Adjustment to unencumbered cash for prior year cancelled encumbrances		1,013	1,013
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 31,826	\$ 31,826

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 8

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 25,000	\$ 24,977	\$ (23)
Delinquent tax		20	20
Motor vehicle tax	87	90	3
16/20M vehicle tax	1	1	-
Recreation vehicle tax	3	3	-
Miscellaneous receipts		62	62
TOTAL CASH RECEIPTS	25,091	25,153	62
Expenditures:			
Contractual and other expenditures	15,000	11,332	3,668
Material and supplies	10,000	7,104	2,896
Capital Outlay	46,473		46,473
TOTAL EXPENDITURES	71,473	18,436	53,037
RECEIPTS OVER (UNDER) EXPENDITURES	(46,382)	6,717	53,099
Beginning Unencumbered Cash Balance	46,382	65,793	19,411
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 72,510	\$ 72,510

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 10

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 90,000	\$ 87,602	\$ (2,398)
Delinquent tax		2,278	2,278
Motor vehicle tax	12,341	13,367	1,026
16/20M vehicle tax	187	218	31
Recreation vehicle tax	372	371	(1)
Reimbursements and grants		1,124	1,124
Miscellaneous receipts		121	121
TOTAL CASH RECEIPTS	102,900	105,081	2,181
Expenditures:			
Personnel expenditures	3,600	3,300	300
Contractual and other expenditures	22,000	18,062	3,938
Material and supplies	20,000	14,215	5,785
Capital Outlay	86,985	77,165	9,820
TOTAL EXPENDITURES	132,585	112,742	19,843
RECEIPTS OVER (UNDER) EXPENDITURES	(29,685)	(7,661)	22,024
Beginning Unencumbered Cash Balance	29,685	44,698	15,013
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 37,037	\$ 37,037

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
COMPONENT UNIT - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 10 RESERVE

Year Ended December 31, 2011

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

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
COMPONENT UNIT - (STATEMENT 5)**

POTTAWATOMIE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Year Ended December 31, 2011

Cash Receipts:	
Special projects	295,376
Proceeds from disposition of property	16,535
Use of property	7,224
Miscellaneous receipts	3,600
Transfers from primary government	<u>170,000</u>
TOTAL CASH RECEIPTS	<u>492,735</u>
Expenditures:	
Personnel expenditures	114,129
Contractual and other expenditures	380,774
Material and supplies	5,753
Capital Outlay	<u>911</u>
TOTAL EXPENDITURES	<u>501,567</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(8,832)
Beginning Unencumbered Cash Balance	<u>30,886</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 22,054</u></u>

See independent auditors' report and notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
COMPONENT UNIT - (STATEMENT 5)**

POTTAWATOMIE COUNTY EXTENSION COUNCIL

Year Ended December 31, 2011

Cash Receipts:

Interest revenue	\$	262
Reimbursements and grants		2,430
Kansas State University reimbursement		37,752
Educational services		65,198
Transfers from primary government		<u>180,000</u>

TOTAL CASH RECEIPTS 285,642

Expenditures:

Personnel expenditures		117,147
Personnel expenditures reimbursed by Kansas State University		37,752
Employee benefits		28,303
Contractual and other expenditures		93,513
Contractual and other expenditures - grant expenditures		1,131
Material and supplies		<u>3,909</u>

TOTAL EXPENDITURES 281,755

RECEIPTS OVER (UNDER) EXPENDITURES 3,887

Beginning Unencumbered Cash Balance 33,211

ENDING UNENCUMBERED CASH BALANCE \$ 37,098

See independent auditors' report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2011

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pottawatomie County, Kansas (County) is governed by an elected three-member commission. These financial statements present the County (the primary government) and its component units. The accounting policies of the County conform to the cash-basis and budget laws of Kansas. The following is a summary of the more significant policies:

1. The Financial Reporting Entity: The financial reporting entity of the County is comprised of the primary government (the County) and its component units.

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

The County's component units are discussed in Note A.5. and are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

2. Fund Accounting: The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Funds

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of general long-term debt principal, interest, and related costs.

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

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2011

Proprietary Funds

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

Fiduciary Funds

Trust and Agency Funds are used to account for assets held by the County in a trust capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Included in this classification are distributable funds, which are used to account for tax receipts which are to be distributed to the other funds of the County and to the other political subdivisions within the County for whom the County acts as agent.

3. Basis of Presentation: 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. 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 the 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 Accepted in the United States of America: The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash 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.

NOTES TO FINANCIAL STATEMENTS

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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.

4. Budgetary Information: Kansas statutes require that an annual operating budget be legally adopted for the general funds of the County and County Fire Districts, 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:
 - a. Preparation of the budget for the succeeding calendar year on or before August 1st. At the County, this process begins in May when budget worksheets are mailed to each department. These budget worksheets are returned to the County Administrator's Office for compilation and verification in June. The County Commissioners review budgets by each department in June and July.
 - b. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
 - c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
 - d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of a 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 statutes permit transferring budgeted amounts between line items within an individual fund; County policy requires such transfers to be approved by the County Commissioners. However, 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 modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

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

Special Highway Improvement; Attorney Check Fee; Attorney Forfeiture Fund; Law Enforcement Trust; Capital Improvement; Equipment Reserve; Prosecuting Attorney Training; Special Auto; Deeds Technology; Blue Township Sewer Reserve; Timbercreek Water Reserve; Fostoria Sewer Reserve; Brook Ridge Sewer Reserve

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

5. Discretely Presented Component Units: The component units section of the financial statements include the financial data of the County's component units which include the following and are reported separately to emphasize that they are legally separate from the County:

Fire Districts: Each of the Fire Districts is separate legal entities, formed by State Statutes under the County. The governing bodies are appointed by the County Commissioners. Each district levies its own tax and provides fire protection services to their local rural communities based upon established boundaries. Separate financial statements of each Fire District may be obtained from the County Administrator's office.

Pottawatomie County Economic Development Corporation (PCED): A separate legal entity in which the County Commissioners appoint the governing body. The County annually provides significant operating subsidies to the PCED. Separate financial statements of PCED may be obtained by contacting their office in Wamego, Kansas.

Pottawatomie County Extension Council (PCEC): A separate legal entity, formed under state statute K.S.A. 2-610, in which the governing body is elected annually. The PCEC provides services in such areas as agriculture, home economics, and 4-H clubs, to all persons in the County. The County annually provides significant operating subsidies to the PCEC. Separate financial statements of PCEC may be obtained by contacting their office in Westmoreland, Kansas.

6. Special Assessments: Projects financed in part by special assessments are financed through general obligation bonds of the County and/or revolving loans issued by the Kansas Department of Transportation. Both of which are either retired from the General Fund or the Bond and Interest Debt Service Fund as appropriate. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the General Fund or the Bond and Interest Debt Service Fund as appropriate.

NOTES TO FINANCIAL STATEMENTS

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7. Investments: Investments are stated at cost, which approximates market.
8. Compensated Absences: The County provides certain vacation time benefits, i.e., paid time off, to full and part-time employees based upon length of service with the County and contractual agreements. Unused vacation time up to a maximum of 160 hours (unless stated otherwise in the employment contract) is paid to the employee or legal representative of the employee upon termination of employment, retirement or death. Payment of unused vacation time is based upon the employee's rate of pay at the time of termination, retirement or death. At December 31, 2011, the County's liability for unused vacation time is approximately \$316,964 attributable entirely to governmental funds.
9. Property Taxes: In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year.

NOTE B—DEPOSITS AND INVESTMENTS

As of December 31, 2011, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in years)</u>	<u>Rating</u>
Certificates of Deposit	\$ 26,445,132	Less than 1 year	N/A
Kansas Municipal Investment Pool	\$ 14,000,000	Less than 1 year	S&P AA Af/S1+
Total Fair Value	<u>\$ 40,445,132</u>		

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

NOTES TO FINANCIAL STATEMENTS

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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. The rating of the County's investments is noted above.

Concentration of credit risk: State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The County's allocation of investments as of December 31, 2011, is as follows:

Investments	Percentage of Investments
Certificates of Deposit	65%
Kansas Municipal Investment Pool	35%

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County's designated "peak periods" are from December 3 – February 3 and April 15 – June 15. All deposits were legally secured at December 31, 2011.

At December 31, 2011, the carrying amount of the County's deposits, including certificates of deposit, was \$34,399,175 and the bank balance was \$34,705,984. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by six banks which does not result in a concentration of credit risk. Of the bank balance, \$18,158,462 was covered by federal depository insurance, and the remaining \$16,547,522 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTES TO FINANCIAL STATEMENTS

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At December 31, 2011, the County had invested \$14,000,000 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

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

At year-end, the carrying amount of the Pottawatomie County Economic Development's deposits including certification of deposit was \$22,656 and the bank balance was \$22,981. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The entire bank balance was covered by FDIC insurance.

At year-end, the carrying amount of the Pottawatomie County Extension's deposits was \$37,098 and the bank balance was \$55,617. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The entire bank balance was covered by FDIC insurance.

NOTE C—GENERAL LONG-TERM DEBT

The following is a summary of debt transactions of the County for the year ended December 31, 2011: (See Notes N and O for the schedules of long-term liabilities and current maturities of long-term debt)

	Beginning of Year	Issued	Retired	End of Year
General Obligation Bonds	\$ 6,117,829	\$ 690,000	\$ 395,800	\$ 6,412,029
Revolving Notes Payable	3,323,758	1,208,041	541,495	3,990,304
Temporary Notes	775,000	700,000	1,475,000	-
Capital Leases	44,733	421,090	11,100	454,723
TOTAL LONG-TERM DEBT	\$ 10,261,320	\$ 3,019,131	\$ 2,423,395	\$ 10,857,056

The general obligation bonds encompass project related expenditures for general obligation (street improvements as allowed per K.S.A. 68-709 and 68-728) in addition to expenditures related to the respective sewer and water districts (as allowed per K.S.A. 19-27a07 and 19-3540). The entire amount of the debt is accounted for in the General Debt Service fund.

NOTES TO FINANCIAL STATEMENTS

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The amount of debt for each type is as follows:

	Water Districts	Sewer Districts	General Obligation	End of Year
General Obligation Bonds	1,015,742	1,437,985	3,958,302	6,412,029

Total interest expense for the year was \$383,873.

Bonded Indebtedness Limitation

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

Total assessed valuation as of November 8, 2010	\$ 415,147,605
3% Debt Limit	12,454,428
Total Outstanding General Obligation Debt	6,117,827
Less portions excluded per K.S.A. 19-27a07 and 19-3540	(2,407,629)
Less portions excluded per K.S.A. 68-728	(3,710,198)
Total Outstanding Eligible General Obligation Debt	<u>-</u>
General Obligation Debt Margin	<u>\$ 12,454,428</u>

NOTE D—COMPONENT UNIT DEBT

Fire District #5 was obligated at December 31, 2011 for capital leases of \$196,869, primarily covering equipment, expiring through 2018, at varying rates of imputed interest from 3.00 to 3.90 percent.

Fire District #6 was obligated at December 31, 2011 for a capital lease of \$26,134, primarily covering equipment, expiring through 2017, at an imputed interest of 3.50 percent

Fire District #7 was obligated at December 31, 2011 for a capital lease of \$53,642, primarily covering equipment, expiring through 2016, at an imputed interest of 4.675 percent.

Fire District #10 was obligated at December 31, 2011 for a capital lease of \$274,084, primarily covering construction of a new fire station, expiring through 2020, at an imputed interest of 3.92 percent.

Pottawatomie County Economic Development Corporation was obligated at December 31, 2011 for a mortgage note of \$24,778 for the purchase of real estate in St. Marys, Kansas, expiring through 2012, with an interest rate of 4.9 percent.

NOTES TO FINANCIAL STATEMENTS

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NOTE E—DEFINED BENEFIT PENSION PLAN

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

Funding Policy: K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4 percent of covered salary for employees hired before July 1, 2009 and 6 percent of covered salary for employees hired on or after July 1, 2009. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7 percent of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates.

The KPERS employer rate established by statute for January 1, 2011 thru March 31, 2011 and July 1, 2011 thru December 31, 2011 was 7.74 percent. For the period of April 1, 2011 thru June 30, 2011 the state issued a moratorium on the employer's insurance contributions of 1 percent, setting the employer's rate to 6.74 percent. The County employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009, were \$339,059, \$301,144, and \$263,576, respectively, equal to the statutory required contributions for each year. The KP&F employer rate established for the calendar year beginning in 2011 was 14.57 percent. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The County's employer contributions to KP&F for the years ending December 31, 2011, 2010, and 2009, were \$155,596, \$143,108, and \$158,627, respectively, equal to the required contributions for each year.

NOTE F—DEFERRED COMPENSATION

The County sponsors a salary deferral plan that covers all full-time employees who have met certain service requirements. Contributions to the plan with the exception of required matching contributions are at the discretion of the County commissioners. During 2011 the retirement plan expense was approximately \$50,438.

NOTES TO FINANCIAL STATEMENTS

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NOTE G—OTHER POST EMPLOYMENT BENEFIT

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

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

NOTE H—CAPITAL PROJECTS

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

	Expenditures to Date	Project Authorizations
Nelson's Ridge Unit 1	\$ 682,646	\$ 775,000
Timber Creek Stormwater	47,905	
Balderson Blvd	483,426	793,484
BTSE Sewer Improvements *	5,388,000	5,309,225
Jail/Courthouse Project	707,939	884,500
Total	<u>\$ 7,309,916</u>	<u>\$ 7,762,209</u>

BTSE Sewer Improvements

In February 2007, the County (acting on behalf of the Blue Township Sewer Benefit District) entered into an inter-local agreement with the City of Manhattan. As part of the City of Manhattan annexation and development of a portion of the District's servicing area, the City and the County have agreed to construct internal infrastructure in order to connect the District's sanitary sewer system to the City's sanitary sewer system. The construction of the improvements began in 2010, and are expected to be completed in 2011. The financing of this project has been established through (1) a portion of County funds; (2) the County received a grant in the award of \$388,000; and (3) a combined (single) loan for approximately \$4.6 million. The loan is a combined loan between the City and the County and the KS Department of Health and Environment for state revolving loan funds (including a portion of federal funds). The County is the responsible Agency handling all of the project funds and is responsible for expending the funds in accordance with the inter-local agreement and the loan agreement.

NOTES TO FINANCIAL STATEMENTS

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When the project is completed and the revolving loan has been closed, the County will be responsible for paying back 2/3 of the loan (including interest) (approximately \$3.4 million) and the City will be responsible for paying back 1/3 of the loan (including interest) (approximately \$1.2 million). The portion of loan proceeds reported in Note C, represent only the County's portion of loan proceeds, and the City's portion of the proceeds received into the County were reported in the Statement of Cash Receipts and Expenditures (Statement 3) as reimbursements. The amount of expenditures for the entire project (City and County) are reported above, and are included in the Statement of Cash Receipts and Expenditures (Statement 3).

NOTE I—COMMITMENTS AND CONTINGENCIES

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

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

Risk Management—The County is exposed to various risks of loss related to theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The County manages these various risks of loss through commercial insurance with varying deductibles. All deductibles are under \$5,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE J—BUDGETED FUNDS

There were no budget amendments in 2011.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2011

NOTE K– TRANSFERS

Operating transfers were as follows:

<u>FROM</u>	<u>TO</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	PC Economic Development	K.S.A. 1-4102	\$ 170,000
General Fund	PC Extension Services	K.S.A. 2-610	180,000
General Fund	Capital Improvement Fund	K.S.A. 19-120	2,470,000
General Fund	Equipment Reserve Fund	K.S.A. 19-119	1,047
General Fund	Capital Projects Fund	Equity transfer	1,000,000
General Fund	TimberCreek Stormwater	Equity transfer	2,000
General Fund	Bellegard Cemetery	Equity transfer	2
Rural Highway Fund	General Fund	K.S.A. 68-590	1,479,237
Nelsons Ridge Fund	Bond & Interest Fund	Equity transfer	7,628
Bond & Interest Fund	General Fund	Equity transfer	10,727
Utility Operations Funds	Utility Reserve Funds	K.S.A. 12-631o	24,617
Utility Operations Funds	Utility Reserve Funds	K.S.A. 12-825d	42,341
Special Auto Fund	General Fund	K.S.A. 8-145b	160,778
			<u>\$ 5,548,377</u>

NOTE L—CONCENTRATIONS

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

NOTE M – MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through May 21, 2012, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2011

NOTE N - SCHEDULE OF LONG-TERM DEBT

The following is a schedule of changes in long-term debt for the County for the year ended December 31, 2011

	Interest Rate	Date Issued	Original Amount	Date of Final Maturity
General Obligation Bonds				
1995 Fostoria	5.25%	10/19/1995	\$ 46,029	10/19/2035
1996-A Hunters Crossing III				
Timbercreek II Phase III	4.8/6.25%	8/1/1996	501,000	10/1/2016
1998 Hunters Crossing II	3.75/4.85%	9/1/1998	172,000	10/1/2013
2001-A Hunters Crossing III/				
Timber Crk II, Phase 4A	4.15/5.62%	1/15/2001	625,000	10/1/2016
2001-B Hunters Crossing IIIB/Eagles Landing I	3.90/5.30%	10/15/2001	560,000	10/1/2021
2002-A Timbercreek II Phase IVB	3.60/5.00%	5/1/2002	415,000	10/1/2017
2002-B Eagles Landing II	4.60/5.50%	9/15/2002	385,000	10/1/2022
2005-A Eagles Landing Unit III & IV	3.60/5.00%	4/1/2005	745,000	10/1/2025
2005-B Eagles Landing Unit V	4.05/5.50%	10/1/2005	300,000	10/1/2025
2006-A Eagles Landing Unit VI & VII	4.15/5.50%	6/15/2006	585,000	10/1/2026
2006-B Timbercreek Water Improv	3.80/5.25%	6/15/2006	550,000	10/1/2016
2006-C Elbo Crek Estates I/Wildcat Woods I	3.65/5.00%	10/1/2006	1,805,000	10/1/2026
2007-A Sunset Ridge/Falling Leaf/				
Eagles Landing 8	3.70/4.50%	3/15/2007	815,000	10/1/2027
2007-B Cedar Meadows/Country Breeze	3.80/4.75%	10/1/2007	120,000	10/1/2017
2008-A Brook Ridge	3.30/4.15%	6/1/2008	280,000	10/1/2023
2008-B Wildcat Woods II	4.00/5.10%	10/1/2008	180,000	10/1/2028
2010-A Sunset Ridge Unit 2	3.50/5.50%	9/15/2010	150,000	10/1/2030
2011-A Nelson's Ridge I	2.30/5.00%	9/15/2011	690,000	10/1/2031
TOTAL GENERAL OBLIGATION BONDS			8,924,029	
Revolving Note Payable				
TR0058 Brook Ridge Phase 1	3.65%	11/1/2007	460,309	8/1/2023
TR0080 Pine Springs	3.75%	6/23/2008	181,149	8/1/2018
TR0081 Wildcat Woods	3.75%	6/23/2008	345,812	8/1/2028
TR0115 Balderson Blvd	3.95%	9/28/2009	793,484	8/1/2015
TR0128 Ashley/Megan Vineyards	3.91%	9/28/2009	237,811	8/1/2020
C20 1786-01 Blue Township Sewer	2.55%	1/8/2010	3,463,000	9/1/2031
TOTAL REVOLVING NOTE PAYABLE			5,481,565	
Temporary Notes (series)				
2010-1 Nelson's Ridge Unit 1	1.35%	7/15/2010	775,000	7/14/2011
2011-1 Nelson's Ridge	1.35%	7/1/2011	700,000	6/30/2012
TOTAL TEMPORARY NOTES			1,475,000	
Capital Leases				
Loader - Solid Waste	2.95%	12/27/2010	44,733	9/1/2014
Road Graders	2.18%	09/19/11	421,090	02/03/16
TOTAL CAPITAL LEASES			465,823	
Compensated absences (net change)				
TOTAL INDEBTEDNESS			\$ 16,346,417	

Outstanding January 1, 2011	Issued	Retired	Net Change	Outstanding December 31, 2011	Interest Paid
\$ 37,829		\$ 800	\$ (800)	\$ 37,029	\$ 1,986
150,000		25,000	(25,000)	125,000	8,350
30,000		10,000	(10,000)	20,000	1,440
305,000		45,000	(45,000)	260,000	14,245
375,000		25,000	(25,000)	350,000	17,305
235,000		30,000	(30,000)	205,000	10,428
280,000		15,000	(15,000)	265,000	12,955
620,000		30,000	(30,000)	590,000	25,840
250,000		10,000	(10,000)	240,000	11,217
505,000		20,000	(20,000)	485,000	23,170
360,000		55,000	(55,000)	305,000	14,117
1,570,000		65,000	(65,000)	1,505,000	63,219
740,000		30,000	(30,000)	710,000	29,795
90,000		10,000	(10,000)	80,000	3,685
250,000		15,000	(15,000)	235,000	9,738
170,000		5,000	(5,000)	165,000	8,065
150,000		5,000	(5,000)	145,000	7,040
	690,000		690,000	690,000	
<u>6,117,829</u>	<u>690,000</u>	<u>395,800</u>	<u>294,200</u>	<u>6,412,029</u>	<u>262,595</u>
413,086		25,001	(25,001)	388,085	16,110
149,658		16,348	(16,348)	133,310	5,986
320,080		12,642	(12,642)	307,438	12,803
467,614		467,614	(467,614)	-	8,627
237,811		19,890	(19,890)	217,921	9,298
1,735,509	1,208,041		1,208,041	2,943,550	55,232
<u>3,323,758</u>	<u>1,208,041</u>	<u>541,495</u>	<u>666,546</u>	<u>3,990,304</u>	<u>108,056</u>
775,000		775,000	(775,000)	-	12,228
-	700,000	700,000	-	-	184
<u>775,000</u>	<u>700,000</u>	<u>1,475,000</u>	<u>(775,000)</u>	<u>-</u>	<u>12,412</u>
44,733		11,100	(11,100)	33,633	810
-	421,090		421,090	421,090	
<u>44,733</u>	<u>421,090</u>	<u>11,100</u>	<u>409,990</u>	<u>454,723</u>	<u>810</u>
312,613	4,351		4,351	316,964	
<u>\$ 10,573,933</u>	<u>\$ 3,023,482</u>	<u>\$ 2,423,395</u>	<u>\$ 600,087</u>	<u>\$ 11,174,020</u>	<u>\$ 383,873</u>

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2011

NOTE O: SCHEDULE OF MATURITY OF LONG TERM DEBT

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
PRINCIPAL				
General obligation bonds	445,800	460,900	470,900	486,000
Revolving loans	191,259	197,223	203,383	209,745
Capital leases payable	<u>96,161</u>	<u>92,487</u>	<u>94,522</u>	<u>84,851</u>
TOTAL PRINCIPAL	<u>733,220</u>	<u>750,610</u>	<u>768,805</u>	<u>780,596</u>
INTEREST				
General obligation bonds	272,840	252,110	232,459	212,348
Revolving loans	115,621	109,657	103,498	97,137
Capital leases payable	<u>4,340</u>	<u>8,014</u>	<u>5,891</u>	<u>3,740</u>
TOTAL INTEREST	<u>392,801</u>	<u>369,781</u>	<u>341,848</u>	<u>313,225</u>
	<u>\$ 1,126,021</u>	<u>\$ 1,120,391</u>	<u>\$ 1,110,653</u>	<u>\$ 1,093,821</u>

<u>2016</u>	<u>2017-2021</u>	<u>2022-2026</u>	<u>2027-2031</u>	<u>2032-2036</u>	<u>Total</u>
516,000	1,890,900	1,762,700	370,000	8,829	6,412,029
216,313	1,087,899	959,268	925,214		3,990,304
86,702					454,723
<u>819,015</u>	<u>2,978,799</u>	<u>2,721,968</u>	<u>1,295,214</u>	<u>8,829</u>	<u>10,857,056</u>
191,811	695,322	303,253	44,559	1,105	2,205,807
90,568	349,340	194,183	65,544		1,125,548
1,891					23,876
<u>284,270</u>	<u>1,044,662</u>	<u>497,436</u>	<u>110,103</u>	<u>1,105</u>	<u>3,355,231</u>
<u>\$ 1,103,285</u>	<u>\$ 4,023,461</u>	<u>\$ 3,219,404</u>	<u>\$ 1,405,317</u>	<u>\$ 9,934</u>	<u>\$ 14,212,287</u>

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE A - COMPOSITION OF ENDING CASH BALANCES

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

COUNTY TREASURER

Checking account:

Farmers State Bank, Westmoreland \$ 7,909,867

Savings account:

First National Bank, Wamego 8,219

Certificates of deposits:

Union State Bank, Olsburg 400,000

Morrill & Janes, Onaga 8,000,000

First National Bank, Wamego 10,000,000

St Marys State Bank, St. Marys 1,005,047

Kansas State Bank, Manhattan 7,040,085

26,445,132

Change fund and petty cash 850

Municipal Investment Pool 14,000,000

TOTAL COUNTY TREASURER \$ 48,364,068

CLERK OF THE DISTRICT COURT

Checking:

Farmers State Bank, Westmoreland 33,015

POTTAWATOMIE COUNTY SHERIFF

Checking:

Farmers State Bank, Westmoreland 2,095

COMPONENT UNITS

Pottawatomie County Economic Development Corp. 22,656

Pottawatomie County Extension Council 37,098

59,754

TOTAL CASH BALANCES \$ 48,458,932

See independent auditors' report and notes to financial statements.

SCHEDULE B - RECONCILIATION OF 2010 TAX ROLL

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

2010 Tax roll - as adjusted:

County Clerk's abstract of 2010 tax roll	\$ 36,200,100
Special assessments	1,717,871
16/20 M trucks	55,169
Personal Property under \$5	(465)
General tax differences	151
Adjustments to original tax roll:	
Added taxes	4,758
Abated taxes	<u>(42,844)</u>
Adjusted 2010 tax roll	<u><u>\$ 37,934,740</u></u>

2010 Tax roll - as accounted for:

Collections during 2010 through December 2010	20,085,026
Collections during 2011 through September 2011	17,195,337
Refunds through September 2011	<u>(17,857)</u>
Net tax roll collections	37,262,506
Delinquent personal property as of September 30, 2011	35,193
Delinquent real estate taxes as of September 30, 2011	<u>637,041</u>
Net delinquent taxes	<u>672,234</u>
2010 tax roll accounted for	<u><u>\$ 37,934,740</u></u>

See independent auditors' report and notes to financial statements.

**SCHEDULE C - CASH RECEIPTS AND EXPENDITURES
CLERK OF THE DISTRICT COURT**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

Balance, Beginning of Year		<u>\$ 25,050</u>
Receipts:		
Judgements, restitutions, etc.	\$ 96,786	
Clerk fees - State	148,328	
Clerk fees - County	5,675	
Fines	87,048	
Law enforcement training center	17,859	
Refund	270	
Law library	14,610	
State attorney fee	32,976	
County attorney fee	38,693	
Marriage license fees	4,661	
Interest	137	
Prosecuting attorney training center	2,478	
Indigent defense fees	3,245	
Judicial branch surcharge	49,678	
Criminal probation fee	3,658	
Other	<u>24,490</u>	
	TOTAL RECEIPTS	530,592
Expenditures:		
To State Treasurer:		
Clerk fees	148,328	
Fines	87,048	
Law enforcement training center	17,859	
State attorney fees	32,976	
Marriage license fees	4,661	
Interest	141	
Reinstatement fees	1,637	
Indigent defense fees	<u>3,245</u>	
	TOTAL EXPENDITURES TO STATE TREASURER	<u>295,895</u>

See independent auditors' report and notes to financial statements.

**SCHEDULE C - CASH RECEIPTS AND EXPENDITURES
CLERK OF THE DISTRICT COURT**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

Expenditures:

To County Treasurer:

County attorney fees	38,693
Refund	270
Law library	14,610
Clerk fees	5,675
Prosecuting attorney training	2,478
Other	<u>26,401</u>

TOTAL EXPENDITURES TO COUNTY TREASURER 88,127

Judgement, restitutions, and other	88,927
Judicial branch surcharge	<u>49,678</u>

TOTAL OTHER EXPENDITURES 138,605

TOTAL EXPENDITURES 522,627

BALANCE, END OF YEAR \$ 33,015

Composition of ending balance:

Cash in Farmers State Bank, Westmoreland, Kansas	<u>\$ 33,015</u>
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See independent auditors' report and notes to financial statements.

**SCHEDULE C - CASH RECEIPTS AND EXPENDITURES
COUNTY SHERIFF**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

Balance, Beginning of Year	<u>\$ 1,968</u>
Receipts:	
VIN fees	15,910
Miscellaneous fees	14,757
Sheriff's fees	6,338
Concealed carry fees	3,088
Offender registration fees	<u>3,300</u>
TOTAL RECEIPTS	<u>43,393</u>
Expenditures:	
To County Treasurer:	
VIN fees	15,675
Sheriff's fees	6,476
Concealed carry fees	3,218
Offender registration fees	<u>3,140</u>
TOTAL EXPENDITURES TO COUNTY TREASURER	<u>28,509</u>
Other expenditures	<u>14,757</u>
TOTAL EXPENDITURES	<u>43,266</u>
BALANCE, END OF YEAR	<u><u>\$ 2,095</u></u>
Composition of ending balance:	
Cash in Farmers State Bank, Westmoreland, Kansas	<u><u>\$ 2,095</u></u>

See independent auditors' report and notes to financial statements.

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

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

COUNTY ENGINEER

Balance, Beginning of Year	\$	
Add charges:		
Sales of services, material, and equipment		416,824
Less credits:		
Collected on account		<u>416,824</u>
Balance, End of Year	\$	<u><u>-</u></u>

NOXIOUS WEED

Balance, Beginning of Year	\$	2,123
Add charges:		
Sales of services, material, and equipment		184,887
Less credits:		
Collected on account		<u>185,420</u>
Balance, End of Year	\$	<u><u>1,590</u></u>

See independent auditors' report and notes to financial statements.

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

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2011

COUNTY HEALTH DEPARTMENT

Balance, Beginning of Year	\$ 1,408
Add charges:	
Services provided	99,354
Other charges	<u>1,010</u>
Total Charges and Increases	<u>100,364</u>
Less credits:	
Collections:	
Insurance carriers	9,754
Medicaid	2,823
Medicare	9,844
Client and contracts	26,875
Adjustments and write-off's	<u>49,266</u>
Total Payments and Adjustments	<u>98,562</u>
Balance, End of Year	<u><u>\$ 3,210</u></u>
Schedule of Aged Receivables:	
Under 30 days	330
30 - 60 days	208
60 - 90 days	518
90 - 365 days	1,050
Over 365 days	<u>1,104</u>
Balance, End of Year	<u><u>\$ 3,210</u></u>

See independent auditors' report and notes to financial statements.

**GOVERNMENTAL AUDITING STANDARDS AND
SINGLE AUDIT REQUIREMENTS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

POTTAWATOMIE COUNTY, KANSAS

For the Year Ended December 31, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass- through Grantor's Number	Federal Expenditures	Amount provided to Subrecipient
U.S. Department of Health and Human Services				
Passed Through Kansas Department of Health & Environment:				
Child Care and Development Block Grant (CCDF cluster)	93.575		\$ 7,251	\$ -
Maternal and Child Health Service Block Grant	93.994		18,506	-
Family Planning Services	93.217		16,756	-
Immunization Grants - Cluster				
Immunization Grants	93.268		4,991	-
ARRA - Immunization	**93.712		307	-
Public Health Emergency Preparedness	93.069		22,179	-
Preventive Health and Health Service Block Grant	93.991		10,624	-
State-Based Comprehensive Breast & Cervical Cancer Early Detection Program	93.919		1,891	-
US Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		66,203	-
Pass through Kansas Highway Patrol				
Buffer Zone Protection Program (BZPP)	97.078		25,679	-
Passed through Kansas Department of Emergency Management:				
Emergency Management Performance Grant	97.042		42,779	-
Hazard Mitigation Grant	97.039		14,879	-
Citizens Corp Grant	97.053		8,392	-
US Department of Transportation				
Passed through Kansas Department of Transportation:				
Formula grants for Other Than Urbanized Areas	20.509		42,796	-
US Department of Environmental Protection Agency				
Passed Through Kansas Department of Health & Environment:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	C20178601	1,582,555	-
US Fish and Wildlife Services				
Passed through Kansas Department of Wildlife & Parks				
Sports Fish Restoration Program	15.605	FR09WS04	1,262	-
US Department of Agriculture				
Passed through Kansas Forest Services				
Cooperative Forestry Assistance	10.664	PT409	17,088	-
TOTAL FEDERAL EXPENDITURES			<u>\$ 1,884,138</u>	<u>\$ -</u>

See independent auditors' report and
notes to financial statements.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

POTTAWATOMIE COUNTY, KANSAS

For the Year Ended December 31, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass- through Grantor's Number	Federal Expenditures	Amount provided to Subrecipient
Federal Funding Sources:				
** American Recovery & Reinvestment Act Funds (ARRA)			307	-
Non-ARRA Funds (See Note 3)			1,883,831	-
TOTAL FEDERAL EXPENDITURES			<u>\$ 1,884,138</u>	<u>\$ -</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARD:

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Pottawatmoie County under programs of the federal government for the year ended December 31, 2011. The information in this schedule is presented in accordance with requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Entity*, it is not intended to and does not present the financial position, changes in net assets or cash flows of the County.

NOTE 2: Summary of Significant Accounting Policies

As described more fully in Note A, the County has prepared the financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of Amercia. The expenditures reported in the Schedule are reported on the statutory basis of accounting.

NOTE 3: Capitalization Grant for Clean Water State Revolving Funds

The County and the City of Manhattan, Kansas entered into an inter-local agreement for a project to be completed on a Sewer Project in which both the City and County were each awarded a loan under the US Department of Environmental Protection Agency's loan program for Capitalization Grants for Clean Water State Revolving Funds, passed through the KS Department of Health and Environment. The inter-local agreement states the City is responsible for 1/3 of the cost of design and construction and the County (sewer district) is responsible for the remaining 2/3. The loan agreement states that the County will be responsible for paying back 2/3 of the loan (including interest) and the City will be responsible for paying back 1/2 of the loan (including interest). At December 31, 2011 the balance of outstanding loan was \$4,315,487, of that balance the County is responsible for \$2,943,550.

The County is the Agency handling all of the project funds and are responsible for expending the funds per the inter-local agreement. The federal expenditures reported under CFDA 66.458 represent 100% of the federal grant expenditures for the year ended December 31, 2011.



REESE & NOVELLY, P.A.

Certified Public Accountants

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

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

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

Board of County Commissioners
Pottawatomie County, Kansas

We have audited the accompanying statutory basis financial statements of Pottawatomie County, Kansas (County) as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 21, 2012. The report was qualified because, as described more fully in Note A, the County has prepared these financial statements using accounting practices prescribed and permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

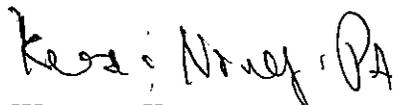
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County, in a separate letter dated May 21, 2012.

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



Wamego, Kansas
May 21, 2012



REESE & NOVELLY, P.A.
Certified Public Accountants

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Nicholas J. Novelly, CPA
Carol E. McCullough, CPA

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Board of County Commissioners
Pottawatomie County, Kansas

Compliance

We have audited the compliance of the Pottawatomie County, Kansas (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2011. As described more fully in Note A, the County has prepared these financial statements using accounting practices prescribed and permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The County'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 the County's management. Our responsibility is to express an opinion on the County'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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the 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, 2011.

Members: AICPA, KSCPA

www.reeseandnovelly.com

COLONY SQUARE
555 POYNTZ, SUITE 110
MANHATTAN, KS 66502
785.770.8954 / FAX 8962

514 LINCOLN
WAMEGO, KS 66547
785.456.2000 / FAX 2127

521 W. BERTRAND
ST. MARYS, KS 66536
785.437.6466 / FAX 6490

P.O. BOX 221
307 LEONARD
ONAGA, KS 66521
785.889.4748 / FAX 4181

P.O. BOX 861111
SHAWNEE, KS 66286
913.908.0437
FAX 913.273.0167

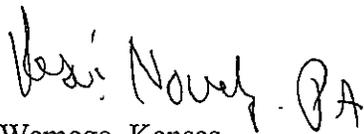
Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation 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 or corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Wamego, Kansas

May 21, 2012

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the statutory basis financial statements, as listed in the table of contents of Pottawatomie County, Kansas.
2. No instances of significant deficiency were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Pottawatomie County, Kansas were disclosed during the audit.
4. No instances of significant deficiency were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Pottawatomie County, Kansas expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Pottawatomie County, Kansas were reported in Part C of this Schedule (Section .510 (a) of the OMB Circular A-133).
7. The programs tested as major programs included:
 - (a) US Department of Environmental Protection Agency (passed through Kansas Department of Health and Environment) –Capitalization Grants for Clean Water State Revolving Funds – CFDA No. 66.458
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Pottawatomie County, Kansas was not determined to be a low-risk auditee.

B. FINDINGS—FINANCIAL STATEMENTS AUDIT

NONE

C. MAJOR FEDERAL AWARD PROGRAM-FINDINGS AND QUESTIONED COSTS

NONE

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2011

A. FINDINGS—FINANCIAL STATEMENTS AUDIT

NONE

B. MAJOR FEDERAL AWARD PROGRAM-FINDINGS AND QUESTIONED COSTS

NONE