Riley County, Kansas

Regulatory Basis
Financial Statement
December 31, 2017

Riley County, Kansas

Financial Statement
For the Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Riley County, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Riley County, Kansas, as of and for the year ended December 31, 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1(c); this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1(c) to the financial statement, the financial statement is prepared by Riley County, Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1(c) and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Riley County, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Riley County, Kansas, as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1(c).

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and the schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1(c).

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018, on our consideration of Riley County, Kansas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting 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* in considering Riley County, Kansas's internal control over financial reporting and compliance.

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.
Manhattan, Kansas
June 25, 2018

Riley County, Kansas

Statement 1

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General	$ 8,086,757	$ 26,677,584	$ 27,471,336	$ 7,293,005	$ 688,517	$ 7,981,522
Special Purpose Funds						
Health Department	1,046,156	3,886,620	3,496,644	1,436,132	29,025	1,465,157
Register of Deeds Technology	85,523	64,662	40,533	109,652	-	109,652
County Clerk Technology	34,993	16,310	-	51,303	-	51,303
County Treasurer Technology	17,063	16,156	7,167	26,052	-	26,052
War Memorial	9,635	825	660	9,800	-	9,800
County Auction	92,268	6,800	78,990	20,078	450	20,528
Prosecuting Attorney Training	2,415	3,799	5,122	1,092	-	1,092
Motor Vehicle Operations	25,721	382,480	382,745	25,456	1,729	27,185
Special Alcohol Programs	8,387	5,057	4,750	8,694	-	8,694
Adult Services	88,628	949,178	945,651	92,155	2,587	94,742
Capital Improvements	2,792,064	4,478,095	1,623,971	5,646,188	373,391	6,019,579
Economic Development	145,084	360,000	331,013	174,071	2,252	176,323
County Building	75,181	378,321	386,669	66,833	10,671	77,504
Road and Bridge 1/2 Cent Sales Tax	4,882,838	1,757,333	3,511,312	3,128,859	1,948,995	5,077,854
RCPD	651,090	4,455,043	4,298,800	807,333	3,326	810,659
Landfill Closure	30,668	40,576	30,611	40,633	11,699	52,332
Fire District	45,523	657,985	682,454	21,054	16,229	37,283
Rural Fire Capital Outlay	462,522	85,000	208,824	338,698	5,826	344,524
Miscellaneous Nonbudgeted	88,432	35,753	7,577	116,608	-	116,608
Bond and Interest Fund						
Bond and Interest	210,264	2,609,613	2,679,817	140,060	-	140,060

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

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance
Capital Project Funds						
Fire Station Projects	$ -	$ 100,000	$ 70,435	$ 29,565	2,910	32,475
University Park Sewer Replacement	(367,669)	660,770	907,576	(614,475)	615,377	902
Fairmont Heights	-	11,000	8,643	2,357	800	3,157
Expansion of University Park/Lakeside Heights	-	-	-	-	-	-
Business Funds						
Emergency 911	720,356	308,091	122,710	905,737	5,368	911,105
Solid Waste Disposal	603,615	2,453,499	2,464,940	592,174	154,718	746,892
University Park Water and Sewer	19,526	113,537	108,043	25,020	15,596	40,616
University Park Water and Sewer Reserve	71,879	34,470	51,433	54,916	49,843	104,759
Hunter's Island Water District	4,067	26,852	30,239	680	1,854	2,534
Hunter's Island Water Reserve	20,099	1,132	-	21,231	-	21,231
Carson Sewer Benefit District	8,904	43,286	25,852	26,338	3,626	29,964
Carson Sewer Reserve	2,191	3,656	1,750	4,097	-	4,097
Deep Creek Sewer	8,253	5,298	4,828	8,723	436	9,159
Deep Creek Reserve	26,366	1,913	-	28,279	-	28,279
Moehlman Bottoms Water District	9,417	11,624	12,705	8,336	819	9,155
Moehlman Bottoms Reserve	3,894	945	-	4,839	-	4,839
Valleywood Operations	53,068	20,547	44,416	29,199	732	29,931
Valleywood Operations Reserve	34,311	40,000	19,477	54,834	-	54,834
Terra Heights Sewer	17,997	23,331	20,333	20,995	528	21,523
Terra Heights Sewer Sinking	68,683	22,685	12,261	79,107	-	79,107

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

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Business Funds, Continued						
Konza Water District	$ 40,450	$ 88,349	$ 97,047	$ 31,752	$ 5,295	$ 37,047
Konza Water Reserve	169,459	25,000	8,574	185,885	-	185,885
Lakeside Heights Sewer	717	710	647	780	52	832
Lakeside Heights Sewer Reserve	7,196	5,735	-	12,931	-	12,931
Mertz/McGehee Drainage	6,183	-	-	6,183	-	6,183
Total Financial Reporting Entity	$ 20,410,174	$ 50,869,620	$ 50,206,555	$ 21,073,239	$ 3,952,651	$ 25,025,890

Composition of Cash	
Certificates of Deposit	$ 4,809,021
CDARs	11,200,000
Savings Accounts	290,388
Checking Accounts	66,029,941
Petty Cash and Change Funds	9,800
Total Cash	82,339,150
Less: Agency Funds per Schedule 3	(57,313,260)
Total Reporting Entity (Excluding Agency Funds)	$ 25,025,890

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

1. Summary of Significant Accounting Policies

(a) Financial Reporting Entity

Riley County, Kansas (the County) is a municipal corporation governed by an elected three-member board of commissioners. The financial statement presents Riley County, the primary government. A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate.

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

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

In addition, under applicable state statutes, the County provides accounting services to the University Park Improvement District, which provides recreation facilities for that district within the County. This is accounted for as an agency fund in the County's financial statement. This special district has a separate governing body responsible for governance decisions and the district's budget is subject to the same requirements and budget process as the County. Revenues required for the upkeep of these recreational facilities are derived solely from customer user fees.

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

Riley County Law Enforcement Agency
Flint Hills Regional Planning Organization
Regional Juvenile Detention Center

(b) Regulatory Basis Fund Types

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources, (other than Capital Projects and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds, and payment of general long-term debt.

1. Summary of Significant Accounting Policies, Continued

Capital Project fund – used to account for debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of goods or services.

Agency fund – funds used to report assets held by the County in a purely custodial capacity.

(c) Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investment balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

(d) Budgetary Information

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

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

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

1. Summary of Significant Accounting Policies, Continued

(d) Budgetary Information, Continued

The following budgets were amended during the current year:

	Original Budgeted Expenditures	Amended Budgeted Expenditures
General	$ 28,161,074	$ 33,340,174
Bond and Interest	872,744	2,817,210
County Building	380,000	455,181
Adult Services	564,242	1,116,602
Fire District	657,940	703,463
Rural Fire Capital Outlay	330,103	547,522
Fire Station Projects	-	100,000
Solid Waste	2,403,365	2,847,454
Fairmont Heights	-	11,000
Hunter's Island Water	29,300	33,367
Carson Sewer	13,363	46,356
Carson Sewer Reserve	20,590	2,191

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

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

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

Register of Deeds Technology Fund
County Clerk Technology Fund
County Treasurer Technology Fund
War Memorial Fund
County Auction Fund
Juvenile Services Fund
Motor Vehicle Operations Fund
Adult Services Fund
Capital Improvements Fund
Road and Bridge ½ Cent Sales Tax Fund
Landfill Closure Fund
Rural Fire Capital Outlay Fund
Fire District #1 Tuttle Cove Fire station
Fire District #1 Tuttle Cove Fire station
Fire Station Projects
University Park Water and Sewer Reserve Fund
Hunter's Island Water Reserve Fund
Carson Sewer Reserve Fund
Deep Creek Reserve Fund
Moehlman Bottoms Reserve Fund
Valleywood Operations Reserve Fund
Terra Heights Sewer Sinking
Konza Water Reserve Fund
Lakeside Heights Sewer Reserve Fund
Expansion of University Park/Lakeside Heights

1. Summary of Significant Accounting Policies, Continued

(d) Budgetary Information, Continued

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

(e) Investment Earnings

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

(f) Reimbursements

The County records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursement under KMAAG regulatory basis of accounting.

(g) Property Tax

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1st 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 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year prior to January 1st of the ensuing year.

2. Deposits and Investments

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

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

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.

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.

2. Deposits and Investments, Continued

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" with Kansas State Bank are from April 15th through June 13th and December 3rd through January 31st. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the County's carrying amount of deposits was $82,339,150 and the bank balance was $83,114,563. Of the bank balance, $6,688,116 was collateralized with securities held by the pledging financial institutions' agents in the County's name, $67,875,000 was covered by irrevocable letters of credit issued by the Federal Home Loan Bank naming the County as the beneficiary and the remainder was covered by federal depository insurance. The pledged securities are held under a tri-party custodial agreement signed by all three parties; the County, the pledging bank, and the independent third-party bank holding the pledged securities.

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.

3. Capital Projects

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

Project	Project Authorization	Expended To Date
Sewer Projects	$ 47,160	$ 10,000
Bridge Projects	114,505	12,935
Construction Projects	121,375	61,901
Culvert Projects	61,159	25,236
Roads and Streets	3,008,777	425,005

4. Interfund Transfers

Interfund transfers within the County are substantially for the purpose of subsidizing the operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by the Kansas Statutes. The County's interfund transfers and regulatory authority for the year ended December 31, 2017 were as follows:

From	To	Regulatory Authority	Amount
General	Health Department	K.S.A. 65-204	$ 1,154,526
General	Adult Services	K.S.A. 19-101a	77,886
General	Capital Improvements	K.S.A. 19-120	4,020,000
General	Economic Development	K.S.A. 19-4102	360,000
General	Landfill Closure	Court Order	40,000
General	Carson Sewer Benefit District	K.S.A. 19-101a	10,000
General	Fairmont Sewer	K.S.A. 19-101a	11,000
General	Emergency 911	K.S.A 19-101a	727
County Auction	Capital Improvement	K.S.A. 19-120	77,000
Motor Vehicle Operation	General	K.S.A. 8-145	27,720
Capital Improvement	Bond & Interest	Bond Covenant	202,169
Economic Development	Bond & Interest	Bond Covenant	43,725
Rural Fire District #1	Rural Fire Capital Outlay	K.S.A. 19-3612c	85,000
Rural Fire Capital Outlay	Fire Station Projects	Local Agreement	100,000
University Park Water & Sewer	University Park Water & Sewer Reserve	K.S.A. 12-631o	20,000
Valleywood Operations	Valleywood Operations Reserve	K.S.A. 12-631o	40,000
Terra Heights Sewer	Terra Heights Sewer Sinking	K.S.A. 12-631o	10,000
Konza Water District	Konza Water Reserve	K.S.A. 12-631o	25,000

5. Long-Term Debt

Changes in long-term liabilities for the County for the year ended December 31, 2017, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2017-Bond Refunding	3.00%	11/15/17	$ 1,920,000	9/1/25	$ -	$ 1,920,000	$ -	$ 1,920,000	$ -
Series 2016-A USDA	2.75%	8/16/16	600,000	8/16/41	600,000	-	17,000	583,000	16,500
Series 2016-B SCBA	2.38%	11/8/16	375,000	11/8/31	375,000	-	21,000	354,000	8,906
Series 2013-A	3.00%-3.50%	9/17/13	1,860,000	9/1/28	1,055,000	-	270,000	785,000	32,575
Series 2012-A	1.00%-2.00%	8/30/12	205,000	9/1/22	125,000	-	20,000	105,000	2,040
Series 2010-A	2.00%-3.375%	3/1/10	375,000	9/1/20	165,000	-	165,000	-	6,362
Series 2010-B	2.75%-4.125%	12/1/10	4,915,000	9/1/25	1,940,000	-	1,940,000	-	88,851
Series 2009	5.80%-5.90%	7/15/09	90,000	9/1/19	30,000	-	30,000	-	2,052
General Obligation Temporary Notes									
Series 2016	1.98%	4/20/16	2,357,000	4/20/18	2,357,000	-	-	2,357,000	-
State of Kansas Loans									
KS DOT TR 0064	3.93%	10/1/07	628,000	8/1/17	63,833	-	63,833	-	2,509
Kansas Water Pollution Control Loan	3.09%	5/24/00	180,106	3/1/19	29,184	-	11,406	17,778	814
Subtotal Bonds, Notes, and Loans					6,740,017	1,920,000	2,538,239	6,121,778	160,609
KDOT Agreement									
56th St. Interchange at K-18	N/A	4/7/11	1,500,000	1/31/21	750,000	-	150,000	600,000	-
Capital Leases									
2 Ambulances	2.29%	4/25/16	485,472	4/25/20	383,932	-	92,748	291,184	8,792
4 Road Graders	2.71%	6/14/13	834,076	6/14/23	674,368	-	36,789	637,579	18,271
Total Contractual Indebtedness					$ 8,548,317	$ 1,920,000	$ 2,817,776	$ 7,650,541	$ 187,672

5. Long-Term Debt, Continued

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

	Years									
	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2037	2038-2042	Total
Principal										
General Obligation Bonds	$ 629,000	$ 420,000	$ 426,000	$ 377,000	$ 363,000	$ 983,000	$ 285,000	$ 138,000	$ 126,000	$ 3,747,000
General Obligation Notes	2,357,000	-	-	-	-	-	-	-	-	2,357,000
State of Kansas Loans	11,761	6,017		-	-	-	-	-	-	17,778
KDOT Agreement	150,000	150,000	150,000	150,000		-	-	-	-	600,000
Capital Leases	132,658	135,855	139,128	40,941	42,051	438,130	-	-	-	928,763
Total Principal	3,280,419	711,872	715,128	567,941	405,051	1,421,130	285,000	138,000	126,000	7,650,541
Interest										
General Obligation Bonds	81,223	73,795	64,617	55,236	46,798	137,291	55,102	28,904	8,801	551,767
General Obligation Notes	93,337		-	-	-	-	-	-	-	93,337
State of Kansas Loans	459	93		-	-	-	-	-	-	552
Capital Leases	23,942	20,747	17,472	14,119	13,010	11,870	-	-	-	101,160
Total Interest	198,961	94,635	82,089	69,355	59,808	149,161	55,102	28,904	8,801	746,816
Total Principal & Interest	$ 3,479,380	$ 806,507	$ 797,217	$ 637,296	$ 464,859	$ 1,570,291	$ 340,102	$ 166,904	$ 134,801	$ 8,397,357

On November 15, 2017, the County issued a General Obligation Series 2017 refunding bonds for $1,920,000 to refund Series 2009 general obligation bonds with maturity dates from 2017 – 2019 in the amount of $20,000, Series 2010 – A general obligation bonds with maturity dates from 2017 – 2020 in the amount of $125,000, Series 2010 – B general obligation bonds with maturity dates from 2017 – 2025 in the amount of $1,730,000.

6. Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees of the County are recorded when paid or taken by the employee. The County's policies regarding vacations, short-term sick leave, and personal time off are combined into an annual leave category. The annual leave policy permits employees to accumulate a maximum of 12 to 21 days. Upon termination or resignation from service with the County, employees are entitled to payment of all annual leave earned prior to termination or resignation. All regular full-time employees earn and accumulate extended sick leave at the rate of 1.85 hours for each regular pay period of service. Upon retirement, an employee may receive compensation for accumulated extended sick leave at the rates in the County's extended sick leave payout table. To qualify for extended sick leave payment, an employee must have 384 hours accumulated. The County will pay 120 hours' compensation for 384 hours accumulated up to a maximum 376 hours' compensation for 768 hours accumulated. At December 31, 2017, the County's potential liability for accumulated vacation and sick leave was approximately $657,747 and $575,561, respectively. This is not reflected in the financial statement.

7. Defined Benefit Pension Plan

Plan description. The County participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the County were $991,984 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the County's proportionate share of the collective net pension liability reported by KPERS was $9,186,018. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The County's proportion of the net pension liability was based on the ratio of the County's contributions to KPERS, relative to the total employer and nonemployer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements. The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

8. Risk Management

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

9. Landfill Closure and Post-Closure Costs

State and Federal laws and regulations require that the County place a final cover on its landfill site when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The landfill was closed December 31, 1991. Any liability for post-closure care costs associated with the landfill has not been determined. The County incurs monitoring and other costs annually related to the close facility. The actual cost of closure and post-closure care costs may vary significantly over time due to changes in technology or changes in landfill laws and regulations. These costs will be paid by taxpayers through transfers from the General Fund as they are incurred.

10. Subsequent Events

The County has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report which is the date the financial statement was available for issue.

On April 20, 2018, the County issued General Obligation Temporary Notes Series 2018 in the amount of $2,457,000 for the purpose of financing the University Park project.

On May 23, 2018, the County entered into a lease purchase agreement to acquire and install certain communication equipment related to emergency and public safety communication. The lease cost is $5,113,537 to be paid out annually maturing in 2033.

Regulatory Required Supplementary Information

Riley County, Kansas

Schedule 1

Summary of Expenditures – Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2017

Funds		Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General		$ 33,340,174	$ -	$ 33,340,174	$ 27,471,336	$ (5,868,838)
Special Purpose Funds						
Health Department		3,985,462	-	3,985,462	3,496,644	(488,818)
Register of Deeds Technology	*	50,050	-	50,050	40,533	(9,517)
County Clerk Technology	*	45,819	-	45,819	-	(45,819)
County Treasurer Technology	*	15,000	-	15,000	7,167	(7,833)
War Memorial	*	11,105	-	11,105	660	(10,445)
County Auction	*	120,000	-	120,000	78,990	(41,010)
Motor Vehicle Operations	*	384,000	-	384,000	382,745	(1,255)
Special Alcohol Programs		10,009	-	10,009	4,750	(5,259)
Adult Services	*	1,116,602	-	1,116,602	945,651	(170,951)
Capital Improvements	*	3,051,735	-	3,051,735	1,623,971	(1,427,764)
Economic Development		403,809	-	403,809	331,013	(72,796)
County Building		455,181	-	455,181	386,669	(68,512)
Road and Bridge 1/2 Cent Sales Tax	*	4,444,221	-	4,444,221	3,511,312	(932,909)
RCPD		4,386,327	-	4,386,327	4,298,800	(87,527)
Landfill Closure	*	49,662	-	49,662	30,611	(19,051)
Fire District		703,463	-	703,463	682,454	(21,009)
Rural Fire Capital Outlay	*	547,522	-	547,522	208,824	(338,698)
Bond and Interest Fund						
Bond and Interest		2,817,210	-	2,817,210	2,679,817	(137,393)
Capital Project Funds						
Fire Station Projects	*	100,000	-	100,000	70,435	(29,565)
University Park Sewer Replacement	*	2,451,261	-	2,451,261	907,576	(1,543,685)
Fairmont Heights	*	11,000	-	11,000	8,643	(2,357)
Expansion of University Park/Lakeside Heights	*	262,100	-	262,100	-	(262,100)

See the independent auditor's report on regulatory required supplementary information.

Summary of Expenditures – Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2017

Funds		Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Business Funds						
Emergency 911		$ 555,000	$ -	$ 555,000	$ 122,710	$ (432,290)
Solid Waste Disposal		2,847,454	-	2,847,454	2,464,940	(382,514)
University Park Water and Sewer		119,139	-	119,139	108,043	(11,096)
University Park Water and Sewer Reserve	*	54,826	-	54,826	51,433	(3,393)
Hunter's Island Water District		33,367	-	33,367	30,239	(3,128)
Hunter's Island Water Reserve	*	12,881	-	12,881	-	(12,881)
Carson Sewer Benefit District		46,356	-	46,356	25,852	(20,504)
Carson Sewer Reserve	*	2,191	-	2,191	1,750	(441)
Deep Creek Sewer		7,671	-	7,671	4,828	(2,843)
Deep Creek Reserve	*	23,240	-	23,240	-	(23,240)
Moehlman Bottoms Water District		19,482	-	19,482	12,705	(6,777)
Moehlman Bottoms Reserve	*	12,196	-	12,196	-	(12,196)
Valleywood Operations		52,756	-	52,756	44,416	(8,340)
Valleywood Operations Reserve	*	68,749	-	68,749	19,477	(49,272)
Terra Heights Sewer		26,744	-	26,744	20,333	(6,411)
Terra Heights Sewer Sinking	*	81,833	-	81,833	12,261	(69,572)
Konza Water District		113,345	-	113,345	97,047	(16,298)
Konza Water Reserve	*	103,638	-	103,638	8,574	(95,064)
Lakeside Heights Sewer		1,106	-	1,106	647	(459)
Lakeside Heights Sewer Reserve	*	6,008	-	6,008	-	(6,008)
Mertz/McGehee Drainage		6,183	-	6,183	-	(6,183)
Total Primary Government		$ 62,955,877	$ -	$ 62,955,877	$ 50,193,856	$ (12,762,021)

* Funds not required by statute to be budgeted

General
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 18,798,974	$ 19,103,535	$ (304,561)
Delinquent Tax	276,548	-	276,548
Motor Vehicle Tax	1,671,399	1,607,125	64,274
Recreational Vehicle Tax	15,959	15,047	912
Watercraft Tax	7,692	8,829	(1,137)
Commercial Vehicle Tax	82,250	74,739	7,511
16/20 M Vehicle Tax	12,812	14,418	(1,606)
Oil, Gas and Mineral Tax	1,421	-	1,421
Intangibles Tax	251,715	194,895	56,820
Interest on Taxes	187,774	125,000	62,774
Local Sales Tax	1,757,133	1,600,000	157,133
Interest Income	337,421	140,000	197,421
Reimbursed Expenses	163,110	-	163,110
Franchise Fees	40,961	43,257	(2,296)
Licenses, Fees, Permits	833,541	732,800	100,741
Diversion Fees	65,106	68,000	(2,894)
Special City/County Highway Fund	1,191,597	1,026,082	165,515
Federal Grants	34,770	-	34,770
Federal In Lieu of Tax	36,192	35,000	1,192
Grants Non-Federal	23,701	-	23,701
Vehicle Rental Excise Tax	30,504	29,690	814
Mortgage Fees	392,751	150,000	242,751
Recording Fees	341,230	250,000	91,230
21st Judicial District Case Receipts	42,880	35,000	7,880
Heritage Trust	31,918	-	31,918
Miscellaneous Collections	20,505	-	20,505
Transfers In	27,720	-	27,720
Total Receipts	26,677,584	$ 25,253,417	$ 1,424,167
Expenditures			
County Attorney			
Personnel Services	1,163,852	$ 1,246,919	$ (83,067)
Employee Benefits	402,339	523,081	(120,742)
Commodities	19,371	18,500	871
Contractual Services	82,279	133,150	(50,871)
Capital Outlay	-	3,000	(3,000)
County Attorney Total	1,667,841	1,924,650	(256,809)

See the independent auditor's report on regulatory required supplementary information.

General
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
County Clerk			
Personnel Services	$ 552,859	$ 571,756	$ (18,897)
Employee Benefits	195,015	242,997	(47,982)
Commodities	4,830	6,000	(1,170)
Contractual Services	42,496	43,350	(854)
Capital Outlay	3,122	2,000	1,122
County Clerk Total	798,322	866,103	(67,781)
County Commissioners			
Personnel Services	130,211	130,229	(18)
Employee Benefits	14,445	55,347	(40,902)
Commodities	618	1,700	(1,082)
Contractual Services	40,035	50,940	(10,905)
County Commissioners Total	185,309	238,216	(52,907)
Information Systems			
Personnel Services	494,975	570,989	(76,014)
Personnel Services - Health Department	58,074	58,074	-
Employee Benefits	172,062	242,669	(70,607)
Employee Benefits - Health Department	25,310	24,682	628
Commodities	33,892	32,750	1,142
Commodities - Health Department	-	250	(250)
Contractual Services	496,558	494,038	2,520
Contractual Services - Health Department	780	1,280	(500)
Capital Outlay	170,028	167,500	2,528
Capital Outlay - Health Department	1,774	5,600	(3,826)
Information Systems Total	1,453,453	1,597,832	(144,379)
County Counselor			
Personnel Services	357,463	358,399	(936)
Employee Benefits	110,500	152,318	(41,818)
Commodities	3,858	5,000	(1,142)
Contractual Services	40,562	56,355	(15,793)
Capital Outlay	398	2,400	(2,002)
County Counselor Total	512,781	574,472	(61,691)

See the independent auditor's report on regulatory required supplementary information.

General
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Register of Deeds			
Personnel Services	$ 288,894	$ 289,322	$ (428)
Employee Benefits	81,695	122,962	(41,267)
Commodities	1,660	4,400	(2,740)
Contractual Services	45,105	15,260	29,845
Capital Outlay	-	2,200	(2,200)
Register of Deeds Total	417,354	434,144	(16,790)
County Treasurer			
Personnel Services	473,691	500,842	(27,151)
Employee Benefits	186,205	212,857	(26,652)
Commodities	83	1,600	(1,517)
Contractual Services	48,348	49,780	(1,432)
Capital Outlay	2,000	-	2,000
County Treasurer Total	710,327	765,079	(54,752)
District Court			
Commodities	28,284	29,000	(716)
Contractual Services	119,414	135,360	(15,946)
Capital Outlay	8,014	4,500	3,514
District Court Total	155,712	168,860	(13,148)
Emergency Management			
Personnel Services	135,562	124,423	11,139
Employee Benefits	43,734	52,880	(9,146)
Commodities	14,326	17,700	(3,374)
Contractual Services	28,396	24,500	3,896
Capital Outlay	7,666	-	7,666
Emergency Management Total	229,684	219,503	10,181
County Coroner			
Contractual Services	87,737	108,000	(20,263)
County Coroner Total	87,737	108,000	(20,263)
Juvenile Detention			
Contractual Services	76,050	75,875	175
Juvenile Detention Total	76,050	75,875	175

See the independent auditor's report on regulatory required supplementary information.

General
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Fair			
Commodities	$ 20,473	$ 19,000	$ 1,473
Contractual Services	67,017	70,500	(3,483)
Capital Outlay	12,120	10,195	1,925
Fair Total	99,610	99,695	(85)
Ambulance			
Personnel Services	291,645	-	291,645
Employee Benefits	97,239	-	97,239
Commodities	8,492	-	8,492
Contractual Services	992,097	1,417,750	(425,653)
Capital Outlay	9,213	-	9,213
Ambulance Total	1,398,686	1,417,750	(19,064)
Museum			
Personnel Services	289,163	295,826	(6,663)
Employee Benefits	82,809	118,704	(35,895)
Commodities	5,793	4,030	1,763
Contractual Services	7,328	10,249	(2,921)
Capital Outlay	572	300	272
Museum Total	385,665	429,109	(43,444)
Election			
Personnel Services	188,678	200,521	(11,843)
Employee Benefits	60,532	69,006	(8,474)
Commodities	11,349	46,650	(35,301)
Contractual Services	66,086	206,700	(140,614)
Capital Outlay	1,002	40,000	(38,998)
Election Total	327,647	562,877	(235,230)
County Appraiser			
Personnel Services	941,917	997,481	(55,564)
Employee Benefits	338,314	419,497	(81,183)
Commodities	20,011	19,200	811
Contractual Services	123,796	106,010	17,786
Capital Outlay	401	1,000	(599)
County Appraiser Total	1,424,439	1,543,188	(118,749)

See the independent auditor's report on regulatory required supplementary information.

General
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Planning and Development			
Personnel Services	$ 318,122	$ 319,774	$ (1,652)
Personnel Services - Health Department	48,504	57,054	(8,550)
Employee Benefits	87,267	135,904	(48,637)
Employee Benefits - Health Department	20,139	24,248	(4,109)
Commodities	3,702	12,400	(8,698)
Contractual Services	20,702	27,970	(7,268)
Capital Outlay	1,505	2,500	(995)
Planning and Development Total	499,941	579,850	(79,909)
General Services			
Personnel Services	34,306	100,000	(65,694)
Employee Benefits	5,601	18,850	(13,249)
Commodities	2,687	4,800	(2,113)
Contractual Services	1,102,698	1,178,736	(76,038)
Miscellaneous	-	1,500,000	(1,500,000)
General Services Total	1,145,292	2,802,386	(1,657,094)
Road & Bridge/Public Works			
Personnel Services	2,799,063	3,027,392	(228,329)
Personnel Services - Health Department	120,731	105,605	15,126
Employee Benefits	1,042,301	1,223,157	(180,856)
Employee Benefits - Health Department	64,491	44,882	19,609
Commodities	1,325,257	2,554,115	(1,228,858)
Contractual Services	721,726	537,850	183,876
Capital Outlay	1,513,265	348,650	1,164,615
Road & Bridge/Public Works Total	7,586,834	7,841,651	(254,817)
Noxious Weed & HH Waste			
Personnel Services	351,321	373,692	(22,371)
Employee Benefits	135,658	158,819	(23,161)
Commodities	113,925	112,200	1,725
Contractual Services	82,625	86,185	(3,560)
Capital Outlay	9,373	-	9,373
Noxious Weed & HH Waste Total	692,902	730,896	(37,994)
Juvenile Supervision			
Contractual Services	3,404	9,800	(6,396)
Juvenile Supervision Total	3,404	9,800	(6,396)

See the independent auditor's report on regulatory required supplementary information.

General
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Appropriations			
Council on Aging	$ 257,000	$ 257,000	$ -
Mental Health	257,400	257,400	-
Big Lakes Development Center	217,260	217,260	-
Extension Council	559,761	559,761	-
Conservation District	55,136	55,136	-
Animal Shelter	55,000	55,000	-
Emergency Shelter	10,000	10,000	-
Riley County Genealogical Society	2,000	2,000	-
ATA Bus	100,000	100,000	-
Appropriations Total	1,513,557	1,513,557	-
Liability Insurance	424,650	541,715	(117,065)
Transfers Out	5,674,139	7,714,966	(2,040,827)
Non - Appropriated	-	580,000	(580,000)
Total Expenditures	27,471,336	$ 33,340,174	$ (5,868,838)
Receipts Over (Under) Expenditures	(793,752)		
Unencumbered Cash, Beginning	8,086,757		
Unencumbered Cash, Ending	$ 7,293,005		

See the independent auditor's report on regulatory required supplementary information.

Health Department
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
State Grants	$ 1,001,113	$ 799,875	$ 201,238
Federal Grants	1,271,634	1,163,409	108,225
Other Grants	8,000	-	8,000
Fees - Self Pay	98,038	111,000	(12,962)
Fees - Medicaid	34,056	34,650	(594)
Fees - Other Insurance	280,306	300,000	(19,694)
Miscellaneous Collections	30,857	10,000	20,857
Reimbursements	8,090	31,860	(23,770)
Transfers In	1,154,526	1,154,526	-
Total Receipts	3,886,620	$ 3,605,320	$ 281,300
Expenditures			
General Services			
Personnel Services	238,982	$ 253,636	$ (14,654)
Employee Benefits	44,956	107,795	(62,839)
Commodities	4,748	8,750	(4,002)
Contractual Services	99,575	168,030	(68,455)
Capital Outlay	21,081	178,902	(157,821)
General Services Total	409,342	717,113	(307,771)
Wildcat Region PHEP			
Personnel Services	969	-	969
Employee Benefits	345	-	345
Commodities	19,158	15,519	3,639
Contractual Services	8,847	13,250	(4,403)
Capital Outlay	7,628	-	7,628
Wildcat Region PHEP Total	36,947	28,769	8,178
Emergency Response			
Personnel Services	44,677	46,059	(1,382)
Employee Benefits	15,251	19,574	(4,323)
Commodities	13,032	2,000	11,032
Contractual Services	5,365	4,400	965
Capital Outlay	7,265	-	7,265
Emergency Response Total	85,590	72,033	13,557
WIC			
Personnel Services	401,867	418,255	(16,388)
Employee Benefits	148,859	173,156	(24,297)
Commodities	25,299	25,000	299
Contractual Services	20,784	32,030	(11,246)
Capital Outlay	1,794	-	1,794
WIC Total	598,603	648,441	(49,838)

See the independent auditor's report on regulatory required supplementary information.

Health Department
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
March of Dimes Grant			
Commodities	$ 2,032	$ 10,000	$ (7,968)
Contractual Services	594	-	594
March of Dimes Grant Total	2,626	10,000	(7,374)
Child Care Licensing			
Personnel Services	89,446	48,991	40,455
Employee Benefits	29,280	20,822	8,458
Commodities	965	750	215
Contractual Services	7,152	4,375	2,777
Capital Outlay	450	-	450
Child Care Licensing Total	127,293	74,938	52,355
Family Planning			
Personnel Services	225,272	229,836	(4,564)
Employee Benefits	64,248	97,681	(33,433)
Commodities	55,848	70,600	(14,752)
Contractual Services	24,219	25,150	(931)
Capital Outlay	79	-	79
Family Planning Total	369,666	423,267	(53,601)
Immunization Action Plan			
Personnel Services	97,558	109,080	(11,522)
Employee Benefits	32,510	46,359	(13,849)
Commodities	192,980	266,425	(73,445)
Contractual Services	4,153	9,450	(5,297)
Capital Outlay	204	-	204
Immunization Action Plan Total	327,405	431,314	(103,909)
MCH			
Personnel Services	95,451	118,890	(23,439)
Employee Benefits	35,899	50,529	(14,630)
Commodities	2,814	300	2,514
Contractual Services	2,994	4,580	(1,586)
MCH Total	137,158	174,299	(37,141)
Healthy Families			
Personnel Services	289,398	293,130	(3,732)
Employee Benefits	91,092	124,581	(33,489)
Commodities	3,510	5,150	(1,640)
Contractual Services	56,818	49,930	6,888
Capital Outlay	62	-	62
Healthy Families Total	440,880	472,791	(31,911)

See the independent auditor's report on regulatory required supplementary information.

Health Department
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Smart Start			
Personnel Services	$ 185,307	$ 182,232	$ 3,075
Employee Benefits	78,010	77,448	562
Commodities	44,146	32,500	11,646
Contractual Services	441,261	431,530	9,731
Capital Outlay	1,242	-	1,242
Smart Start Total	749,966	723,710	26,256
State Formula			
Personnel Services	128,204	129,465	(1,261)
Employee Benefits	39,105	55,022	(15,917)
Commodities	7,341	4,300	3,041
Contractual Services	17,015	20,000	(2,985)
Capital Outlay	252	-	252
State Formula Total	191,917	208,787	(16,870)
Kansas Health Foundation			
Personnel Services	12,677	-	12,677
Employee Benefits	2,154	-	2,154
Commodities	810	-	810
Contractual Services	1,227	-	1,227
Capital Outlay	2,383	-	2,383
Kansas Health Foundation Total	19,251	-	19,251
Total Expenditures	3,496,644	$ 3,985,462	$ (488,818)
Receipts Over (Under) Expenditures	389,976		
Unencumbered Cash, Beginning	1,046,156		
Unencumbered Cash, Ending	$ 1,436,132		

See the independent auditor's report on regulatory required supplementary information.

Register of Deeds Technology
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Fees	$ 64,024	$ 50,000	$ 14,024
Interest	638	50	588
Total Receipts	64,662	$ 50,050	$ 14,612
Expenditures			
Commodities	-	$ 15,000	$ (15,000)
Contractual Services	40,533	26,000	14,533
Capital Outlay	-	9,050	(9,050)
Total Expenditures	40,533	$ 50,050	$ (9,517)
Receipts Over (Under) Expenditures	24,129		
Unencumbered Cash, Beginning	85,523		
Unencumbered Cash, Ending	$ 109,652		

See the independent auditor's report on regulatory required supplementary information.

County Clerk Technology
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Fees	$ 16,006	$ 15,000	$ 1,006
Interest	304	-	304
Total Receipts	16,310	$ 15,000	$ 1,310
Expenditures			
Capital Outlay	-	$ 45,819	$ (45,819)
Total Expenditures	-	$ 45,819	$ (45,819)
Receipts Over (Under) Expenditures	16,310		
Unencumbered Cash, Beginning	34,993		
Unencumbered Cash, Ending	$ 51,303		

See the independent auditor's report on regulatory required supplementary information.

County Treasurer Technology
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Fees	$ 16,006	$ 15,000	$ 1,006
Interest	150	-	150
Total Receipts	16,156	$ 15,000	$ 1,156
Expenditures			
Capital Outlay	7,167	$ 15,000	$ (7,833)
Total Expenditures	7,167	$ 15,000	$ (7,833)
Receipts Over (Under) Expenditures	8,989		
Unencumbered Cash, Beginning	17,063		
Unencumbered Cash, Ending	$ 26,052		

See the independent auditor's report on regulatory required supplementary information.

War Memorial
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Donations	$ 825	$ 1,500	$ (675)
Total Receipts	825	$ 1,500	$ (675)
Expenditures			
Contractual Services	660	$ 11,105	$ (10,445)
Total Expenditures	660	$ 11,105	$ (10,445)
Receipts Over (Under) Expenditures	165		
Unencumbered Cash, Beginning	9,635		
Unencumbered Cash, Ending	$ 9,800		

See the independent auditor's report on regulatory required supplementary information.

County Auction
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 6,800	$ 20,000	$ (13,200)
Total Receipts	6,800	$ 20,000	$ (13,200)
Expenditures			
Contractual Services	1,990	$ 120,000	$ (118,010)
Transfers Out	77,000	-	77,000
Total Expenditures	78,990	$ 120,000	$ (41,010)
Receipts Over (Under) Expenditures	(72,190)		
Unencumbered Cash, Beginning	92,268		
Unencumbered Cash, Ending	$ 20,078		

See the independent auditor's report on regulatory required supplementary information.

Juvenile Services
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
State Aid	$ -	$ 305,090	$ (305,090)
Miscellaneous Collections	-	5,000	(5,000)
Total Receipts	-	$ 310,090	$ (310,090)
Expenditures			
Personnel Services	-	$ 205,633	$ (205,633)
Employee Benefits	-	81,101	(81,101)
Commodities	-	5,056	(5,056)
Contractual Services	-	17,300	(17,300)
Capital Outlay	-	1,000	(1,000)
Total Expenditures	-	$ 310,090	$ (310,090)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

See the independent auditor's report on regulatory required supplementary information.

Prosecuting Attorney Training
Schedule of Receipts and Expenditures – Actual (Non-Budget)
Regulatory Basis
For the Year Ended December 31, 2017

	Actual
Receipts	
Receipts	$ 3,799
Total Receipts	3,799
Expenditures	
Contractual Services	5,074
Commodities	48
Total Expenditures	5,122
Receipts Over (Under) Expenditures	(1,323)
Unencumbered Cash, Beginning	2,415
Unencumbered Cash, Ending	$ 1,092

See the independent auditor's report on regulatory required supplementary information.

Motor Vehicle Operations
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Fees	$ 377,815	$ 383,000	$ (5,185)
Reimbursed Expenses	4,576	-	4,576
Miscellaneous Collections	89	1,000	(911)
Total Receipts	382,480	$ 384,000	$ (1,520)
Expenditures			
Personnel Services	232,592	$ 248,473	$ (15,881)
Employee Benefits	89,107	105,601	(16,494)
Commodities	8,281	6,500	1,781
Contractual Services	24,072	23,426	646
Capital Outlay	973	-	973
Transfers Out	27,720	-	27,720
Total Expenditures	382,745	$ 384,000	$ (1,255)
Receipts Over (Under) Expenditures	(265)		
Unencumbered Cash, Beginning	25,721		
Unencumbered Cash, Ending	$ 25,456		

See the independent auditor's report on regulatory required supplementary information.

Special Alcohol Programs
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Local Alcoholic Liquor Tax	$ 5,057	$ 4,079	$ 978
Total Receipts	5,057	$ 4,079	$ 978
Expenditures			
Contractual Services	4,750	$ 10,009	$ (5,259)
Total Expenditures	4,750	$ 10,009	$ (5,259)
Receipts Over (Under) Expenditures	307		
Unencumbered Cash, Beginning	8,387		
Unencumbered Cash, Ending	$ 8,694		

See the independent auditor's report on regulatory required supplementary information.

Adult Services
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
State Aid	$ 315,578	$ 828,224	$ (512,646)
City Alcohol Tax	-	28,317	(28,317)
Reimbursed Expenses	251,237	-	251,237
Miscellaneous Collections	304,477	171,433	133,044
Transfers In	77,886	-	77,886
Total Receipts	949,178	$ 1,027,974	$ (78,796)
Expenditures			
Personnel Services	553,152	$ 529,462	$ 23,690
Employee Benefits	170,113	195,828	(25,715)
Commodities	29,804	28,114	1,690
Contractual Services	181,348	309,352	(128,004)
Capital Outlay	11,234	53,846	(42,612)
Total Expenditures	945,651	$ 1,116,602	$ (170,951)
Receipts Over (Under) Expenditures	3,527		
Unencumbered Cash, Beginning	88,628		
Unencumbered Cash, Ending	$ 92,155		

See the independent auditor's report on regulatory required supplementary information.

Capital Improvements
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
State Aid	$ 315,709	$ -	$ 315,709
Miscellaneous Collections	29,653	8,900	20,753
Interest	35,733	-	35,733
Transfers In	4,097,000	1,000,000	3,097,000
Total Receipts	4,478,095	$ 1,008,900	$ 3,469,195
Expenditures			
Commodities	87,870	$ 500,000	$ (412,130)
Contractual Services	14,255	156,600	(142,345)
Capital Outlay	1,319,677	2,192,966	(873,289)
Transfers Out	202,169	202,169	-
Total Expenditures	1,623,971	$ 3,051,735	$ (1,427,764)
Receipts Over (Under) Expenditures	2,854,124		
Unencumbered Cash, Beginning	2,792,064		
Unencumbered Cash, Ending	$ 5,646,188		

See the independent auditor's report on regulatory required supplementary information.

Economic Development
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Transfers In	$ 360,000	$ 360,000	$ -
Total Receipts	360,000	$ 360,000	$ -
Expenditures			
Contractual Services	91,645	$ 360,084	$ (268,439)
Capital Outlay	195,643	-	195,643
Transfers Out	43,725	43,725	-
Total Expenditures	331,013	$ 403,809	$ (72,796)
Receipts Over (Under) Expenditures	28,987		
Unencumbered Cash, Beginning	145,084		
Unencumbered Cash, Ending	$ 174,071		

See the independent auditor's report on regulatory required supplementary information.

County Building
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 344,440	$ 349,935	$ (5,495)
Delinquent Tax	4,309	-	4,309
Motor Vehicle Tax	27,053	27,676	(623)
Recreational Vehicle Tax	261	259	2
Watercraft Tax	132	152	(20)
Commercial Vehicle Tax	1,400	1,287	113
16/20 M Vehicle Tax	159	180	(21)
Vehicle Rental Excise Tax	453	511	(58)
Oil, Gas and Mineral Tax	24	-	24
Reimbursed Expenses	30	-	30
Miscellaneous Collections	60	-	60
Total Receipts	378,321	$ 380,000	$ (1,679)
Expenditures			
Commodities	5,168	$ 13,000	$ (7,832)
Contractual Services	326,639	412,181	(85,542)
Contractual Services - Health Department	15,057	30,000	(14,943)
Capital Outlay	39,805	-	39,805
Total Expenditures	386,669	$ 455,181	$ (68,512)
Receipts Over (Under) Expenditures	(8,348)		
Unencumbered Cash, Beginning	75,181		
Unencumbered Cash, Ending	$ 66,833		

See the independent auditor's report on regulatory required supplementary information.

Road and Bridge ½ Cent Sales Tax
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Sales Tax	$ 1,757,133	$ 1,600,000	$ 157,133
Other Revenue	200	-	200
Total Receipts	1,757,333	$ 1,600,000	$ 157,333
Expenditures			
Commodities	31,998	$ -	$ 31,998
Contractual Services	612,575	4,444,221	(3,831,646)
Capital Outlay	2,866,739	-	2,866,739
Total Expenditures	3,511,312	$ 4,444,221	$ (932,909)
Receipts Over (Under) Expenditures	(1,753,979)		
Unencumbered Cash, Beginning	4,882,838		
Unencumbered Cash, Ending	$ 3,128,859		

See the independent auditor's report on regulatory required supplementary information.

RCPD
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 3,993,561	$ 4,056,006	$ (62,445)
Delinquent Tax	59,008	-	59,008
Motor Vehicle Tax	368,987	353,677	15,310
Recreational Vehicle Tax	3,521	3,311	210
Watercraft Tax	2,043	1,943	100
Commercial Vehicle Tax	18,112	16,448	1,664
16/20 M Vehicle Tax	2,861	3,220	(359)
Vehicle Rental Excise Tax	6,762	6,534	228
Miscellaneous Collections	188	-	188
Total Receipts	4,455,043	$ 4,441,139	$ 13,904
Expenditures			
Commodities	641	$ 1,000	$ (359)
Contractual Services	4,298,159	4,385,327	(87,168)
Total Expenditures	4,298,800	$ 4,386,327	$ (87,527)
Receipts Over (Under) Expenditures	156,243		
Unencumbered Cash, Beginning	651,090		
Unencumbered Cash, Ending	$ 807,333		

See the independent auditor's report on regulatory required supplementary information.

Landfill Closure
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 576	$ -	$ 576
Transfers In	40,000	40,000	-
Total Receipts	40,576	$ 40,000	$ 576
Expenditures			
Commodities	237	$ -	$ 237
Contractual Services	30,374	49,662	(19,288)
Total Expenditures	30,611	$ 49,662	$ (19,051)
Receipts Over (Under) Expenditures	9,965		
Unencumbered Cash, Beginning	30,668		
Unencumbered Cash, Ending	$ 40,633		

See the independent auditor's report on regulatory required supplementary information.

Fire District
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 558,990	$ 572,691	$ (13,701)
Delinquent Tax	11,366	-	11,366
Motor Vehicle Tax	74,248	71,872	2,376
Recreational Vehicle Tax	1,302	1,265	37
Watercraft Tax	840	792	48
Commercial Vehicle Tax	8,434	8,320	114
16/20 M Vehicle Tax	2,030	2,200	(170)
Miscellaneous Collections	775	800	(25)
Total Receipts	657,985	$ 657,940	$ 45
Expenditures			
Personnel Services	149,308	$ 162,639	$ (13,331)
Employee Benefits	46,495	57,731	(11,236)
Commodities	142,286	141,710	576
Contractual Services	164,569	154,973	9,596
Capital Outlay	31,390	31,910	(520)
Principal	38,000	42,000	(4,000)
Interest	25,406	27,500	(2,094)
Transfers Out	85,000	85,000	-
Total Expenditures	682,454	$ 703,463	$ (21,009)
Receipts Over (Under) Expenditures	(24,469)		
Unencumbered Cash, Beginning	45,523		
Unencumbered Cash, Ending	$ 21,054		

See the independent auditor's report on regulatory required supplementary information.

Rural Fire Capital Outlay
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Transfers In	$ 85,000	$ 85,000	$ -
Total Receipts	85,000	$ 85,000	$ -
Expenditures			
Contractual Services	10,727	$ 36,000	$ (25,273)
Commodities	5,056	-	5,056
Capital Outlay	93,041	411,522	(318,481)
Transfers Out	100,000	100,000	-
Total Expenditures	208,824	$ 547,522	$ (338,698)
Receipts Over (Under) Expenditures	(123,824)		
Unencumbered Cash, Beginning	462,522		
Unencumbered Cash, Ending	$ 338,698		

See the independent auditor's report on regulatory required supplementary information.

Miscellaneous Nonbudgeted
Schedule of Receipts and Expenditures – Actual (Non-Budget)
Regulatory Basis
For the Year Ended December 31, 2017

	Balance December 31, 2016 Actual	Receipts	Expenditures	Balance December 31, 2017 Actual
Special Prosecutor Trust	$ 876	$ -	$ -	$ 876
Court Technology	80,184	40,138	7,577	112,745
Museum Bequest	6,582	-	-	6,582
Returned Check	(705)	(4,385)	-	(5,090)
LEPC-HMTA	222	-	-	222
Payroll Clearing	1,273	-	-	1,273
Totals	$ 88,432	$ 35,753	$ 7,577	$ 116,608

Receipts	
Fees	$ 40,138
Returned Checks Collected	42,171
Less: Returned Checks	(46,556)
Total Receipts	$ 35,753

Expenditures	
Contractual	$ 288
Capital Outlay	7,289
Total Expenditures	$ 7,577

See the independent auditor's report on regulatory required supplementary information.

Bond and Interest
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 250,203	$ 253,993	$ (3,790)
Delinquent Tax	4,890	-	4,890
Motor Vehicle Tax	31,058	28,836	2,222
Watercraft Tax	167	158	9
Commercial Vehicle Tax	1,486	1,341	145
Recreational Vehicle Tax	295	270	25
16/20 M Vehicle Tax	310	300	10
Vehicle Rental Excise Tax	592	533	59
Special Assessments	135,214	136,117	(903)
Bond Proceeds	1,920,000	1,939,504	(19,504)
Bond Premiums	19,504	-	19,504
Transfers In	245,894	245,894	-
Total Receipts	2,609,613	$ 2,606,946	$ 2,667
Expenditures			
Principal	2,500,239	$ 2,500,239	$ -
Interest	134,976	135,976	(1,000)
Contractual Services	44,602	50,995	(6,393)
Cash Basis Requirement	-	130,000	(130,000)
Total Expenditures	2,679,817	$ 2,817,210	$ (137,393)
Receipts Over (Under) Expenditures	(70,204)		
Unencumbered Cash, Beginning	210,264		
Unencumbered Cash, Ending	$ 140,060		

See the independent auditor's report on regulatory required supplementary information.

Fire Station Projects
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Current Year Budget	Variance Over (Under)
Receipts			
Transfers In	$ 100,000	$ 100,000	$ -
Total Receipts	100,000	$ 100,000	$ -
Expenditures			
Contractual Services	70,435	$ 100,000	$ (29,565)
Total Expenditures	70,435	$ 100,000	$ (29,565)
Receipts Over (Under) Expenditures	29,565		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ 29,565		

See the independent auditor's report on regulatory required supplementary information.

University Park Sewer Replacement
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Current Year Budget	Variance Over (Under)
Receipts			
Temporary Note Proceeds	$ -	$ 2,357,000	$ (2,357,000)
Federal Grants	660,770	-	660,770
Total Receipts	660,770	$ 2,357,000	$ (1,696,230)
Expenditures			
Bond and Note Issuance Cost	36	$ -	$ 36
Temporary Note Principal	-	2,357,000	(2,357,000)
Temporary Note Interest	-	94,261	(94,261)
Design and Administration	111,605	-	111,605
Capital Outlay	795,935	-	795,935
Total Expenditures	907,576	$ 2,451,261	$ (1,543,685)
Receipts Over (Under) Expenditures	(246,806)		
Unencumbered Cash, Beginning	(367,669)		
Unencumbered Cash, Ending	$ (614,475) *		

* At December 31, 2017, the University Park Sewer Replacement Fund had an ending unencumbered cash balance of ($614,475). The County received a reimbursement from grant funds subsequent to year-end.

See the independent auditor's report on regulatory required supplementary information.

Fairmont Heights
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Transfers In	$ 11,000	$ 11,000	$ -
Total Receipts	11,000	$ 11,000	$ -
Expenditures			
Contractual Services	8,643	$ 11,000	$ (2,357)
Total Expenditures	8,643	$ 11,000	$ (2,357)
Receipts Over (Under) Expenditures	2,357		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ 2,357		

See the independent auditor's report on regulatory required supplementary information.

Expansion of University Park/Lakeside Heights
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Loan Proceeds	$ -	$ 262,100	$ (262,100)
Total Receipts	-	$ 262,100	$ (262,100)
Expenditures			
Improvements	-	$ 262,100	$ (262,100)
Total Expenditures	-	$ 262,100	$ (262,100)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

See the independent auditor's report on regulatory required supplementary information.

Emergency 911
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	$ 301,527	$ 255,000	$ 46,527
Interest	5,837	-	5,837
Transfers In	727	-	727
Total Receipts	308,091	$ 255,000	$ 53,091
Expenditures			
Contractual Services	122,710	$ 284,300	$ (161,590)
Capital Outlay	-	270,700	(270,700)
Total Expenditures	122,710	$ 555,000	$ (432,290)
Receipts Over (Under) Expenditures	185,381		
Unencumbered Cash, Beginning	720,356		
Unencumbered Cash, Ending	$ 905,737		

See the independent auditor's report on regulatory required supplementary information.

Solid Waste Disposal
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	$ 2,427,016	$ 2,217,875	$ 209,141
Other Income	26,483	25,964	519
Total Receipts	2,453,499	$ 2,243,839	$ 209,660
Expenditures			
Personnel Services	155,307	$ 146,171	$ 9,136
Employee Benefits	82,566	62,122	20,444
Commodities	93,766	54,800	38,966
Contractual Services	2,133,301	2,527,839	(394,538)
Capital Outlay	-	2,900	(2,900)
Miscellaneous	-	53,622	(53,622)
Total Expenditures	2,464,940	$ 2,847,454	$ (382,514)
Receipts Over (Under) Expenditures	(11,441)		
Unencumbered Cash, Beginning	603,615		
Unencumbered Cash, Ending	$ 592,174		

See the independent auditor's report on regulatory required supplementary information.

University Park Water and Sewer
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 9,810	$ 10,206	$ (396)
Delinquent Tax	297	-	297
Charges for Services	102,082	90,000	12,082
Special Collections	361	2,756	(2,395)
Other Income	87	-	87
Deposits	900	750	150
Total Receipts	113,537	$ 103,712	$ 9,825
Expenditures			
Commodities	27,333	$ 27,275	$ 58
Contractual Services	60,710	53,502	7,208
Capital Outlay	-	5,000	(5,000)
Transfers Out	20,000	33,362	(13,362)
Total Expenditures	108,043	$ 119,139	$ (11,096)
Receipts Over (Under) Expenditures	5,494		
Unencumbered Cash, Beginning	19,526		
Unencumbered Cash, Ending	$ 25,020		

See the independent auditor's report on regulatory required supplementary information.

University Park Water and Sewer Reserve
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 14,470	$ -	$ 14,470
Transfers In	20,000	33,362	(13,362)
Total Receipts	34,470	$ 33,362	$ 1,108
Expenditures			
Commodities	-	$ 10,000	$ (10,000)
Contractual Services	51,433	10,000	41,433
Capital Outlay	-	34,826	(34,826)
Total Expenditures	51,433	$ 54,826	$ (3,393)
Receipts Over (Under) Expenditures	(16,963)		
Unencumbered Cash, Beginning	71,879		
Unencumbered Cash, Ending	$ 54,916		

See the independent auditor's report on regulatory required supplementary information.

Hunter's Island Water District
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	$ 26,777	$ 29,000	$ (2,223)
Deposits	75	300	(225)
Total Receipts	26,852	$ 29,300	$ (2,448)
Expenditures			
Commodities	16,227	$ 15,255	$ 972
Contractual Services	14,012	18,112	(4,100)
Total Expenditures	30,239	$ 33,367	$ (3,128)
Receipts Over (Under) Expenditures	(3,387)		
Unencumbered Cash, Beginning	4,067		
Unencumbered Cash, Ending	$ 680		

See the independent auditor's report on regulatory required supplementary information.

Hunter's Island Water Reserve
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 1,132	$ 1,564	$ (432)
Total Receipts	1,132	$ 1,564	$ (432)
Expenditures			
Commodities	-	$ 3,000	$ (3,000)
Contractual Services	-	5,000	(5,000)
Capital Outlay	-	4,881	(4,881)
Total Expenditures	-	$ 12,881	$ (12,881)
Receipts Over (Under) Expenditures	1,132		
Unencumbered Cash, Beginning	20,099		
Unencumbered Cash, Ending	$ 21,231		

See the independent auditor's report on regulatory required supplementary information.

Carson Sewer Benefit District
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 3,933	$ 3,933	$ -
Charges for Services	29,353	23,519	5,834
Transfers In	10,000	10,000	-
Total Receipts	43,286	$ 37,452	$ 5,834
Expenditures			
Contractual Services	25,852	$ 46,356	$ (20,504)
Total Expenditures	25,852	$ 46,356	$ (20,504)
Receipts Over (Under) Expenditures	17,434		
Unencumbered Cash, Beginning	8,904		
Unencumbered Cash, Ending	$ 26,338		

See the independent auditor's report on regulatory required supplementary information.

Carson Sewer Reserve
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 3,656	$ -	$ 3,656
Total Receipts	3,656	$ -	$ 3,656
Expenditures			
Contractual Services	1,750	$ 2,191	$ (441)
Total Expenditures	1,750	$ 2,191	$ (441)
Receipts Over (Under) Expenditures	1,906		
Unencumbered Cash, Beginning	2,191		
Unencumbered Cash, Ending	$ 4,097		

See the independent auditor's report on regulatory required supplementary information.

Deep Creek Sewer
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	$ 5,148	$ -	$ 5,148
Special Assessments	-	5,500	(5,500)
Water/Sewer Deposits	150	150	-
Total Receipts	5,298	$ 5,650	$ (352)
Expenditures			
Commodities	-	$ 711	$ (711)
Contractual Services	4,828	6,035	(1,207)
Transfers Out	-	925	(925)
Total Expenditures	4,828	$ 7,671	$ (2,843)
Receipts Over (Under) Expenditures	470		
Unencumbered Cash, Beginning	8,253		
Unencumbered Cash, Ending	$ 8,723		

See the independent auditor's report on regulatory required supplementary information.

Deep Creek Reserve
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 1,913	$ 2,026	$ (113)
Transfers In	-	925	(925)
Total Receipts	1,913	$ 2,951	$ (1,038)
Expenditures			
Commodities	-	$ 3,240	$ (3,240)
Contractual Services	-	10,000	(10,000)
Capital Outlay	-	10,000	(10,000)
Total Expenditures	-	$ 23,240	$ (23,240)
Receipts Over (Under) Expenditures	1,913		
Unencumbered Cash, Beginning	26,366		
Unencumbered Cash, Ending	$ 28,279		

See the independent auditor's report on regulatory required supplementary information.

Moehlman Bottoms Water District
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	$ 11,624	$ 15,700	$ (4,076)
Miscellaneous Collections	-	75	(75)
Total Receipts	11,624	$ 15,775	$ (4,151)
Expenditures			
Commodities	5,933	$ 7,050	$ (1,117)
Contractual Services	6,772	7,575	(803)
Transfer Out	-	4,857	(4,857)
Total Expenditures	12,705	$ 19,482	$ (6,777)
Receipts Over (Under) Expenditures	(1,081)		
Unencumbered Cash, Beginning	9,417		
Unencumbered Cash, Ending	$ 8,336		

See the independent auditor's report on regulatory required supplementary information.

Moehlman Bottoms Reserve
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 945	$ 800	$ 145
Transfers In	-	4,857	(4,857)
Total Receipts	945	$ 5,657	$ (4,712)
Expenditures			
Commodities	-	$ 2,000	$ (2,000)
Contractual Services	-	7,107	(7,107)
Capital Outlay	-	3,089	(3,089)
Total Expenditures	-	$ 12,196	$ (12,196)
Receipts Over (Under) Expenditures	945		
Unencumbered Cash, Beginning	3,894		
Unencumbered Cash, Ending	$ 4,839		

See the independent auditor's report on regulatory required supplementary information.

Valleywood Operations
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 20,126	$ 22,708	$ (2,582)
Delinquent Tax	181	-	181
Miscellaneous Collections	240	-	240
Total Receipts	20,547	$ 22,708	$ (2,161)
Expenditures			
Commodities	256	$ 730	$ (474)
Contractual Services	4,160	7,200	(3,040)
Capital Outlay	-	500	(500)
Transfers Out	40,000	44,326	(4,326)
Total Expenditures	44,416	$ 52,756	$ (8,340)
Receipts Over (Under) Expenditures	(23,869)		
Unencumbered Cash, Beginning	53,068		
Unencumbered Cash, Ending	$ 29,199		

See the independent auditor's report on regulatory required supplementary information.

Valleywood Operations Reserve
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ -	$ -	$ -
Transfers In	40,000	44,326	(4,326)
Total Receipts	40,000	$ 44,326	$ (4,326)
Expenditures			
Commodities	-	$ 20,000	$ (20,000)
Contractual Services	19,477	20,000	(523)
Capital Outlay	-	28,749	(28,749)
Total Expenditures	19,477	$ 68,749	$ (49,272)
Receipts Over (Under) Expenditures	20,523		
Unencumbered Cash, Beginning	34,311		
Unencumbered Cash, Ending	$ 54,834		

See the independent auditor's report on regulatory required supplementary information.

Terra Heights Sewer
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 5,037	$ 5,056	$ (19)
Charges for Services	17,994	20,000	(2,006)
Deposits	300	150	150
Total Receipts	23,331	$ 25,206	$ (1,875)
Expenditures			
Commodities	-	$ 1,300	$ (1,300)
Contractual Services	10,333	14,322	(3,989)
Capital Outlay	-	-	-
Transfers Out	10,000	11,122	(1,122)
Total Expenditures	20,333	$ 26,744	$ (6,411)
Receipts Over (Under) Expenditures	2,998		
Unencumbered Cash, Beginning	17,997		
Unencumbered Cash, Ending	$ 20,995		

See the independent auditor's report on regulatory required supplementary information.

Terra Heights Sewer Sinking
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 12,685	$ 12,900	$ (215)
Transfers In	10,000	11,122	(1,122)
Total Receipts	22,685	$ 24,022	$ (1,337)
Expenditures			
Commodities	-	$ 15,000	$ (15,000)
Contractual Services	12,261	15,000	(2,739)
Capital Outlay	-	51,833	(51,833)
Total Expenditures	12,261	$ 81,833	$ (69,572)
Receipts Over (Under) Expenditures	10,424		
Unencumbered Cash, Beginning	68,683		
Unencumbered Cash, Ending	$ 79,107		

See the independent auditor's report on regulatory required supplementary information.

Konza Water District
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	$ 87,449	$ 79,500	$ 7,949
Customer Deposits	900	700	200
Total Receipts	88,349	$ 80,200	$ 8,149
Expenditures			
Commodities	32,767	$ 28,205	$ 4,562
Contractual Services	39,280	56,925	(17,645)
Transfers Out	25,000	28,215	(3,215)
Total Expenditures	97,047	$ 113,345	$ (16,298)
Receipts Over (Under) Expenditures	(8,698)		
Unencumbered Cash, Beginning	40,450		
Unencumbered Cash, Ending	$ 31,752		

See the independent auditor's report on regulatory required supplementary information.

Konza Water Reserve
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Connection Fee	$ -	$ -	$ -
Transfers In	25,000	28,215	(3,215)
Total Receipts	25,000	$ 28,215	$ (3,215)
Expenditures			
Commodities	-	$ 23,638	$ (23,638)
Contractual Services	8,574	30,000	(21,426)
Capital Outlay	-	50,000	(50,000)
Total Expenditures	8,574	$ 103,638	$ (95,064)
Receipts Over (Under) Expenditures	16,426		
Unencumbered Cash, Beginning	169,459		
Unencumbered Cash, Ending	$ 185,885		

See the independent auditor's report on regulatory required supplementary information.

Lakeside Heights Sewer
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 710	$ 710	$ -
Total Receipts	710	$ 710	$ -
Expenditures			
Contractual Services	647	$ 1,106	$ (459)
Total Expenditures	647	$ 1,106	$ (459)
Receipts Over (Under) Expenditures	63		
Unencumbered Cash, Beginning	717		
Unencumbered Cash, Ending	$ 780		

See the independent auditor's report on regulatory required supplementary information.

Lakeside Heights Sewer Reserve
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ 5,735	$ 720	$ 5,015
Transfers In	-	-	-
Total Receipts	5,735	$ 720	$ 5,015
Expenditures			
Capital Outlay	-	$ 6,008	$ (6,008)
Total Expenditures	-	$ 6,008	$ (6,008)
Receipts Over (Under) Expenditures	5,735		
Unencumbered Cash, Beginning	7,196		
Unencumbered Cash, Ending	$ 12,931		

See the independent auditor's report on regulatory required supplementary information.

Mertz/McGehee Drainage
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous Collections	$ -	$ -	$ -
Total Receipts	-	$ -	$ -
Expenditures			
Contractual Services	-	$ 6,183	$ (6,183)
Total Expenditures	-	$ 6,183	$ (6,183)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	6,183		
Unencumbered Cash, Ending	$ 6,183		

See the independent auditor's report on regulatory required supplementary information.

Summary of Receipts and Disbursements – Agency Funds
Regulatory Basis
For the Year Ended December 31, 2017

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Distributable Funds:				
Ad Valorem Property Tax	$ 47,252,647	$ 86,815,352	$ 84,793,403	$ 49,274,596
Special Assessments Subdivisions	3,735,744	6,729,950	6,706,028	3,759,666
Special Assessments County	74,544	3,006	8,169	69,381
Motor Vehicle Tax	1,288,829	6,493,237	6,430,666	1,351,400
Real Estate Redemption	444,352	869,791	1,064,920	249,223
Advance Tax	-	5,371	5,371	-
Tax Sale	70,922	(61,220)	9,702	-
Special Delinquent Ad Valorem	5,570	105,273	106,246	4,597
City County Highway Tax	-	1,509,701	1,509,701	-
Vehicle Rental Excise Tax	52,493	111,027	109,045	54,475
Commercial Vehicle Tax	10,827	1,850,864	1,851,024	10,667
Recreational Vehicle Tax	9,736	58,109	58,454	9,391
Watercraft Tax	22,452	33,435	31,342	24,545
16/20 Truck Tax	25,975	38,011	37,741	26,245
Total Distributable Funds	52,994,091	104,561,907	102,721,812	54,834,186
State Funds:				
Educational Building	-	685,033	685,033	-
Institutional Building	-	342,516	342,516	-
Vehicle Registrations	-	2,209,362	2,209,362	-
Game Licenses	79	8,732	8,657	154
Total State Funds	79	3,245,643	3,245,568	154
Subdivision Funds:				
School Districts	17	35,062,336	35,062,353	-
Townships	-	975,372	975,372	-
Cities	-	28,546,703	28,546,703	-
Cemeteries	89	70,119	70,082	126
NCK Library System	-	204,317	204,317	-
Mill Creek Watershed	-	70	70	-
Total Subdivision Funds	106	64,858,917	64,858,897	126
Other Funds:				
Riley County Police Department	2,069,678	20,599,040	20,666,315	2,002,403
Motor Vehicle Holding	20,021	8,828	1,400	27,449
Long & Short Accounts	25,234	2,027	598	26,663
Tax Holding	67,393	764,352	752,473	79,272
Drivers License	1,223	117,256	117,376	1,103
Sales and Compensating Tax	163,829	2,066,651	2,092,536	137,944
University Park Improvement District	7,727	13,959	14,788	6,898
Flex Spending Account	12,224	73,938	71,227	14,935
Law Library	59,184	45,237	40,574	63,847
District Court	274,030	2,088,869	2,263,670	99,229
Riley County Attorney's Trust	15,658	166,369	162,976	19,051
Total Other Funds	2,716,201	25,946,526	26,183,933	2,478,794
Total	$ 55,710,477	$ 198,612,993	$ 197,010,210	$ 57,313,260

See the independent auditor's report on regulatory required supplementary information.

Single Audit Section

Riley County, Kansas

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
Department of Agriculture		
Passed Through Kansas Department of Health and Environment		
Food and Nutrition Program		
Special Supplements Nutrition Program for Women, Infants and Children	10.557	$ 669,418
Rural Utilities Service		
Water and Waste Disposal Systems for Rural Communities	10.760	907,576
Total Department of Agriculture		1,576,994
Department of Health and Human Services		
Passed Through Kansas Department of Health and Environment		
Centers for Disease Control and Prevention		
Public Health Emergency Preparedness	93.069	111,172
Immunization Cooperative Agreements	93.268	4,019
Early Detection Works	93.283	347
Office of Population Affairs		
Family Planning Services	93.217	137,080
Administration for Children and Families		
Child Care and Development Block Grant	93.575	54,373
Centers for Medicare and Medicaid Services		
Medical Assistance Program	93.778	212,000
Health Resources and Service Administration		
Maternal and Child Health Services Block Grant to the States	93.994	45,071
Total Department of Health and Human Services		564,062
Department of Interior		
Office of the Secretary		
Payments In Lieu of Taxes (PILT)	15.226	36,192
Department of Homeland Security		
Passed Through Kansas Department of Emergency Management		
Emergency Management Performance Grant (EMPG)	97.042	30,796
Total		$ 2,208,044

See independent auditor's report on the financial statement and notes to the schedule of expenditures of federal awards.

Riley County, Kansas

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

1. General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal financial assistance programs of Riley County, Kansas (the County). The reporting entity is defined in Note 1(c) of the County basic financial statement. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the Schedule.

2. Basis of Presentation

The accompanying Schedule is presented using the regulatory basis of accounting, which is described in Note 1(c) of the County's basic financial statement. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

The County did not elect to use the 10% de minimis cost rate.

Riley County, Kansas

Schedule of Findings and Questioned Costs
December 31, 2017

Section I – Summary of Independent Auditor's Results

Financial Statement

Type of auditor's report issued:	**Unmodified (Regulatory Basis)** **Adverse (GAAP)**
Internal control over financial reporting:	
Material weakness(es) identified?	**No**
Significant deficiencies identified?	**None Reported**
Noncompliance material to financial statement noted?	**No**

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	**No**
Significant deficiencies identified?	**None Reported**
Type of auditor's report issued on compliance for major programs:	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	**No**

Identification of Major Federal Programs:

CFDA Number	Name of Federal Program or Cluster
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between type A and type B programs:	**$ 750,000**
Auditee qualified as low-risk auditee?	**No**

Section II – Financial Statement Findings

None

Section III – Finding and Questioned Costs – Major Federal Award Programs

None

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Riley County, Kansas

We have audited, in accordance with the 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, the financial statement, Summary Statement of Receipts, Expenditures, and Unencumbered Cash of Riley County, Kansas (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statement, which collectively comprise the County's basic financial statement, and have issued our report thereon dated June 25, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.
Manhattan, Kansas
June 25, 2018

JAMES GORDON & ASSOCIATES CPA, P.A.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
Riley County, Kansas

Report on Compliance for Each Major Federal Program

We have audited Riley County, Kansas's (the County) compliance with the types of compliance requirements described in the *OMB 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, 2017. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.
Manhattan, Kansas
June 25, 2018