

LIBERAL  
J.H. HAY, CPA  
STEPHEN G. RICE, CPA  
CRAIG HAY, CPA  
DUSTIN ORMISTON, CPA  
RODNEY K. HAY, CPA

21 PLAZA DRIVE  
P.O. BOX 2707  
LIBERAL, KS 67905-2707  
(620) 624-8471  
FAX (620) 624-9260  
HRA@hayrice.com

The Board of County Commissioners  
Meade County, Kansas

In planning and performing our audit of the financial statements of Meade County, Kansas, as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Meade County, Kansas' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meade County, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of Meade County, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

- 1) Contrary to the provisions of K.S.A. 10-117 and K.S.A. 79-2934, encumbrance and unencumbered cash records were not maintained.
- 2) Adjusting journal entries were required in order to reflect the proper balance in each fund.
- 3) Our firm assisted the County in preparing the financial statements and the footnotes for the year ended December 31, 2010.

This communication is intended solely for the information and use of the management of Meade County, Kansas, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Hay·Rice & Associates, Chartered*

June 21, 2011

LIBERAL

J.H. HAY, CPA  
STEPHEN G. RICE, CPA  
CRAIG HAY, CPA  
DUSTIN ORMISTON, CPA  
RODNEY K. HAY, CPA

21 PLAZA DRIVE  
P.O. BOX 2707  
LIBERAL, KS 67905-2707  
(620) 624-8471  
FAX (620) 624-9260  
HRA@hayrice.com

The Board of County Commissioners  
Meade County, Kansas

We have audited the financial statements of Meade County, Kansas for the year ended December 31, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated November 8, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Meade County, Kansas are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

The Board of County Commissioners  
Meade County, Kansas

Page 2

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 21, 2011.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of County Commissioners and management of Meade County, Kansas and is not intended to be and should not be used by anyone other than these specified parties.

*Hay•Rice & Associates, Chartered*

June 21, 2011

MEADE COUNTY, KANSAS  
Meade, Kansas

FINANCIAL STATEMENTS  
For the year ended December 31, 2010

MEADE COUNTY, KANSAS  
FINANCIAL STATEMENTS  
For the year ended December 31, 2010

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1
<u>Statement 1</u>	
Summary of Cash Receipts, Expenditures and Unencumbered Cash	3
<u>Statement 2</u>	
Summary of Expenditures – Actual and Budget	5
<u>Statements of Cash Receipts, Expenditures and Changes in Unencumbered Cash – Actual and Budget</u>	
Statement 3-1: General Fund	7
Statement 3-2: Road and Bridge Fund	9
Statement 3-3: Special Bridge Building Fund	11
Statement 3-4: Direct Election Expense Fund	12
Statement 3-5: Rural Fire Fund	13
Statement 3-6: Ambulance Fund	14
Statement 3-7: Appraiser's Cost Fund	15
Statement 3-8: Noxious Weed Fund	16
Statement 3-9: Employees' Benefits Fund	18
Statement 3-10: Special Alcohol and Drug Abuse Fund	19
Statement 3-11: County Building Fund	20
Statement 3-12: County Health Fund	21
Statement 3-13: Economic Development Fund	22
Statement 3-14: Meade County Utility Fund	23
<u>Statements of Cash Receipts, Expenditures and Changes in Unencumbered Cash – Actual</u>	
Statement 3-15: Special Highway Improvement Fund	25
Statement 3-16: Rural Fire Equipment Fund	26
Statement 3-17: 911 Fund	27
Statement 3-18: Road and Bridge Special Equipment Fund	28
Statement 3-19: Special Ambulance Equipment Fund	29
Statement 3-20: Special Noxious Weed Fund	30
Statement 3-21: Prosecutor's Training Fund	31

MEADE COUNTY, KANSAS  
FINANCIAL STATEMENTS  
For the year ended December 31, 2010

TABLE OF CONTENTS  
(Continued)

	<u>Page Number</u>
<u>Statements of Cash Receipts, Expenditures and Changes in Unencumbered Cash – Actual (Continued)</u>	
Statement 3-22: Treasurer's Special Auto Fund	32
Statement 3-23: County Attorney Diversion Fund	33
Statement 3-24: Drug Prosecutor Fund	34
Statement 3-25: CDBG Grant Fund	35
Statement 3-26: Law Library Fund	36
Statement 3-27: County Attorney Bad Check Fund	37
<u>Statement 4</u>	
Statement of Cash Receipts and Cash Disbursements – Agency Funds	38
Notes to Financial Statements	39
<u>SUPPLEMENTAL SCHEDULES</u>	
<u>Schedule 1</u>	
General Fund Departmental Expenditures Compared with Budget Estimates	53
<u>Schedule 2</u>	
Schedule of Idle Fund Investments	56
<u>Schedule 3</u>	
Reconciliation of 2009 Tax Roll	57

MEADE COUNTY, KANSAS

FINANCIAL SECTION

LIBERAL  
J.H. HAY, CPA  
STEPHEN G. RICE, CPA  
CRAIG HAY, CPA  
DUSTIN ORMISTON, CPA  
RODNEY K. HAY, CPA

21 PLAZA DRIVE  
P.O. BOX 2707  
LIBERAL, KS 67905-2707  
(620) 624-8471  
FAX (620) 624-9260  
HRA@hayrice.com

INDEPENDENT AUDITOR'S REPORT

The Board of County Commissioners  
Meade County, Kansas

We have audited the accompanying financial statements of Meade County, Kansas, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of Meade County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, Meade County, Kansas has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Meade County, Kansas, as of December 31, 2010, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, Meade County, Kansas has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The Board of County Commissioners  
Meade County, Kansas

Page 2

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

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements of Meade County, Kansas taken as a whole. The supplemental schedules shown on pages 53 through 57 are presented for purposes of additional analysis and are not a required part of the primary government financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounts and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

*Hay•Rice & Associates, Chartered*

June 21, 2011

MEADE COUNTY, KANSAS

Statement 1

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the year ended December 31, 2010

Funds	Beginning	Cash	Expenditures	Ending	Add	Ending
	Unencumbered			Unencumbered	Outstanding	
	Cash	Cash		Cash	Encumbrances	Cash
	Balance	Receipts		Balance	& Accounts	Balance
					Payable	
Governmental Fund Types:						
General Fund	\$1,253,254	\$2,130,090	\$2,498,543	\$ 884,801	\$ 57,069	\$ 941,870
Special Revenue Funds:						
Road and Bridge	6,043	1,593,632	1,518,894	80,781	31,943	112,724
Special Bridge Building	612,267	143	4,470	607,940	-	607,940
Direct Election	28,357	34,661	31,026	31,992	-	31,992
Rural Fire	102,473	274,443	348,821	28,095	1,981	30,076
Ambulance	39,031	217,843	213,717	43,157	5,845	49,002
Appraiser's Cost	134,282	183,092	210,774	106,600	2,791	109,391
Noxious Weed	5,420	229,876	227,338	7,958	1,452	9,410
Employees' Benefits	284,254	1,693,950	1,366,403	611,801	2,413	614,214
Special Alcohol and Drug	6,032	2,328	900	7,460	-	7,460
County Building	849,610	229,011	73,984	1,004,637	210	1,004,847
County Health	60,355	420,928	368,066	113,217	6,616	119,833
Economic Development	2,573	83,297	83,354	2,516	385	2,901
Special Highway Improvement	81,353	70,000	55,960	95,393	-	95,393
Rural Fire Equipment	38,398	-	-	38,398	-	38,398
911 Fund	56,067	31,130	41,530	45,667	14,560	60,227
Road and Bridge Special Equipment	146,891	70,000	109,918	106,973	-	106,973
Special Ambulance Equipment	38,217	29,751	7,402	60,566	1,905	62,471
Special Noxious Weed Equipment	6,863	5,000	-	11,863	-	11,863
Proprietary Type Funds – Enterprise Funds – Meade Co. Utility	75,694	319,918	311,780	83,832	1,340	85,172
Expendable Trust Funds:						
Prosecutor's Training	924	930	455	1,399	-	1,399
Treasurer's Special Auto	-	55,855	55,855	-	-	-
County Attorney Diversion	8,675	11,622	7,573	12,724	36	12,760
Drug Prosecutor Fund	2,348	-	-	2,348	-	2,348
CDBG Grant	850	-	-	850	-	850
County Attorney Bad Check	3,786	-	-	3,786	-	3,786
Law Library	40,619	4,888	7,194	38,313	-	38,313
Total Reporting Entity (Excluding Agency Funds)	<u>\$3,884,636</u>	<u>\$7,692,388</u>	<u>\$7,543,957</u>	<u>\$4,033,067</u>	<u>\$128,546</u>	<u>\$4,161,613</u>

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

MEADE COUNTY, KANSAS

Statement 1  
(Continued)

SUMMARY OF CASH RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
December 31, 2010

Composition of Cash:

Primary Government:		
County Treasurer:		
Cash on hand	\$ 26,893	
Cash in Fowler State Bank	9,674,693	
Time Deposits:		
Plains State Bank	<u>2,000,000</u>	\$11,701,586
District Court:		
Cash in Meade State Bank		57,814
Register of Deeds:		
Cash in Fowler State Bank		7,409
Law Library:		
Cash in Meade State Bank		<u>38,313</u>
Total Cash		\$11,805,122
Agency Funds per Statement 4		<u>7,643,509</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 4,161,613</u>

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

MEADE COUNTY, KANSAS

Statement 2

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET

For the year ended December 31, 2010

<u>Funds</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavor.)</u>
Governmental Type Funds:			
General Fund	\$3,134,842	\$2,498,543	\$636,299
Special Revenue Funds:			
Road and Bridge	1,525,000	1,518,894	6,106
Special Bridge Building	611,700	4,470	607,230
Direct Election	40,500	31,026	9,474
Rural Fire	366,444	348,821	17,623
Ambulance	285,000	213,717	71,283
Appraiser's Cost	270,000	210,774	59,226
Noxious Weed	251,461	227,338	24,123
Employees' Benefits	1,589,000	1,366,403	222,597
Special Alcohol and Drug	11,000	900	10,100
County Building	1,048,500	73,984	974,516
County Health	433,766	368,066	65,700
Economic Development	85,000	83,354	1,646
Proprietary Type Funds:			
Enterprise Funds:			
Meade County Utility	350,000	311,780	38,220

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

MEADE COUNTY, KANSAS

Statement 3

STATEMENTS OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

MEADE COUNTY, KANSAS

Statement 3-1

GENERAL FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010

(with comparative actual totals for the prior year ended December 31, 2009)

<u>Cash Receipts</u>	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
Taxes:				
Ad valorem property tax	\$ 918,645	\$ 891,746	\$ 26,899	\$1,050,220
Delinquent real estate and property taxes	7,418	3,000	4,418	10,724
Intangibles tax	25,064	20,000	5,064	23,802
Interest on back taxes	24,056	12,500	11,556	15,281
Motor vehicle tax	43,363	47,485	(4,122)	55,950
Total taxes	<u>\$1,018,546</u>	<u>\$ 974,731</u>	<u>\$ 43,815</u>	<u>\$1,155,977</u>
Intergovernmental:				
Law enforcement	\$ 416,955	\$ 400,000	\$ 16,955	\$ 543,965
Severance tax	37,281	60,000	(22,719)	50,696
Local sales tax	307,053	300,000	7,053	302,987
Total intergovernmental	<u>\$ 761,289</u>	<u>\$ 760,000</u>	<u>\$ 1,289</u>	<u>\$ 897,648</u>
Licenses, Permits and Fees:				
Cereal malt beverage license	\$ 50	\$ -	\$ 50	\$ 50
Mortgage registration fees	50,414	30,000	20,414	40,277
Officers' fees	89,150	70,000	19,150	97,164
Motor vehicle registration	24,221	20,000	4,221	26,941
Filing fee	36	-	36	140
Register of Deeds Tech Fund	7,985	-	7,985	8,376
Game license and park fees	156	-	156	124
Total licenses, permits and fees	<u>\$ 172,012</u>	<u>\$ 120,000</u>	<u>\$ 52,012</u>	<u>\$ 173,072</u>
Use of Money and Property:				
Interest on time deposits	\$ 108,990	\$ 180,000	\$ (71,010)	\$ 164,761
Other:				
Charges – Landfill	\$ 13,231	\$ 10,000	\$ 3,231	\$ 8,316
Reimbursed expense	2,804	-	2,804	29,574
Miscellaneous	53,218	25,000	28,218	64,874
Total other	<u>\$ 69,253</u>	<u>\$ 35,000</u>	<u>\$ 34,253</u>	<u>\$ 102,764</u>
Total cash receipts	<u>\$2,130,090</u>	<u>\$2,069,731</u>	<u>\$ 60,359</u>	<u>\$2,494,222</u>

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

MEADE COUNTY, KANSAS

Statement 3-1  
(Continued)

GENERAL FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Expenditures and Transfers</u>				
<u>Subject to Budget (Schedule 1)</u>				
General Government:				
County Commissioners	\$ 51,077	\$ 54,000	\$ 2,923	\$ 53,194
County Clerk	92,867	102,500	9,633	92,862
County Treasurer	112,983	116,500	3,517	111,092
County Attorney	72,243	86,500	14,257	79,294
Register of Deeds	72,693	78,500	5,807	71,062
Clerk of District Court	56,628	67,400	10,772	42,992
Courthouse General	383,826	728,000	344,174	337,292
Public Safety:				
Sheriff	517,211	620,000	102,789	548,957
Jail	630,562	691,672	61,110	646,172
Juvenile Detention	-	4,971	4,971	-
Emergency Preparedness	19,478	12,500	(6,978)	40,897
Environmental:				
Solid waste	99,376	134,000	34,624	136,789
Appropriations	<u>389,599</u>	<u>438,299</u>	<u>48,700</u>	<u>401,525</u>
Total expenditures and transfers subject to budget	<u>\$2,498,543</u>	<u>\$3,134,842</u>	<u>\$636,299</u>	<u>\$2,562,128</u>
Receipts over (under) expenditures	\$ (368,453)			\$ (67,906)
Unencumbered Cash, Beginning	<u>1,253,254</u>			<u>1,321,160</u>
Unencumbered Cash, Ending	<u>\$ 884,801</u>			<u>\$1,253,254</u>

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

MEADE COUNTY, KANSAS

Statement 3-2

ROAD AND BRIDGE FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance Favorable (Unfavor.)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$ 972,353	\$ 949,439	\$ 22,914	\$ 912,598
Delinquent real estate and property taxes	5,562	3,000	2,562	8,261
Motor vehicle tax	<u>35,885</u>	<u>41,411</u>	<u>(5,526)</u>	<u>37,107</u>
Total taxes	<u>\$1,013,800</u>	<u>\$ 993,850</u>	<u>\$ 19,950</u>	<u>\$ 957,966</u>
Intergovernmental:				
County Equalization	\$ 6,523	\$ 6,150	\$ 373	\$ 8,259
Special City and County Highway Fund	<u>263,206</u>	<u>225,000</u>	<u>38,206</u>	<u>242,168</u>
Total intergovernmental	<u>\$ 269,729</u>	<u>\$ 231,150</u>	<u>\$ 38,579</u>	<u>\$ 250,427</u>
Reimbursements:				
Other	<u>\$ 310,103</u>	<u>\$ 300,000</u>	<u>\$ 10,103</u>	<u>\$ 316,414</u>
Total cash receipts	<u>\$1,593,632</u>	<u>\$1,525,000</u>	<u>\$ 68,632</u>	<u>\$1,524,807</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Transportation – Highways:				
Maintenance:				
Personal services	\$ 563,192	\$ 650,000	\$ 86,808	\$ 570,806
Contractual services	131,709	150,000	18,291	363,007
Commodities	640,333	725,000	84,667	495,184
Capital outlay	43,660	-	(43,660)	40,160
Transfers:				
Special Highway Improvement Fund	70,000	-	(70,000)	50,000
Road and Bridge Special Equipment	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>	<u>50,000</u>

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

MEADE COUNTY, KANSAS

Statement 3-2  
(Continued)

ROAD AND BRIDGE FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010

(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
Total expenditures and transfers subject to budget	\$ <u>1,518,894</u>	\$ <u>1,525,000</u>	\$ <u>6,106</u>	\$ <u>1,569,157</u>
Receipts and over (under) expenditures	\$ 74,738			\$ (44,350)
Unencumbered Cash, Beginning	<u>6,043</u>			<u>50,393</u>
Unencumbered Cash, Ending	\$ <u>80,781</u>			\$ <u>6,043</u>

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

MEADE COUNTY, KANSAS

Statement 3-3

SPECIAL BRIDGE BUILDING FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$ -	\$ -	\$ -	\$ 24
Delinquent real estate and property taxes	143	8	135	112
Motor vehicle tax	-	-	-	705
Total cash receipts	\$ 143	\$ 8	\$ 135	\$ 841
<u>Expenditures and Transfers Subject to Budget</u>				
Transportation – Highways:				
Bridge maintenance	4,470	\$611,700	\$607,230	700
Receipts over (under) expenditures	\$ (4,327)			\$ 141
Unencumbered Cash, Beginning	612,267			612,126
Unencumbered Cash, Ending	\$607,940			\$612,267

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

MEADE COUNTY, KANSAS

Statement 3-4

DIRECT ELECTION EXPENSE FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
 (with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance Favorable (Unfavor.)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$ 33,238	\$ 33,373	\$ (135)	\$ 29,378
Delinquent real estate and property taxes	200	100	100	286
Motor vehicle tax	<u>1,216</u>	<u>1,330</u>	<u>(114)</u>	<u>1,469</u>
Total taxes	\$ 34,654	\$ 34,803	\$ (149)	\$ 31,133
Other	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>
Total cash receipts	\$ <u>34,661</u>	\$ <u>34,803</u>	\$ <u>(142)</u>	\$ <u>31,133</u>
<u>Expenditures and Transfers Subject to Budget</u>				
General Government:				
Personal services	\$ 7,236	\$ 8,500	\$ 1,264	\$ 7,100
Contractual services	13,075	25,000	11,925	9,057
Commodities	8,703	2,000	(6,703)	270
Capital outlay	<u>2,012</u>	<u>5,000</u>	<u>2,988</u>	<u>-</u>
Total expenditures and transfers subject to budget	\$ <u>31,026</u>	\$ <u>40,500</u>	\$ <u>9,474</u>	\$ <u>16,427</u>
Receipts over (under) expenditures	\$ 3,635			\$ 14,706
Unencumbered Cash, Beginning	<u>28,357</u>			<u>13,651</u>
Unencumbered Cash, Ending	\$ <u>31,992</u>			\$ <u>28,357</u>

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

MEADE COUNTY, KANSAS

Statement 3-5

RURAL FIRE FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010

(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$198,042	\$197,353	\$ 689	\$193,952
Delinquent real estate and property taxes	476	250	226	1,588
Motor vehicle tax	<u>3,584</u>	<u>4,617</u>	<u>(1,033)</u>	<u>4,027</u>
Total taxes	<u>\$202,102</u>	<u>\$202,220</u>	<u>\$ (118)</u>	<u>\$199,567</u>
Other:				
Grant	\$ 70,455	-	\$ 70,455	\$ 15,875
Reimbursements	<u>1,886</u>	<u>-</u>	<u>1,886</u>	<u>1,668</u>
Total other	<u>\$ 72,341</u>	<u>-</u>	<u>\$ 72,341</u>	<u>\$ 17,543</u>
Total cash receipts	<u>\$274,443</u>	<u>\$202,220</u>	<u>\$ 72,223</u>	<u>\$217,110</u>
<u>Expenditures and Transfers Subject to Budget</u>				
Public Safety – Fire:				
Personal services	\$ 29,522	\$ 27,500	\$ (2,022)	\$ 23,246
Contractual services	21,945	35,000	13,055	17,725
Commodities	17,568	35,000	17,432	12,768
Capital outlay	279,786	200,000	(79,786)	120,938
Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,257</u>
Total expenditures and transfers subject to budget	\$348,821	\$297,500	\$ (51,321)	\$211,934
<u>Expenditures and Transfers not Subject to Budget</u>				
Credit for grants	<u>-</u>	<u>68,944</u>	<u>68,944</u>	<u>-</u>
Total expenditures and transfers	<u>\$348,821</u>	<u>\$366,444</u>	<u>\$ 17,623</u>	<u>\$211,934</u>
Receipts over (under) expenditures	\$ (74,378)			\$ 5,176
Unencumbered Cash, Beginning	<u>102,473</u>			<u>97,297</u>
Unencumbered Cash, Ending	<u>\$ 28,095</u>			<u>\$102,473</u>

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

MEADE COUNTY, KANSAS

Statement 3-6

AMBULANCE FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$115,008	\$115,488	\$ (480)	\$114,703
Delinquent real estate and property taxes	722	250	472	1,078
Motor vehicle tax	<u>4,637</u>	<u>5,201</u>	<u>(564)</u>	<u>5,222</u>
Total taxes	\$120,367	\$120,939	\$ (572)	\$121,003
Charges for ambulance runs	97,289	133,000	(35,711)	145,151
Reimbursement	<u>187</u>	<u>-</u>	<u>187</u>	<u>3,109</u>
 Total cash receipts	 <u>\$217,843</u>	 <u>\$253,939</u>	 <u>\$ (36,096)</u>	 <u>\$269,263</u>
 <u>Expenditures and Transfers Subject to Budget</u>				
Health:				
Personal services	\$109,335	\$145,000	\$ 35,665	\$136,816
Contractual services	43,124	45,000	1,876	50,376
Commodities	23,215	35,000	11,785	29,150
Capital outlay	18,043	60,000	41,957	24,728
Transfer:				
Ambulance Equipment Fund	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>28,000</u>
 Total expenditures and transfers subject to budget	 <u>\$213,717</u>	 <u>\$285,000</u>	 <u>\$ 71,283</u>	 <u>\$269,070</u>
 Receipts over (under) expenditures	 \$ 4,126			 \$ 193
 Unencumbered Cash, Beginning	 <u>39,031</u>			 <u>38,838</u>
 Unencumbered Cash, Ending	 <u>\$ 43,157</u>			 <u>\$ 39,031</u>

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

MEADE COUNTY, KANSAS

Statement 3-7

APPRAISER'S COST FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$172,675	\$173,398	\$ (723)	\$174,254
Delinquent real estate and property taxes	1,135	350	785	1,670
Motor vehicle tax	<u>7,128</u>	<u>7,900</u>	<u>(772)</u>	<u>8,325</u>
Total taxes	<u>\$180,938</u>	<u>\$181,648</u>	<u>\$ (710)</u>	<u>\$184,249</u>
Other:				
Charges for services	\$ 1,455	\$ 1,000	\$ 455	\$ 2,123
Miscellaneous	<u>699</u>	<u>-</u>	<u>699</u>	<u>318</u>
Total other	<u>\$ 2,154</u>	<u>\$ 1,000</u>	<u>\$ 1,154</u>	<u>\$ 2,441</u>
Total cash receipts	<u>\$183,092</u>	<u>\$182,648</u>	<u>\$ 444</u>	<u>\$186,690</u>
<u>Expenditures and Transfers Subject to Budget</u>				
General Government:				
Personal services	\$ 99,860	\$120,000	\$ 20,140	\$110,069
Contractual services	43,810	45,000	1,190	41,857
Commodities	5,979	5,000	(979)	4,639
Capital outlay	<u>61,125</u>	<u>100,000</u>	<u>38,875</u>	<u>6,600</u>
Total expenditures and transfers subject to budget	<u>\$210,774</u>	<u>\$270,000</u>	<u>\$ 59,226</u>	<u>\$163,165</u>
Receipts over (under) expenditures	\$ (27,682)			\$ 23,525
Unencumbered Cash, Beginning	<u>134,282</u>			<u>110,757</u>
Unencumbered Cash, Ending	<u>\$106,600</u>			<u>\$134,282</u>

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

MEADE COUNTY, KANSAS

Statement 3-8

NOXIOUS WEED FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
 (with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$ 99,553	\$100,085	\$ (532)	\$ 97,018
Delinquent real estate and property taxes	608	500	108	897
Motor vehicle tax	<u>3,859</u>	<u>4,399</u>	<u>(540)</u>	<u>4,165</u>
Total taxes	\$104,020	\$104,984	\$ (964)	\$102,080
Charges for Services:				
Reimbursement for labor	14,120	-	14,120	18,231
Other reimbursements	30,217	-	30,217	3,195
Sale of chemicals and treatment of noxious weeds	<u>81,519</u>	<u>25,000</u>	<u>56,519</u>	<u>100,035</u>
Total cash receipts	<u>\$229,876</u>	<u>\$129,984</u>	<u>\$ 99,892</u>	<u>\$223,541</u>
<u>Expenditures and Transfers Subject to Budget</u>				
Natural Resources:				
Personal services	\$ 93,669	\$ 85,000	\$ (8,669)	\$ 92,621
Contractual services	14,072	8,000	(6,072)	8,923
Commodities	111,557	35,000	(76,557)	115,805
Capital outlay	3,040	2,000	(1,040)	2,098
Transfer:				
Special noxious weed	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
Total expenditures and transfers subject to budget	\$227,338	\$130,000	\$ (97,338)	\$219,447

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

MEADE COUNTY, KANSAS

Statement 3-8  
(Continued)

NOXIOUS WEED FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance Favorable (Unfavor.)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures and Transfers</u> <u>not Subject to Budget</u>				
Credit for actual sale of chemical over budget and reimbursements	<u>-</u>	<u>121,461</u>	<u>121,461</u>	<u>-</u>
Total expenditures and transfers	<u>\$227,338</u>	<u>\$251,461</u>	<u>\$ 24,123</u>	<u>\$219,447</u>
Receipts over (under) expenditures	<u>\$ 2,538</u>			<u>\$ 4,094</u>
Unencumbered Cash, Beginning	<u>5,420</u>			<u>1,326</u>
Unencumbered Cash, Ending	<u>\$ 7,958</u>			<u>\$ 5,420</u>

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

MEADE COUNTY, KANSAS

Statement 3-9

EMPLOYEES' BENEFITS FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$1,402,415	\$1,369,443	\$ 32,972	\$1,372,095
Delinquent real estate and property taxes	7,610	4,000	3,610	11,812
Motor vehicle tax	<u>54,330</u>	<u>62,374</u>	<u>(8,044)</u>	<u>51,804</u>
Total taxes	\$1,464,355	\$1,435,817	\$ 28,538	\$1,435,711
Other:				
Reimbursements	<u>229,595</u>	<u>80,000</u>	<u>149,595</u>	<u>132,271</u>
Total cash receipts	<u>\$1,693,950</u>	<u>\$1,515,817</u>	<u>\$178,133</u>	<u>\$1,567,982</u>
<u>Expenditures and Transfers Subject to Budget</u>				
Employees' Benefits:				
Social Security	\$ 168,672	\$ 180,000	\$ 11,328	\$ 162,975
Retirement	140,975	125,000	(15,975)	115,938
Workmen's Compensation	51,718	80,000	28,282	73,242
Unemployment	2,135	2,000	(135)	2,053
Health insurance	999,645	1,200,000	200,355	993,239
Worksite benefit	<u>3,258</u>	<u>2,000</u>	<u>(1,258)</u>	<u>1,810</u>
Total expenditures and transfers subject to budget	<u>\$1,366,403</u>	<u>\$1,589,000</u>	<u>\$222,597</u>	<u>\$1,349,257</u>
Receipts over (under) expenditures	\$ 327,547			\$ 218,725
Unencumbered Cash, Beginning	<u>284,254</u>			<u>65,529</u>
Unencumbered Cash, Ending	<u>\$ 611,801</u>			<u>\$ 284,254</u>

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

MEADE COUNTY, KANSAS

Statement 3-10

SPECIAL ALCOHOL AND DRUG ABUSE FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
 (with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Intergovernmental:				
Local Alcoholic Liquor Fund	\$ 2,328	\$ <u>3,000</u>	\$ <u>(672)</u>	\$ 1,476
<u>Expenditures and Transfers Subject to Budget</u>				
Alcohol prevention	<u>900</u>	\$ <u>11,000</u>	\$ <u>10,100</u>	<u>650</u>
Receipts over (under) expenditures	\$ 1,428			\$ 826
Unencumbered Cash, Beginning	<u>6,032</u>			<u>5,206</u>
Unencumbered Cash, Ending	\$ <u>7,460</u>			\$ <u>6,032</u>

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

MEADE COUNTY, KANSAS

Statement 3-11

COUNTY BUILDING FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$ 218,875	\$ 219,983	\$ (1,108)	\$224,690
Delinquent real estate and property taxes	1,278	250	1,028	2,022
Motor vehicle tax	<u>8,858</u>	<u>10,193</u>	<u>(1,335)</u>	<u>9,269</u>
Total cash receipts	\$ <u>229,011</u>	\$ <u>230,426</u>	\$ <u>(1,415)</u>	\$235,981
<u>Expenditures and Transfers Subject to Budget</u>				
General Government:				
Contractual services	\$ 38,877	\$1,048,500	\$1,009,623	\$ 37,919
Capital outlay	<u>35,107</u>	<u>-</u>	<u>(35,107)</u>	<u>12,589</u>
Total expenditures and transfers subject to budget	\$ <u>73,984</u>	\$ <u>1,048,500</u>	\$ <u>974,516</u>	\$ <u>50,508</u>
Receipts over (under) expenditures	\$ 155,027			\$185,473
Unencumbered Cash, Beginning	<u>849,610</u>			<u>664,137</u>
Unencumbered Cash, Ending	<u>\$1,004,637</u>			<u>\$849,610</u>

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

MEADE COUNTY, KANSAS

Statement 3-12

COUNTY HEALTH FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010

(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$134,860	\$135,478	\$ (618)	\$120,679
Delinquent real estate and property taxes	757	250	507	1,114
Motor vehicle tax	<u>4,883</u>	<u>5,475</u>	<u>(592)</u>	<u>5,375</u>
Total taxes	\$140,500	\$141,203	\$ (703)	\$127,168
Intergovernmental:				
Grants	130,766	60,000	70,766	66,643
Other:				
Service fees	<u>149,662</u>	<u>100,000</u>	<u>49,662</u>	<u>196,089</u>
Total cash receipts	<u>\$420,928</u>	<u>\$301,203</u>	<u>\$119,725</u>	<u>\$389,900</u>
<u>Expenditures and Transfers Subject to Budget</u>				
General Government:				
Personal services	\$197,419	\$200,000	\$ 2,581	\$201,257
Contractual services	89,922	40,000	(49,922)	34,679
Commodities	79,775	60,000	(19,775)	102,423
Capital outlay	<u>950</u>	<u>3,000</u>	<u>2,050</u>	<u>7,552</u>
Total expenditures and transfers subject to budget	\$368,066	\$303,000	\$ (65,066)	\$345,911
<u>Expenditures and Transfers not Subject to Budget</u>				
Credit for grants	<u>-</u>	<u>130,766</u>	<u>130,766</u>	<u>-</u>
Total expenditures and transfers	<u>\$368,066</u>	<u>\$433,766</u>	<u>\$ 65,700</u>	<u>\$345,911</u>
Receipts over (under) expenditures	\$ 52,862			\$ 43,989
Unencumbered Cash, Beginning	<u>60,355</u>			<u>16,366</u>
Unencumbered Cash, Ending	<u>\$113,217</u>			<u>\$ 60,355</u>

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

MEADE COUNTY, KANSAS

Statement 3-13

ECONOMIC DEVELOPMENT FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$ 79,607	\$ 79,929	\$ (322)	\$ 79,548
Delinquent real estate and property taxes	436	200	236	701
Motor vehicle tax	<u>3,254</u>	<u>3,612</u>	<u>(358)</u>	<u>3,457</u>
Total cash receipts	\$ 83,297	\$ <u>83,741</u>	\$ <u>(444)</u>	\$ 83,706
<u>Expenditures and Transfers Subject to Budget</u>				
Appropriations	<u>83,354</u>	\$ <u>85,000</u>	\$ <u>1,646</u>	<u>82,700</u>
Receipts over (under) expenditures	\$ (57)			\$ 1,006
Unencumbered Cash, Beginning	<u>2,573</u>			<u>1,567</u>
Unencumbered Cash, Ending	\$ <u>2,516</u>			\$ <u>2,573</u>

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

MEADE COUNTY, KANSAS

Statement 3-14

MEADE COUNTY UTILITY FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND CHANGES  
IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
User's fee	\$317,188	\$325,000	\$ (7,812)	\$290,767
Sale of containers	2,730	5,000	(2,270)	4,562
Other	-	-	-	119
Total cash receipts	<u>\$319,918</u>	<u>\$330,000</u>	<u>\$ (10,082)</u>	<u>\$295,448</u>
<u>Expenditures and Transfers Subject to Budget</u>				
Personal services	\$108,263	\$150,000	\$ 41,737	\$129,825
Contractual services	81,605	80,000	(1,605)	57,972
Commodities	57,190	60,000	2,810	36,223
Capital outlay	<u>64,722</u>	<u>60,000</u>	<u>(4,722)</u>	<u>15,494</u>
Total expenditures and transfers subject to budget	<u>\$311,780</u>	<u>\$350,000</u>	<u>\$ 38,220</u>	<u>\$239,514</u>
Receipts over (under) expenditures	\$ 8,138			\$ 55,934
Unencumbered Cash, Beginning	<u>75,694</u>			<u>19,760</u>
Unencumbered Cash, Ending	<u>\$ 83,832</u>			<u>\$ 75,694</u>

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

MEADE COUNTY, KANSAS

Statement 3

STATEMENTS OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

MEADE COUNTY, KANSAS

Statement 3-15

SPECIAL HIGHWAY IMPROVEMENT FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Transfer from Road and Bridge Fund	\$ 70,000	\$ 50,000
<u>Expenditures and Transfers</u>		
Road construction	<u>55,960</u>	<u>-</u>
Receipts over (under) expenditures	\$ 14,040	\$ 50,000
Unencumbered Cash, Beginning	<u>81,353</u>	<u>31,353</u>
Unencumbered Cash, Ending	\$ <u>95,393</u>	\$ <u>81,353</u>

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

MEADE COUNTY, KANSAS

Statement 3-16

RURAL FIRE EQUIPMENT FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010  
 (with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Transfer from Rural Fire Fund	-	\$ 37,257
Miscellaneous	-	960
	<u>-</u>	<u>37,257</u>
Total cash receipts	-	\$ 38,217
<u>Expenditures and Transfers</u>	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	\$ -	\$ 38,217
Unencumbered Cash, Beginning	<u>38,398</u>	<u>181</u>
Unencumbered Cash, Ending	\$ <u>38,398</u>	\$ <u>38,398</u>

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

MEADE COUNTY, KANSAS

Statement 3-17

911 FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Service fees	\$ 31,130	\$ 26,623
<u>Expenditures and Transfers</u>		
Contractual services	<u>41,530</u>	<u>17,819</u>
Receipts over (under) expenditures	\$ (10,400)	\$ 8,804
Unencumbered Cash, Beginning	<u>56,067</u>	<u>47,263</u>
Unencumbered Cash, Ending	\$ <u>45,667</u>	\$ <u>56,067</u>

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

MEADE COUNTY, KANSAS

Statement 3-18

ROAD AND BRIDGE SPECIAL EQUIPMENT FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010

(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Transfer from Road and Bridge Fund	\$ 70,000	\$ 50,000
<u>Expenditures and Transfers</u>		
Capital outlay	<u>109,918</u>	<u>122,780</u>
Receipts over (under) expenditures	\$ (39,918)	\$ (72,780)
Unencumbered Cash, Beginning	<u>146,891</u>	<u>219,671</u>
Unencumbered Cash, Ending	<u>\$106,973</u>	<u>\$146,891</u>

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

MEADE COUNTY, KANSAS

Statement 3-19

SPECIAL AMBULANCE EQUIPMENT FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010  
 (with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Transfer from Ambulance Fund	\$ 20,000	\$ 28,000
Baughman grant	8,828	15,000
Miscellaneous income	<u>923</u>	<u>6,625</u>
Total cash receipts	\$ <u>29,751</u>	\$ <u>49,625</u>
<u>Expenditures and Transfers</u>		
Commodities	\$ 1,112	\$ 99,556
Capital outlay	<u>6,290</u>	<u>-</u>
Total expenditures and transfers	\$ <u>7,402</u>	\$ <u>99,556</u>
Revenue over (under) expenditures	\$ 22,349	\$ (49,931)
Unencumbered Cash, Beginning	<u>38,217</u>	<u>88,148</u>
Unencumbered Cash, Ending	\$ <u>60,566</u>	\$ <u>38,217</u>

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

MEADE COUNTY, KANSAS

Statement 3-20

SPECIAL NOXIOUS WEED FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Transfer from Noxious Weed Fund	\$ 5,000	-
<u>Expenditures and Transfers</u>	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	\$ 5,000	\$ -
Unencumbered Cash, Beginning	<u>6,863</u>	<u>6,863</u>
Unencumbered Cash, Ending	\$ <u>11,863</u>	\$ <u>6,863</u>

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

MEADE COUNTY, KANSAS

Statement 3-21

PROSECUTOR'S TRAINING FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010  
 (with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Charges for Sales and Services:		
Fees from Clerk of District Court	\$ 930	\$ 625
<u>Expenditures and Transfers</u>		
General Government	<u>455</u>	<u>941</u>
Receipts over (under) expenditures	\$ 475	\$ (316)
Unencumbered Cash, Beginning	<u>924</u>	<u>1,240</u>
Unencumbered Cash, Ending	\$ <u>1,399</u>	\$ <u>924</u>

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

MEADE COUNTY, KANSAS

Statement 3-22

TREASURER'S SPECIAL AUTO FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010  
 (with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Charges for Services:		
Motor vehicle license fees	\$ <u>55,855</u>	\$ <u>52,279</u>
<u>Expenditures and Transfers</u>		
General Government:		
Fees to General	\$ 24,221	\$ 26,941
Other expenditures	<u>31,634</u>	<u>25,338</u>
Total expenditures and transfers not subject to budget	\$ <u>55,855</u>	\$ <u>52,279</u>
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

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

MEADE COUNTY, KANSAS

Statement 3-23

COUNTY ATTORNEY DIVERSION FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010

(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Diversion fees	\$ 11,622	\$ 11,336
<u>Expenditures and Transfers</u>		
Contractual	<u>7,573</u>	<u>5,936</u>
Receipts over (under) expenditures	\$ 4,049	\$ 5,400
Unencumbered Cash, Beginning	<u>8,675</u>	<u>3,275</u>
Unencumbered Cash, Ending	<u>\$ 12,724</u>	<u>\$ 8,675</u>

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

MEADE COUNTY, KANSAS

Statement 3-24

DRUG PROSECUTOR FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>	-	-
<u>Expenditures and Transfers</u>	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	<u>2,348</u>	<u>2,348</u>
Unencumbered Cash, Ending	<u>\$ 2,348</u>	<u>\$ 2,348</u>

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

MEADE COUNTY, KANSAS

Statement 3-25

CDBG GRANT FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>	-	-
<u>Expenditures and Transfers</u>	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	<u>850</u>	<u>850</u>
Unencumbered Cash, Ending	<u>\$ 850</u>	<u>\$ 850</u>

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

MEADE COUNTY, KANSAS

Statement 3-26

LAW LIBRARY FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Fees	\$ 4,888	\$ 5,117
<u>Expenditures and Transfers</u>		
Commodities	<u>7,194</u>	<u>90</u>
Receipts over (under) expenditures	\$ (2,306)	\$ 5,027
Unencumbered Cash, Beginning	<u>40,619</u>	<u>35,592</u>
Unencumbered Cash, Ending	\$ <u>38,313</u>	\$ <u>40,619</u>

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

MEADE COUNTY, KANSAS

Statement 3-27

COUNTY ATTORNEY BAD CHECK FUND  
STATEMENT OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>	-	-
<u>Expenditures and Transfers</u>	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	<u>3,786</u>	<u>3,786</u>
Unencumbered Cash, Ending	\$ <u>3,786</u>	\$ <u>3,786</u>

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

MEADE COUNTY, KANSAS

Statement 4

AGENCY FUNDS  
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS – ACTUAL

For the year ended December 31, 2010

Funds	<u>Beginning</u> Cash Balance	Cash Receipts	Cash Disbursements	<u>Ending</u> Cash Balance
<b>Distributable Funds:</b>				
Current taxes	\$7,172,261	\$12,352,446	\$12,585,138	\$6,939,569
Delinquent personal property tax	318	1,566	425	1,459
Delinquent real estate tax	13,180	81,858	79,393	15,645
Advance tax	-	41	41	-
Partial tax	7	1,630	891	746
Motor vehicle tax	126,604	547,163	549,019	124,748
Recreational vehicle tax	2,479	14,357	13,868	2,968
Cereal malt beverage stamp	-	25	25	-
Total distributable funds	<u>\$7,314,849</u>	<u>\$12,999,086</u>	<u>\$13,228,800</u>	<u>\$7,085,135</u>
<b>State Funds:</b>				
Sher Alcohol/Drug	\$ 256,232	\$ 580	\$ 46,574	\$ 210,238
Institutional Building	-	57,189	57,189	-
Educational Building	-	114,378	114,378	-
Motor vehicle licenses	123	347,969	347,631	461
Sales tax	8,964	184,339	171,786	21,517
Fish and game licenses	844	1,961	2,000	805
Stray animal sales	1,199	-	-	1,199
Total state funds	<u>\$ 267,362</u>	<u>\$ 706,416</u>	<u>\$ 739,558</u>	<u>\$ 234,220</u>
<b>Subdivision Funds:</b>				
School districts	\$ 6,655	\$ 5,285,779	\$ 5,273,490	\$ 18,944
Cities	-	1,009,859	1,009,859	-
Townships	136,648	718,861	680,784	174,725
Groundwater management	-	45,718	45,718	-
Watershed districts	24,125	10	-	24,135
Libraries	-	141,937	141,937	-
Cemetery districts	-	42,048	42,048	-
Hospital district	-	1,294,804	1,294,804	-
Total subdivision funds	<u>\$ 167,428</u>	<u>\$ 8,539,016</u>	<u>\$ 8,488,640</u>	<u>\$ 217,804</u>
<b>Other Agency Funds:</b>				
Clerk of District Court	\$ 8,136	\$ 232,433	\$ 182,755	\$ 57,814
DARE	1,694	1,645	2,344	995
District Engineer	159,331	124,860	237,759	46,432
Payroll taxes	1,255	-	146	1,109
Total other agency funds	<u>\$ 170,416</u>	<u>\$ 358,938</u>	<u>\$ 423,004</u>	<u>\$ 106,350</u>
<b>Total Agency Funds</b>	<u><b>\$7,920,055</b></u>	<u><b>\$22,603,456</b></u>	<u><b>\$22,880,002</b></u>	<u><b>\$7,643,509</b></u>

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

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Meade County is a municipal corporation governed by an elected three-member commission. These financial statements present Meade County, the primary government. The Law Library is fiscally independent of the County. It is required by statute to be audited as part of the County audit. The Law Library is housed in County offices, but is operated independent of the County's governing body. Even though the Law Library is considered to be an entity independent of the County, its financial statements are presented as a part of the primary government's financial statements because it is clearly an immaterial item. Component units of the County are not included in these financial statements.

A component unit is defined as an entity legally separate from the County, which has a significant dependence on, or relationships with, the County.

Component Units not Presented:

Extension Council – Meade County Extension Council provides services in such areas as agriculture, home economics and 4-H Club, to all persons in the County. The Council is an elected executive board. The County annually provides significant operating subsidies to the Council.

Economic Development – The Meade County Economic Development committee is a twelve-member committee of which three members are appointed by the board of County Commissioners. The committee receives a majority of its funding directly from County appropriations, therefore, meeting the financial dependency criteria.

Joint Ventures – Joint ventures are not included in these financial statements. The following organizations are considered to be joint ventures:

Southwest Guidance Center – provides services for mental health to several counties. Meade County Commissioners appoint three (3) members to the board.

Council on Aging – provides services to the elderly. The County does not appoint any representatives.

Arrowhead West – provides services to the developmentally disabled. The County does not appoint any representatives.

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Accounting

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of Meade County for the year of 2010:

Governmental Funds:

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

Special Revenue Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Funds – to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt of Meade County.

Proprietary Funds:

Enterprise Funds – to account for the operating expense of the Meade County Utility.

Fiduciary Funds:

Agency Funds – to account for assets held by a governmental unit as a trustee or agent for others.

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Accounting for Fixed Assets and Long-Term Liabilities

1. General Fixed Assets:

General fixed assets purchased are recorded as expenditures at the time of purchase. All such assets of the County are not recorded in a permanent set of records.

2. Bonds Payable:

All unmatured general obligation long-term liabilities of the County are accounted for in a permanent set of records.

Reimbursed Expense

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

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

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

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Departure from Generally Accepted Accounting Principles

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

Budgetary Information

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

1. Preparation of the budget for the succeeding year on or before August 1st.
2. Publication in 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 notice of 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 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.

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

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

A legal operating budget is not required for the following capital projects funds and trust funds:

- CDBG Grant Fund
- Prosecutor's Training Fund
- Treasurer's Special Auto Fund
- County Attorney Diversion Fund
- Law Library Fund
- Drug Prosecution Fund
- County Attorney Bad Check Fund

and the following special revenue funds:

- Special Highway Improvement Fund
- Rural Fire Equipment Fund
- Special Ambulance Equipment Fund
- Special Noxious Weed Fund
- Road and Bridge Special Equipment Fund
- 911 Fund

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

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by Meade County.

Taxes levied to finance the budget are made available to Meade County, Kansas after the first of the year and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed annually.

Other Accounting Policies

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Bonds Payable

All unmatured general obligation long-term liabilities of the County are accounted for in a permanent set of records.

Note 2: Deposits and Investments

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

K.S.A. 12-1675 limits Meade 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. Meade County has no investment policy that would further limit its investment choices.

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

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, Meade County's deposits may not be returned to it. State statutes require Meade 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%. All deposits were legally secured at December 31, 2010.

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 2: Deposits and Investments (Continued)

At December 31, 2010, Meade County's carrying amount of deposits, including certificates of deposit, was \$11,805,122. The bank balance was \$12,201,895. Of the bank balance, \$603,536 was covered by FDIC insurance and the remaining \$11,598,359 was collateralized with securities held by the pledging financial institutions' agents in Meade County's name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, Meade 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.

Note 3: Defined Benefit Pension Plan, Work Policy Rules and Regulations

Defined Benefit Pension Plan

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

KSA 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for all employees hired before July 1, 2009 and 6% for all employees hired after July 1, 2009. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established for calendar year 2010 is 6.14%. The Meade County employer contributions to KPERS for the years ending December 31, 2010 and 2009 were \$163,352 and \$139,500, respectively, equal to the required contribution for each year.

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 3: Defined Benefit Pension Plan, Work Policy Rules and Regulations (Cont.)

Work Policies, Rules and Regulations

Sick Leave

1. Sick leave shall apply only to regular employees and shall not apply to temporary employees of the County. Regular part-time employees shall have sick leave prorated respective to time worked.
2. Each regular employee shall be granted one (1) day sick leave each month, and can accumulate up to ninety (90) days of sick leave. When an employee reaches an accumulation of over sixty (60) days of sick leave, they may elect to receive pay at one-half of their hourly wage for any sick leave over sixty (60) days.

Vacation

1. Each regular employee shall be granted one (1) day per month paid vacation. Regular part-time employees shall have vacation time prorated respective to time worked.
2. On the tenth (10<sup>th</sup>) anniversary of continuous service, the following schedule shall be followed until a maximum of eighteen (18) days per year are earned.

10 years of service	9.0 hours each month accumulated
11 years of service	9.5 hours each month accumulated
12 years of service	10.0 hours each month accumulated
13 years of service	11.0 hours each month accumulated
14 years of service	11.5 hours each month accumulated
15 years of service	12.0 hours each month accumulated

3. Each regular full-time employee may accumulate up to twenty-four (24) days of vacation. Each regular part-time employee's accumulated vacation shall be limited to their prorated time.

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 3: Defined Benefit Pension Plan, Work Policy Rules and Regulations (Cont.)

Vacation (Continued)

4. All accumulated vacation will be paid upon termination of employment. Any employee with less than one (1) year of service will not be paid for vacation leave upon termination of job. Any employee quitting their job with less than two (2) full weeks notice to their supervisor will forfeit all rights to any termination pay for accumulated vacation leave.
5. All employees must complete one (1) year of continuous service before taking vacation time. At the completion of one (1) year of service, the employee will be credited with twelve (12) days of vacation time.

Contingent Liability

As of December 31, 2010, accumulated unused vacation amounted to \$92,785.

Note 4: Funds Not Subject to Budget Laws

Tax levies prescribed by K.S.A. 19-4004 are not subjected to the budget laws.

Note 5: Transfers

<u>From</u>	<u>Amount</u>	<u>To</u>	<u>Authority</u>
Treasurer's Special Auto Fund	\$ 24,221	General Fund	KSA 8-145
Ambulance Fund	20,000	Special Ambulance Equipment Fund	KSA 19-119
Road and Bridge Fund	70,000	Road and Bridge Special Equipment Fund	KSA 68-1416
Road and Bridge Fund	70,000	Special Highway Improvement Fund	KSA 68-1416
Noxious Weed Fund	5,000	Noxious Weed Equip. Fund	KSA 2-1318

Note 6: Compliance Matters

1. Contrary to the provisions of K.S.A. 10-1117 and 79-2934, the required budget and encumbrance records were not maintained by the County Clerk.

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 6: Compliance Matters (Continued)

2. Contrary to the provisions of K.S.A. 79-3104, mortgage registration fees were not remitted daily to the County Treasurer by the Register of Deeds.
3. It was not ascertainable that the County participating insurance policy with KCAMP insuring County property was in the name of the County Treasurer for the benefit of the County (KSA 19-212).

Note 7: Closure/Postclosure Landfill Liability

State and Federal laws and regulations require Meade County to place a final cover on the Meade County Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, Meade County reports these closure and postclosure care costs as an operating expense in the year paid. The \$422,658 represents landfill closure and postclosure care liability at December 31, 2010. The County will recognize the remaining estimated costs of closure and postclosure care as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. The County expects to close the landfill in the year 2030. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. There are 41 acres available for use of which 13 have been used.

The County has filed its financial assurance demonstration with the Kansas Department of Health and Environment.

Note 8: Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Meade County, Kansas established a health benefit plan for active full time employees who are working full normal work-weeks (not less than 30 hours) and are receiving full compensation. The County will pay benefits up to \$35,000 per covered person each benefit year. Claim payments under the plan will be administered by Benefit Management. Benefit Management insures against claims in excess of the \$35,000 limit up to \$2,000,000. The benefit year is a period of 12 months starting on January 1 and ending December 31.

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 9: Long-Term Debt

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

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>
Capital Leases:									
Ambulance	3.35%	06/30/09	\$ 129,325		\$ 48,048	\$ -	\$ 14,406	\$ (14,406)	\$ 33,642
Utility Truck	3.25%	12/15/10	161,535		-	161,535	50,000	111,535	111,535
Road & Bridge									
Padfoot Roller	4.95%	06/20/07	78,040	06/20/12	49,066	-	15,572	(15,572)	33,494
Road & Bridge Grader	4.05%	05/31/10	137,500	05/21/14	-	137,500	29,726	107,774	107,774
Jail Expansion	5.00%	03/29/06	2,175,000	03/26/16	1,629,862	-	200,179	(200,179)	1,429,683
Total Long-Term Debt					<u>\$1,726,976</u>	<u>\$299,035</u>	<u>\$309,883</u>	<u>\$ (10,848)</u>	<u>\$1,716,128</u>

MEADE COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(Continued)

Note 9: 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:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Thereafter</u>	<u>Total</u>
Principal:							
Capital leases	\$302,776	\$320,156	\$297,562	\$271,888	\$255,485	\$268,261	\$1,716,128
Interest:							
Capital leases	<u>82,259</u>	<u>68,245</u>	<u>53,456</u>	<u>39,510</u>	<u>26,187</u>	<u>13,413</u>	<u>283,070</u>
Total Principal and Interest	<u>\$385,035</u>	<u>\$388,401</u>	<u>\$351,018</u>	<u>\$311,398</u>	<u>\$281,672</u>	<u>\$281,674</u>	<u>\$1,999,198</u>

MEADE COUNTY, KANSAS

SUPPLEMENTAL SCHEDULES

MEADE COUNTY, KANSAS

Schedule 1

GENERAL FUND  
DEPARTMENTAL EXPENDITURES COMPARED  
WITH BUDGET ESTIMATES

For the year ended December 31, 2010  
 (with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>County Commissioners</u>				
Personal services	\$ 48,245	\$ 48,000	\$ (245)	\$ 50,479
Contractual services	2,694	5,000	2,306	2,378
Commodities	<u>138</u>	<u>1,000</u>	<u>862</u>	<u>337</u>
Totals	<u>\$ 51,077</u>	<u>\$ 54,000</u>	<u>\$ 2,923</u>	<u>\$ 53,194</u>
<u>County Clerk</u>				
Personal services	\$ 85,196	\$ 91,000	\$ 5,804	\$ 83,993
Contractual services	6,047	7,500	1,453	6,219
Commodities	<u>1,624</u>	<u>4,000</u>	<u>2,376</u>	<u>2,650</u>
Totals	<u>\$ 92,867</u>	<u>\$102,500</u>	<u>\$ 9,633</u>	<u>\$ 92,862</u>
<u>County Treasurer</u>				
Personal services	\$105,242	\$107,500	\$ 2,258	\$103,816
Contractual services	3,740	6,000	2,260	4,875
Commodities	<u>4,001</u>	<u>3,000</u>	<u>(1,001)</u>	<u>2,401</u>
Totals	<u>\$112,983</u>	<u>\$116,500</u>	<u>\$ 3,517</u>	<u>\$111,092</u>
<u>County Attorney</u>				
Personal services	\$ 54,051	\$ 72,500	\$ 18,449	\$ 55,161
Contractual services	13,169	6,000	(7,169)	11,619
Commodities	1,481	3,000	1,519	2,119
Capital outlay	<u>3,542</u>	<u>5,000</u>	<u>1,458</u>	<u>10,395</u>
Totals	<u>\$ 72,243</u>	<u>\$ 86,500</u>	<u>\$ 14,257</u>	<u>\$ 79,294</u>
<u>Register of Deeds</u>				
Personal services	\$ 64,447	\$ 68,000	\$ 3,553	\$ 62,551
Contractual services	4,615	6,500	1,885	4,694
Commodities	3,631	4,000	369	2,992
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>825</u>
Totals	<u>\$ 72,693</u>	<u>\$ 78,500</u>	<u>\$ 5,807</u>	<u>\$ 71,062</u>

MEADE COUNTY, KANSAS

Schedule 1  
(Continued)

GENERAL FUND  
DEPARTMENTAL EXPENDITURES COMPARED  
WITH BUDGET ESTIMATES

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>		<u>Variance Favorable (Unfavor.)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Clerk of District Court</u>				
Contractual services	\$ 50,535	\$ 60,700	\$ 10,165	\$ 34,807
Commodities	5,008	3,700	(1,308)	4,044
Capital outlay	<u>1,085</u>	<u>3,000</u>	<u>1,915</u>	<u>4,141</u>
Totals	<u>\$ 56,628</u>	<u>\$ 67,400</u>	<u>\$ 10,772</u>	<u>\$ 42,992</u>
<u>Courthouse General</u>				
Personal services	\$ 44,202	\$ 48,000	\$ 3,798	\$ 43,105
Contractual services	316,607	275,000	(41,607)	270,167
Commodities	19,948	30,000	10,052	23,168
Capital outlay	<u>3,069</u>	<u>375,000</u>	<u>371,931</u>	<u>852</u>
Totals	<u>\$383,826</u>	<u>\$728,000</u>	<u>\$344,174</u>	<u>\$337,292</u>
<u>Public Safety – Sheriff</u>				
Personal services	\$399,857	\$455,000	\$ 55,143	\$408,023
Contractual services	43,879	55,000	11,121	47,961
Commodities	38,756	55,000	16,244	34,404
Capital outlay	<u>34,719</u>	<u>55,000</u>	<u>20,281</u>	<u>58,569</u>
Totals	<u>\$517,211</u>	<u>\$620,000</u>	<u>\$102,789</u>	<u>\$548,957</u>
<u>Public Safety – Jail</u>				
Personal services	\$170,117	\$200,000	\$ 29,883	\$164,723
Contractual services	74,007	90,000	15,993	77,199
Commodities	104,766	110,000	5,234	122,130
Capital outlay	<u>281,672</u>	<u>291,672</u>	<u>10,000</u>	<u>282,120</u>
Totals	<u>\$630,562</u>	<u>\$691,672</u>	<u>\$ 61,110</u>	<u>\$646,172</u>

MEADE COUNTY, KANSAS

Schedule 1  
(Continued)

GENERAL FUND  
DEPARTMENTAL EXPENDITURES COMPARED  
WITH BUDGET ESTIMATES

For the year ended December 31, 2010  
(with comparative actual totals for the prior year ended December 31, 2009)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Environmental – Solid Waste</u>				
Personal services	\$ 60,285	\$ 64,000	\$ 3,715	\$ 58,100
Contractual services	30,076	45,000	14,924	68,747
Commodities	9,015	25,000	15,985	7,942
Capital outlay	-	-	-	2,000
Totals	<u>\$ 99,376</u>	<u>\$ 134,000</u>	<u>\$ 34,624</u>	<u>\$ 136,789</u>
<u>Juvenile Detention</u>				
Contractual services	<u>-</u>	<u>\$ 4,971</u>	<u>\$ 4,971</u>	<u>-</u>
<u>Emergency Preparedness</u>				
Personal services	\$ 14,225	\$ 6,500	\$ (7,725)	\$ 6,030
Contractual services	3,462	4,000	538	2,416
Commodities	1,671	1,000	(671)	422
Capital outlay	120	1,000	880	32,029
Totals	<u>\$ 19,478</u>	<u>\$ 12,500</u>	<u>\$ (6,978)</u>	<u>\$ 40,897</u>
<u>Other Appropriations</u>				
Fair Building and Maintenance	\$ 40,697	\$ 40,697	\$ -	\$ 37,947
Conservation	16,000	16,000	-	16,000
Extension Council	132,000	132,000	-	122,700
Historical	30,000	30,000	-	30,000
Council on Aging	90,000	90,000	-	95,000
Mental Health	29,090	29,090	-	27,705
Developmental Disabled	36,720	36,720	-	36,720
Fair Association	13,792	13,792	-	5,000
Other appropriations	1,300	50,000	48,700	30,453
Totals	<u>\$ 389,599</u>	<u>\$ 438,299</u>	<u>\$ 48,700</u>	<u>\$ 401,525</u>
General Fund Total	<u>\$2,498,543</u>	<u>\$3,134,842</u>	<u>\$636,299</u>	<u>\$2,562,128</u>

MEADE COUNTY, KANSAS

Schedule 2

SCHEDULE OF IDLE FUND INVESTMENTS

December 31, 2010

Idle Funds

Plains State Bank:

Certificate of Deposit:

#5571

\$ 500,000

#5976

1,000,000

#5977

500,000

Total

\$2,000,000

MEADE COUNTY, KANSAS

Schedule 3

RECONCILIATION OF 2009 TAX ROLL  
December 31, 2010

2009 Tax Roll – As Adjusted

County Clerk's abstract of 2009 tax roll		\$12,670,731
Adjustments to Original Tax Roll:		
Added taxes		134,931
Abated taxes		<u>(175,314)</u>
Adjusted 2009 tax roll		\$12,630,348

2009 Tax Roll – Accounted for

Collections during 2009	\$ 7,172,226	
Collections during 2010		<u>5,356,976</u>

Net tax roll collections \$12,529,202

Delinquent personal property taxes for which tax warrants issued	\$24,213	
Delinquent real estate taxes entered on the tax sale record	<u>76,912</u>	<u>101,125</u>

2009 Tax Roll accounted for 12,630,327

Difference \$ 21