

WASHINGTON COUNTY, KANSAS

FINANCIAL STATEMENTS
For the Year Ended December 31, 2007

WASHINGTON COUNTY, KANSAS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2007

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August 26, 2008

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Washington County, Kansas
Washington, Kansas

We have audited the accompanying financial statements of Washington County, Kansas, as of and for the year ended December 31, 2007 as listed in the table of contents. These financial statements are the responsibility of Washington County, Kansas, management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative financial information has been derived from the County's 2006 financial statements and, in our report dated October 22, 2007, we expressed an unqualified opinion on the financial statements taken as a whole.

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

As described more fully in Note 1, the County 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 the County as of December 31, 2007, or the changes in its financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the County, as of December 31, 2007, and its cash receipts and expenditures and budget to actual comparisons for the year then ended as a whole, on the basis of accounting described in Note 1.

Pierce, Faris & Co., Chartered

Certified Public Accountants

WASHINGTON COUNTY, KANSAS
SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH - REGULATORY BASIS
For the Year Ended December 31, 2007

Statement 1
Page 1 of 2

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ 986,792	\$ -	\$ 3,341,467	\$ 3,440,021	\$ 888,238	\$ 21,052	\$ 909,290
Special Revenue Funds							
Road and bridge	84,698	-	1,865,730	1,873,981	76,447	384	76,831
Special bridge	132,102	-	721,408	838,514	14,996	-	14,996
Special road & bridge machinery	49,621	-	90,000	-	139,621	-	139,621
Vegetation management	3,598	-	28,638	27,163	5,073	-	5,073
Noxious weed	13,329	-	250,116	249,586	13,859	110	13,969
County health	74,955	-	315,017	348,397	41,575	1,127	42,702
Solid waste	158,884	-	457,059	397,677	218,266	7,905	226,171
Emergency 911	61,519	-	33,837	36,723	58,633	76	58,709
Wireless 911	19,512	-	10,130	1,058	28,584	-	28,584
Multi-use equipment	201,345	-	73,981	7,289	268,037	-	268,037
Multi-use capital improvement	367,091	-	82,281	-	449,372	-	449,372
Special grant	1,491	-	-	791	700	-	700
Wireless 911 grant	-	-	-	-	-	-	-
Debt Service Fund							
Bond and interest	13,975	-	158,176	155,974	16,177	-	16,177
Total Government (Excluding Agency Funds)	<u>\$ 2,168,912</u>	<u>\$ -</u>	<u>\$ 7,427,840</u>	<u>\$ 7,377,174</u>	<u>\$ 2,219,578</u>	<u>\$ 30,654</u>	<u>\$ 2,250,232</u>

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

WASHINGTON COUNTY, KANSAS
 SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH - REGULATORY BASIS
 For the Year Ended December 31, 2007

Statement 1
 Page 2 of 2

Composition of Cash:

First National Bank - Washington, Kansas	\$ 6,135,243
First National Bank - Washington, Kansas - Sheriff	3
First National Bank - Washington, Kansas - County Attorney	425
First National Bank - Washington, Kansas - Emergency Management	45
United Bank & Trust- Washington, Kansas - Noxious weed-chemical container recycling	196
First National Bank - Washington, Kansas - District Court	18,242
Cash on hand - District Court	50
Cash on hand	131,609
First National Bank - Washington, Kansas - Certificate of Deposit	100,000
United Bank & Trust- Marysville, Kansas- Certificate of Deposit	100,000
Citizens National- Greenleaf, Kansas- Certificate of Deposit	200,000
Citizen State Bank - Marysville, Kansas - Certificate of Deposit	100,000
Citizen State Bank - Hanover , Kansas - Certificate of Deposit	750,000
The Bank of Palmer - Palmer, Kansas - Certificate of Deposit	200,000
	<hr/>
Total cash	7,735,813
Agency funds per Statement 4	(5,485,581)
	<hr/>
TOTAL GOVERNMENT	<u>\$ 2,250,232</u>

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

WASHINGTON COUNTY, KANSAS
SUMMARY OF EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Statement 2 Variance Over (Under)
Governmental Type Funds					
General Fund	\$ 3,591,084	\$ -	\$ 3,591,084	\$ 3,440,021	\$ (151,063)
Special Revenue Funds					
Road and bridge	1,855,000	77,945	1,932,945	1,873,981	(58,964)
Special bridge	290,000	431,408	721,408	838,514	117,106
Vegetation management	22,618	6,882	29,500	27,163	(2,337)
Noxious weed	285,000	-	285,000	249,586	(35,414)
County health	358,000	-	358,000	348,397	(9,603)
Solid waste	364,000	102,962	466,962	397,677	(69,285)
Emergency 911	79,500	-	79,500	36,723	(42,777)
Debt Service Fund					
Bond and interest	156,974	-	156,974	155,974	(1,000)

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

WASHINGTON COUNTY, KANSAS
GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)

For the Year Ended December 31, 2007

(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
Page 1 of 21

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Taxes	\$ 3,149,367	\$ 3,016,973	\$ 2,941,031	\$ 75,942
Intergovernmental	8,506	6,553	6,336	217
Licenses, fees, permits	78,644	87,569	37,902	49,667
Use of money and property	176,831	221,445	80,000	141,445
Transfers in	14,109	13,868	-	13,868
Miscellaneous	(52,126)	(4,941)	5,423	(10,364)
Total cash receipts	3,375,331	3,341,467	\$ 3,070,692	\$ 270,775
EXPENDITURES				
County commission	48,352	52,215	\$ 50,600	\$ 1,615
County clerk	81,156	85,960	86,000	(40)
County treasurer	101,310	92,861	92,000	861
County attorney	83,357	78,124	86,500	(8,376)
Register of deeds	53,479	57,101	57,700	(599)
Clerk of district court	33,046	38,766	34,000	4,766
Courthouse (general expense)	225,378	205,373	331,127	(125,754)
Appraiser	111,688	130,261	132,000	(1,739)
Jail	102,410	182,721	366,000	(183,279)
Emergency preparedness	32,510	32,933	33,000	(67)
Communications	137,014	145,086	146,000	(914)
Janitor	40,589	41,265	41,500	(235)
Election	67,468	47,832	46,000	1,832
Economic development	34,570	58,422	58,000	422
Airport maintenance	9,070	17,223	18,000	(777)
Sheriff	315,831	317,200	320,000	(2,800)
Coroner	5,216	7,737	4,000	3,737
Community college tuition	6,753	-	-	-
Employee benefits	1,084,850	1,281,400	1,114,000	167,400
Alcohol & drug	4,118	6,653	18,000	(11,347)
Tourism	10,890	14,331	15,000	(669)
Other	520,552	546,557	541,657	4,900
Total expenditures	3,109,607	3,440,021	\$ 3,591,084	\$ (151,063)
RECEIPTS OVER (UNDER) EXPENDITURES	265,724	(98,554)		
UNENCUMBERED CASH, BEGINNING	721,068	986,792		
UNENCUMBERED CASH, ENDING	\$ 986,792	\$ 888,238		

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

WASHINGTON COUNTY, KANSAS
GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

DETAILED SCHEDULE OF CASH RECEIPTS

Statement 3
Page 2 of 21

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
TAXES				
Current ad valorem taxes	\$ 2,804,239	\$ 2,649,315	\$ 2,585,859	\$ 63,456
Delinquent tax	13,286	14,288	5,000	9,288
Intangible tax	23,004	24,976	23,588	1,388
Motor vehicle tax	308,838	328,394	326,584	1,810
Total	3,149,367	3,016,973	2,941,031	75,942
INTERGOVERNMENTAL				
Local alcoholic liquor	8,506	6,553	6,336	217
LICENSES AND FEES				
Redemption charges	14,835	15,038	-	15,038
Mortgage registration fees	34,994	39,366	25,149	14,217
Clerk of district court- fees	18,884	19,800	-	19,800
Officers' fees	9,931	13,365	12,753	612
Total	78,644	87,569	37,902	49,667
USE OF MONEY				
Interest on investments	173,331	220,048	80,000	140,048
Rent	2,900	550	-	550
Other interest	600	847	-	847
Total	176,831	221,445	80,000	141,445
TRANSFERS				
Operating transfer from special auto	14,109	13,868	-	13,868
Total	14,109	13,868	-	13,868
MISCELLANEOUS				
Reimbursements	14,837	13,710	19,640	(5,930)
Contract law	25,000	25,000	25,500	(500)
Neighborhood revital. & business refund	(122,025)	(70,174)	(98,117)	27,943
Collections	30,062	26,523	58,400	(31,877)
Total	(52,126)	(4,941)	5,423	(10,364)
TOTAL CASH RECEIPTS	\$ 3,375,331	\$ 3,341,467	\$ 3,070,692	\$ 270,775

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

WASHINGTON COUNTY, KANSAS
GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

DETAILED SCHEDULE OF EXPENDITURES

Statement 3
Page 3 of 21

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
COUNTY COMMISSION				
Personal services	\$ 41,229	\$ 42,506	\$ 42,000	\$ 506
Contractual services	6,768	9,169	5,600	3,569
Commodities	355	540	3,000	(2,460)
Total	48,352	52,215	50,600	1,615
COUNTY CLERK				
Personal services	66,217	71,151	69,000	2,151
Contractual services	11,730	12,072	12,000	72
Commodities	3,209	2,737	5,000	(2,263)
Capital outlay	-	-	-	-
Transfer to equipment reserve	-	-	-	-
Total	81,156	85,960	86,000	(40)
COUNTY TREASURER				
Personal services	83,093	77,853	76,000	1,853
Contractual services	15,633	11,853	4,400	7,453
Commodities	2,584	3,155	7,500	(4,345)
Capital outlay	-	-	3,000	(3,000)
Transfer to capital improvement	-	-	-	-
Transfer to equipment reserve	-	-	1,100	(1,100)
Total	101,310	92,861	92,000	861
COUNTY ATTORNEY				
Personal services	63,317	66,403	65,000	1,403
Contractual services	13,957	8,667	15,000	(6,333)
Commodities	1,868	1,667	3,000	(1,333)
Capital outlay	1,215	1,387	2,500	(1,113)
Transfer to equipment reserve	3,000	-	1,000	(1,000)
Total	83,357	78,124	86,500	(8,376)
REGISTER OF DEEDS				
Personal services	48,750	52,031	50,700	1,331
Contractual services	2,454	3,053	4,000	(947)
Commodities	2,275	2,017	3,000	(983)
Capital outlay	-	-	-	-
Transfer to equipment reserve	-	-	-	-
Total	53,479	57,101	57,700	(599)

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

WASHINGTON COUNTY, KANSAS
GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

DETAILED SCHEDULE OF EXPENDITURES

Statement 3
Page 4 of 21

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
CLERK OF DISTRICT COURT				
Contractual services	\$ 27,187	\$ 34,082	\$ 28,000	\$ 6,082
Commodities	2,645	2,962	4,000	(1,038)
Capital outlay	3,214	1,722	2,000	(278)
Total	33,046	38,766	34,000	4,766
COURTHOUSE (GENERAL EXPENSE)				
Personal services	-	-	-	-
Contractual services	169,174	170,017	221,127	(51,110)
Commodities	13,345	13,214	27,500	(14,286)
Capital outlay	5,359	22,142	50,000	(27,858)
Note payment to Multi-Use Cap. Impr.	37,500	-	-	-
Transfer to capital improvement	-	-	30,000	(30,000)
Transfer to equipment reserve	-	-	2,500	(2,500)
Total	225,378	205,373	331,127	(125,754)
APPRAISER				
Personal services	83,445	96,791	96,000	791
Contractual services	6,487	22,884	7,200	15,684
Commodities	6,826	3,831	6,300	(2,469)
Capital outlay	4,930	2,755	2,500	255
Transfer to equipment reserve	10,000	4,000	20,000	(16,000)
Total	111,688	130,261	132,000	(1,739)
JAIL				
Personal services	2,602	18,328	135,000	(116,672)
Contractual services	50,848	128,031	141,000	(12,969)
Commodities	3,749	8,561	89,000	(80,439)
Capital outlay	211	7,801	-	7,801
Transfer to equipment reserve	45,000	20,000	1,000	19,000
Total	102,410	182,721	366,000	(183,279)
EMERGENCY PREPAREDNESS				
Personal services	22,941	24,480	24,500	(20)
Contractual services	4,662	4,182	5,000	(818)
Commodities	2,817	3,301	3,500	(199)
Capital outlay	90	(530)	-	(530)
Transfer to equipment reserve	2,000	1,500	-	1,500
Total	32,510	32,933	33,000	(67)

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

WASHINGTON COUNTY, KANSAS
GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

DETAILED SCHEDULE OF EXPENDITURES

Statement 3
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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
COMMUNICATIONS				
Personal services	\$ 131,629	\$ 137,515	\$ 137,000	\$ 515
Contractual services	3,771	3,120	4,000	(880)
Commodities	1,513	1,451	3,000	(1,549)
Capital outlay	101	-	2,000	(2,000)
Transfer to equipment reserve	-	3,000	-	3,000
Total	137,014	145,086	146,000	(914)
JANITOR				
Personal services	26,048	28,276	27,000	1,276
Contractual services	2,169	1,855	2,000	(145)
Commodities	10,248	10,656	12,000	(1,344)
Capital outlay	1,124	-	250	(250)
Transfer to equipment reserve	1,000	478	250	228
Total	40,589	41,265	41,500	(235)
ELECTION				
Personal services	28,877	30,757	32,000	(1,243)
Contractual services	28,870	16,478	8,000	8,478
Commodities	9,721	597	4,000	(3,403)
Capital outlay	-	-	-	-
Transfer to equipment reserve	-	-	2,000	(2,000)
Total	67,468	47,832	46,000	1,832
ECONOMIC DEVELOPMENT				
Personal services	21,951	41,732	42,000	(268)
Contractual services	5,374	7,641	10,000	(2,359)
Commodities	1,130	534	5,000	(4,466)
Capital outlay	4,615	1,000	-	1,000
Transfer to equipment reserve	-	6,000	-	6,000
WCDC	1,500	1,515	1,000	515
Total	34,570	58,422	58,000	422

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

WASHINGTON COUNTY, KANSAS
GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)

For the Year Ended December 31, 2007

(With Comparative Actual for the Prior Year Ended December 31, 2006)

DETAILED SCHEDULE OF EXPENDITURES

Statement 3
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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
AIRPORT MAINTENANCE				
Contractual services	\$ 5,133	\$ 16,729	\$ 9,000	\$ 7,729
Commodities	3,937	494	2,000	(1,506)
Capital outlay	-	-	5,000	(5,000)
Transfer to capital improvement	-	-	2,000	(2,000)
Total	9,070	17,223	18,000	(777)
SHERIFF				
Personal services	201,516	215,447	222,000	(6,553)
Contractual services	38,089	31,945	32,000	(55)
Commodities	41,525	30,583	36,000	(5,417)
Capital outlay	17,701	14,225	20,000	(5,775)
Transfer to equipment reserve & capital impr.	17,000	25,000	10,000	15,000
Total	315,831	317,200	320,000	(2,800)
CORONER				
Contractual services	5,216	7,737	4,000	3,737
COMMUNITY COLLEGE TUITION				
Contractual services	6,753	-	-	-
EMPLOYEE BENEFITS				
Social Security	130,582	142,693	130,000	12,693
Retirement	84,705	89,126	55,000	34,126
Medical Insurance	800,068	966,654	850,000	116,654
Advance Insurance	11,851	13,748	15,000	(1,252)
Kansas U.E.	8,675	16,680	9,000	7,680
Workman's Compensation	48,969	52,499	55,000	(2,501)
Total	1,084,850	1,281,400	1,114,000	167,400
ALCOHOL & DRUG				
Personal services	1,545	1,151	6,500	(5,349)
Contractual services	1,313	4,794	10,000	(5,206)
Commodities	1,260	708	1,500	(792)
Total	4,118	6,653	18,000	(11,347)

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

WASHINGTON COUNTY, KANSAS
GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)

For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

DETAILED SCHEDULE OF EXPENDITURES

Statement 3
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	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
TOURISM				
Personal services	\$ 8,139	\$ 8,686	\$ 10,000	\$ (1,314)
Contractual services	2,589	4,897	3,000	1,897
Commodities	162	748	2,000	(1,252)
Capital outlay	-	-	-	-
Total	10,890	14,331	15,000	(669)
OTHER				
Senior citizens	65,000	75,000	70,000	5,000
Conservation district	17,500	17,500	17,500	-
Historical museum	6,000	9,000	9,000	-
County hospital maintenance	204,000	215,000	215,000	-
County fair	63,000	65,000	65,000	-
Pawnee mental health	28,600	28,600	28,600	-
Twin valley development services	48,000	48,000	48,000	-
North central regional planning	2,420	3,500	3,500	-
Three rivers	6,000	6,000	6,000	-
NEK-AAA	1,057	1,057	1,057	-
12th judicial district	3,455	-	-	-
Ambulance contract	73,600	75,900	76,000	(100)
NCK juvenile detention center	1,920	-	-	-
Big Lakes regional council	-	2,000	2,000	-
Total	520,552	546,557	541,657	4,900
TOTAL EXPENDITURES	\$ 3,109,607	\$ 3,440,021	\$ 3,591,084	\$ (151,063)

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

WASHINGTON COUNTY, KANSAS
ROAD AND BRIDGE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Ad valorem property tax	\$ 1,060,706	\$ 1,233,867	\$ 1,204,009	\$ 29,858
Delinquent tax	4,206	5,538	1,800	3,738
Motor vehicle tax	95,553	122,684	124,102	(1,418)
Collections	104,548	152,945	75,000	77,945
Special city and county highway fund	375,340	383,371	390,904	(7,533)
Neighborhood revit. & business refund	(46,117)	(32,675)	(37,285)	4,610
Local sales tax	310,524	-	-	-
Total cash receipts	<u>1,904,760</u>	<u>1,865,730</u>	<u>\$ 1,758,530</u>	<u>\$ 107,200</u>
EXPENDITURES				
Personal services	508,626	552,732	\$ 565,000	\$ (12,268)
Contractual services	367,049	262,687	260,000	2,687
Commodities	866,819	962,204	1,010,000	(47,796)
Capital outlay	6,377	16,674	20,000	(3,326)
Reimbursed expenditures	(9,075)	(10,316)	-	(10,316)
Transfers out-special bridge-sales tax	132,102	-	-	-
Transfers out-machinery & equip.	49,000	90,000	-	90,000
Total expenditures	<u>1,920,898</u>	<u>1,873,981</u>	<u>1,855,000</u>	<u>18,981</u>
Adjustments for qualifying budget credits	<u>-</u>	<u>-</u>	<u>77,945</u>	<u>(77,945)</u>
Total expenditures	<u>1,920,898</u>	<u>1,873,981</u>	<u>\$ 1,932,945</u>	<u>\$ (58,964)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(16,138)	(8,251)		
UNENCUMBERED CASH, BEGINNING	<u>100,836</u>	<u>84,698</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 84,698</u>	<u>\$ 76,447</u>		

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

WASHINGTON COUNTY, KANSAS
SPECIAL BRIDGE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Local sales tax	\$ -	\$ 330,158	\$ 290,000	\$ 40,158
Grant money	-	391,250	-	391,250
Transfers in-Road & Bridge	132,102	-	-	-
Total cash receipts	<u>132,102</u>	<u>721,408</u>	<u>\$ 290,000</u>	<u>\$ 431,408</u>
EXPENDITURES				
Contractual services	-	838,514	\$ 290,000	\$ 548,514
Adjustments for qualifying budget credits	-	-	431,408	(431,408)
Total expenditures	<u>-</u>	<u>838,514</u>	<u>\$ 721,408</u>	<u>\$ 117,106</u>
RECEIPTS OVER (UNDER) EXPENDITURES	132,102	(117,106)		
UNENCUMBERED CASH, BEGINNING	<u>-</u>	<u>132,102</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 132,102</u>	<u>\$ 14,996</u>		

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

WASHINGTON COUNTY, KANSAS
SPECIAL ROAD & BRIDGE MACHINERY FUND - (NONBUDGETED)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
CASH RECEIPTS		
Transfers in-Road & Bridge	<u>\$ 49,000</u>	<u>\$ 90,000</u>
EXPENDITURES		
Contractual services	<u>10,420</u>	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	38,580	90,000
UNENCUMBERED CASH, BEGINNING	<u>11,041</u>	<u>49,621</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 49,621</u></u>	<u><u>\$ 139,621</u></u>

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

WASHINGTON COUNTY, KANSAS
VEGETATION MANAGEMENT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Collections	\$ 26,958	\$ 24,882	\$ 18,000	\$ 6,882
Transfer in from Noxious Weed	-	3,756	-	3,756
Total cash receipts	<u>26,958</u>	<u>28,638</u>	<u>\$ 18,000</u>	<u>\$ 10,638</u>
EXPENDITURES				
Commodities	28,489	27,163	\$ 22,618	\$ 4,545
Adjustments for qualifying budget credits	-	-	6,882	(6,882)
Total expenditures	<u>28,489</u>	<u>27,163</u>	<u>\$ 29,500</u>	<u>\$ (2,337)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(1,531)	1,475		
UNENCUMBERED CASH, BEGINNING	<u>5,129</u>	<u>3,598</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 3,598</u>	<u>\$ 5,073</u>		

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

WASHINGTON COUNTY, KANSAS
NOXIOUS WEED FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Ad valorem property tax	\$ 96,047	\$ 87,180	\$ 85,065	\$ 2,115
Delinquent tax	477	496	300	196
Motor vehicle tax	11,841	12,236	11,203	1,033
Chemical sales & contract services	143,010	152,513	178,900	(26,387)
Neighborhood revit. & business refund	(4,301)	(2,309)	(3,367)	1,058
Total cash receipts	247,074	250,116	\$ 272,101	\$ (21,985)
EXPENDITURES				
Personal services	64,090	74,451	\$ 70,000	\$ 4,451
Contractual	33,811	46,982	15,000	31,982
Commodities	134,467	112,397	196,000	(83,603)
Capital outlay	175	-	-	-
Transfer into vegetation management	-	3,756	-	3,756
Transfers to multi-use equipment & improvement funds	20,000	12,000	4,000	8,000
Total expenditures	252,543	249,586	\$ 285,000	\$ (35,414)
RECEIPTS OVER (UNDER) EXPENDITURES	(5,469)	530		
UNENCUMBERED CASH, BEGINNING	18,798	13,329		
UNENCUMBERED CASH, ENDING	\$ 13,329	\$ 13,859		

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

WASHINGTON COUNTY, KANSAS
COUNTY HEALTH FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Ad valorem property tax	\$ 27,101	\$ 26,873	\$ 26,216	\$ 657
Delinquent tax	130	141	50	91
Motor vehicle tax	3,015	3,210	3,159	51
Neighborhood revit. & business refund	(1,184)	(712)	(948)	236
Transfer from multi-use equipment fund	-	-	-	-
Collections & contract	259,232	285,505	266,886	18,619
Total cash receipts	288,294	315,017	\$ 295,363	\$ 19,654
EXPENDITURES				
Personal services	180,477	195,867	\$ 195,000	\$ 867
Contractual services	81,070	89,787	90,000	(213)
Commodities	60,019	62,743	62,000	743
Capital outlay	8,092	-	5,000	(5,000)
Transfers to multi-use equipment & improvement funds	10,000	-	6,000	(6,000)
Total expenditures	339,658	348,397	358,000	(9,603)
Adjustments for qualifying budget credits	-	-	-	-
Total expenditures	339,658	348,397	\$ 358,000	\$ (9,603)
RECEIPTS OVER (UNDER) EXPENDITURES	(51,364)	(33,380)		
UNENCUMBERED CASH, BEGINNING	126,319	74,955		
UNENCUMBERED CASH, ENDING	\$ 74,955	\$ 41,575		

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

WASHINGTON COUNTY, KANSAS
SOLID WASTE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	Prior Year Actual	Current Year		Variance Over Under (Under)
		Actual	Budget	
CASH RECEIPTS				
Delinquent tax	\$ 4,096	\$ 3,811	\$ 10,000	\$ (6,189)
Special assessments-collections	159,523	174,686	180,000	(5,314)
Other collections and grants	200,598	196,281	175,600	20,681
Sale of pasture land	-	82,281	-	82,281
Total cash receipts	<u>364,217</u>	<u>457,059</u>	<u>\$ 365,600</u>	<u>\$ 91,459</u>
EXPENDITURES				
Personal services	136,981	138,467	\$ 154,000	\$ (15,533)
Contractual	166,411	140,471	166,000	(25,529)
Commodities	19,879	31,086	30,000	1,086
Capital outlay	29,181	1,618	-	1,618
Household hazardous waste	1,521	3,754	10,000	(6,246)
Acq./Post closure	-	-	1,500	(1,500)
Transfers to multi-use equipment & improvement funds	17,500	82,281	2,500	79,781
Total expenditures	<u>371,473</u>	<u>397,677</u>	<u>364,000</u>	<u>33,677</u>
Adjustments for qualifying budget credits	<u>-</u>	<u>-</u>	<u>102,962</u>	<u>(102,962)</u>
Total expenditures	<u>371,473</u>	<u>397,677</u>	<u>\$ 466,962</u>	<u>\$ (69,285)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(7,256)	59,382		
UNENCUMBERED CASH, BEGINNING	<u>166,140</u>	<u>158,884</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 158,884</u>	<u>\$ 218,266</u>		

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

WASHINGTON COUNTY, KANSAS
EMERGENCY 911 FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
911 fees	\$ 27,059	\$ 30,529	\$ 27,000	\$ 3,529
Interest income	1,685	3,308	-	3,308
Total cash receipts	<u>28,744</u>	<u>33,837</u>	<u>\$ 27,000</u>	<u>\$ 6,837</u>
EXPENDITURES				
Contractual services	32,073	36,723	\$ 27,000	\$ 9,723
Commodities	-	-	27,500	(27,500)
Capital outlay	-	-	25,000	(25,000)
Total expenditures	<u>32,073</u>	<u>36,723</u>	<u>\$ 79,500</u>	<u>\$ (42,777)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(3,329)	(2,886)		
UNENCUMBERED CASH, BEGINNING	<u>64,848</u>	<u>61,519</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 61,519</u>	<u>\$ 58,633</u>		

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

WASHINGTON COUNTY, KANSAS
WIRELESS 911 FUND - (NONBUDGETED)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	Prior Year Actual	Current Year Actual
CASH RECEIPTS		
911 fees	\$ 8,926	\$ 8,999
Grant	2,015	-
Interest income	1,069	1,131
	12,010	10,130
EXPENDITURES		
Contractual services	3,309	1,058
Capital outlay	-	-
	3,309	1,058
RECEIPTS OVER (UNDER) EXPENDITURES	8,701	9,072
UNENCUMBERED CASH, BEGINNING	10,811	19,512
UNENCUMBERED CASH, ENDING	\$ 19,512	\$ 28,584

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

WASHINGTON COUNTY, KANSAS
MULTI-USE EQUIPMENT FUND - (NONBUDGETED)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

	Prior Year Actual	Current Year Actual
Statement 3 Page 17 of 21		
CASH RECEIPTS		
Operating transfers in	\$ 93,000	\$ 71,978
Register of deeds tech fund	6,050	2,003
Total cash receipts	<u>99,050</u>	<u>73,981</u>
EXPENDITURES		
Capital outlay	54,699	7,289
Operating transfers out	-	-
Total expenditures	<u>54,699</u>	<u>7,289</u>
RECEIPTS OVER (UNDER) EXPENDITURES	44,351	66,692
UNENCUMBERED CASH, BEGINNING	<u>156,994</u>	<u>201,345</u>
UNENCUMBERED CASH, ENDING	<u>\$ 201,345</u>	<u>\$ 268,037</u>

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

WASHINGTON COUNTY, KANSAS
MULTI-USE CAPITAL IMPROVEMENT FUND - (NONBUDGETED)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
CASH RECEIPTS		
Operating transfers in	\$ 32,500	\$ 82,281
Receipt of repayment of loan	<u>37,500</u>	<u>-</u>
Total cash receipts	<u>70,000</u>	<u>82,281</u>
EXPENDITURES		
Capital outlay	<u>26,234</u>	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	43,766	82,281
UNENCUMBERED CASH, BEGINNING	<u>323,325</u>	<u>367,091</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 367,091</u></u>	<u><u>\$ 449,372</u></u>

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

WASHINGTON COUNTY, KANSAS
SPECIAL GRANT FUND - (NONBUDGETED)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
CASH RECEIPTS	<u>\$ 1,200</u>	<u>\$ -</u>
EXPENDITURES		
Contractual services	<u>160</u>	<u>791</u>
RECEIPTS OVER (UNDER) EXPENDITURES	1,040	(791)
UNENCUMBERED CASH, BEGINNING	<u>451</u>	<u>1,491</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 1,491</u></u>	<u><u>\$ 700</u></u>

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

WASHINGTON COUNTY, KANSAS
WIRELESS 911 GRANT FUND - (NONBUDGETED)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
CASH RECEIPTS		
Grant money	\$ 35,644	\$ -
Interest income	35	-
	<u>35,679</u>	<u>-</u>
Total cash receipts	35,679	-
EXPENDITURES		
Contractual services	<u>48,356</u>	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(12,677)	-
UNENCUMBERED CASH, BEGINNING	<u>12,677</u>	<u>-</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

WASHINGTON COUNTY, KANSAS
BOND AND INTEREST FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(Actual and Budget)

For the Year Ended December 31, 2007
(With Comparative Actual for the Prior Year Ended December 31, 2006)

Statement 3
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	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Ad valorem property tax	\$ 149,049	\$ 142,454	\$ 139,012	\$ 3,442
Delinquent tax	859	807	350	457
Motor vehicle tax	20,555	18,687	17,305	1,382
Neighborhood revit. & business refund	(6,617)	(3,772)	(5,199)	1,427
Total cash receipts	<u>163,846</u>	<u>158,176</u>	<u>\$ 151,468</u>	<u>\$ 6,708</u>
EXPENDITURES				
Bond and note principal	135,000	135,000	\$ 135,000	\$ -
Bond and note interest	25,024	20,974	20,974	-
Other	-	-	1,000	(1,000)
Total expenditures	<u>160,024</u>	<u>155,974</u>	<u>\$ 156,974</u>	<u>\$ (1,000)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	3,822	2,202		
UNENCUMBERED CASH, BEGINNING	<u>10,153</u>	<u>13,975</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 13,975</u>	<u>\$ 16,177</u>		

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

WASHINGTON COUNTY, KANSAS
AGENCY FUNDS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - REGULATORY BASIS
For the Year Ended December 31, 2007

Statement 4

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable funds:				
Register of deeds	\$ -	\$ 55,194	\$ 55,194	\$ -
District court	7,112	206,149	194,969	18,292
Sheriff	-	9,433	9,430	3
Emergency management	23	22	-	45
Noxious weed-chemical container recycling	166	538	508	196
County attorney	441	768	784	425
Game licenses	592	23,380	24,735	(763)
Tourist & promotion	3,174	4,325	3,106	4,393
Aflac holding acct.	(676)	22,022	20,528	818
Strays	-	-	-	-
CMB stamps	50	25	75	-
Payroll clearing	23	744,926	744,949	-
Treasurer's special auto	13,869	61,553	45,774	29,648
Prosecuting attorney	1,954	502	-	2,456
Current tax	4,987,662	9,096,447	8,873,107	5,211,002
Advance tax	186	1,441	1,627	-
Delinquent real estate tax	15,408	28,255	38,524	5,139
Delinquent personal tax	569	8,946	9,485	30
Special city /county highway tax	-	420,953	420,953	-
Comp use & sales tax	20,639	272,010	279,445	13,204
Motor vehicle tax	195,414	1,304,114	1,300,670	198,858
LEPC subgrant	1,600	-	-	1,600
Drivers license fees	10	14,339	14,114	235
State funds				
Educational building	-	56,840	56,840	-
Institutional	-	28,420	28,420	-
General	-	10	10	-
Motor vehicle tax	-	10,014	10,014	-
Subdivision funds				
School districts	-	2,714,326	2,714,326	-
Townships	-	783,526	783,526	-
Cemeteries	-	40,505	40,505	-
Cities	-	789,663	789,663	-
River Valley Extension	-	132,728	132,728	-
Joint fire districts	-	110,816	110,816	-
Central Kansas library	-	67,667	67,667	-
Watershed districts	-	2,345	2,345	-
Hanover hospital & Palmer building	-	40,083	40,083	-
TOTAL GOVERNMENT	\$ 5,248,216	\$ 17,052,285	\$ 16,814,920	\$ 5,485,581

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

WASHINGTON COUNTY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Washington County is a municipal corporation governed by an elected three-member commission. These financial statements represent a budgetary reporting presentation in accordance with the reporting guidelines of the Kansas Municipal Audit Guide.

Fund Accounting

The accounts of the County are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The following types of funds comprise the financial activities of the County for the year of 2007:

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 and the financing of special assessments which are general obligations of the County.

Agency funds—to account for assets held by a governmental unit as an agent for individuals, private organizations, other government units, and/or other funds.

WASHINGTON COUNTY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statutory Basis of Accounting

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

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

Departure From Accounting Principles Generally Accepted in the United States

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States, 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 accounting principles generally accepted in the United States. General fixed 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, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

Compensated Absences

All employees of the County accumulate a maximum of 120 calendar days earned time pay. Upon resignation or retirement from service with the County, employees are entitled to payment for all accrued earned time, up to 30 days maximum, earned prior to resignation or retirement.

The costs of accumulated vacation and extended leave are not recorded in the financial statements at the time the benefits are earned by the employee. The estimated liability for accumulated leave time as of December 31, 2007 is \$232,857.

Reimbursements

The County records reimbursable expenditures (or expense) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures (or expenses) are properly offset by the reimbursements.

WASHINGTON COUNTY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 – 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), and debt service 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 calendar 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 public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. No budgets were amended during 2007.

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

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

WASHINGTON COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 2 – BUDGETARY INFORMATION (continued)

A legal operating budget is not required for agency funds and the following special revenue funds:

Special Road & Bridge Machinery	Wireless 911
Multi-Use Equipment	Wireless 911 Grant
Multi-Use Capital Improvements	Special Grant

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

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 payment.

These taxes become a lien against all property November 1. 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. This interest is retained by the County.

Taxes levied to finance the budget are made available to Washington County after January 1st 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 throughout the year.

NOTE 3 – DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund portion of this pool is displayed on the Summary of Cash Receipts, Expenditures and Unencumbered Cash. The cash balances of certain funds are restricted as to their use.

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 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.

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. All deposits were legally secured at December 31, 2007.

At December 31, 2007, the County’s carrying amount of deposits was \$7,604,154 and the bank balance was \$7,812,381. The bank balance was held by five banks. Of the bank balance, \$529,401 was covered by federal depository insurance, \$7,282,980 was collateralized with securities held by the pledging financial institutions’ agents in the County’s name.

WASHINGTON COUNTY, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2007

NOTE 4 – CAPITAL LEASES

All equipment under capital leases has been pledged to secure the payment of those leases.

NOTE 5 – LEASE OBLIGATIONS

The County is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the County’s account groups. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2007:

Year ending December 31	Amount
2008	\$ 2,760
2009	2,530
2010	-
2011	-
2012	-
	\$ 5,290

NOTE 6 – COMPLIANCE WITH KANSAS STATUTES

Budget Violations – K.S.A. 79-2935
 Expenditures were in excess of the budget:

Special Bridge	\$ 117,106
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NOTE 7 – LONG-TERM DEBT

Terms for long-term liabilities for Washington County for the year ended December 31, 2007 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds:				
Series 2004	3.04-4.125%	2004	\$ 1,015,000	2014
Capital Leases:				
1998 J.D. Motor Grader	3.49%	2004	88,500	2006
2 J.D. 770CH Motor Graders	5.50%	2004	292,990	2007
Road and Bridge-Equipment	4.50%	4/24/2006	172,865	4/24/2009
Jail Facility	4.0-4.75%	2006	1,200,000	2026

WASHINGTON COUNTY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 7 – LONG-TERM DEBT (continued)

Changes in long-term liabilities for Washington County for the year ended December 31, 2007 were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:						
Series 2004	\$ 635,000	\$ -	\$ 135,000	\$ -	\$ 500,000	\$ 20,974
Capital Leases:						
2 J.D. 770CH Motor Graders	97,771	-	97,771	-	-	2,602
Road and Bridge-Equipment	145,270	-	56,180		89,090	5,910
Jail Facility	1,200,000	-	15,000		1,185,000	80,254
Total Contractual Indebtedness	2,078,041	-	303,951	-	1,774,090	109,740
Compensated absences	228,356	-	-	4,501	232,857	-
Total Long-Term Debt	<u>\$ 2,306,397</u>	<u>\$ -</u>	<u>\$ 303,951</u>	<u>\$ 4,501</u>	<u>\$ 2,006,947</u>	<u>\$ 109,740</u>

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

	YEARS								Total
	2008	2009	2010	2011	2012	2013-2017	2018-2022	2023-2027	
PRINCIPAL									
General obligation bonds	\$ 140,000	\$ 55,000	\$ 55,000	\$ 60,000	\$ 60,000	\$ 130,000	\$ -	\$ -	\$ 500,000
Capital leases	98,726	75,364	45,000	45,000	50,000	280,000	345,000	335,000	1,274,090
TOTAL PRINCIPAL	<u>238,726</u>	<u>130,364</u>	<u>100,000</u>	<u>105,000</u>	<u>110,000</u>	<u>410,000</u>	<u>345,000</u>	<u>335,000</u>	<u>1,774,090</u>
INTEREST									
General obligation bonds	16,924	13,144	11,494	9,706	7,606	7,962	-	-	66,836
Capital leases	58,869	51,984	49,503	47,702	45,902	196,995	128,778	40,572	620,305
TOTAL PRINCIPAL	<u>75,793</u>	<u>65,128</u>	<u>60,997</u>	<u>57,408</u>	<u>53,508</u>	<u>204,957</u>	<u>128,778</u>	<u>40,572</u>	<u>687,141</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 314,519</u>	<u>\$ 195,492</u>	<u>\$ 160,997</u>	<u>\$ 162,408</u>	<u>\$ 163,508</u>	<u>\$ 614,957</u>	<u>\$ 473,778</u>	<u>\$ 375,572</u>	<u>\$ 2,461,231</u>

WASHINGTON COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 8 – FUND TRANSFERS

From	To	Authority	Amount
Treasurer's Special Auto	General Fund	Resolution	\$ 13,868
Janitor	Multi-Use Equipment	K.S.A. 19-119	478
County Attorney	Multi-Use Equipment	K.S.A. 19-119	-
Emergency Preparedness	Multi-Use Equipment	K.S.A. 19-119	1,500
Economic Development	Multi-Use Equipment	K.S.A. 19-119	6,000
Communications-Dispatch	Multi-Use Equipment	K.S.A. 19-119	3,000
Sheriff	Multi-Use Equipment	K.S.A. 19-119	25,000
Jail	Multi-Use Equipment	K.S.A. 19-119	20,000
County Appraiser	Multi-Use Equipment	K.S.A. 19-119	4,000
Noxious Weed	Multi-Use Equipment	K.S.A. 19-119	12,000
Noxious Weed	Vegetation Management	Resolution	3,756
Road & Bridge	Special R & B Machinery	K.S.A. 68-141-g	90,000
Solid Waste Fund	Multi-Use Capital Improvement	K.S.A. 19-120	82,281

NOTE 9 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The County manages these various risks of loss as follows:

General liability

Insured through commercial insurance policy. Policy provides coverage for claims up to \$500,000 per occurrence.

Physical property

Insured through commercial insurance policy. Replacement cost insured values are based on an annual review by insurance agent.

Workers' compensation

Insured through commercial insurance policy. Policy provides coverage for claims up to \$500,000 per accident.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Plan description. The County participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law established 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 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

WASHINGTON COUNTY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 10 – DEFINED BENEFIT PENSION PLAN (continued)

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The average employer rate established for calendar years ending December 31, 2007, 2006, and 2005 were 5.31%, 4.71%, and 4.11%. The County employer amounts of contributions to KPERS for the years ending December 31, 2007, 2006, and 2005 were \$87,367, \$72,716, and \$63,830, respectively, equal to the required contributions for each year.

NOTE 11 – DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to substantially all government employees permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County without being restricted to the provisions of benefits under the plan, subject only to the claims of the county's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant. Obligations to the employees under the deferred compensation plan at December 31, 2007 are \$183,843.

It is the opinion of the County's legal counsel that the County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Grant Program Involvement – In the normal course of operations, the County participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

WASHINGTON COUNTY, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2007

NOTE 12 – COMMITMENTS AND CONTINGENCIES (continued)

Neighborhood Revitalization – The County adopted a Neighborhood Revitalization Plan for all real property and all improvements thereon situated in the County of Washington effective on or after January 1, 1997, pursuant to K.S.A. 1996 Supp. 12-17, 114 et seq. There are various qualifications that must be met in order to be eligible for the tax rebate. The amount of the rebate is the resulting increase in the ad valorem tax, if any, which is directly attributable to the construction and improvement to the qualified parcel and the increase in assessed valuation directly resulting therefrom, in any given year during the period of eligibility, calculated in accordance with the applicable percentage amounts as set forth in the following table:

Years of Eligibility	Percentage of Property Tax Increment Rebateable
Years 1-3	90%
Year 4	80%
Year 5	70%
Year 6	60%
Year 7	50%
Year 8	40%
Year 9	30%
Year 10	20%

A parcel determined qualified for rebates shall be entitled to such rebates in decreasing percentage amounts for a period of ten years provided the property declared qualified shall continuously maintain such qualification. The plan was terminated for any new participants on January 1, 2003.

Restated and Amended Revitalization Plan – The County adopted the Restated and Amended Revitalization Plan for agricultural property construction, commercial and industrial property construction and multi-family residences effective as of January 1, 2003. The term of the tax rebate that will be allowed is for a period of three years, with an additional two years granted under certain provisions as set forth in the plan. No tax rebate will be available beyond five years. The amount of rebate on the new constructions shall be graduated in accordance as to the following:

New Appraised Value or Projected Construction Costs	Percentage of Property Tax Rebate on Real Estate Investment/Construction
\$10,000 to \$99,000	55.0%
\$100,000 to \$1,000,000	60.0%
Greater than \$1,000,000	65.0%

WASHINGTON COUNTY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 12 – COMMITMENTS AND CONTINGENCIES (continued)

There is also an incentive rebate that the governing body will consider increasing the amount of tax rebate up to 75.0% by giving special consideration to the number of new jobs created by the construction of improvements.

The Restated and Amended Revitalization Plan shall also extend the initial period of the Neighborhood Revitalization Plan for an additional period of five years, ending January 1, 2012.

For the year ended December 31, 2007, this tax rebate for both plans amounted to \$109,642.

NOTE 13 – MUNICIPAL SOLID WASTE LANDFILL

The County closed its solid waste landfill during 1994. A transfer station was built and solid waste is being hauled to an out of county landfill. A final closure inspection has been done by the Kansas Department of Health and Environment and the County's closure plan has been accepted. Postclosure care consists of the following: (1) maintaining the integrity and effectiveness of the final cover and (2) monitoring the groundwater and maintaining the monitoring system described in accordance with the requirements of K.S.A. 28-29-19. As long as the sampling results show no contamination above the maximum amounts allowed, monitoring will be conducted as needed. In the event of contamination, the County will be required to (1) increase sampling of the monitoring wells, (2) identify all private domestic wells, (3) install additional monitoring wells and possibly cleanup the contaminated area. No estimation of additional landfill closure or postclosure care has been determined. Therefore, no potential liability has been recognized in these financial statements. No contamination was identified in 2007.