

KANSAS WATER POLLUTION CONTROL REVOLVING LOAN FUND

Annual Report
For Fiscal Year 2011
(7/1/10 to 6/30/11)

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September 30, 2011

EXECUTIVE SUMMARY

The Kansas Water Pollution Control Revolving Fund (the KWPCRF) is a way for the State of Kansas through the Kansas Department of Health and Environment (KDHE) to help communities finance water pollution control projects through low interest loans to local government. The repayments on the loans are returned to the KWPCRF to “revolve” for use by other Kansas communities. The “seed” money for the KWPCRF is provided by EPA through an act of Congress. The States must provide a minimum 20% match to these Federal grants.

Through this partnership, the State of Kansas and local communities can work together to protect and improve the environment while also building a financially stable fund to help meet municipal water quality needs of future generations.

Beginning in FFY ‘93, KDHE in conjunction with the Kansas Development Finance Authority (KDFa) determined the KWPCRF could sell additional revenue bonds to meet the volume of funding requests from local governments, or “leverage” the KWPCRF to generate additional funding for construction projects. This effort was successful, and KDHE in conjunction with KDFa has continued to sell State match and “leveraging” bonds on many occasions to enhance and expand the financial capability of the KWPCRF.

In conjunction with the FFY 2000 revenue bond issue, the Master Bond Resolution was also revised to establish the Environmental Initiatives Fund within the KWPCRF, which can provide funding to non-municipal applicants including non-point source pollution control projects. In conjunction with the FFY 2010 revenue bond issue, a new Master Financing Indenture was developed to provide cross-collateralization of the Kansas Clean Water and Drinking Water SRFs, and allow joint bond issues.

The KWPCRF also provides technical assistance (planning review, design conferences, construction inspection oversight) in addition to funding construction project costs. In FY ‘11, 16 wastewater authorities entered into new loan agreements and there were 9 minor and 2 major amendments to increase the loan amount, with a total of \$17.7 million being invested for projects related to public health protection, water quality improvement, and permit compliance. These projects included:

- **Argonia:** Rehabilitation of the existing wastewater treatment lagoon and wastewater collection system for I/I removal. Loan Amount \$907,256.
- **Cawker City:** Rehabilitation of the existing wastewater treatment lagoon and collection system. Loan Amount: \$260,186; (Principal Forgiveness Estimate Amount \$39,028)
- **Cherokee Co. S.D. #1:** Replacement of an existing sewage pumping station. Loan Amount: \$255,000 (Principal Forgiveness Estimate Amount \$38,250)
- **Council Grove:** Rehabilitation of the existing wastewater treatment lagoon. Loan Amount: \$509,600 (Principal Forgiveness Estimate Amount \$76,440)

- **Glacial Hills RC&D (Phase 2):** The Glacial Hills Resource Conservation & Development Region, Inc. is a nonprofit organization that has received funding to implement a green infrastructure/non-point source pollution control project in Atchison and Jackson counties. This project will consist primarily of eight streambank stabilization and riparian restoration sites along the Delaware River above Perry Reservoir. Loan Amount: \$333,000 (Principal Forgiveness Estimate Amount \$333,000)
- **Glasco:** Rehabilitation of the existing wastewater treatment lagoon. Loan Amount: \$175,600.
- **Grinnell:** Rehabilitation of existing wastewater treatment lagoon. Loan Amount: \$570,620 (Principal Forgiveness Estimate Amount \$85,593)
- **Johnson County Wastewater (Major Amendment):** Upgrade of the sludge handling improvements of the existing BNR activated sludge Douglas L. Smith Indian Creek Middle Basin wastewater treatment plant including the GPR design components of a new grease receiving station, expansion of the anaerobic digesters, a new gas storage structure, and new co-generation equipment to utilize digester gas for heating and generating electricity. Loan Amendment Amount: \$830,000.
- **LaCrosse:** Construction of a new wastewater treatment lagoon facility, pumping station and force main to replace the outdated and dilapidated mechanical wastewater treatment facility. Loan Amount: \$2,678,530 (Principal Forgiveness Estimate Amount \$1,071,412)
- **Leoti:** Upgrade of existing sewage pumping stations. Loan Amount \$740,000 (Principal Forgiveness Estimate Amount \$296,000)
- **Moran:** Rehabilitation of the wastewater collection system. Loan Amount \$353,389.
- **Pratt:** Upgrade of the sludge handling components of the existing activated sludge wastewater treatment plant including the GPR design components sludge dewatering process and building. Loan Amount: \$1,642,000; (Principal Forgiveness Estimate Amount \$656,800)
- **Rose Hill (Major Amendment):** Construction of an extended force main for an existing pump station. Loan Amendment Amount \$365,000.
- **Shawnee County:** Upgrade of existing sewage pumping stations. Loan Amount: \$2,000,000 (Principal Forgiveness Estimate Amount \$300,000)
- **Solomon:** Rehabilitation of existing wastewater treatment lagoon. Loan Amount: \$195,675.

- **Stockton:** Construction of a new wastewater treatment lagoon facility, pumping station, and force main to replace the outdated and dilapidated mechanical wastewater treatment facility. Loan Amount: \$4,622,300 (Principal Forgiveness Estimate Amount \$1,848,920)
- **Troy:** Rehabilitation of the wastewater collection system. Loan Amount: \$270,800.
- **Viola:** Rehabilitation of the existing wastewater treatment lagoon. Loan Amount: \$300,000 (Principal Forgiveness Estimate Amount \$45,000)

In summary, within SFY 2010, the KWPCRF provided:

- A total of \$17,655,994 to new loans and amendments to increase the loan amounts.
- A total of \$608,453 additional “base program” funding to ARRA Loan Amendments.
- A total of \$16,939,633 to “base program” Loan Agreements and Loan Amendments.
- A total of \$1,975,000 was determined to meet the EPA policy requirements to qualify as Green Project Reserve funding. (Pratt and Glacial Hills Ph. 2)
- A total of \$4,790,443 loan funding was provided as Principal Forgiveness.

The revolving fund encourages participation by cities with populations 5,000 or less. Fourteen of the 16 projects funded were for or within cities of 5,000 or less population. Since the revolving fund's beginning, about 30.6% of the money loaned has been to small communities. Future KDHE efforts will work to increase this percentage as small community needs increase due to more stringent sludge and wastewater treatment requirements.

To qualify for a state revolving loan, the borrower must:

- Show a public health, water quality, or permit compliance need.
- Show financial need.
- Dedicate a source of money to repay the loan.
- Show the project is ready to proceed.
- Repay the loan once the project is constructed, according to the agreed-upon schedule.
- Meet the required federal and state laws and regulations of the KWPCRF Program.

TABLE OF CONTENTS

	<u>TITLE</u>	<u>PAGE</u>
I.	INTRODUCTION	1
II.	FINANCIAL OVERVIEW	1
III.	GOALS AND ACCOMPLISHMENTS	2
	A. Short Term Goals and Accomplishments	2
	B. Long Term Goals and Accomplishments.....	4
IV.	DETAILS OF ACCOMPLISHMENTS	6
	A. Fund Financial Status.....	6
	B. Assistance Activity.....	8
	C. Provisions of the Operating Agreement/ Conditions of the Grant	9
V.	PROGRAM CHANGES	14
	A. Comparison with the Intended Use Plan	14
	B. Modifications of Goals and Objectives	15
VI.	PROPOSED IMPROVEMENTS.....	15
	A. Modification of the Program	15
	B. Long and Short Term Goals for Future IUP	15
<u>EXHIBITS</u>		
Exhibit 1	New Projects Receiving SRF Financial Assistance.....	17
Exhibit 1A	Summary of Loan Amounts, ARRA Funding Amount, Green Project Reserve Amounts, and Principal Forgiveness Amounts for all ARRA Funded Loans as of 6/30/11	19
Exhibit 1B	Summary of Loan Amounts, SFY 2010 and SFY 2011 Project Amounts, Green Project Reserve Amounts, and Principal Forgiveness Amounts for all Loans Funded with FFY 2010 Funded Loans as of 6/30/11	20
Exhibit 2	FY '11 Binding Commitments by Quarter and Type	21
Exhibit 3	Source of SRF Funds by Quarter	22
Exhibit 4	Select Binding Commitments with Respect to Payments.....	23
Exhibit 5	Select Disbursements	30
Exhibit 6	Assistance Amount by Needs Category	31
Exhibit 7	Payment Schedule	32
Exhibit 8	Project Loan Repayment and Interest Activity.....	34
Exhibit 9	Actual Disbursements for FY '11	35
Exhibit 10	Statement of Net Assets.....	36
Exhibit 11	Statement of Revenues, Expenses, and Changes in Fund Net Assets	37
Exhibit 12	Statements of Cash Flows.....	38
	(Notes to the Financial Statements)	39
Exhibit 13	Aging of Accounts	56
Exhibit 14	Supplemental Schedules.....	57
Exhibit 15	Completed Projects	58
<u>ATTACHMENTS</u>		
Attachment 1	FY '10 and FY '11 SRF Audit Findings and Responses	
Attachment 2	Federal Financial Reports for the Clean Water SRF	
Attachment 3	KDFA SFY '11 Independent Audit Report	
Attachment 4	Environmental Benefits Matrix and CBR Reports Information	

I. INTRODUCTION

This is the Kansas Annual Report for Fiscal Year (FY) 2011 (7/1/10-6/30/11) for the Kansas Water Pollution Control Revolving Fund (KWPCRF). This Report describes how the State of Kansas has met the goals and objectives of its Clean Water State Revolving Loan Fund (CWSRF) for the previous fiscal year as identified in the Intended Use Plan, the actual use of funds, and the financial position of the KWPCRF. The KWPCRF helps protect the health of Kansas by financing infrastructure improvements which provide treatment of sewage and wastewater.

II. FINANCIAL OVERVIEW

In FFY '93, KDHE, in conjunction with the Kansas Development Finance Authority (K DFA), was successful in "leveraging" the KWPCRF through sale of a 20 year revenue bond. This effort resulted in the sale of \$71.2 million K DFA revenue bonds in January 1993 to provide the required 20% State Match and also "leverage" additional monies. In FFY '95 a second revenue bond issue was sold, providing additional State Match through the issuance of \$6.915 in state match revenue bonds. In FFY '97 a third revenue bond issue was sold for \$39.26 million, providing additional State Match and "leverage" monies. In FFY '98 a fourth revenue bond issue of \$80.5 million was sold, to refinance a portion of the 1993 bonds and to provide additional "leverage" loan dollars. In FFY '99, a short term revenue bond of \$470,000 was sold to provide additional state match for the FFY '99 Capitalization Grant. Also in FFY 2000, a short term revenue bond of \$2.5 million was sold to provide additional State Match for the 2000 Capitalization Grant. In FFY 2000, a fifth revenue bond issue of \$82.915 million was sold to refinance the \$2.5 million bonds and to provide additional State Match and "leverage" monies. At that time the Master Bond Resolution was also revised to establish the Environmental Initiatives Fund within the KWPCRF, which can then provide funding to non-municipal applicants, anticipated to fund non-point source pollution control projects. In FFY '01, a sixth revenue bond issue of \$141.045 million was sold, to refinance selected prior bonds, provide \$4.8 M additional State Match, and provide \$40 M additional "leverage" monies. In FY '03, a seventh revenue bond issue of \$101.575 million was sold, to refinance selected prior bonds and provide \$90 M additional "leverage" monies. In FY '04, an eighth revenue bond issue of \$50.14M was sold, to refinance selected prior bonds, provide \$5.0M additional State Match, and provide \$40.0M additional "leverage" monies. In FY '06, a ninth revenue bond issue of \$118.86M was sold to refinance selected prior bonds, provide \$2.0M additional State Match, and provide \$60.88M additional "leverage" monies. In FY '09, a tenth revenue bond issue of \$66.545M was sold to provide \$5.6M additional State Match, and provide \$60.0M additional "leverage" monies. In FY '11, the eleventh revenue bond issue of \$213,950,000 was sold under the new Master Financing Indenture in conjunction with the Kansas Public Water Supply Revolving Fund to provide \$5.0M additional State Match, and provide \$60.0M additional "Leverage" monies to the KWPCRF.

The KWPCRF received a federal grant in SFY '11 from the Title VI allotment of \$18,391,000. Additional federal funds made available in FY '11 by all SRF grants were \$18,391,000 (see Exhibit 3). Also, recycled monies available in FY '11 were \$6,800,000 (reference the First Amendment to the Intended Use Plan for the Water Pollution Control Revolving Loan Program – Final State Fiscal Year 2011 – February 24, 2011). State Match Bond funds of \$5.0M were used in FY '11 loans. In prior years, the actual State borrowing amount for FY '10 and prior year's loans was determined by multiplying the total FY '11 Loan Amounts (from Exhibit 1, Part 1) minus the project costs funded with recycled monies, minus the project costs funded with Leveraged bond monies by 20/116. In this way the necessary State Match for both the Loan and the 4% Administration monies was provided as the binding

commitments were established. All State Match funds from prior bond issues have now been disbursed to projects. With the State Match borrowing in SFY 2010, a different approach was required. The \$5.0M of State Match that was borrowed was immediately spent on prior disbursements to existing loans, assuring the State Match bond proceeds were quickly utilized and also the EPA State Match was quickly spent.

The total interest earnings include accrued interest during construction, interest repayments on loans from communities, interest earned on State Match borrowing and Leveraged Bond borrowing account balances, and interest earned on the Debt Service Reserve Fund (see Exhibit 3). In FY '11, \$491,662 was drawn from the Federal ACH for administrative expenses. (See Exhibit 11).

Kansas has made progress in meeting the State's water quality financing needs.

- Sixteen wastewater authorities entered into new loan agreements (also known as "binding commitments"), and there were 9 minor and 2 major amendments increasing the loan amounts of existing loans.
- Disbursements from the KWPCRF to the various recipients totaled \$74,510,102 on an accrual basis (see Exhibit 8). As part of this, there were disbursements totaling \$21,485,387 of ARRA funds in FY '11 (See Exhibits 9 and 12). In addition, \$501,597 from the Federal ACH and \$788,154 from service fees was used for actual program administrative expenses in FY '11 (see Exhibit 11).
- All binding commitments, i.e. KDHE signature of a loan agreement or loan amendment, provided financial assistance for construction of wastewater collection and/or treatment facilities. Binding commitments were to provide assistance to municipal wastewater facilities projects as described in Section 212 of the Federal Clean Water Act and also for non-point source pollution control projects as described in Section 319 of the Federal Clean Water Act.

These "Section 212" projects include secondary treatment and advanced treatment facilities and upgrades including sludge handling improvements, infiltration/inflow correction and control, new interceptors, and sewer rehabilitation. The "Section 319" projects include stormwater treatment to resolve adverse water quality impacts. These FY '11 obligations totaled \$18,391,634. A detailed breakdown of the binding commitments made is shown in Exhibit 2.

III. GOALS AND ACCOMPLISHMENTS

A. Short Term Goals and Accomplishments

The State of Kansas must annually prepare an Intended Use Plan, listing specific projects targeted for funding and describing short-term and long-term goals to be implemented in FY '11. The State has progressed toward successful completion of its short-term goals:

1. To provide financial assistance to water quality improvement projects for discharge to streams and water bodies within "high quality watersheds" consistent with the provisions of the Project Priority System.

The program has been successful in accomplishing this goal as the projects for Shawnee County and Glacial Hills RC&D Ph 2 funded improvements in the Kansas/Lower Republican River Basin in support of the Governor's Water Quality Initiative. A Governor's Water Quality Initiative is now also underway for the Lower Arkansas River Basin, and the projects for Viola, Argonia, and Rose Hill (Major Amendment) funded improvements in this Basin.

2. To provide financial assistance for sewerage facilities to municipalities with population of 5,000 or less.

The fund is continuing to be popular with small communities as 14 of the 16 projects during the year were for municipalities with populations of 5,000 or less. Project costs of \$12.82 million of the total \$17.66 million (72.6%) in FY '11 were for these smaller projects. For the program to date, about 30.6% (315.2/1,029.0) of monies in loan agreements have been to small communities.

3. To assure compliance with Water Quality Standards and effluent limitations through encouraging construction of sewerage improvements in support of KDHE Permitting and Enforcement activities.

The projects funded within FY '11 and the KDHE and KDFA combined efforts in FFY '93, FFY '95, FFY '97, FFY '98, FFY '99, FFY '00, FFY '01, FY '03, FY '04, FY '06, FY '09, and FY '10 in leveraging the fund and providing the required state matching funds indicate progress in accomplishing this goal.

The sewer rehabilitation projects and/or subsequent I/I removal for Argonia, Cherokee County SD #1, Moran, Troy, Leoti, Shawnee County, and Rose Hill (Major Amendment) will help operations compliance with the existing treatment facilities. Improvements to the existing or construction of new mechanical treatment facilities at Pratt and Johnson County Wastewater (Major Amendment) will help achieve compliance with the Kansas Surface Water Quality Regulations. The projects to construct new or expand and rehabilitate the existing lagoons at Cawker City, Viola, LaCrosse, Council Grove, Grinnell, Argonia, Solomon, Glasco, and Stockton will improve compliance with the Kansas Surface Water Quality Standards.

4. To encourage municipalities to use the KWPCRF for solving problems related to public health protection, water quality improvement, sludge handling improvements, and wastewater treatment facilities compliance through the construction of sewerage projects.

The program has been successful in accomplishing this goal as 16 new projects and 10 amendments for over \$17.6 million signed loan agreements during the year. The projects at Shawnee County and Rose Hill (Major Amendment) provide, in part, interceptors or expanded pumping stations to expand sewerage services to new areas of the communities.

Twenty-One traditional wastewater treatment design projects and 5 "green innovative" non-point source pollution control projects were completed in FY 2011 to the point of initiation of operation of the newly constructed facilities and numerous projects are now making repayments on loans. All required repayments were received in full and on schedule.

Also note, the number of projects and total project amounts that were completed in FY 2010 to the point of initiation of operation was not complete and accurate. A total of 8 projects in the amount of \$20,291,124 was reported, but the correct total is 15 projects in the amount of \$24,831,724, including the Jetmore project with \$800,000 of ARRA funding. These additional projects include Hoyt, Lehigh, Columbus, Gorham, Ellsworth, Jetmore, and Baldwin City. Also, one "green innovative" non-point source pollution control project was completed to the point of initiation of operation in FY 2010, the project in Mission, Kansas, for an additional \$406,272. This was discovered when updating the National Information Management System (NIMS) for 2011, and NIMS is now correct.

The projects for Cawker City, Viola, LaCrosse, Council Grove, Argonia, Solomon, and Stockton were necessary to comply with schedules in permits and/or orders from KDHE or EPA.

The use of the Fund has increased as projected as a greater number of projects approach KDHE, and total project cost estimates far exceed available funding. Due to this, KDHE has completed several revenue bond sale efforts in the past to generate additional leverage funds, and will continue these efforts in the future up to the financial capability of the Fund.

5. To assure compliance with domestic sewage sludge reuse criteria and disposal practices through construction of any necessary sludge handling improvements to comply with the 40 CFR Part 503 EPA regulations.

Various projects help accomplish this goal by upgrading the sludge handling aspects of existing mechanical treatment facilities when the overall project is completed. These projects include Pratt and Johnson County Wastewater (Major Amendment). KDHE preliminary project activities through the year continue to address this problem, and we expect continued loan activity in the coming year.

6. To develop and implement a linked-deposit procedure to fund projects with non-traditional borrowers.

This goal is to be reconsidered. The advent of the new Federal requirements to provide principal forgiveness and encourage funding to non-point source pollution control green project reserve projects reduces the necessity to pursue a linked-deposit procedure for the KWPCRF program.

B. Long Term Goals and Accomplishments

In its Intended Use Plan, the State of Kansas made the following long-term commitments:

1. To maintain a self-supporting revolving loan program through the Kansas Water Pollution Control Revolving Fund in order to improve and protect water quality and public health.

To date, this goal is being met. The long term cash flow and fund balance projections developed by program financial advisors indicate the debt coverage ratios for the revenue bonds meet or exceed requirements. Also, the excess repayments of principal, i.e. principal repayments above the amounts necessary to satisfy payments on the KDHE Leveraged Bonds, are substantial and will continue to be deposited into the General Loan account. This has allowed the sale of Leveraged Bonds in the past, and KDHE will sell additional leveraging bonds in the future as necessary and when capable. This also allows "recycled" monies to be available for projects and placed in loan agreements.

The service fees generated by the loan repayments continue to be used to pay for KDFA and/or Division of Accounts and Reports (DAAR) of the Department of Administration services, are also helping to support KDHE administration of water pollution control programs, and provide funding for an operator training contract outside the Department. See also Item V.A. for a discussion of administrative costs and service fees.

2. To establish and manage an effective and efficient State Revolving Fund Program, provided that it's revolving nature is assured in perpetuity.

To date, this goal is being met. The Fund has been sufficiently popular with municipal projects that all available funds are quickly committed to loan agreements, and the Fund has "leveraged" additional funds for major projects on ten occasions. The Fund has been efficient with a low administrative cost to project cost ratio, and projects would move very quickly into and through construction. Long term cash flow and fund balance projections developed by program financial advisors indicate a sufficient debt coverage ratio and continued growth of the Fund. A new Master Financing Indenture was developed in FY '10. Independent audits of the Fund have now been conducted for the past fifteen years and an independent audit has also been conducted for FY '11. An A-133 Audit was conducted for FYF '10 and will also be conducted for FY '11 due to the ARRA funding.

The recent changes to the KWPCRF program as a result of additional Federal conditions on the Capitalization Grants starting with FFY '10 funding have substantially increased the administrative burden to KDHE. Hopefully the Fund will remain popular with municipalities, and KDHE will take whatever actions are necessary to assure KWPCRF debt is repaid and the program continues financially secure into perpetuity.

3. To provide the type and amount of assistance most advantageous to local communities consistent with assuring the long-term purchasing power and stability of the Fund.

The State continues to pursue these long term goals. KDHE and KDFA will continue to monitor the financial status of the Fund.

4. To continue to fund water quality improvement, sludge handling improvements, and public health protection projects on a priority basis as presented in the Project Priority List.

Projects are included on the Intended Use Plan (IUP) first on basis of priority from the List, and then based on readiness to proceed. Projects for communities with population of 5,000 or less are often included on the basis of priority need, to help in development of projects.

5. To support implementation of Water Quality improvements plans as presented within the Kansas Water Plan and TMDL plans written by KDHE and approved by EPA.

This goal will continue to the FY 2011 effort. KDHE efforts have been successful, as reflected in the large number of water quality improvement projects funded in the past and targeted by the IUP for funding in the future. The KWPCRF also continues to target funding to projects in the Kansas Lower Republican River Basin and in the Lower Arkansas River Basin in support of the Governor's Water Quality Initiative, and is targeting funding to projects with discharges to High Quality Watersheds as described in the Project Priority System.

6. To provide funding to non-traditional borrowers for water quality improvement and public health protection projects, including non-point source pollution control projects, through the new options allowed by the Federal FFY '10 and subsequent appropriations as implemented by the Master Financing Indenture.

This goal will continue.

IV. DETAILS OF ACCOMPLISHMENTS

A. Fund Financial Status

1. Binding Commitments

As shown in Exhibit 2, the Kansas Water Pollution Control Revolving Fund entered into binding agreements with 16 projects and 8 minor and 2 major amendments to existing Loan Agreements in order to provide financial assistance for Section 212 "traditional" wastewater collection and treatment projects and also for Section 319 "green innovative" non-point source pollution control projects. The total amount of binding commitments to loans in SFY 2011 is \$17,655,994. Also, by receiving the FFY '10 EPA Capitalization Grant offer KDHE has obtained additional funds for Administration. Many of the projects funded in this fiscal year have all of the "Cross-Cutters" requirements imposed, and in the future additional projects will be funded with all "Cross-Cutters" imposed to insure total funded projects exceed the total Capitalization Grants received for the program. The ARRA funded projects have complied with all "Cross-Cutters" as well as the additional requirements of Federal law applicable to the ARRA funds.

2. Sources of Funds

Exhibit 3 shows the sources of KWPCRF funds for FY '11. Additional federal funds of \$18,391,000 were made available in FY '11 from all grants. Other fund sources are also presented in Exhibit 3.

3. Revenues and Expenses

The Statement of Revenues, Expenses, and Changes in Fund Net Assets is Exhibit 11 of this report. Fund revenues consisted of ACH draws of capitalization grants restricted for administration, interest earned on investments and debt service reserve funds, interest repayments on loans to communities, as well as capitalized interest during construction on certain loans. Fund expenses included KDHE administration expenditures, amortized bond issuance costs, arbitrage rebate, and interest paid on bonds.

4. Disbursements

On an accrual basis during the fiscal year a total of \$74,510,102 was disbursed, reference Exhibit 8, which is the total Project Payments, Interest Accrued, and Fees Accrued. This includes Federal monies (\$32,624,156) and State Match (\$9,283,782), and \$32,602,164 of Leveraged Bond monies and recycled monies to numerous projects. The Federal monies include \$11,138,769 from the "Basic Program" and \$21,485,387 from the ARRA capitalization grant. In addition, \$771,362 has been expended for the annual audit, payment to DAAR for accounting and reporting services, payment to K DFA for bond administration services, and KDHE administrative expenses (see Exhibit 11). These expenses are paid from revenue generated from a service fee charged to all loan recipients. The \$42,402,808 TOTAL Select Disbursements includes \$11,138,769 "Basic Program" and \$21,485,387 ARRA Federal monies, plus \$494,870 actual KDHE program administration costs, including the costs to administer the Needs Survey (see Exhibit 9).

5. Supplemental Information

Exhibit 14 entitled "Supplemental Schedules" contains three sections which provide detailed information regarding investments, accounts receivable, and accounts payable amounts included in the Statement of Net Assets. Earnings on investments by the Pooled Money Investment Board within the State Treasurer's Office accrued at an annual rate of approximately 0.48% during the fiscal year.

6. Audit for FY '11

The State Single Audit for Fiscal Year '11 (i.e. 7/1/10 through 6/30/11) is being conducted by Rubin Brown. The independent audit of the KWPCRF for the twelve months ended June 30, 2011, also has been conducted by Rubin Brown. The independent audit report of the KWPCRF for FY '11 will be included as Attachment 2 to this Annual Report when the Audit Report becomes available. The State Single Audit for Fiscal Year '11 also includes a review of the KWPCRF; the Audit Report for SFY '11 is not yet available. The State Single Audit Report for SFY '10 is available on the website http://www.Kansas.gov/postaudit/audits_latest.shtml. Click on "Full report" under "Statewide Financial Audit" to see the OMB Circular A-133 Audit Report.

B. Assistance Activity

Exhibits 1-3 and Exhibit 6 illustrate the assistance level financial activity of the Fund for FY '11.

Exhibit 1 shows new projects and increase amendments which the KWPCRF has funded. The chart is separated into four sections: Part 1 lists all Section 212 publicly owned treatment works receiving assistance; Part 2 lists all Non-Point Source Management Program loans; Part 3 (not shown) would present the National Estuary projects, respectively (of which there were none); and Part 4 shows the binding commitment made to provide program administration costs. The projects funded in FY '11 count toward "Cross-Cutters" requirements, and in the future additional projects will be funded with all "Cross-Cutters" imposed to ensure total funded projects exceed the total Capitalization Grants received for the program.

For each project, Exhibit 1 shows the communities served and loan applicants, project number, assistance amount, binding commitment date, construction start date, initiation of operations date, the type of assistance being provided, and the interest rate and maturity of all loans.

Exhibit 2 shows a breakdown of binding commitments by quarter.

Exhibit 3 illustrates the sources of funds for FY '11 broken down by quarter.

The total provided for State Match since the inception of the Program is \$55,650,846. KDHE completed the sale of State Match bonds in December 2008 for \$5,600,000 with \$745,145 used to match the 2007 Cap Grant, \$1,220,840 used to match the 2008 Cap Grant, \$1,220,860 used to match the 2009 Cap Grant, with the remaining \$2,413,155 to be used to match a portion of the 2010 Capitalization Grant. KDHE again sold State Match bonds in December 2010 for \$5.0M to provide \$1,265,045 to match the 2010 Cap Grant, \$2,665,600 to match the 2011 Cap Grant, and so \$1,069,355 is available to match the 2012 and future Cap Grants.

Exhibit 6 shows the assistance amount provided to each Section 212 and Section 319 project by needs category.

The level of risk for outstanding loans is consistent for the communities receiving assistance, in that the KWPCRF typically requires a "General Obligation Pledge" and so the bond rating of a community (or even the lack of a rating) is of secondary importance. This demand for a "G.O. Pledge" coupled with KDHE review/approval of the Financial Capability submittal and certification of fund sources available for debt service (including loan repayments and existing debt) and operation, maintenance, and replacement expenses ensures adequate funds are provided for repayments to the Fund.

Several wastewater systems within the State are operated as a "utility", i.e., are fully supported by the rate payers. These systems historically operate with "Revenue Obligation" debt only. KDHE revised procedures within FFY '92 under the Master Bond Resolution to accommodate these systems. Any wastewater system which did not or could not present a "General Obligation Pledge" was required by the covenants of the K DFA Revenue Bond to secure the obligation of

the Municipality to make loan repayments by an Insurance Policy issued in favor of KDHE. The Insurer which issues the Policy had to be rated not less than "AAA" by Moody's Investors Services, Inc. and "AAA" by Standard & Poor's Corporation. These Insurance Policies typically required a 10% loan reserve account be established and might require a rate covenant. Such loan reserve accounts continue to be held in trust by the Fund. KDHE has further revised procedures within FFY '11 under the Master Financing Indenture to continue to accommodate systems that historically operate with "Revenue Obligation" debt only, with similar requirements that reflect current financial market conditions but recognize a Policy of Bond Insurance is no longer available for the relatively low amounts of the loans provided by the KWPCRF.

Now with the advent of the ARRA program funding and the FFY 2010 appropriations, certain projects which qualify for the "green project reserve" also received "principal forgiveness" for a portion of the KWPCRF loan. This combination of loan low interest and principal forgiveness has now allowed the KWPCRF to fund non-point source pollution control projects to not-for-profit applicants, without endangering the financial stability of the KWPCRF.

C. Provisions of the Operating Agreement/Conditions of the EPA Capitalization Grants

The State of Kansas agreed to numerous conditions in the Operating Agreement and the 19 previously received Capitalization Grant Agreements from EPA. The ARRA grant includes many additional unique conditions. In prior years, KDHE had reported compliance with special conditions of old Capitalization Grants from which administrative funds were actually being spent. In FFY '98, EPA requested KDHE spend all Capitalization Grant funds from prior years in an "expeditious and timely" manner. Therefore the older Capitalization Grants are being completely drawn down, with the administrative funds amounts carried forward to newer Capitalization Grants in a process where KDHE "reserves the right" to draw funds for current administrative expenses from the current Capitalization Grant being utilized, up to the FFY 2009 Capitalization Grant. Therefore, KDHE will report compliance for administrative expense spending of federal funds with the Special Conditions of the FFY 2009 Capitalization Grant. KDHE believes all conditions have been met, and several conditions are more fully described below. The FFY 2010 and subsequent future grants will be fully utilized for project costs, and again for the administrative budget amounts KDHE has "reserved the right" for these funds to be spent from a future grant, after the FFY 2009 Capitalization Grant funds are fully utilized. The following conditions have been met as described in the operating agreement or the capitalization grant agreement:

- Agreement to Accept Payments
- State Laws and Procedures
- State Accounting and Auditing Procedures
- Recipient Accounting and Auditing Procedures
- Use of the Automated Clearing House (ACH)
- Repayments
- Annual Audit
- Annual Report
- Annual Review

Anti-lobbying
Rural Area Business Enterprise Development Plan
Use of EPA Approved Indirect Cost Rate
Prior EPA Approval of Administrative Contracts and Equipment Purchases
Development of Priority System, List, and IUP with Public Participation
Suspension and Debarment Certifications
Use of Administrative Monies in Compliance with 40 CFR 31.36
Use of Recycled Paper
Implement the EPA - approved Quality Assurance Plan
Hotel and Motel Fire Safety Act of 1990
Financial Status Reports

The following conditions are being met as described more fully below.

1. Provide 20% State Match.

KDHE and KDFA sold \$5.0M State Match Bonds in December 2010 for a portion of the FFY '10 and the entire FFY '11 Capitalization Grants, and the remaining balance is available to match the SFY '12 Capitalization Grants, with \$1,265,045 of these bonds providing the State Match to the FFY '10 Capitalization Grant.

Additional State Match bonds will be sold in the future as needed for the additional State Match funding for the FFY '12 and future Capitalization Grants. Presently, \$1,069,355 of the \$5.0M borrowing can be applied to the State Match for the FFY '12 Capitalization Grant.

2. Binding Commitments Within One Year

The State of Kansas will enter into binding commitments to provide assistance from the KWPCRF in amounts greater than or equal to 120 percent of each quarterly grant payment (per schedule in the grant offer or subsequent amendments) within one year after each scheduled quarterly ACH increase. See Exhibit 4 for the comparison of select binding commitments to grant payments.

3. Expeditious and Timely Expenditure

The State of Kansas will disburse all cash draws and other available KWPCRF funds in a timely and expeditious manner. Kansas will monitor the projects to ensure timely initiation of operations in accordance with the established schedules.

4. Eligible Activities of the KWPCRF

The eligible activities of the KWPCRF have not changed during the year, however the ARRA grant and FFY 2010 require principal forgiveness be provided to loans funded with federal funds and requires a portion of the grant funds be provided to "green project reserve" qualifying projects.

5. Compliance with "Cross-Cutters" Requirements

The KWPCRF loan application packets reflect all "cross cutters" requirements. This information is closely reviewed before signing a Loan Agreement, approving an engineering contract, or approval of construction bids. Also, KDHE provides

oversight inspection and reviews on-going construction administration of all projects. The KWPCRF will also impose the additional requirements of the ARRA projects that will receive these funds.

Any prior year's funded projects which met all "Cross-Cutters" that exceeded the federal share of the capitalization grants were banked toward the next capitalization grant's "Cross-Cutters" requirement. As additional Capitalization Grants are received additional projects are being funded requiring compliance with "Cross-Cutters" requirements, and so specific projects will be identified in future Intended Use Plans. The Procurement Policy is frequently updated to ensure all necessary Federal Cross-Cutters are addressed, and a separate Policy document was written for the ARRA projects.

6. MBE/WBE (DBE) Requirement

The FFY 2011 Program Requirements and prior EPA Capitalization Grants include various "fair share" objective goals for the KWPCRF to provide MBE/WBE (DBE) participation. There are four separate categories of "fair share" objectives including supplies, equipment, services, and construction for the entire agency. The KWPCRF Procurement Policy reflects the (MBE/WBE) Disadvantaged Business Enterprise utilization approach acceptable to EPA Region VII through the FFY '10 Capitalization Grant for the "construction" category. The supplies, equipment, and services categories may be utilized with the 4% administration portion of the grant, and are not reported here. MBE/WBE (DBE) participation for supplies, equipment, and services are reported separately to EPA by KDHE. The "fair share" objective goals for "construction" within the FFY 2010 and prior EPA Capitalization Grants are MBE - 4.1% and WBE - 6.9%.

The older loan agreement individual loan recipients submit a completed EPA Form 5700-52A within 15 days after each quarter in which sub-agreements were awarded for Loan Agreement costs. These submittals are compiled by KDHE and a Quarterly MBE/WBE Consolidation Report is submitted to EPA Region VII within 30 days after each quarter in which sub-agreements were awarded for Loan Agreement costs. The newer loan agreements reflect the new DBE regulations. The DBE regulation changes created new forms to be utilized for reporting, and impose a semi-annual reporting frequency on loan recipients. However, KDHE continues to report to EPA Region 7 on a quarterly basis.

For FY '11 for Loan Agreement ("construction") costs, a total of \$779,593 was reported for sub-agreements with MBE/WBE firms. This includes \$0.00 MBE subcontracts and \$779,593 WBE subcontracts. For the program to date 4.98% (14.69/295.0) of the total Capitalization Grants amount have been agreements awarded to MBE firms, and 6.18% (18.24/295.0) have been agreements and sub-agreements awarded to WBE firms.

7. Other Federal Authorities

The State of Kansas has complied with all applicable federal authorities and special conditions of the EPA Capitalization Grants.

Recipients of KWPCRF assistance have complied with the program requirements presented within the loan agreements between the recipient and the State of Kansas. The recent loan recipients are required to submit project audit reports

for fiscal year 2010 by September 30, 2011, as specified in the Loan Agreements. Typically, project audits are completed by all loan recipients where required by the loan agreements, but not all are submitted by September 30. As in prior years, KDHE will continue to pursue submittal of all project audits from loan recipients as required by the covenants of the loan agreements. An audit tracking system is maintained by KDHE to log incoming audits. After the September 30 deadline reminder letters are sent out to those not received.

The Federal EPA program requires any loan recipient that receives in excess of \$500,000 in Federal funds within a fiscal year to conduct an A-133 type audit. The loan recipient' fiscal year is typically January 1 to December 31, and in these cases the KWPCRF institutes a procedure to review project payment records in January. If a loan recipient has a different fiscal year period a similar notification process is followed. KDHE notifies every loan recipient that has received project payments from the Federal Capitalization Grants of the exact amount of Federal funds received in the prior calendar (or local fiscal) year. This allows the recipient auditor to determine if an A-133 type audit is required.

8. State Environmental Review Process (SERP)

During FY '11, the State of Kansas conducted environmental reviews on the 16 Section 212 and Section 319 projects in accordance with the SERP. It was determined that no Environmental Impact Statements (EIS) were necessary; instead, an Environmental Assessment (EA) was prepared and a Finding of No Significant Impact (FNSI) was issued for each project.

9. Cash Draw Procedures

Exhibit 5 shows the total drawn from the Federal ACH for projects and Administration expenses. Excluding the ARRA funds, Leveraged Bond monies and Recycled Loan monies, this represents a 27.43% Federal Share in FY '11. Overall the program now has an 81.16% Federal Share, excluding the ARRA funds, Leveraged Bond monies and Recycled Loan monies. The ARRA monies are tracked separately, as there was no state match requirement.

10. Third Quarter Disbursement Schedule/Commitment

With reference to EPA Headquarters Memo 00-10, beginning in FFY 2000, disbursement projections are no longer required by EPA.

11. Independent Audit per 40 CFR 35.3165

The Division of Accounts and Reports (DAAR) of the Kansas Department of Administration on behalf of KDHE and the KWPCRF has contracted for an audit per 40 CFR 35.3165 for FY '10. An A-133 Audit of the KWPCRF is also conducted due to the additional ARRA funding.

12. Priority List and Intended Use Plan

The FY 2011/2012 Priority List and Intended Use Plan were submitted to EPA for approval and acceptance.

13. Green Project Reserve

The EPA guidance document entitled “2010 Clean Water and Drinking Water State Revolving Fund 20% Green Project Reserve: Guidance for Determining Project Eligibility” dated April 21, 2010, and the EPA guidance document entitled “2011 Clean Water and Drinking Water State Revolving Fund 20% Green Project Reserve: Guidance for Determining Project Eligibility” dated May 20, 2011 requires the Annual Report include “information regarding key project characteristics, milestones, and environmental/ public health protection results” to achieve “4) compliance with the Green Project Reserve requirement” of the EPA guidance and federal law. A summary of Green Project Reserve funding with FFY 2010 Capitalization Grants is provided in Exhibit 1B within this Annual Report.

The KWPCRF published the “Final SFY 2011 KWPCRF Intended Use Plan” dated September 16, 2010, which presents the plan and approach to assure the minimum 20% Green Project Reserve (GPR) funding goal is met. KDHE chose to continue the methods utilized for the ARRA funding to encourage GPR projects receive funding.

KDHE had set aside 20% of the 2010 federal appropriation, that is \$3,678,200, for non-point source (NPS) pollution control projects, and 1 project has been funded for \$333,000 with 4 additional projects in the total amount of \$2,261,822 identified in the Draft SFY 2012 IUP to also receive funding and principal forgiveness. The remaining funds will be utilized by other projects. Also, KDHE has set aside 20% of the 2011 federal appropriation, that is \$2,665,600, for non-point source (NPS) pollution control projects. The Watershed Management Section of the Bureau of Water will utilize these set aside funds to first provide funding to NPS projects carried forward from the FY 2010 effort, and will also conduct a solicitation for new projects.

KDHE will continue to develop the GPR aspects of all other “traditional” wastewater collection and treatment projects on the 2011 Intended Use Plan, and consider adding additional traditional wastewater projects as funding allows.

14. Principal Forgiveness

The April 21, 2010, EPA Guidance and the May 20, 2011, EPA Guidance also requires the Annual Report include “information regarding key project characteristics, milestones, and environmental/public health protection results” to achieve “5) compliance with the additional subsidization requirement” of the EPA guidance and Federal law. A summary of principal forgiveness within the 2010 Loan Agreements is provided in Exhibit 1B within this Annual Report.

The KWPCRF published the “Final SFY 2011 KWPCRF Intended Use Plan” dated September 16, 2010, which includes the document “Appendix E – Principal Forgiveness and Green Project Reserve Policy and Procedures Applicable to the FFY 2010 Federal Funding Provided to the Kansas Water Pollution Control Revolving Fund”. The minimum principal forgiveness required of the KWPCRF 2010 federal funding is \$2,754,388 and the maximum principal forgiveness allowed is \$9,181,294. KDHE is providing a minimum 15% principal forgiveness to all projects funded with 2010 Cap Grant federal funds, and is also utilizing an additional 25% principal forgiveness to create an incentive for GPR designs for

traditional wastewater collection and treatment projects. NPS pollution control projects also receive substantial principal forgiveness. The GPR status of a project design and the amount of principal forgiveness is summarized in the Executive Summary of this Annual Report for all projects funded within the report year.

Programmatic Condition No. 6 of the FFY 2010 Capitalization Grant and Programmatic Condition 3 of the FFY 2011 Capitalization Grant include the following paragraph:

“Priority for additional subsidies should be given to communities that could not otherwise afford such projects. To further ensure sustainability of projects receiving additional subsidies, these subsidies should be directed to: 1) repair, replacement, and upgrade of infrastructure in existing communities; 2) investigations, studies, or plans that improve the technical, financial and managerial capacity of the assistance recipient to operate, maintain, and replace finances infrastructure; and/or 3) preliminary planning, alternatives assessment and eligible capital projects that reflect the full life cycle costs of infrastructure assets, conservation of natural resources, and alternative approaches to integrate natural or “green” systems into the built environment. The recipient agrees to provide in its Annual Report an explanation as to how they did or did not address this provision.”

As previously indicated, the KWPCRF meets the intent of this grant condition by providing a minimum 15% principal forgiveness to all loans for engineering and construction costs to assure the minimum required Additional Subsidy requirement is met, and also provides an additional 25% principal forgiveness in certain loans for engineering and construction costs of the “green” design components of the project to encourage these types of design components and also help assure the minimum 20% of capitalization grant funding for Green Project Reserve stipulated goal is met.

V. PROGRAM CHANGES

A. Comparison with the Intended Use Plan

The Annual Report reflects the following changes from the original Intended Use Plan.

- Of the projects listed on the EPA approved IUP’s and as amended to utilize ARRA funds, 16 obtained loan agreements. The 16 projects which signed loan agreements were generally on schedule with the IUP. The numerous other projects listed on the IUP and the updates to the IUP continue to be developed. The projects which have been funded are listed in Exhibit 1. All other projects on the IUP are developing engineering studies and applications.
- Program administration disbursements were estimated in the IUP to total 4% of the projected disbursements for projects for the year. Actual administration disbursements totaled \$1,289,751 (\$501,597 ACH plus \$788,154 service fees) (see Exhibit 11). Considering the Federal/State, Leveraged Bond, and Recycled Monies disbursements, total disbursements in SFY 2011 including capitalized interest accrued and service fees accrued are \$74,510,102 (reference Exhibit 8), and administration disbursements are 1.73% of the total. The historical total

administration expense for the KWPCRF is only 2.7% of the historical total disbursements.

B. Modifications of Goals and Objectives

- The Final IUP listed six long term goals, and KDHE management of the KWPCRF reflected these goals. KDHE efforts are to manage the KWPCRF to provide a financing option attractive to local governments in constructing water pollution control projects of high priority to both the local and state governments, while protecting and maintaining the financial security of the revolving loan fund in perpetuity. KDHE anticipates a review and possible modifications to the long term goals of the program in development of the upcoming Intended Use Plans.
- The Final IUP also listed six short term goals, and KDHE has made progress in achieving these goals in FY '11. The KWPCRF continues to fund projects on a priority basis from the approved Project Priority List, while also offering low interest loan financing to nearly any and all projects for municipalities with population of 5,000 or less.

VI. PROPOSED IMPROVEMENTS

A. Modification of the Program

At the time of this FY '11 Annual Report, i.e. June 30, 2011, KDHE is concentrating on developing many smaller (i.e., less than \$1.0M), and several mid-size (i.e., \$1.0 M to \$10.0M) projects. KDHE is also concentrating efforts to develop non-point source pollution control projects utilizing green project reserve design components. As before, the Priority System targets projects on a watershed basis, with the Governor's Water Quality Initiative directing resources to the Kansas/Lower Republican basin and also the Lower Arkansas basin.

The Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) has had a significant effect on the cash flow management and future borrowing projections and timing of bond sale of the KWPCRF, with the result the bond sale schedules were significantly delayed. Also, the recent turmoil in the national credit markets has impacted the daily routine and management of the KWPCRF. Daily operations and decision making as well as operating procedures have adjusted to these emerging challenges to the management of the Program. With the passage of the ARRA significant additional Federal funding was available, but with significant additional administrative provisions. The FFY 2010 Federal funding also includes many of these new administrative and reporting provisions.

B. Long and Short Term Goals for Future IUP

KDHE will continue to pursue the long-term goals of the Program and consider revisions to the short-term goals of the Program. The large number and small size of projects and the scheduling of these projects continues to be challenging. The new Master Financing Indenture allows the KWPCRF management team to better react and adjust to financial market stresses and to better implement new Federal demands presented by Capitalization Grant conditions. The new and complex administrative requirements of the ARRA funding were challenging.

These issues and priorities will continue to be discussed and debated in the public hearing process of the Intended Use Plan.

The Kansas Surface Water Quality Standards continue to be updated with revisions adopted on an annual basis and so the required upgrades to wastewater treatment facilities are proceeding. Even with the potential of delays for certain projects, all available funds in the KWPCRF are being exhausted by the projects which are now voluntarily proceeding. KDHE will continue to encourage all necessary projects proceed with construction of upgrades. KDHE completed the sale of additional State Match and Leveraged Revenue Bonds in December 2010, and will conduct an additional bond sale as necessary in the future for additional state match.

KDFA continues to provide services as required by the revenue bonds. Accounting and reporting services are provided by the Kansas Department of Administration. A three-party Inter-Agency Agreement is in place presenting the duties, responsibilities, and payments for services.

KDHE is continuing to develop and implement options to provide funding to Non Point Source (NPS) pollution control projects under the new Master Financing Indenture, following the ARRA funding opportunity which allowed these types of projects to receive low interest loan funding with substantial principal forgiveness.

EXHIBIT 1 PART 1: SECTION 212 PUBLICLY OWNED TREATMENT WORKS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	ASSIST AMOUNT	BINDING COMMIT DATE	CONSTRUCTION START DATE	INITIAL OPER DATE	* TYPE	INT RATE (a)	MATURE DATE
Loans								
ARGONIA	1782 01	907,256	09/24/10			L	2.55	09/01/31
CAWKER CITY	1905 01	260,186	07/22/10	01/01/11		L	2.61	03/01/31
CHEROKEE COUNTY SD #1	1745 01	255,000	07/26/10			L	2.61	09/01/32
COUNCIL GROVE	1784 01	509,600	09/07/10	11/10/10	03/21/11	L	2.55	09/01/31
GLASCO	1912 01	175,600	01/12/11			L	2.66	03/01/33
GRINNELL	1908 01	570,620	09/22/10			L	2.55	09/01/32
LA CROSSE	1206 01	2,678,530	08/31/10	07/01/11		L	2.59	03/01/32
LEOTI	1822 01	740,000	03/11/11			L	3.06	03/01/33
MORAN	1909 01	353,389	11/03/10			L	2.35	09/01/32
PRATT	1799 01	1,642,000	10/02/10			L	2.45	09/01/31
SHAWNEE COUNTY	1916 01	2,000,000	01/03/11	03/14/11		L	2.66	03/01/32
SOLOMON	1791 01	195,675	09/30/10			L	2.55	09/01/31
STOCKTON	1802 01	4,622,300	05/09/11			L	3.01	03/01/33
TROY	1913 01	270,800	03/30/11			L	3.06	03/01/32
VIOLA	1692 01	300,000	08/10/10			L	2.59	03/01/32
	Subtotal	15,480,956						
Amendments								
HAVEN	1671 01	13,893.05	08/09/10	02/02/09	06/01/09	L	2.66	03/01/29
MOSCOW	1762 01	229,027.00	09/17/10			L	2.72	09/01/32
OSBORNE	1760 01	70,000.00	06/13/11	03/11/09	06/18/09	L	2.67	09/01/30
ROSE HILL	1720 01	365,000.00	01/03/11	04/01/11	06/09/11	L	2.75	03/01/29
	Subtotal	677,920						
ARRA Amendments								
DERBY	1789 01A	171,000.00	02/10/11	02/09/10	10/05/10	L	2.60	03/01/32
EL DORADO	1639 01A	41,160.00	02/22/11	03/12/10	09/20/10	L	2.68	03/01/27
GLACIAL HILLS	1882 01A	4,663.00	12/06/10	03/10/10		L	2.60	09/01/30
HUTCHINSON	1780 01A	0.02	04/04/11	01/18/10	12/14/10	L	2.72	03/01/31
JOHNSON COUNTY	1794 01A	830,000.00	04/12/11	05/18/09		L	2.72	03/01/31
KANSAS WATER OFFICE	1895 01A	102,439.28	05/16/11	03/05/10		L	2.72	03/01/31
OBERLIN	1529 01A	14,855.85	07/22/10	07/06/10	08/02/10	L	2.77	03/01/26
	Subtotal	1,164,118						
PART 1 TOTAL		17,322,994						
Note (a) : Interest rate includes .25% service fee								

EXHIBIT 1 PART 2: SECTION 603(d)(7) PROGRAM ADMINISTRATION

		DATE **	TYPE
PROG ADM - 08 (Reserved the Right)	244,168	05/13/08	A
PROG ADM - 09 (Reserved the Right)	244,172	01/22/09 06/24/09	A
PROG ADM - ARRA (Reserved the Right)	1,414,968	08/06/09 02/12/10	A
PROG ADM - 10 (Reserved the Right)	735,640	11/03/10	A
PART 2 TOTAL	2,394,780		
PART 2 SFY 2011 TOTAL	735,640		

EXHIBIT 1 PART 3: SECTION 319 NON POINT SOURCE PROJECTS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	ASSIST AMOUNT	BINDING COMMIT DATE	CONSTRUCTION START DATE	INITIAL OPER DATE	* TYPE	INT RATE (a)	MATURE DATE
Loans								
GLACIAL HILLS RCDC (Ph 2)	1882 01	333,000	11/10/10	05/10/11		L	2.60	09/01/30
		333,000						
PART 3 TOTAL		333,000						
Note (a) : Interest rate includes .25% service fee								

GRAND TOTAL SFY 2011 **18,391,634**

* L=Loans; A=Administration

** Binding Commitment date for Prg Adm based on Award Date

Exhibit 1A
Summary of Loan Amounts, ARRA Funding Amounts, Green Project Reserve Amounts,
and Principal Forgiveness Amounts for all ARRA Funded Loans
as of 6/30/11

Project Name	Project Number	Loan Amount	ARRA Funded Amount	Principal Forgiveness	GPR Amount	Add'l from Basic Prog.
ARRA Projects 2009						
Colby	1653 01A	70,500	70,500	35,250	70,500	0
Jetmore	1579 01A	1,600,000	800,000	791,700	0	800,000
Oberlin	1529 01A	178,906	131,050	89,453	131,050	47,856
Subtotals		1,849,406	1,001,550	916,403	201,550	847,856
ARRA Projects 2010						
Bucklin	1800 01A	666,000	476,070	93,667	144,000	189,930
Derby	1789 01A	3,371,000	1,700,000	1,600,000	0	1,671,000
El Dorado	1639 01A	502,159	460,999	301,494	293,403	41,160
Garden Plain	1716 01A	2,500,000	1,300,000	1,250,000	0	1,200,000
Hutchinson	1780 01A	5,700,000	5,200,000	2,631,447	5,200,000	500,000
Johnson County	1794 01A	18,991,400	14,300,000	8,336,300	14,300,000	4,691,400
Lindsborg	1790 01A	5,176,532	2,800,000	1,436,425	2,800,000	2,376,532
Pittsburg	1818 01A	2,394,500	2,280,818	1,217,250	1,816,882	113,682
Unified Government	1596 01A	400,000	400,000	240,951	172,955	0
C.H. Wy. Co. *	1880 01A	57,185	57,185	57,185	57,185	0
Glac. Hills - RC&D	1882 01A	268,063	268,063	268,063	268,063	0
Hays *	1842 01A	158,773	155,273	116,455	155,273	3,500
JCCC *	1885 01A	528,500	528,500	528,500	528,500	0
KSU	1887 01A	583,507	583,507	583,507	583,507	0
KWO *	1895 01A	1,722,439	1,722,439	1,722,439	1,722,439	0
Lenexa	1852 01A	1,073,430	1,073,430	805,073	1,073,430	0
Mission	1858 01A	422,425	422,425	316,819	422,425	0
Shawnee	1862 01A	465,000	465,000	348,750	465,000	0
KU	1896 01A	178,941	178,941	178,941	178,941	0
Subtotals		45,159,854	34,372,650	22,033,266	30,182,003	10,787,204
ARRA Totals		47,009,260	35,374,200	22,949,669	30,383,553	11,635,060

Exhibit 1B
 Summary of Actual and Projected Loan Amounts, SFY 2010 and SFY 2011 Project Amounts,
 Green Project Reserve Amounts, and Principal Forgiveness Amounts
 for all Loans Funded with FFY 2010 Funds as of 6/30/11
 \$18,391,000 Federal Funds Available

20

Project Name	Project Number	Future Loan Amount	Signed Loan Amount	Future Loans Prin. Forg.	Signed Loans Prin. Forg.	GPR Amount	Future 2010 Grant Funds	Actual 2010 Grant Funds	Add'l from Basic Prog.
Newton Amendment	1747 01		3,200,000		480,000			480,000	1,354,306
Pott/Man	1786 01		5,000,000		750,000			769,675	3,545,812
Shawnee Co - Sherwood	1916 01		2,000,000		300,000			2,000,000	
Cherokee County	1745 01		255,000		38,250			255,000	
Council Grove	1784 01		509,600		76,440			509,600	
Grinnell	1908 01		570,620		85,593			570,620	
Cawker City	1905 01		260,186		39,028			258,309	1,877
Viola	1692 01		300,000		45,000			300,000	
LaCrosse - KDHE Green	1206 01		2,678,530		1,071,412			2,678,530	
Pratt (GPR)	1799 01		1,642,000		656,800	1,642,000		1,642,000	
Leoti - KDHE Green	1822 01		740,000		296,000			740,000	
Park - CDBG	1901 01		435,910		0			0	435,910
Oakley - CDBG	1783 01		2,724,752		0			0	2,724,752
Solomon - CDBG	1791 01		195,675		0			0	195,675
Moran - CDBG	1909 01		353,389		0			0	353,389
Argonia - CDBG	1782 01		907,256		0			0	907,256
Glasco - CDBG	1912 01		175,600		0			0	175,600
Troy - CDBG	1913 01		270,800		0			0	270,800
Stockton - KDHE Green	1802 01		4,622,300		1,848,920			4,662,300	
Leon - CDBG	1914 01	732,305			0				732,305
Assaria - CDBG	1903 01	510,000			0				510,000
Baxter Springs - CDBG	1755 01	700,000			0				700,000
Glac. Hills Ph. 2 (GI)	1882 01		333,000		333,000	333,000		333,000	
El Dorado - GPR	1827 01	2,000,000		400,000		2,000,000	2,000,000		
Bonner Springs - GPR	1824 01	351,000		140,400		351,000	351,000		
Hill City - KDHE Green	1801 01	5,000,000		2,000,000			2,200,000		2,800,000
Independence (SE PS)	1915 01	4,000,000		600,000			1,200,000		2,800,000
Glac. Hills RC&D Holton (GI)	1881 01	191,310		191,310		191,300	191,310		
Pott Co. (GI)	1860 01	535,212		535,212		535,212	535,212		
Flint Hills RC&D (GI)	1921 01	779,300		779,300		779,300	779,300		
Glac. Hills RC&D Ph 3 (GI)	1923 01	756,000		756,000		756,000	756,000		
TOTALS		15,555,127	27,174,618	5,402,222	6,020,443	6,587,812	8,012,822	15,199,034	17,507,682
(Overrun - Shift to 2011)				(2,241,371)				(4,820,856)	

EXHIBIT 2
STATE OF KANSAS
FY '11 Binding Commitments by Quarter and Type

12/08/11

EXHIBIT 2 PART 1: FY 11 BINDING COMMITMENTS BY QUARTER

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	BINDING COMMITMENTS FISCAL YEAR 2011				FY 2011 TOTAL	*	TYPE
		QTR 1	QTR 2	QTR 3	QTR 4			
Loans								
ARGONIA	1782 01	907,256				907,256	L	
CAWKER CITY	1905 01	260,186				260,186	L	
CHEROKEE COUNTY SD #1	1745 01	255,000				255,000	L	
COUNCIL GROVE	1784 01	509,600				509,600	L	
GLASCO	1912 01			175,600		175,600	L	
GRINNELL	1908 01	570,620				570,620	L	
LA CROSSE	1206 01	2,678,530				2,678,530	L	
LEOTI	1822 01			740,000		740,000	L	
MORAN	1909 01		353,389			353,389	L	
PRATT	1799 01		1,642,000			1,642,000	L	
SHAWNEE COUNTY	1916 01			2,000,000		2,000,000	L	
SOLOMON	1791 01	195,675				195,675	L	
STOCKTON	1802 01				4,622,300	4,622,300	L	
TROY	1913 01			270,800		270,800	L	
VIOLA	1692 01	300,000				300,000	L	
Amendments								
DERBY	1789 01A			171,000		171,000	L	
EL DORADO	1639 01A			41,160		41,160	L	
GLACIAL HILLS	1882 01A		4,663			4,663	L	
HAVEN	1671 01	13,893				13,893	L	
HUTCHINSON	1780 01A				0.02	0.02	L	
JOHNSON COUNTY	1794 01A				830,000	830,000	L	
KANSAS WATER OFFICE	1895 01A				102,439	102,439	L	
MOSCOW	1762 01	229,027				229,027	L	
OBERLIN	1529 01A	14,856				14,856	L	
OSBORNE	1760 01				70,000	70,000	L	
ROSE HILL	1720 01			365,000		365,000	L	
SUBTOTAL						17,322,994		

EXHIBIT 2 PART 2: SECTION 319 NON POINT SOURCE PROJECTS FY 11 BINDING COMMITMENTS BY QUARTER

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	BINDING COMMITMENTS FISCAL YEAR 2011				FY 2011 TOTAL	*	TYPE
		QTR 1	QTR 2	QTR 3	QTR 4			
Loans								
GLACIAL HILLS RCDC (Ph 2)	1882 01		333,000			333,000	L	
SUBTOTAL						333,000		

SECTION 319 NONPOINT SOURCE PROJECTS	0	333,000	0	0	333,000	L
SECTION 320 ESTUARY PROGRAMS	0	0	0	0	0	L
PROGRAM ADMIN	0	0	0	0	0	A
BINDING COMMIT. TOTAL	5,934,643	2,000,052	3,763,560	5,624,739	17,322,994	
CUMULATIVE BC TOTALS	5,934,643	2,333,052	3,763,560	5,624,739	17,655,994	

* L=Loans; A=Administration

EXHIBIT 2 PART 2: BINDING COMMITMENTS BY TYPE

LOANS		
212 PROJECTS		17,322,994
SECTION 319		333,000
SECTION 320		0
REFINANCE		0
PROG ADMIN		735,640
TOTAL		18,391,634

EXHIBIT 3

**WATER POLLUTION CONTROL REVOLVING LOAN FUND
SOURCE OF SRF FUNDS BY QUARTER
FOR THE YEAR ENDED JUNE 30, 2011**

SOURCES OF FUNDS	QTR 1	QTR 2	QTR 3	QTR 4	TOTALS	FY2012
ACH PAYMENTS						
FY10 Grant		18,391,000			18,391,000	13,328,000
FY11 Grant					0	
REVENUES						
Interest Earnings						
Debt Service Reserve Funds	283,697	362,165	390,506	458,139	1,494,507	
Other Investment Income	72,871	83,951	58,926	63,654	279,402	
Net Bond Proceeds		65,000,000				
Loan Repayments						
Principal Repayments	16,246,843	20,182,077	16,840,314	15,950,122	69,219,356	
Interest Repayments	6,360,614	1,056,747	6,568,310	1,076,562	15,062,233	
Interest During Construction	0	83,949	0	90,213	174,162	
TOTALS	22,964,025	105,159,889	23,858,056	17,638,690	104,620,660	13,328,000

EXHIBIT 4
 STATE OF KANSAS
 SELECT BINDING COMMITMENTS WITH RESPECT TO PAYMENTS

12/12/11

BINDING COMMITMENTS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	CONSTRUCTION START DATE	FY 1989 thru 2010	STATE FISCAL YEAR 2011				
				06/10 - 09/10 QTR 1	10/10 - 12/10 QTR 2	01/11 - 03/11 QTR 3	04/11 - 06/11 QTR 4	TOTAL
JOHNSON CO	1167-04	12/14/89	4,902,966					4,902,966.07
MILFORD	1236-01	01/29/90	302,068					302,067.65
JOHNSON CO	0611-08	08/20/90	3,146,378					3,146,378.29
JOHNSON CO	1168-02	08/20/90	3,069,300					3,069,300.00
RENO COUNTY	1237-01	09/05/90	354,104					354,103.59
SHAWNEE CO	1274-01	07/11/91	996,800					996,800.00
JOHNSON CO	0611-09	07/26/91	1,752,469					1,752,469.17
HOLTON	1281-01	08/13/91	2,005,536					2,005,535.59
JOHNSON CO	1168-03	08/16/91	3,543,860					3,543,860.18
SILVER LAKE	1269-01	09/05/91	340,453					340,452.65
SPRING HILL	1217-01	09/12/91	776,043					776,042.56
MERIDEN	1283-01	10/04/91	527,531					527,530.51
LOUISBURG	1275-01	11/25/91	866,618					866,617.85
EDNA	1254-01	05/07/92	69,800					69,800.00
TONGANOXIE	1299-01	05/29/92	671,500					671,500.00
BALDWIN CITY	1211-01	07/13/92	300,559					300,558.51
HAYS	1280-01	08/03/92	5,516,364					5,516,363.82
INDEPENDENCE	1241-01	08/17/92	507,265					507,264.72
CARBONDALE	1277-01	10/02/92	712,741					712,740.75
TOPEKA	1273-01	01/15/93	29,835,125					29,835,125.00
OSWEGO	1276-01	01/19/93	272,952					272,952.36
LEON	1311-01	03/22/93	455,930					455,930.00
JOHNSON CO	1293-01	04/09/93	47,190,000					47,190,000.00
LENORA	1300-01	04/28/93	128,598					128,598.01
EUREKA	1307-01	09/20/93	3,138,478					3,138,478.01
HILLSBORO	1187-01	10/11/93	422,447					422,447.00
WASHINGTON	1408-01	05/23/94	774,362					774,362.07
ASHLAND	1251-01	06/20/94	650,735					650,735.18
OSKALOOSA	1012-02	06/20/94	369,267					369,266.70
PARSONS	1397-01	07/19/94	1,023,544					1,023,543.89
OLATHE	1409-01	07/29/94	542,545					542,545.26
SCRANTON	1302-01	08/24/94	213,380					213,380.00
SEDAN	1268-01	09/19/94	236,000					236,000.00
HUTCHINSON	1133-01	10/17/94	1,311,490					1,311,490.00
MAPLE HILL	1321-01	11/03/94	318,930					318,930.00
OLATHE	1248-02	07/05/95	686,461					686,460.85
TOWANDA	1446-01	07/05/95	776,778					776,778.00
MCPHERSON	1313-01	07/14/95	1,067,645					1,067,644.67
BALDWIN CITY	1211-02	07/17/95	450,538					450,537.93
RUSSELL	1355-01	09/05/95	2,500,000					2,500,000.00
SO. HUTCH.	1413-01	09/11/95	2,123,510					2,123,510.00
HIAWATHA	1309-01	10/03/95	691,927					691,927.00
INDEPENDENCE	0959-05	11/13/95	418,306					418,305.66
OLATHE	1282-01	11/15/95	3,663,045					3,663,045.35
LINDSBORG	1339-01	11/27/95	1,150,000					1,150,000.00
HILLSBORO	1386-01	12/11/95	399,578					399,577.86
KENSINGTON	1370-01	12/13/95	208,959					208,959.29
OSAWATOMIE	1314-01	12/21/95	1,518,929					1,518,928.96
GIRARD	1179-01	01/02/96	1,486,105					1,486,104.99
GARDNER	1346-01	01/08/96	2,223,206					2,223,206.00
BURLINGTON	1328-01	03/14/96	629,842					629,842.00
BELOIT	1319-01	04/08/96	2,671,685					2,671,685.37
CIMARRON	1335-01	04/15/96	899,093					899,093.00
COLWICH	1341-01	04/15/96	1,055,494					1,055,493.82
CONWAY SPRINGS	1420-01	06/27/96	425,828					425,827.59
WAMEGO	1360-01	07/08/96	2,215,305					2,215,304.50
TOPEKA HD	1038-09	07/12/96	1,209,404					1,209,404.49
DELPHOS	1449-01	07/22/96	350,267					350,267.02
ELLINWOOD	0948-02	09/30/96	1,985,676					1,985,675.97
TOPEKA WB	1412-01	10/14/96	4,828,002					4,828,002.00
ROSE HILL	1228-01	11/06/96	667,047					667,047.00
GARNETT	1450-01	12/09/96	727,030					727,030.18
MARYSVILLE	1352-01	01/06/97	3,761,700					3,761,700.00
CHETOPA	1340-01	01/20/97	343,841					343,841.10
FRONTENAC	1345-01	02/03/97	2,688,832					2,688,832.00
MAIZE	1312-01	02/17/97	2,828,535					2,828,534.78
KC-BRENNER HTS	1454-01	02/24/97	3,322,871					3,322,871.00
KCK	1350-01	02/28/97	531,041					531,041.00
KC-SOLIDS HDLG	1428-01	03/01/97	12,302,590					12,302,590.00
HOYT	1349-01	03/03/97	702,991		(10,211.47)			692,779.53
HIGHLAND	1455-01	03/05/97	797,380					797,380.00
WINCHESTER	1361-01	04/01/97	259,287					259,286.73

EXHIBIT 4
STATE OF KANSAS
SELECT BINDING COMMITMENTS WITH RESPECT TO PAYMENTS

12/12/11

BINDING COMMITMENTS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	CONSTRUCTION START DATE	FY 1989 thru 2010	STATE FISCAL YEAR 2011				
				06/10 - 09/10 QTR 1	10/10 - 12/10 QTR 2	01/11 - 03/11 QTR 3	04/11 - 06/11 QTR 4	TOTAL
WINFIELD	1272-01	04/01/97	7,970,091					7,970,091.00
COUNCIL GROVE	1358-01	05/01/97	878,230					878,230.00
GREAT BEND	1257-01	06/16/97	5,590,000					5,590,000.00
ELLIS	1343-01	07/15/97	1,023,155					1,023,154.84
PLAINVILLE	1398-01	08/13/97	712,172					712,172.40
SHAWNEE CO	1038-08	08/25/97	2,772,224					2,772,224.29
MADISON	1261-01	09/18/97	641,055	(10,198.07)				630,856.93
HUMBOLDT	1461-01	10/13/97	1,200,000					1,200,000.00
WILLIAMSBURG	1330-01	11/24/97	259,561					259,560.97
JOCO BLUE RIVER	1447-01	12/01/97	14,290,397					14,290,397.34
DOUGLASS	1278-01	02/10/98	721,500					721,500.00
WAVERLY	1327-01	02/12/98	201,100					201,100.00
OLATHE	1265-01	02/19/98	2,864,968					2,864,968.00
DEARING	1476-01	04/06/98	177,438					177,438.00
MAYETTA	1451-01	04/27/98	229,793					229,793.48
OXFORD	1082-01	04/27/98	290,504					290,503.71
ELDORADO	1421-01	04/28/98	1,182,869					1,182,869.00
WAKEFIELD	1459-01	05/29/98	235,405					235,404.50
PRATT	1436-01	06/15/98	1,810,689					1,810,689.00
TOPEKA	1472-01	07/01/98	11,605,000					11,605,000.00
ABILENE	1480-01	07/09/98	701,892					701,892.00
MINNEAPOLIS	1171-01	08/14/98	416,529					416,528.81
QUENEMO	1469-01	08/24/98	386,400					386,400.00
SEDGWICK	1491-01	08/24/98	957,626					957,626.28
EUDORA	1506-01	08/25/98	5,515,000					5,515,000.00
COFFEYVILLE	1471-01	09/01/98	1,628,702					1,628,702.00
OSAWATOMIE	1395-01	09/09/98	2,413,903					2,413,902.70
ALMA	1464-01	10/01/98	323,442					323,442.36
CLAY CENTER	1334-01	11/01/98	425,053					425,052.60
COFFEYVILLE	1252-02	11/01/98	3,028,448					3,028,448.00
GARDEN CITY	1367-01	11/01/98	13,400,890					13,400,889.62
RILEY COUNTY	1478-01	11/01/98	180,106					180,106.30
BALDWIN CITY	1303-01	12/01/98	409,438					409,438.12
BASEHOR	1463-01	12/01/98	8,285,000	(174,632.00)				8,110,368.00
LAHARPE	1207-01	12/01/98	760,000					760,000.00
COFFEYVILLE	1252-01	02/01/99	9,188,590					9,188,589.85
DICKINSON CO	1489-01	02/01/99	247,272					247,272.30
TOPEKA	1271-01	03/01/99	4,330,136					4,330,136.00
LECOMPTON	1522-01	05/17/99	161,494					161,494.34
AUBURN	1308-01	07/19/99	1,049,203					1,049,203.33
AUGUSTA	1364-01	08/01/99	9,248,942					9,248,942.21
GEUDA SPRINGS	1519-01	09/01/99	186,824					186,823.77
MCPHERSON	1493-01	09/01/99	1,127,000					1,127,000.00
MORAN	1468-01	09/01/99	358,225					358,225.00
PERRY	1497-01	09/15/99	607,800					607,800.00
LANCASTER	1500-01	09/27/99	305,817					305,817.23
UDALL	1325-01	09/28/99	400,252					400,251.67
EMPORIA	1467-01	10/01/99	5,010,437					5,010,437.48
BUCKLIN	1040-02	10/11/99	206,668					206,668.00
CANEY	1499-01	11/01/99	600,000					600,000.00
EFFINGHAM	1318-01	12/01/99	218,300					218,300.00
SEDAN	1496-01	12/01/99	701,772					701,772.00
HALSTEAD	1536-01	12/16/99	924,335					924,334.73
ELBING	1297-01	12/17/99	282,203					282,202.65
HUMBOLDT	1504-01	12/20/99	1,326,970					1,326,970.00
POMONA	1354-01	12/22/99	735,458					735,458.00
BELLE PLAINE	1183-01	01/03/00	3,111,220					3,111,219.89
MCCUNE	0855-02	01/18/00	450,527					450,527.46
EDWARDSVILLE	1495-01	02/01/00	109,079					109,079.00
ADMIRE	1492-01	03/06/00	225,163					225,163.00
BUHLER	1540-01	03/13/00	374,699					374,699.28
ARK CITY	1250-01	04/04/00	2,513,466					2,513,466.49
ATWOOD	1448-01	05/01/00	827,519					827,518.50
BENNINGTON	1365-01	05/04/00	467,594					467,594.00
ANTHONY	1212-01	05/08/00	1,885,432					1,885,432.00
JUNCTION CITY	1534-01	05/24/00	3,849,275					3,849,274.74
GODDARD	1507-01	05/30/00	500,000					500,000.00
BAXTER SPRINGS	0804-01	07/24/00	622,243					622,242.95
GARDNER	1514-01	08/10/00	20,078,700					20,078,700.00
INDEPENDENCE	1426-01	08/25/00	7,447,476					7,447,476.18
LAWRENCE	1260-01	09/12/00	44,773,720					44,773,720.20
DENISON	1494-01	10/01/00	59,810					59,810.24

EXHIBIT 4
STATE OF KANSAS
SELECT BINDING COMMITMENTS WITH RESPECT TO PAYMENTS

12/12/11

BINDING COMMITMENTS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	CONSTRUCTION START DATE	FY 1989 thru 2010	STATE FISCAL YEAR 2011				
				06/10 - 09/10 QTR 1	10/10 - 12/10 QTR 2	01/11 - 03/11 QTR 3	04/11 - 06/11 QTR 4	TOTAL
HOWARD	1561-01	10/01/00	819,760					819,760.00
LACYGNE	1294-01	10/01/00	559,171					559,171.00
MANKATO	1289-01	10/01/00	300,653					300,652.64
McLOUTH	1431-01	10/01/00	1,522,288					1,522,288.00
PRESCOTT	1373-01	10/01/00	165,636					165,636.00
STRONG CITY	1437-01	10/01/00	340,254					340,253.59
SPRING HILL	1525-01	10/30/00	3,844,964					3,844,964.00
HANOVER	1384-01	11/01/00	239,581					239,581.00
TOWANDA	1518-01	11/01/00	112,900					112,900.29
CHENEY	1462-01	11/04/00	1,148,001					1,148,001.20
ARMA	1317-01	12/01/00	1,025,168					1,025,168.00
FORT SCOTT	1344-02	01/01/01	6,788,070					6,788,070.49
LINCOLN CENTER	1288-01	01/01/01	699,705					699,704.83
QUINTER	1190-01	02/01/01	449,611					449,611.40
YATES CENTER	1362-01	02/01/01	2,738,507					2,738,507.38
CHANUTE	1419-01	02/12/01	1,140,603					1,140,602.91
KINGMAN	1371-01	03/01/01	873,425					873,425.00
VICTORIA	1523-01	04/15/01	1,043,195					1,043,195.00
GARNETT	1348-01	05/01/01	3,300,000					3,300,000.00
HOLYROOD	1363-01	06/01/01	318,917					318,917.00
HILLSBORO	1490-01	06/25/01	490,000					490,000.00
TONGANOXIE	1299-02	07/09/01	311,940					311,939.88
TESCOTT	1559-01	07/30/01	236,054					236,054.03
MELVERN	1566-01	08/01/01	150,575					150,575.00
MANHATTAN	1583-01	08/08/01	8,921,792					8,921,792.00
MTAA	1432-01	09/04/01	2,410,486					2,410,485.74
HARTFORD	1562-01	10/01/01	235,000					235,000.00
ST. MARYS	1487-01	10/01/01	3,385,268					3,385,268.25
NEWTON	1610-01	01/04/02	1,300,000		(92,965.94)			1,207,034.06
BALDWIN4	1571-01	01/29/02	2,955,074					2,955,073.78
SHAWNEE CO	1560-01	02/11/02	11,108,629		(117,956.83)			10,990,672.17
WEST MINERAL	1624-01	02/17/02	215,671					215,671.40
BRONSON	1565-01	03/20/02	187,791					187,790.93
EMPORIA	1600-01	03/21/02	7,389,811					7,389,810.55
SO. HUTCHINSON	1591-01	04/22/02	6,267,538					6,267,538.05
FORD	1577-01	04/24/02	196,965					196,965.35
PHILLIPSBURG	1441-01	04/25/02	2,855,519					2,855,518.62
ALTA VISTA	1568-01	05/02/02	764,904					764,903.51
MEDICINE LODGE	1393-01	05/25/02	2,946,766					2,946,766.00
WHITE CITY	0884-01	06/03/02	373,792					373,792.35
TOPEKA	1272-01	06/17/02	60,000,000					60,000,000.00
PITTSBURG	1527-01	08/01/02	3,800,000					3,800,000.00
BERN	1633-01	09/15/02	73,027					73,027.13
KINSLEY	1598-01	09/16/02	575,656					575,656.00
LEBO	1629-01	09/23/02	467,079					467,079.00
ALMENA	1498-01	10/14/02	426,500					426,499.91
KINGMAN	1371-02	12/02/02	3,726,575					3,726,575.00
UG WYANDOTTE CO KC	1596-01	12/02/02	12,831,300					12,831,300.00
MEADE	0856-02	01/02/03	843,338					843,338.48
OTTAWA	1266-01	02/03/03	10,823,459			(59,445.00)		10,764,013.86
BELLEVILLE	1416-01	02/26/03	1,643,675					1,643,674.72
CLEARWATER	0812-02	03/01/03	1,487,000					1,487,000.00
HUTCHINSON	1517-01	03/01/03	5,989,284					5,989,284.06
HARVEYVILLE	1625-01	04/04/03	123,643					123,643.09
CONWAY SPRINGS	1622-01	04/28/03	314,433					314,433.01
ROSSVILLE	1526-01	05/12/03	558,540					558,539.56
OLPE	1607-01	05/15/03	567,303					567,303.00
OLATHE(CC)	1611-01	05/27/03	2,184,000					2,184,000.00
SHAWNEE CO MSD #33	1038-07	05/27/03	2,760,845					2,760,844.98
WILSON	1407-01	06/30/03	483,958					483,958.05
SENECA	1502-01	07/28/03	900,000					900,000.00
LYONS	1392-01	08/01/03	1,402,806					1,402,806.05
MARYSVILLE	1632-01	08/01/03	937,213					937,212.76
LANSING	1516-01	08/02/03	15,674,127					15,674,126.73
PLEASANTON	1588-01	10/01/03	347,441					347,441.00
ST. GEORGE	1595-01	12/01/03	52,874					52,874.03
MISSION HILLS	1621-01	01/05/04	4,116,534					4,116,534.08
MONTGOMERY CO	1597-01	01/05/04	250,000				(1,543.66)	248,456.34
EDWARDSVILLE	1599-01	01/26/04	3,063,879					3,063,878.91
TONGANOXIE	1608-01	03/03/04	4,862,392				(479,742.29)	4,382,649.71
WILLOWBROOK	1199-01	04/29/04	600,000					600,000.00
NORTONVILLE	1585-01	05/06/04	671,184					671,183.85

EXHIBIT 4
STATE OF KANSAS
SELECT BINDING COMMITMENTS WITH RESPECT TO PAYMENTS

12/12/11

BINDING COMMITMENTS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	CONSTRUCTION START DATE	FY 1989 thru 2010	STATE FISCAL YEAR 2011				
				06/10 - 09/10 QTR 1	10/10 - 12/10 QTR 2	01/11 - 03/11 QTR 3	04/11 - 06/11 QTR 4	TOTAL
GLEN ELDER	1166-01	06/01/04	134,275					134,275.32
ANDALE	1644-01	06/07/04	588,225					588,225.00
CLAFIN	1381-01	06/07/04	244,006					244,006.47
ENGLEWOOD	1642-01	06/11/04	64,093					64,093.05
COATS	1649-01	06/16/04	65,163					65,163.25
MCFARLAND	1634-01	06/18/04	289,253					289,253.07
PARSONS	1435-01	06/21/04	7,100,000					7,100,000.00
RILEY	1323-01	06/28/04	698,296					698,296.11
ST. FRANCIS	1616-01	06/30/04	481,860					481,859.54
WELLSVILLE	1475-01	07/16/04	2,542,422					2,542,421.54
JO. CO.-8	1532-01	07/19/04	13,583,500	(1,064,108.00)				12,519,392.00
PALCO	1396-01	07/19/04	224,307					224,307.00
STARK	1592-01	07/26/04	84,025					84,025.00
ELGIN	1628-01	08/02/04	50,220					50,220.00
SHAWNEE CO	1038-10	08/02/04	1,643,657					1,643,656.83
CALDWELL	0808-02	08/16/04	687,000					687,000.00
OVERBROOK	1587-01	08/16/04	1,060,660					1,060,660.00
BELVUE	1672-01	08/25/04	196,504					196,504.00
DOUGLASS	1541-01	10/20/04	1,288,296					1,288,296.00
ROSE HILL	1630-01	10/25/04	819,856					819,856.11
LEAVENWORTH COUNTY	1429-01	11/01/04	380,027					380,027.31
SABETHA	1401-01	12/06/04	3,250,000					3,250,000.00
HERINGTON	1203-01	12/14/04	605,000		(8,277.71)			596,722.29
PAXICO	1513-01	12/21/04	116,590					116,590.48
ATTICA	1601-01	01/13/05	301,985					301,984.75
BEVERLY	1572-01	01/17/05	98,475					98,475.23
GRANDVIEW PLAZA	1645-01	02/14/05	133,384					133,384.00
HARPER	1650-01	03/21/05	1,157,067					1,157,067.00
HOLTON	1659-01	04/18/05	5,500,000			(871,423.98)		4,628,576.02
LYNDON	1430-01	04/22/05	1,466,000					1,466,000.00
LEONARDVILLE	1651-01	06/06/05	81,401					81,401.00
SUMNER CO. (SLATE VALLE	1648-01	06/06/05	202,394					202,393.65
GOESSEL	1578-01	06/13/05	206,316					206,316.40
LAKIN	1477-01	06/15/05	887,498					887,498.00
PAOLA	1652-01	06/21/05	6,955,248					6,955,248.00
JUNCTION CITY	1694-01	07/11/05	6,036,000				(33,833.76)	6,002,166.24
WATHENA	1661-01	07/12/05	811,065					811,064.80
FREDONIA	1382-01	07/15/05	590,155					590,155.00
ELLIS CO (MUNJOR)	1647-01	07/18/05	59,056					59,056.02
LOGAN	1531-01	07/18/05	540,837					540,837.08
PRESTON	1528-01	07/21/05	326,633					326,632.54
PRESTON	1777-01	07/21/05	295,923					295,923.06
KANOPOLIS	1668-01	07/27/05	90,747					90,746.95
HUGOTON	1387-01	08/22/05	1,738,259					1,738,259.45
SCRANTON	1631-01	10/03/05	579,169					579,169.00
ELDORADO	1639-01	10/10/05	11,111,313					11,111,312.98
CANTON	1658-01	10/17/05	288,228					288,227.98
LINWOOD	1581-01	11/11/05	215,312		(10,140.84)			205,171.16
LITTLE RIVER	1615-01	11/25/05	190,383					190,382.62
BAZINE	1638-01	12/09/05	146,000					146,000.00
JF CO (SD #2)	1388-01	01/03/06	551,559					551,559.10
PITTSBURG	1656 01	01/06/06	4,000,000					4,000,000.00
COLBY	1653-01	01/09/06	8,684,730					8,684,730.00
OLATHE	1695-01	01/10/06	768,500					768,500.00
BENTLEY	1515-01	02/06/06	302,327					302,327.00
OBERLIN	1529-01	05/05/06	1,580,175	14,855.85			(9,650.00)	1,585,380.85
INGALLS	1503-01	05/17/06	391,795				(50,059.00)	341,736.00
BUHLER	1700-01	05/31/06	1,152,431				(43,939.80)	1,108,491.20
TYRO	1680-01	06/01/06	260,000					260,000.00
DELIA	1575-01	06/05/06	231,181					231,181.00
PRETTY PRAIRIE	1399-01	06/22/06	596,398					596,397.79
UNIONTOWN	1667-01	07/24/06	277,000		(5,920.00)			271,080.00
SMITH CENTER	1356-01	08/03/06	1,661,831					1,661,830.79
NORTON	1530-01	08/21/06	4,300,000					4,300,000.00
ROBINSON	1704-01	08/21/06	180,000					180,000.00
SILVER LAKE	1710-01	09/15/06	343,626					343,625.88
ABILENE	1657-01	09/26/06	8,662,000		(41,583.44)			8,620,416.56
WINDOM	0906-03	10/30/06	189,000			(19,093.00)		169,907.00
AMERICUS	1414-01	11/26/06	1,637,000					1,637,000.00
CLAY CENTER	1712-01	12/05/06	464,521					464,521.00
GARDNER	1721-01	01/02/07	4,318,315			(820,000.00)	(15,305.61)	3,483,009.39
POTWIN	1627-01	05/01/07	200,000					200,000.00

EXHIBIT 4
STATE OF KANSAS
SELECT BINDING COMMITMENTS WITH RESPECT TO PAYMENTS

12/12/11

BINDING COMMITMENTS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	CONSTRUCTION START DATE	FY 1989 thru 2010	STATE FISCAL YEAR 2011				
				06/10 - 09/10 QTR 1	10/10 - 12/10 QTR 2	01/11 - 03/11 QTR 3	04/11 - 06/11 QTR 4	TOTAL
HUTCHINSON	1666-01	05/07/07	10,000,000					10,000,000.00
HALSTEAD	1753-01	05/08/07	309,664					309,664.30
LARNED	1287-01	05/14/07	7,691,400				(866,938.06)	6,824,461.94
LABETTE CO. SD #1	1749-01	06/05/07	220,000					220,000.00
PROTECTION	1698-01	06/11/07	711,030					711,030.00
DOWNS	1484-01	07/05/07	1,189,333					1,189,333.39
NEODESHA	1684-01	07/09/07	623,581					623,581.00
PAWNEE ROCK	1626-01	07/23/07	459,808					459,808.00
TOWANDA	1737-01	07/30/07	1,700,000			(447,534.93)		1,252,465.07
WAKEENEY	1404-01	08/01/07	2,764,283					2,764,282.81
IOLA	1618-01	08/13/07	2,751,000					2,751,000.00
WINCHESTER	1706-01	08/13/07	693,580					693,580.00
EUREKA	1701-01	08/14/07	510,204					510,204.00
BAILEYVILLE IMPROVEMENT	1663-01	08/15/07	80,808					80,807.78
STROTHER FIELD	1682-01	09/07/07	1,271,849					1,271,849.23
EDGERTON	1738-01	09/17/07	230,000					230,000.00
TOPEKA	1272-04	09/24/07	9,317,000					9,317,000.00
KINCAID	1685-01	09/28/07	158,743		(9,282.54)			149,460.46
WESTMORELAND	1705-01	10/01/07	597,805					597,805.00
AUBURN	1726-01	10/19/07	477,767					477,767.47
BEATTIE	1664-01	11/01/07	199,553					199,553.25
HOYT	1757-01	11/01/07	750,000					750,000.00
VALLEY CENTER	1740-01	11/12/07	3,441,000				(141,132.00)	3,299,868.00
ROSE HILL	1720-01	01/11/08	5,800,000			365,000.00		6,165,000.00
HUMBOLDT	1708-01	02/14/08	684,000					684,000.00
HILLSBORO	1641-01	03/10/08	2,857,206					2,857,205.93
BIRD CITY	1727-01	03/13/08	545,925		(7,781.71)			538,143.29
BENTON	1483-01	03/24/08	820,401					820,401.49
EUDORA	1678-01	04/01/08	2,767,450					2,767,450.00
QUINTER	1758-01	04/01/08	800,007	(86,026.00)				713,981.00
PARTRIDGE	1510-01	04/05/08	210,000		(9,637.00)			200,363.00
CANEY	1709-01	04/07/08	305,596					305,596.00
MCPHERSON	1474-01	04/14/08	12,167,471				(821,078.00)	11,346,393.00
GODDARD	1734-01	04/18/08	7,000,000					7,000,000.00
WETMORE	1405-01	04/28/08	398,040					398,040.17
PRINCETON	1696-01	05/01/08	142,161					142,161.35
NEWTON	1747-01	06/18/08	9,000,000					9,000,000.00
LEHIGH	1520-01	07/09/08	369,595				(11,062.00)	358,533.00
BALDWIN CITY	1748-01	08/25/08	1,659,825			(403,176.31)		1,256,648.69
SAWYER	1693-01	08/28/08	157,570					157,570.00
LATHAM	1718-01	09/04/08	189,499					189,499.00
OSKALOOSA	1637-01	09/29/08	4,120,000					4,120,000.00
BASEHOR	1767-01	10/20/08	6,417,016			(717,016.00)		5,700,000.00
COLUMBUS	1742-01	12/01/08	700,000					700,000.00
QUENEMO	1669-01	12/15/08	650,000					650,000.00
STERLING	1460-01	01/12/09	1,220,348					1,220,348.00
HAVEN	1671-01	02/02/09	500,000	13,893.05				513,893.05
OSBORNE	1760-01	03/11/09	235,500				70,000.00	305,500.00
ELLSWORTH	1674-01	03/12/09	1,500,000					1,500,000.00
KIRWIN	1681-01	04/15/09	168,590					168,590.00
GREAT BEND	1768-01	05/04/09	4,600,000					4,600,000.00
SMOLAN	1719-01	05/04/09	166,575				(14,027.00)	152,548.00
WELLINGTON	1722-01	05/11/09	13,800,000					13,800,000.00
JO. CO.	1794-01A	05/18/09	18,161,400				830,000.00	18,991,400.00
SEVERY	1724-01	05/18/09	153,840					153,840.00
GREELEY	1763-01	05/25/09	0					0.00
JETMORE	1579-01A	05/27/09	1,600,000					1,600,000.00
JF CO (SD #7)	1557-01	06/08/09	490,750		(154,053.17)			336,696.83
COLBY	1653-01A	06/16/09	70,500					70,500.00
OGDEN	1711-01	06/17/09	2,190,131					2,190,131.00
OBERLIN	1529-01A	06/19/09	173,700					173,700.00
BURRTON	1570-01	07/20/09	499,260					499,259.60
NICKERSON	1636-01	08/17/09	4,978,000					4,978,000.00
EASTON	1576-01	08/28/09	400,000				(23,769.00)	376,231.00
EDNA	1741-01	09/14/09	452,820					452,820.00
ANTHONY	1775-01	09/21/09	313,713					313,712.74
ALMA	1646-01	10/09/09	2,704,200					2,704,200.00
UG WYANDOTTE CO KC	1596-01A	10/26/09	400,000					400,000.00
LENEXA	1852-01A	11/25/09	1,073,430					1,073,430.00
TAMPA	1725-01	12/01/09	82,500				(11,687.25)	70,812.75
LIBERTY	1779-01	12/09/09	144,848					144,848.00
JO. CO. COMM. COLLEGE	1885-01A	01/04/10	867,413				(338,913.00)	528,500.00

EXHIBIT 4
STATE OF KANSAS
SELECT BINDING COMMITMENTS WITH RESPECT TO PAYMENTS

12/12/11

BINDING COMMITMENTS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	CONSTRUCTION START DATE	FY 1989 thru 2010	STATE FISCAL YEAR 2011				
				06/10 - 09/10 QTR 1	10/10 - 12/10 QTR 2	01/11 - 03/11 QTR 3	04/11 - 06/11 QTR 4	TOTAL
LINDSBORG	1790-01A	01/04/10	5,176,532					5,176,532.00
MANHATTAN	1746-02	01/10/10	39,506,000					39,506,000.00
DODGE CITY	1792-01	01/18/10	29,532,000					29,532,000.00
HUTCHINSON	1780-01A	01/18/10	5,700,000				0.02	5,700,000.02
MISSION	1858-01A	01/22/10	422,425					422,425.00
UNIVERSITY OF KANSAS	1894-01A	01/25/10	178,941					178,941.00
GORHAM	1702-01	02/01/10	212,350					212,350.00
DERBY	1789-01A	02/09/10	3,200,000			171,000.00		3,371,000.00
BUCKLIN	1800-01A	02/10/10	766,000			(100,000.00)		666,000.00
PITTSBURG	1818 -1A	02/12/10	2,394,500					2,394,500.00
KANSAS STATE UNIVERSITY	1887-01A	03/03/10	583,507					583,507.00
KANSAS WATER OFFICE	1895-01A	03/05/10	1,620,000				102,439.28	1,722,439.28
GLACIAL HILLS RCDC	1882-01A	03/10/10	263,400		4,663.00			268,063.00
EL DORADO	1639-01A	03/12/10	460,999			41,160.00		502,159.05
SHAWNEE	1862-01A	03/19/10	465,000					465,000.00
GARDEN PLAIN	1716-01A	03/22/10	2,500,000					2,500,000.00
COMM. HOUSING OF WY CO	1880-01A	03/29/10	57,941				(756.00)	57,185.00
POTT CO / MANHATTAN	1786-01	04/05/10	5,000,000					5,000,000.00
HAYS	1842-01A	07/15/10	158,773					158,773.00
LEAVENWORTH COUNTY #3	1785-01	09/03/10	1,373,821					1,373,821.00
ATCHISON	1305-01	11/01/10	3,657,035					3,657,035.00
OAKLEY	1783-01	11/04/10	2,724,752					2,724,752.00
COUNCIL GROVE	1784-01	11/10/10		509,600.00				509,600.00
CAWKER CITY	1905-01	01/01/11		260,186.00				260,186.00
PARK	1901-01	03/07/11	435,910					435,910.00
SOLDIER	1759-01	03/08/11	182,270					182,270.00
SHAWNEE COUNTY	1916-01	03/14/11				2,000,000.00		2,000,000.00
GLACIAL HILLS RCDC	1882-01	05/10/11			333,000.00			333,000.00
LA CROSSE	1206-01	07/01/11		2,678,530.00				2,678,530.00
LEOTI	1822-01	09/26/11				740,000.00		740,000.00
ARGONIA	1782-01			907,256.00				907,256.00
CHEROKEE CO SD #1	1745-01			255,000.00				255,000.00
GLASCO	1912-01					175,600.00		175,600.00
GRINNELL	1908-01			570,620.00				570,620.00
MORAN	1909-01				353,389.00			353,389.00
MOSCOW	1762-01		486,433	299,027.00				785,460.00
OLATHE	1728-01		5,000,000					5,000,000.00
PRATT	1799-01				1,642,000.00			1,642,000.00
SOLOMON	1791-01			195,675.00				195,675.00
STOCKTON	1802-01						4,622,300.00	4,622,300.00
TROY	1913-01					270,800.00		270,800.00
VIOLA	1692-01			300,000.00				300,000.00
Subtotal			1,012,383,864	4,844,311	1,690,609	325,871	2,761,303	1,022,005,958

EXHIBIT 4
 STATE OF KANSAS
 SELECT BINDING COMMITMENTS WITH RESPECT TO PAYMENTS

12/12/11

BINDING COMMITMENTS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	CONSTRUCTION START DATE	FY 1989 thru 2010	STATE FISCAL YEAR 2011					TOTAL
				06/10 - 09/10 QTR 1	10/10 - 12/10 QTR 2	01/11 - 03/11 QTR 3	04/11 - 06/11 QTR 4		
PROGRAM ADMIN 89 GRANT			351,322						351,322.00
PROGRAM ADMIN 90 GRANT			363,084						363,084.00
PROGRAM ADMIN 91 GRANT			740,983						740,983.00
PROGRAM ADMIN 92 GRANT			701,530						701,530.00
PROGRAM ADMIN 93 GRANT			693,966						693,966.00
PROGRAM ADMIN 94 GRANT			430,599						430,599.00
PROGRAM ADMIN 95 GRANT			444,716						444,716.00
PROGRAM ADMIN 96 GRANT			728,451						728,451.00
PROGRAM ADMIN 97 GRANT			223,296						223,296.00
PROGRAM ADMIN 98 GRANT			486,185						486,185.00
PROGRAM ADMIN 99 GRANT			486,225						486,225.00
PROGRAM ADMIN 00 GRANT			484,577						484,577.00
PROGRAM ADMIN 01 GRANT			480,269						480,269.00
PROGRAM ADMIN 02 GRANT			481,338						481,338.00
PROGRAM ADMIN 03 GRANT			478,210						478,210.00
PROGRAM ADMIN 04 GRANT			478,499						478,499.00
PROGRAM ADMIN 05 GRANT			388,996						388,996.00
PROGRAM ADMIN 06 GRANT			315,364						315,364.00
PROGRAM ADMIN 07 GRANT			386,336						386,336.00
PROGRAM ADMIN 08 GRANT			244,168						244,168.00
PROGRAM ADMIN 09 GRANT			244,172						244,172.00
PROGRAM ADMIN ARRA GRANT			1,414,967						1,414,967.00
PROGRAM ADMIN 10 GRANT				735,640.00					735,640.00
Subtotal			11,047,253	735,640.00	0.00	0.00	0.00	0.00	11,782,893.00
BINDING COMMITMENT (BC) TOTALS			1,023,431,117	5,579,951	1,690,609	325,871	2,761,303		1,033,788,851
CUMULATIVE BC TOTALS			1,023,431,117	1,029,011,068	1,030,701,678	1,031,027,548	1,033,788,851		
FY BC TOTALS							10,357,734		
REQUIRED BC *			289,426,154	22,069,200	0	0	0		311,495,354
CUMULATIVE REQ'D AMOUNT			289,426,154	311,495,354	311,495,354	311,495,354	311,495,354		
BC AS A % OF REQ'D BC AMOUNT			354%	330%	331%	331%	332%		

* 120% OF TOTAL CAP GRANTS FEDERAL PAYMENTS MINUS ARRA CAP GRANT LAGGED BY 1 YEAR =
 [294,953,647 - 35,374,185 = 259,579,462] x 1.20 = 311,495,354

EXHIBIT 5

**WATER POLLUTION CONTROL REVOLVING LOAN FUND
SELECT DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

	FY 2010	FISCAL YEAR 2011				TOTAL
		QTR 1	QTR 2	QTR 3	QTR 4	
SELECT DISBURSEMENTS	25,898,469	8,849,333	12,271,070	17,460,399	3,822,006	42,402,808
Less FEDERAL ARRA DISBURSEMENTS	(13,398,509)	(6,575,630)	(7,011,171)	(6,477,241)	(1,421,345)	(21,485,387)
FY CUMULATIVE TOTALS	12,499,960	15,424,963	34,707,204	58,644,844	63,888,195	63,888,195
ACH AVAILABLE (BEGINNING)	24,275,726	13,088,930	10,968,499	27,003,838	21,482,146	
CUMULATIVE ACH DEPOSITS	0	0	18,391,000	0	0	18,391,000
CASH DRAW FROM ACH	11,186,796	2,120,431	2,355,661	5,521,692	1,632,647	11,630,431
ACH AVAILABLE (ENDING)	13,088,930	10,968,499	27,003,838	21,482,146	19,849,499	
STATE SHARE	1,316,218	372,313	2,692,452	5,480,457	738,560	9,283,782
CUMULATIVE STATE SHARE	1,316,218	372,313	3,064,765	8,545,222	9,283,782	
ACH DRAW AS % OF DISBURSEMENTS **	43.19%	23.96%	19.20%	31.62%	42.72%	27.43%

** Federal percentage of total expenditures to date is :

81.16%

EXHIBIT 6 PART 1: SECTION 212 PUBLICLY OWNED TREATMENT WORKS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	NEEDS CATEGORY									
		I SECONDARY TREATMENT	II ADVANCED TREATMENT	III A INFILTRATION / INFLOW CORR	III B SEWER REHAB	IV A COLLEC- TORS	IV B INTER- CEPTORS	V CSO CORRECTION/ CONTROL	VII NPS BROWNFIELDS	VII-D	VII-K
Loans											
ARGONIA	1782 01	307,256		600,000							
CAWKER CITY	1905 01	260,186									
CHEROKEE COUNTY SD #1	1745 01				255,000						
COUNCIL GROVE	1784 01	509,600									
GLASCO	1912 01	175,600									
GRINNELL	1908 01	570,620									
LA CROSSE	1206 01	2,678,530									
LEOTI	1822 01						740,000				
MORAN	1909 01				353,389						
PRATT	1799 01	1,642,000									
SHAWNEE COUNTY	1916 01						2,000,000				
SOLOMON	1791 01	195,675									
STOCKTON	1802 01	4,622,300									
TROY	1913 01				270,800						
VIOLA	1692 01	300,000									
	Subtotal	11,261,767	0	600,000	879,189	0	2,740,000	0	0	0	0
Amendments											
DERBY	1789 01A	171,000									
EL DORADO	1639 01A						41,160				
GLACIAL HILLS	1882 01A										4,663
HAVEN	1671 01	13,893									
HUTCHINSON	1780 01A		0.02								
JOHNSON COUNTY	1794 01A	830,000									
KANSAS WATER OFFICE	1895 01A										102,439
MOSCOW	1762 01	229,027									
OBERLIN	1529 01A	14,856									
OSBORNE	1760 01				70,000						
ROSE HILL	1720 01						365,000				
	Subtotal	1,258,776	0	0	70,000	0	406,160	0	0	0	107,102
PART 1 TOTAL		12,520,543	0	600,000	949,189	0	3,146,160	0	0	0	107,102

31

EXHIBIT 6 PART 2: SECTION 319 NON POINT SOURCE PROJECTS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	NEEDS CATEGORY									
		I SECONDARY TREATMENT	II ADVANCED TREATMENT	III A INFILTRATION / INFLOW CORR	III B SEWER REHAB	IV A COLLEC- TORS	IV B INTER- CEPTORS	V CSO CORRECTION/ CONTROL	VII NPS BROWNFIELDS	VII-D	VII-K
Loans											
GLACIAL HILLS RCDC	1882 01										333,000
	Subtotal	0	0	0	0	0	0	0	0	0	333,000
PART 2 TOTAL		0	0	0	0	0	0	0	0	0	333,000
*11 Total		12,520,543	0	600,000	949,189	0	3,146,160	0	0	0	440,102

EXHIBIT 7
 STATE OF KANSAS
 PAYMENT SCHEDULE

12/06/11

ACTUAL AND PROJECTED SRF GRANT AWARDS

GRANT YEAR	AWARD AMOUNT	AWARD AMOUNT FY 1989-2010	STATE FISCAL YEAR 2010 7/1/09-6/30/10				STATE FISCAL YEAR 2011 PROJECTED 7/1/10-6/30/11			
			QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4
FY 89 GRANT	8,783,047	8,783,047								
FY 90 GRANT	9,077,104	9,077,104								
FY 91 GRANT	18,524,583	18,524,583								
FY 92 GRANT	17,538,246	17,538,246								
FY 93 GRANT	17,349,156	17,349,156								
FY 94 GRANT	10,764,963	10,764,963								
FY 95 GRANT	11,117,898	11,117,898								
FY 96 GRANT	18,211,386	18,211,386								
FY 97 GRANT	5,582,400	5,582,400								
FY 98 GRANT	12,154,626	12,154,626								
FY 99 GRANT	12,536,764	12,536,764								
FY 00 GRANT	12,114,497	12,114,497								
FY 01 GRANT	12,006,720	12,006,720								
FY 02 GRANT	12,033,450	12,033,450								
FY 03 GRANT	11,955,240	11,955,240								
FY 04 GRANT	11,962,467	11,962,467								
FY 05 GRANT	9,724,900	9,724,900								
FY 06 GRANT	7,884,100	7,884,100								
FY 07 GRANT	9,658,400	9,658,400								
FY 08 GRANT	6,104,200	6,104,200								

EXHIBIT 7
 STATE OF KANSAS
 PAYMENT SCHEDULE

12/06/11

ACTUAL AND PROJECTED SRF GRANT AWARDS

GRANT YEAR	AWARD AMOUNT	AWARD AMOUNT FY 1989-2010	STATE FISCAL YEAR 2010 7/1/09-6/30/10				STATE FISCAL YEAR 2011 PROJECTED 7/1/10-6/30/11				
			QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	
FY 09 GRANT	6,104,300	6,104,300									
ARRA GRANT	35,374,185	35,374,185	15								
FY 10 GRANT	18,391,000						18,391,000				
Subtotal		276,562,632	15	0	0	0	18,391,000	0	0	0	0
Cumulative	276,562,647	276,562,632	276,562,647	276,562,647	276,562,647	276,562,647	294,953,647	294,953,647	294,953,647	294,953,647	294,953,647

EXHIBIT 8

**Kansas Water Pollution Control Revolving Fund
Project Loan Repayment and Interest Activity**

	FY 89 - 10	9/30/10	12/31/10	3/31/11	6/30/11	FY11	GRAND TOTAL
	TOTAL					TOTAL	
Total Project Payments	857,168,778.22	18,265,657.22	22,502,496.74	21,952,981.20	11,590,825.18	74,311,960.34	931,480,738.56
Total Interest Accrued	4,525,058.23	-	83,948.84	-	90,213.12	174,161.96	4,699,220.19
Total Principal Outstanding	548,683,830.26	-	-	-	-	553,974,576.62	553,974,576.62
Total Fees Accrued	397,767.28	-	11,302.95	-	12,677.02	23,979.97	421,747.25
Total Principal Payments	313,407,773.47	16,246,843.25	20,182,076.80	16,840,313.49	15,950,122.37	69,219,355.91	382,627,129.38
Total Interest Payments	151,642,950.99	6,360,613.69	1,056,746.51	6,568,310.43	1,076,562.41	15,062,233.04	166,705,184.03
Total Fee Payments	12,150,085.46	569,451.98	100,538.61	580,230.49	93,921.99	1,344,143.07	13,494,228.53

EXHIBIT 9

**WATER POLLUTION CONTROL REVOLVING LOAN FUND
ACTUAL DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
FEDERAL LOAN	1,787,094	2,434,997	5,419,938	1,496,740	11,138,769
FEDERAL ADMINISTRATION	114,296	132,450	82,763	165,361	494,870
FEDERAL ARRA	6,575,630	7,011,171	6,477,241	1,421,345	21,485,387
STATE MATCH LOAN	372,313	2,692,452	5,480,457	738,560	9,283,782
ACTUAL SRF PROGRAM TOTALS	8,849,333	12,271,070	17,460,399	3,822,006	42,402,808

EXHIBIT 10

KANSAS WATER POLLUTION CONTROL REVOLVING LOAN FUND

STATEMENTS OF NET ASSETS
JUNE 30, 2011 AND 2010

	UNAUDITED	UNAUDITED
	2011	2010
ASSETS		
Current assets:		
Cash	\$ 111,114,419	\$ 54,412,728
Restricted cash - arbitrage rebate	-	959,363
Investment interest receivable	356,902	455,007
Loans	41,127,207	39,312,991
Loan interest receivable	4,526,790	4,500,714
Other receivables	419,015	403,186
Total current assets	<u>157,544,333</u>	<u>100,043,989</u>
Noncurrent assets:		
Restricted cash - arbitrage rebate	325,366	260,492
Restricted cash - loan reserve earnings	751,231	737,938
Loans	512,847,370	509,370,839
Loan reserve accounts - invested	5,933,932	5,933,932
Loan reserve accounts - cash	3,559,310	3,509,075
Debt service reserve accounts-cash	1,200,102	12,282,272
Debt service reserve accounts - investments	22,247,890	26,965,324
Bond issue costs, net of amortization	2,885,305	2,828,367
Total noncurrent assets	<u>549,750,506</u>	<u>561,888,239</u>
Total Assets	<u>707,294,839</u>	<u>661,932,228</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	842,332	805,450
Bond interest payable	6,173,837	3,190,049
Revenue bonds payable, current	27,295,000	28,085,000
Total current liabilities	<u>34,311,169</u>	<u>32,080,499</u>
Current liabilities payable from restricted assets:		
Arbitrage rebate payable	-	1,065,960
Noncurrent liabilities:		
Loan reserve accounts payable	9,493,244	9,443,007
Revenue bonds payable, long-term, net	391,176,208	366,035,115
Deferred amounts on refunding	(12,154,763)	(8,117,235)
Total noncurrent liabilities	<u>388,514,689</u>	<u>367,360,887</u>
Total Liabilities	<u>422,825,858</u>	<u>400,507,346</u>
NET ASSETS		
Restricted net assets	<u>284,468,981</u>	<u>261,424,882</u>
Total Net Assets	<u>\$ 284,468,981</u>	<u>\$ 261,424,882</u>

See accompanying notes to financial statements.

KANSAS WATER POLLUTION CONTROL REVOLVING LOAN FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS YEARS ENDED JUNE 30, 2011 AND 2010

	UNAUDITED	UNAUDITED
	2011	2010
Operating revenues		
Loans	\$ 15,262,471	\$ 15,027,158
Grant revenue	491,662	442,500
Service fee revenue	1,384,003	1,331,971
Total operating revenues	<u>17,138,136</u>	<u>16,801,629</u>
Operating expenses		
Program administration-federal	501,597	447,548
Program administration-other	788,154	529,686
Arbitrage rebate	(265,147)	(216,634)
Loan principal forgiveness	8,475,762	35,250
Total operating expenses	<u>9,500,366</u>	<u>795,850</u>
Operating income	<u>7,637,770</u>	<u>16,005,779</u>
Nonoperating revenues (expenses)		
Investment Income:		
Bond reserve account	1,494,507	1,613,806
Other investment income	279,402	906,222
Bond issuance costs	(416,907)	(241,453)
Interest expense - bonds	(18,574,829)	(18,986,265)
Capital contributions- ARRA capitalization grants	21,485,387	13,398,509
Capital contributions-capitalization grants drawn down, net of recognized administrative grants	11,138,769	10,744,296
Total nonoperating revenues	<u>15,406,329</u>	<u>7,435,115</u>
Change in net assets	23,044,099	23,440,894
Total net assets-beginning of year	<u>261,424,882</u>	<u>237,983,988</u>
Total net assets-end of year	<u>\$ 284,468,981</u>	<u>\$ 261,424,882</u>

See accompanying notes to financial statements.

KANSAS WATER POLLUTION CONTROL REVOLVING FUND

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2011 AND 2010

	UNAUDITED	UNAUDITED
	2011	2010
Cash Flows From Operating Activities		
Loan principal collected	\$ 60,743,594	\$ 42,498,233
Loans disbursed	(74,510,102)	(58,167,997)
Interest received on loans	15,236,395	14,953,340
Program administration expenses	(1,159,751)	(834,235)
Arbitrage rebate paid	(800,812)	-
Other revenues	36,882	(25,619)
Service fees received	1,368,173	1,319,343
Service fees paid	(130,000)	(143,000)
Capitalization grant drawn for administrative costs	491,662	442,500
Net cash provided by operating activities	<u>1,276,041</u>	<u>42,565</u>
Cash Flows From NonCapital Financing Activities		
Bond principal paid	(31,665,000)	(29,180,000)
Bond interest paid	(16,052,796)	(20,086,621)
ARRA capitalization grant for loans	21,485,387	13,398,509
Capitalization grant for loans	11,138,769	10,744,296
Bond proceeds, including premium	164,731,069	-
Payment to refunded bond escrow agent	(111,647,418)	-
Bond issuance costs (paid) refunded	(1,117,175)	-
Net cash provided by (used in) noncapital financing activities	<u>36,872,836</u>	<u>(25,123,816)</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	4,717,434	-
Interest received on investments and debt service reserve accounts	1,872,015	2,575,336
Net cash provided by investing activities	<u>6,589,449</u>	<u>2,575,336</u>
Net increase (decrease) in cash	44,738,326	(22,505,915)
Cash, beginning of year	<u>68,652,793</u>	<u>91,158,708</u>
Cash, end of year	<u>\$ 113,391,119</u>	<u>\$ 68,652,793</u>
Cash consists of:		
Cash	111,114,419	54,412,728
Restricted cash - Arbitrage Rebate	325,366	1,219,855
Restricted cash - Loan Reserve Earnings	751,232	737,853
Debt service reserve funds - cash	1,200,102	12,282,272
	<u>\$ 113,391,119</u>	<u>\$ 68,652,708</u>

See accompanying notes to financial statements.

KANSAS WATER POLLUTION CONTROL REVOLVING FUND**STATEMENTS OF CASH FLOWS****YEARS ENDED JUNE 30, 2011 AND 2010**

	UNAUDITED	UNAUDITED
	2011	2010
RECONCILIATION OF OPERATING INCOME TO NET CASH		
USED IN OPERATING ACTIVITIES:		
Operating income	\$ 7,637,770	\$ 16,005,779
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Loans	(5,290,746)	(15,634,515)
Loan interest receivable	(26,076)	(73,818)
Other receivables	(15,829)	(12,628)
Accounts payable and accrued expenses	36,882	(25,619)
Arbitrage rebate payable	(1,065,960)	(216,634)
Net cash provided by (used in) operating activities	<u>\$ 1,276,041</u>	<u>\$ 42,565</u>

See accompanying notes to financial statements.

NOTE 1 - Summary of Significant Accounting Policies

A. Description of Program

The Kansas Water Pollution Control Revolving Fund (the Fund) was established pursuant to K.S.A. 65-3321 et seq in 1988 by the Kansas Legislature. The Fund was created to implement the State's participation under the Federal Clean Water Act as amended by the Federal Water Quality Act of 1987. Under Kansas law, the Secretary of the Department of Health and Environment (KDHE) administers the Water Pollution Control Revolving Loan Program (the Program). The Federal Act authorizes the Environmental Protection Agency (EPA) to award capitalization grants for deposit into state revolving funds in order to provide financial assistance for constructing publicly owned wastewater treatment facilities. The Program is the response by the State to federal law changes governing the development of publicly owned wastewater treatment works. The state revolving fund may be used to make loans, fund debt service reserves and provide other types of financial assistance to public entities. Initial funding for the Program is to be provided from the federal capitalization grants and state matching funds. The state matching funds must be equal to 20% of the federal capitalization grants. Under the Program, of the total amount to be deposited in a state revolving fund from federal capitalization grants and state matching funds, 83 1/3% is to be provided by federal capitalization grants and 16 2/3% is to be provided by state matching funds. The Fund is to be established, maintained and credited with repayments and the Fund equity is to be available in perpetuity for providing such financial assistance.

Loans are made to municipalities from the Fund for eligible project costs. Kansas Administrative Regulation 28-16-113 establishes the interest rates for the loans, together with fees set for servicing the loans, to be an amount equal to 60% of the previous three months' average "bond buyers 20 bond index" as published on Friday of each week for the preceding three months. KDHE administers those aspects of the Program relating to selection of projects and the making of loans to eligible municipalities. Kansas Development Finance Authority (KDFA) issues revenue bonds for the state matching funds needed and for leveraged borrowing for the Fund. The Department of Administration administers the accounting and reporting aspects of the Program relating to the receipt and disbursement of monies within the Fund, including disbursement of loans to municipalities and billing and collecting of loan repayments. Moneys in the Fund are deposited with the Treasurer of the State of Kansas.

B. Measurement Focus, Basis of Accounting

The Fund is an enterprise fund of the State. The financial statements of the Fund are prepared on the accrual basis of accounting and on an economic resources measurement focus in accordance with accounting principles generally accepted in the United State of America. With this measurement focus, all assets and all liabilities are included on the statement of net assets. The statement of changes in fund net assets presents increases (revenues) and decreases (expenses) in net total assets. Revenues are recognized when earned and expenses are recorded when liabilities are incurred. The statement of cash flows provides information about how the Fund meets the cash flow needs of its activities. Program management has decided that this

approach is necessary to demonstrate the success of the Program and to assure interested parties that the Fund will be available in perpetuity as intended.

C. Disclosure

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

D. Net Assets

Cash is considered the fund and account balances on deposit with the State of Kansas Treasurer even though these monies are invested as part of the State's idle funds pool and earn average daily balance interest. Cash also includes balances held by the Trustee, UMB Bank, na.

Investments include guaranteed investment contracts, fully flexible repurchase agreements and other investments as permitted by Master Bond Resolution No. 37, dated November 9, 1992, Supplemental Resolution No 37-a, dated January 8, 1993, Supplemental Resolution No. 37-b, dated July 7, 1995, Supplemental Resolution No. 37-c, dated January 7, 1997, Supplemental Resolution No. 37-d, dated May 1, 1998, Supplemental Resolution No. 37-e, dated May 7, 1999, Supplemental Resolution No. 37-f, dated November 5, 1999, Supplemental Resolution No. 37-g, dated December 3, 1999, Supplemental Resolution No. 37-h, dated January 7, 2000, Supplemental Resolution No. 37-i, dated August 17, 2001, Supplemental Resolution No. 37-j, dated October 4, 2002, Supplemental Resolution No. 37-k, dated May 6, 2004, Supplemental Resolution No. 37-l, dated July 14, 2005, Supplemental Resolution No. 37-m dated July 10, 2008, Supplemental Resolution No. 37-n dated November 6, 2008, Supplemental Resolution No. 37-o dated March 5, 2009, Supplemental Resolution No. 37-p dated November 4, 2010, Master Financing Indenture dated November 1, 2010 and the First Supplemental Financing Indenture dated December 15, 2010.

Bond issuance costs are being amortized over the life of the bonds using the straight-line method. Deferred charges for bond issuance for SRF 1998 Series II were fully amortized at November 1, 2010. Deferred charges for bond issuance for SRF 2000 Series I were fully amortized at the final maturity of November 1, 2010. Deferred charges for bond issuance for SRF 2000 Series II were fully amortized at the final maturity of November 1, 2010. Deferred charges for bond issuance for SRF 2001 Series I are to be fully amortized at the final maturity of November 1, 2011. Deferred charges for bond issuance for SRF 2001 Series II are to be fully amortized at the final maturity of November 1, 2021. Deferred charges for bond issuance for SRF 2002 Series II are to be fully amortized at the final maturity of November 1, 2011. Deferred charges for bond issuance for SRF 2004 Series II are to be fully amortized at the final maturity of May 1, 2023. Deferred charges for bond issuance for SRF Series 2005 State Match are to be fully amortized at the final maturity of November 1, 2015. Deferred charges for bond issuance for SRF Series 2005 Leveraged are to be fully amortized at the final maturity of November 1, 2026. Deferred charges for bond issuance for SRF Series 2008 State Match are to be fully

amortized at the final maturity of November 1, 2013. Deferred charges for bond issuance for SRF Series 2008 Leveraged are to be fully amortized at the final maturity of November 1, 2029. Deferred charges for bond issuance for 2010SRF-1 State Match are to be fully amortized at the final maturity of March 1, 2016. Deferred charges for bond issuance for 2010SRF-1 Leveraged are to be fully amortized at the final maturity of March 1, 2022. Deferred charges for bond issuance for 2010SRF-2 Leveraged are to be fully amortized at the final maturity of March 1, 2030. Deferred charges for bond issuance for 2010SRF-3 Leveraged are to be fully amortized at the final maturity of March 1, 2014.

Receivables include interest earnings, current loan repayments due and loan principal balances outstanding. All receivables are considered collectable, therefore, no allowance account has been established.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Currently the fund has no net assets invested in capital assets. Net assets are reported as restricted when there are limitations imposed on their use. All assets of the program have been determined to be restricted assets in accordance with the conditions of the Water Pollution Control capitalization grants and bond covenants. Restricted net assets include EPA capitalization grants restricted for loans to municipalities and for program administration expenses. The amount of capitalization grants restricted for program administration is being recognized as revenue when earned.

The Fund revenues consist of operating and nonoperating revenues. Operating revenues include: 1) interest earned on loans, 2) federal grant dollars earned for administrative costs and 3) loan service fees earned. Nonoperating revenues include investment income on bond reserves and other invested program moneys and any other revenues not classified as operating revenues.

The Fund expenses consist of operating and nonoperating expenses. Operating expenses include: 1) federal grant moneys for administrative costs and 2) amounts due the IRS for arbitrage rebate on program revenue bonds. Nonoperating expenses include: 1) revenue bond interest, 2) revenue bond issuance costs amortized and 3) revenue bond premium and discount amortized.

NOTE 2 - Investments

At the year end the Program Investments were as follows:

Guaranteed Investment Contract with AIG Matched funding:	
State Match Reserve - 1997	\$ 554,279
Leveraged Reserve - 1997	<u>\$ 2,579,557</u>
Subtotal	\$ 3,133,836
Repurchase Agreement with Morgan Guaranty:	
Loan Reserve Accounts	<u>\$ 1,007,486</u>
Subtotal	\$ 1,007,486
Guaranteed Investment Contract with FSA:	
Loan Reserve Account	<u>\$ 1,201,164</u>
Subtotal	\$ 1,201,164
Repurchase Agreement with Citigroup:	
State Match Reserve - 2000	\$ 318,984
Leveraged Reserve - 2000	<u>\$ 7,411,034</u>
Subtotal	\$ 7,730,018
Repurchase Agreement with Trinity Plus Funding Company, LLC:	
State Match Reserve - 2001	\$ 164,165
Leveraged Reserve - 2001	\$ 4,248,578
Leveraged Reserve - 2002	<u>\$ 6,971,293</u>
Subtotal	\$11,384,036
Repurchase Agreement with AIG:	
Loan Reserve Accounts	<u>\$ 3,725,282</u>
Subtotal	\$ 3,725,282
Total Investments	\$28,181,822

NOTE 3 - Long-Term Debt

The balance of Revenue Bonds issued by Kansas Development Finance Authority at the year end are as follows:

2001 Series I and II		\$ 141,045,000
Less Bonds Paid	4.10% - 5.50%	(34,125,000)
Less Bonds Defeased		(36,495,000)
Plus Unamortized OIP		<u>1,440,983</u>
		71,865,983
2002 Series II		\$ 101,575,000
Less Bonds Paid	5.50%	(25,810,000)
Less Bonds Defeased		(71,765,000)
Plus Unamortized OIP		<u>10,557</u>
		4,010,557
2004 Series I and II		\$ 50,140,000
Less Bonds Paid	4.75% - 5.25%	(8,250,000)
Less Bonds Defeased		(13,220,000)
Plus Unamortized OIP		<u>778,499</u>
		29,448,499
2005 Series		\$ 118,860,000
Less Bonds Paid	3.50% - 5.00%	(27,985,000)
Plus Unamortized OIP		<u>3,464,519</u>
		94,339,519
2008 Series		\$ 66,545,000
Less Bonds Paid	3.00% - 5.125%	(1,365,000)
Less Bonds Defeased		(11,000,000)
Less Unamortized OID		(136,276)
Plus Unamortized OIP		<u>31,857</u>
		54,075,581
2010 Series		\$ 152,440,000
Less Bonds Paid	3.50% - 5.00%	-
Plus Unamortized OIP		<u>12,291,069</u>
		164,731,069

Revenue Bond debt service requirements to maturity are as follows:

Year Ending June 30	Principal Amount Due	Interest Amount Due	Total
2012	\$ 27,295,000	\$ 21,204,547	\$ 48,499,547
2013	30,520,000	18,275,954	48,795,954
2014	31,935,000	16,899,898	48,834,898
2015	30,325,000	15,377,665	45,702,665
2016	30,240,000	13,844,815	44,084,815
2017	22,595,000	12,272,990	34,867,990
2018	24,510,000	11,021,615	35,531,615
2019	25,115,000	9,967,740	35,082,740
2020	22,295,000	8,850,240	31,145,240
2021	25,730,000	7,882,365	33,612,365
2022	22,525,000	6,548,990	29,073,990
2023	18,155,000	5,483,170	23,638,170
2024	13,425,000	4,641,672	18,066,672
2025	17,850,000	3,679,920	21,529,920
2026	15,250,000	2,839,607	18,089,607
2027	13,405,000	2,084,982	15,489,982
2028	11,765,000	1,425,977	13,190,977
2029	10,025,000	853,139	10,878,139
2030	7,630,000	386,461	8,016,461
	\$ 400,590,000	\$ 163,541,749	\$ 564,131,749

NOTE 4 – Arbitrage Rebate

In accordance with Internal Revenue Code Section 148(f) relating to arbitrage restrictions on tax-exempt bonds, an arbitrage rebate payable in the amount of \$0 has been recorded. This liability is cumulative for the Series 2001, 2002, 2004, 2005 2008 and 2010 Bonds. There is currently no rebate liability for the 2001, 2002, 2004, 2005, 2008 or 2010 bonds. The portion attributable to the Series 2001 bonds will be due in November, 2011, which is 60 days after the second five year anniversary of the bonds.

NOTE 5 - Federal Capitalization Grants

Ninety-six percent of the federal capitalization grants awarded by the EPA are to be loaned out to municipalities. Up to four percent of the capitalization grants may be spent on Program administration. Management of the Fund has determined that the entire four percent

will be spent on administration as evidenced by the budget page of each grant agreement. Therefore, as administration funds are drawn down, Fund equity is reduced and Program administration grant revenue is recognized.

Federal capitalization grants awarded through the year end are as follows:

Federal Fiscal Year	Loans	Program Administration	Total Grant
1989 Grant Award	\$ 8,431,725	\$ 351,322	\$ 8,783,047
1990 Grant Award	8,714,020	363,084	9,077,104
1991 Grant Award	17,783,600	740,983	18,524,583
1992 Grant Award	16,836,716	701,530	17,538,246
1993 Grant Award	16,655,190	693,966	17,349,156
1994 Grant Award	10,334,364	430,599	10,764,963
1995 Grant Award	10,673,182	444,716	11,117,898
1996 Grant Award	17,482,935	728,451	18,211,386
1997 Grant Award	5,359,104	223,296	5,582,400
1998 Grant Award	11,668,441	486,185	12,154,626
1999 Grant Award	12,050,539	486,225	12,536,764
2000 Grant Award	11,629,920	484,577	12,114,497
2001 Grant Award	11,526,451	480,269	12,006,720
2002 Grant Award	11,552,112	481,338	12,033,450
2003 Grant Award	11,477,030	478,210	11,955,240
2004 Grant Award	11,483,968	478,499	11,962,467
2005 Grant Award	9,335,904	388,996	9,724,900
2006 Grant Award	7,568,736	315,364	7,884,100
2007 Grant Award	9,272,064	386,336	9,658,400
2008 Grant Award	5,860,032	244,168	6,104,200
2009 Grant Award	5,860,128	244,172	6,104,300
2009 Grant Award - ARRA	35,374,200	-	35,374,200
2010 Grant Award	<u>17,655,360</u>	<u>735,640</u>	<u>18,391,000</u>
	284,585,721	10,367,926	294,953,647
Less cumulative amounts drawn Down	<u>(234,524,393)</u>	<u>(6,973,633)</u>	<u>(241,498,026)</u>
	50,061,328	3,394,293	53,455,621
Less amounts drawn down during Fiscal Year 2011	<u>(32,624,156)</u>	<u>(491,662)</u>	<u>(33,115,818)</u>
Balance Available	<u>\$ 17,437,172</u>	<u>\$ 2,902,631</u>	<u>\$ 20,339,803</u>

As of June 30, 2011, \$20,339,803, of the capitalization grants had not been drawn down.

NOTE 6 – Program Commitments – Loan Agreements

Project	Loan Agreement	Amount Loaned	Agreement Balance	
City of Abilene	No. 1480-01	\$701,892.00	\$701,892.00	\$0.00
City of Abilene	No. 1657-01	8,620,417	8,620,417	-
City of Admire	No. 1492-01	225,163	225,163	-
City of Alma	No. 1464-01	323,442	323,442	-
City of Alma	No. 1646-01	2,704,200	2,704,200	-
City of Almena	No. 1498-01	426,500	426,500	-
City of Alta Vista	No. 1568-01	764,904	764,904	-
City of Americus	No. 1414-01	1,637,000	1,637,000	-
City of Andale	No. 1644-01	588,225	588,225	-
City of Anthony	No. 1212-01	1,885,432	1,885,432	-
City of Anthony	No. 1775-01	313,713	313,713	-
City of Argonia	No. 1782-01	907,256	-	907,256
City of Arkansas City	No. 1250-01	2,513,466	2,513,466	-
City of Arma	No. 1317-01	1,025,168	1,025,168	-
City of Ashland	No. 1251-01	650,735	650,735	-
City of Atchison	No. 1305-01	3,657,035	1,291,270	2,365,765
City of Attica	No. 1601-01	301,985	301,985	-
City of Atwood	No. 1448-01	827,519	827,519	-
City of Auburn	No. 1308-01	1,049,203	1,049,203	-
City of Auburn	No. 1726-01	477,767	477,767	-
City of Augusta	No. 1364-01	9,248,942	9,248,942	-
Baileyville Improvement Dist 1	No. 1663-01	80,808	80,808	-
City of Baldwin City	No. 1211-01	300,559	300,559	-
City of Baldwin City	No. 1211-02	450,538	450,538	-
City of Baldwin City	No. 1303-01	409,438	409,438	-
City of Baldwin City	No. 1571-01	2,955,074	2,955,074	-
City of Baldwin City	No. 1748-01	1,256,649	1,256,649	-
City of Basehor	No. 1463-01	8,110,368	8,110,368	-
City of Basehor	No. 1767-01	5,700,000	5,663,682	36,318
City of Baxter Springs	No. 0804-01	622,243	622,243	-
City of Bazine	No. 1638-01	146,000	146,000	-
City of Beattie	No. 1664-01	199,553	199,553	-
City of Belle Plaine	No. 1183-01	3,111,220	3,111,220	-
City of Beloit	No. 1319-01	2,671,685	2,671,685	-
City of Belvue	No. 1672-01	196,504	196,504	-
City of Bennington	No. 1365-01	467,594	467,594	-
City of Bentley	No. 1515-01	302,327	302,327	-
City of Benton	No. 1483-01	820,401	820,401	-
City of Bern	No. 1633-01	73,027	73,027	-
City of Beverly	No. 1572-01	98,475	98,475	-
City of Bird City	No. 1727-01	538,143	538,143	-
City of Belleville	No. 1416-01	1,643,675	1,643,675	-
City of Bronson	No. 1565-01	187,791	187,791	-
City of Bucklin	No. 1040-02	206,668	206,668	-
City of Bucklin	No. 1800-01A	666,000	646,224	19,776

Project		Loan Agreement	Amount Loaned	Agreement Balance
City of Buhler	No. 1540-01	374,699	374,699	-
City of Buhler	No. 1700-01	1,108,491	1,108,491	-
City of Burlington	No. 1328-01	629,842	629,842	-
City of Burrton	No. 1570-01	499,260	445,668	53,592
City of Caldwell	No. 0808-02	687,000	687,000	-
City of Caney	No. 1499-01	600,000	600,000	-
City of Caney	No. 1709-01	305,596	305,596	-
City of Canton	No. 1658-01	288,228	288,228	-
City of Carbondale	No. 1277-01	712,741	712,741	-
City of Cawker City	No. 1905-01	260,186	92,774	167,412
City of Chanute	No. 1419-01	1,140,603	1,140,603	-
City of Cheney	No. 1462-01	1,148,001	1,148,001	-
Cherokee Co SD #1	No. 1745-01	255,000	-	255,000
City of Chetopa	No. 1340-01	343,841	343,841	-
City of Cimarron	No. 1335-01	899,093	899,093	-
City of Claflin	No. 1381-01	244,006	244,006	-
City of Clay Center	No. 1334-01	425,053	425,053	-
City of Clay Center	No. 1712-01	464,521	464,521	-
City of Clearwater	No. 0812-02	1,487,000	1,455,932	31,068
City of Coats	No. 1649-01	65,163	65,163	-
City of Coffeyville	No. 1471-01	1,628,702	1,628,702	-
City of Coffeyville	No. 1252-01	9,188,590	9,188,590	-
City of Coffeyville	No. 1252-02	3,028,448	3,028,448	-
City of Colby	No. 1653-01	8,755,230	8,755,230	-
City of Columbus	No. 1742-01	700,000	590,485	109,515
City of Colwich	No. 1341-01	1,055,494	1,055,494	-
City of Conway Springs	No. 1420-01	425,828	425,828	-
City of Conway Springs	No. 1622-01	314,433	314,433	-
City of Council Grove	No. 1358-01	878,230	878,230	-
City of Council Grove	No. 1784-01	509,600	498,590	11,010
City of Dearing	No. 1476-01	177,438	177,438	-
City of Delia	No. 1575-01	231,181	231,181	-
City of Delphos	No. 1449-01	350,267	350,267	-
City of Denison	No. 1494-01	59,810	59,810	-
City of Derby	No. 1789-01A	3,371,000	2,856,493	514,507
Dickinson County	No. 1489-01	247,272	247,272	-
City of Dodge City	No. 1792-01	29,532,000	16,345,011	13,186,989
City of Douglass	No. 1278-01	721,500	721,500	-
City of Douglass	No. 1541-01	1,288,296	1,288,296	-
City of Downs	No. 1484-01	1,189,333	1,189,333	-
City of Easton	No. 1576-01	376,231	376,231	-
City of Edgerton	No. 1738-01	230,000	197,615	32,385
City of Edna	No. 1254-01	69,800	69,800	-
City of Edna	No. 1741-01	452,820	426,584	26,236
City of Edwardsville	No. 1495-01	109,079	109,079	-
City of Edwardsville	No. 1599-01	3,063,879	3,063,879	-
City of Effingham	No. 1318-01	218,300	218,300	-
City of Elbing	No. 1297-01	282,203	282,203	-
City of El Dorado	No. 1421-01	1,182,869	1,182,869	-

Project		Loan Agreement	Amount Loaned	Agreement Balance
City of El Dorado	No. 1639-01	11,613,472	11,572,312	41,160
City of Elgin	No. 1628-01	50,220	50,220	-
Ellis County	No. 1647-01	59,056	59,056	-
City of Ellinwood	No. 0948-02	1,985,676	1,985,676	-
City of Ellis	No. 1343-01	1,023,155	1,023,155	-
City of Ellsworth	No. 1674-01	1,500,000	1,500,000	-
City of Emporia	No. 1467-01	5,010,437	5,010,437	-
City of Emporia	No. 1600-01	7,389,811	7,389,811	-
City of Englewood	No. 1642-01	64,093	64,093	-
City of Eudora	No. 1506-01	5,515,000	5,515,000	-
City of Eudora	No. 1678-01	2,767,450	2,767,450	-
City of Eureka	No. 1307-01	3,138,478	3,138,478	-
City of Eureka	No. 1701-01	510,204	486,208	23,996
City of Ford	No. 1577-01	196,965	196,965	-
City of Fredonia	No. 1382-01	590,155	554,280	35,875
City of Frontenac	No. 1345-01	2,688,832	2,497,252	191,580
City of Fort Scott	No. 1344-02	6,788,070	6,788,070	-
City of Garden City	No. 1367-01	13,400,890	13,400,890	-
City of Gardner	No. 1346-01	2,223,206	2,223,206	-
City of Gardner	No. 1514-01	20,078,700	20,078,700	-
City of Gardner	No. 1721-01	3,483,009	3,483,009	-
City of Garnett	No. 1450-01	727,030	727,030	-
City of Garnett	No. 1348-01	3,300,000	3,300,000	-
City of Geuda Springs	No. 1519-01	186,824	186,824	-
City of Girard	No. 1179-01	1,486,105	1,486,105	-
Glacial Hills - Delaware	No. 1882-01A	268,063	263,400	4,663
Glacial Hills - Delaware	No. 1882-01	333,000	-	333,000
City of Glasco	No. 1912-01	175,600	-	175,600
City of Glen Elder	No. 1166-01	134,275	134,275	-
City of Goddard	No. 1507-01	500,000	500,000	-
City of Goddard	No. 1734-01	7,000,000	6,817,490	182,510
City of Goessel	No. 1578-01	206,316	206,316	-
City of Gorham	No. 1702-01	212,350	188,202	24,148
City of Great Bend	No. 1257-01	5,590,000	5,590,000	-
City of Great Bend	No. 1768-01	4,600,000	1,594,571	3,005,429
City of Grandview Plaza	No. 1645-01	133,384	133,384	-
City of Grinnell	No. 1908-01	570,620	-	570,620
City of Halstead	No. 1536-01	924,335	924,335	-
City of Halstead	No. 1753-01	309,664	309,664	-
City of Hanover	No. 1384-01	239,581	239,581	-
City of Harper	No. 1650-01	1,157,067	1,157,067	-
City of Hartford	No. 1562-01	235,000	235,000	-
City of Harveyville	No. 1625-01	123,643	123,643	-
City of Haven	No. 1671-01	513,893	513,893	-
City of Hays	No. 1280-01	5,516,364	5,516,364	-
City of Hays	No. 1842-01A	158,773	139,680	19,093
City of Herington	No. 1203-01	596,722	596,722	-
City of Hiawatha	No. 1309-01	691,927	691,927	-
City of Highland	No. 1455-01	797,380	797,380	-

Project		Loan Agreement	Amount Loaned	Agreement Balance
City of Hillsboro	No. 1187-01	422,447	422,447	-
City of Hillsboro	No. 1386-01	399,578	399,578	-
City of Hillsboro	No. 1490-01	490,000	490,000	-
City of Hillsboro	No. 1641-01	2,857,206	2,857,206	-
City of Holton	No. 1281-01	2,005,536	2,005,536	-
City of Holton	No. 1659-01	4,628,576	4,546,169	82,407
City of Holyrood	No. 1363-01	318,917	318,917	-
City of Howard	No. 1561-01	819,760	819,760	-
City of Hoyt	No. 1349-01	692,780	692,780	-
City of Hoyt	No. 1757-01	750,000	584,473	165,527
City of Hugoton	No. 1387-01	1,738,259	1,738,259	-
City of Humboldt	No. 1461-01	1,200,000	1,200,000	-
City of Humboldt	No. 1504-01	1,326,970	1,326,970	-
City of Humboldt	No. 1708-01	684,000	684,000	-
City of Hutchinson	No. 1133-01	1,311,490	1,311,490	-
City of Hutchinson	No. 1517-01	5,989,284	5,989,284	-
City of Hutchinson	No. 1666-01	10,000,000	10,000,000	-
City of Hutchinson	No. 1780-01A	5,700,000	5,700,000	-
City of Independence	No. 1241-01	507,265	507,265	-
City of Independence	No. 0959-05	418,306	418,306	-
City of Independence	No. 1426-01	7,447,476	7,447,476	-
City of Ingalls	No. 1503-01	341,736	341,736	-
City of Iola	No. 1618-01	2,751,000	2,727,942	23,058
Jefferson County #7	No. 1557-01	336,697	336,697	-
Jefferson County	No. 1388-01	551,559	551,559	-
City of Jetmore	No. 1579-01A	1,600,000	1,480,929	119,071
Johnson County	No. 1167-04	4,902,966	4,902,966	-
Johnson County	No. 1168-02	3,069,300	3,069,300	-
Johnson County	No. 0611-08	3,146,378	3,146,378	-
Johnson County	No. 1168-03	3,543,860	3,543,860	-
Johnson County	No. 0611-09	1,752,469	1,752,469	-
Johnson County	No. 1293-01	47,190,000	47,190,000	-
Johnson County	No. 1447-01	14,290,397	14,290,397	-
Johnson County	No. 1532-01	12,519,392	12,519,392	-
Johnson County	No. 1794-01A	18,991,400	15,104,920	3,886,480
Johnson County Comm College	No. 1885-01A	528,500	528,500	-
City of Junction City	No. 1534-01	3,849,275	3,849,275	-
City of Junction City	No. 1694-01	6,002,166	6,002,166	-
City of Kanopolis	No. 1668-01	90,747	90,747	-
Kansas City/Wyandotte County	No. 1350-01	531,041	531,041	-
Kansas City/Wyandotte County	No. 1428-01	12,302,590	12,284,148	18,442
Kansas City/Wyandotte County	No. 1454-01	3,322,871	3,322,871	-
Kansas City/Wyandotte County	No. 1596-01	13,231,300	9,843,367	3,387,933
Kansas State University	No. 1887-01A	583,507	507,987	75,520
Kansas Water Office	No. 1895-01A	1,722,439	1,693,537	28,902
Kansas University	No. 1897-01A	178,941	178,941	-
City of Kensington	No. 1370-01	208,959	208,959	-
City of Kincaid	No. 1685-01	149,460	149,460	-
City of Kingman	No. 1371-01	873,425	873,425	-

Project		Loan Agreement	Amount Loaned	Agreement Balance
City of Kingman	No. 1371-02	3,726,575	3,726,575	-
City of Kinsley	No. 1598-01	575,656	575,656	-
City of Kirwin	No. 1681-01	168,590	166,827	1,763
Labette County	No. 1749-01	220,000	214,410	5,590
City of LaCrosse	No. 1206-01	2,678,530	226,498	2,452,032
City of LaCygne	No. 1294-01	559,171	463,898	95,273
City of LaHarpe	No. 1207-01	760,000	760,000	-
City of Lakin	No. 1477-01	887,498	576,353	311,145
City of Lancaster	No. 1500-01	305,817	305,817	-
City of Lansing	No. 1516-01	15,674,127	15,674,127	-
City of Larned	No. 1287-01	6,824,462	6,824,462	-
City of Garden Plain	No. 1716-01A	2,500,000	2,176,550	323,450
City of Latham	No. 1718-01	189,499	189,499	-
City of Lawrence	No. 1260-01	44,773,720	44,773,720	-
Leavenworth County	No. 1429-01	380,027	380,027	-
Leavenworth County SD #3	No. 1785-01	1,373,821	625,280	748,541
City of Lebo	No. 1629-01	467,079	467,079	-
City of Lecompton	No. 1522-01	161,494	161,494	-
City of Lehigh	No. 1520-01	358,533	358,533	-
City of Lenexa	No. 1852-01A	1,073,430	850,959	222,471
City of Lenora	No. 1300-01	128,598	128,598	-
City of Leon	No. 1311-01	455,930	455,930	-
City of Leonardville	No. 1651-01	81,401	81,401	-
City of Leoti	No. 1822-01	740,000	-	740,000
City of Liberty	No. 1779-01	144,848	144,445	403
City of Lincoln Center	No. 1288-01	699,705	699,705	-
City of Lindsborg	No. 1339-01	1,150,000	1,150,000	-
City of Lindsborg	No. 1790-01A	5,176,532	4,926,939	249,593
City of Linwood	No. 1581-01	205,171	205,171	-
City of Little River	No. 1615-01	190,383	190,383	-
City of Logan	No. 1531-01	540,837	540,837	-
City of Louisburg	No. 1275-01	866,618	866,618	-
City of Lyndon	No. 1430-01	1,466,000	1,466,000	-
City of Lyons	No. 1392-01	1,402,806	1,402,806	-
City of Madison	No. 1261-01	630,857	630,857	-
City of Maize	No. 1312-01	2,828,535	2,828,535	-
City of Manhattan	No. 1583-01	8,921,792	8,612,442	309,350
City of Manhattan	No. 1746-02	39,506,000	12,024,185	27,481,815
City of Mankato	No. 1289-01	300,653	300,653	-
City of Maple Hill	No. 1321-01	318,930	318,930	-
City of Marysville	No. 1352-01	3,761,700	3,761,700	-
City of Marysville	No. 1632-01	937,213	937,213	-
City of Mayetta	No. 1451-01	229,793	229,793	-
City of McCune	No. 0855-02	450,527	450,527	-
City of McFarland	No. 1634-01	289,253	289,253	-
City of McLouth	No. 1431-01	1,522,288	1,522,288	-
City of McPherson	No. 1313-01	1,067,645	1,067,645	-
City of McPherson	No. 1493-01	1,127,000	1,127,000	-
City of McPherson	No. 1474-01	11,346,393	11,346,393	-

Project		Loan Agreement	Amount Loaned	Agreement Balance
City of Meade	No. 0856-02	843,338	843,338	-
City of Medicine Lodge	No. 1393-01	2,946,766	2,946,766	-
City of Melvern	No. 1566-01	150,575	150,575	-
City of Meriden	No. 1283-01	527,531	527,531	-
Metropolitan Topeka Airport Authority	No. 1432-01	2,410,486	2,410,486	-
City of Milford	No. 1236-01	302,068	302,068	-
City of Minneapolis	No. 1171-01	416,529	416,529	-
City of Mission	No. 1858-01A	422,425	368,542	53,883
City of Mission Hills	No. 1621-01	4,116,534	4,116,534	-
Montgomery County	No. 1597-01	248,456	248,456	-
City of Moran	No. 1468-01	358,225	358,225	-
City of Moran	No. 1909-01	353,389	-	353,389
City of Moscow	No. 1762-01	715,460	-	715,460
City of Neodesha	No. 1684-01	623,581	300,449	323,132
City of Newton	No. 1610-01	1,207,034	1,207,034	-
City of Newton	No. 1747-01	9,000,000	7,634,306	1,365,694
City of Nickerson	No. 1636-01	4,978,000	3,620,440	1,357,560
City of Norton	No. 1530-01	4,300,000	4,300,000	-
City of Nortonville	No. 1585-01	671,184	671,184	-
City of Oakley	No. 1783-01	2,724,752	531,567	2,193,185
City of Oberlin	No. 1529-01	1,759,081	1,759,081	-
City of Ogden	No. 1711-01	2,190,131	1,525,279	664,852
City of Olathe	No. 1409-01	542,545	542,545	-
City of Olathe	No. 1248-02	686,461	686,461	-
City of Olathe	No. 1282-01	3,663,045	3,663,045	-
City of Olathe	No. 1265-01	2,864,968	2,864,968	-
City of Olathe	No. 1611-01	2,184,000	2,184,000	-
City of Olathe	No. 1695-01	768,500	768,500	-
City of Olathe	No. 1728-01	5,000,000	4,221,984	778,016
City of Olpe	No. 1607-01	567,303	567,303	-
City of Osawatomie	No. 1314-01	1,518,929	1,518,929	-
City of Osawatomie	No. 1395-01	2,413,903	2,413,903	-
City of Osborne	No. 1760-01	305,500	157,569	147,931
City of Oskaloosa	No. 1012-02	369,267	369,267	-
City of Oskaloosa	No. 1637-01	4,120,000	3,013,222	1,106,778
City of Oswego	No. 1276-01	272,952	272,952	-
City of Ottawa	No. 1266-01	10,764,014	10,764,014	-
City of Overbrook	No. 1587-01	1,060,660	912,530	148,130
City of Oxford	No. 1082-01	290,504	290,504	-
City of Palco	No. 1396-01	224,307	224,307	-
City of Paola	No. 1652-01	6,955,248	6,955,248	-
City of Park	No. 1901-01	435,910	150,580	285,330
City of Parsons	No. 1397-01	1,023,544	1,023,544	-
City of Parsons	No. 1435-01	7,100,000	7,014,955	85,045
City of Partridge	No. 1510-01	200,363	200,363	-
City of Pawnee Rock	No. 1626-01	459,808	257,185	202,623
City of Paxico	No. 1513-01	116,590	116,590	-
City of Perry	No. 1497-01	607,800	607,800	-
City of Phillipsburg	No. 1441-01	2,855,519	2,855,519	-

Project		Loan Agreement	Amount Loaned	Agreement Balance
City of Pittsburg	No. 1527-01	3,800,000	3,800,000	-
City of Pittsburg	No. 1656-01	4,000,000	2,904,077	1,095,923
City of Pittsburg	No. 1818-01A	2,394,500	2,394,500	-
City of Plainville	No. 1398-01	712,172	712,172	-
City of Pleasanton	No. 1588-01	347,441	347,441	-
City of Pomona	No. 1354-01	735,458	735,458	-
Pottawatomie County/Manhattan	No. 1786-01	5,000,000	4,315,487	684,513
City of Potwin	No. 1627-01	200,000	173,288	26,712
City of Pratt	No. 1436-01	1,810,689	1,810,689	-
City of Pratt	No. 1799-01	1,642,000	57,800	1,584,200
City of Prescott	No. 1373-01	165,636	165,636	-
City of Preston	No. 1528-01	326,633	326,633	-
City of Preston	No. 1777-01	295,923	295,923	-
City of Pretty Prairie	No. 1399-01	596,398	596,398	-
City of Princeton	No. 1696-01	142,161	142,161	-
City of Protection	No. 1698-01	711,030	711,030	-
City of Quenemo	No. 1469-01	386,400	386,400	-
City of Quenemo	No. 1669-01	650,000	440,419	209,581
City of Quinter	No. 1190-01	449,611	449,611	-
City of Quinter	No. 1758-01	713,981	713,981	-
Reno County	No. 1237-01	354,104	354,104	-
City of Riley	No. 1323-01	698,296	698,296	-
Riley County	No. 1478-01	180,106	180,106	-
City of Robinson	No. 1704-01	180,000	180,000	-
City of Rose Hill	No. 1228-01	667,047	667,047	-
City of Rose Hill	No. 1630-01	819,856	819,856	-
City of Rose Hill	No. 1720-01	6,165,000	5,972,068	192,932
City of Rossville	No. 1526-01	558,540	558,540	-
City of Russell	No. 1355-01	2,500,000	2,500,000	-
City of Sabetha	No. 1401-01	3,250,000	3,250,000	-
City of Sawyer	No. 1693-01	157,570	157,570	-
City of Scranton	No. 1302-01	213,380	213,380	-
City of Scranton	No. 1631-01	579,169	519,748	59,421
City of Sedan	No. 1268-01	236,000	236,000	-
City of Sedan	No. 1496-01	701,772	701,772	-
City of Sedgwick	No. 1491-01	957,626	957,626	-
City of Seneca	No. 1502-01	900,000	900,000	-
City of Severy	No. 1724-01	153,840	153,840	-
City of Shawnee	No. 1862-01A	465,000	375,729	89,271
Shawnee County	No. 1274-01	996,800	996,800	-
Shawnee County	No. 1038-08	2,772,224	2,772,224	-
Shawnee County	No. 1560-01	10,990,672	10,990,672	-
Shawnee County	No. 1038-07	2,760,845	2,760,845	-
Shawnee County	No. 1038-10	1,643,657	1,643,657	-
Shawnee County	No. 1916-01	2,000,000	-	2,000,000
City of Silver Lake	No. 1269-01	340,453	340,453	-
City of Silver Lake	No. 1710-01	343,626	343,626	-
City of Smith Center	No. 1356-01	1,661,831	1,661,831	-
City of Smolan	No. 1719-01	152,548	152,548	-

Project		Loan Agreement	Amount Loaned	Agreement Balance
City of Soldier	No. 1759-01	182,270	108,706	73,564
City of Solomon	No. 1791-01	195,675	-	195,675
City of South Hutchinson	No. 1413-01	2,123,510	2,123,510	-
City of South Hutchinson	No. 1591-01	6,267,538	6,267,538	-
City of Spring Hill	No. 1217-01	776,043	776,043	-
City of Spring Hill	No. 1525-01	3,844,964	3,843,815	1,149
City of Stark	No. 1592-01	84,025	84,025	-
City of Sterling	No. 1460-01	1,220,348	1,002,689	217,659
City of St Francis	No. 1616-01	481,860	481,860	-
City of St. George	No. 1595-01	52,874	52,874	-
City of St. Marys	No. 1487-01	3,385,268	3,385,268	-
City of Stockton	No. 1802-01	4,622,300	-	4,622,300
City of Strong City	No. 1437-01	340,254	340,254	-
Strother Field	No. 1682-01	1,271,849	760,480	511,369
Sumner County-Slate Valley	No. 1648-01	202,394	202,394	-
City of Tampa	No. 1725-01	70,813	70,813	-
City of Tescott	No. 1559-01	236,054	236,054	-
City of Tonganoxie	No. 1299-01	671,500	671,500	-
City of Tonganoxie	No. 1299-02	311,940	311,940	-
City of Tonganoxie	No. 1608-01	4,382,650	4,382,650	-
City of Topeka	No. 1273-01	29,835,125	29,835,125	-
City of Topeka	No. 1038-09	1,209,404	1,209,404	-
City of Topeka	No. 1271-01	4,330,136	4,330,136	-
City of Topeka	No. 1272-02	60,000,000	60,000,000	-
City of Topeka	No. 1272-04	9,317,000	9,317,000	-
City of Topeka	No. 1472-01	11,605,000	11,605,000	-
City of Topeka	No. 1412-01	4,828,002	4,828,002	-
City of Towanda	No. 1446-01	776,778	776,778	-
City of Towanda	No. 1518-01	112,900	112,900	-
City of Towanda	No. 1737-01	1,252,465	1,252,465	-
City of Troy	No. 1913-01	270,800	-	270,800
City of Tyro	No. 1680-01	260,000	260,000	-
City of Udall	No. 1325-01	400,252	400,252	-
City of Uniontown	No. 1667-01	271,080	271,080	-
City of Valley Center	No. 1740-01	3,299,868	3,299,868	-
City of Victoria	No. 1523-01	1,043,195	1,043,195	-
City of Viola	No. 1692-01	300,000	-	300,000
City of Wakefield	No. 1459-01	235,405	235,405	-
City of Wakeeney	No. 1404-01	2,764,283	2,764,283	-
City of Wamego	No. 1360-01	2,215,305	2,215,305	-
City of Washington	No. 1408-01	774,362	774,362	-
City of Wathena	No. 1661-01	811,065	811,065	-
City of Waverly	No. 1327-01	201,100	201,100	-
City of Wellington	No. 1722-01	13,800,000	13,576,832	223,168
City of Wellsville	No. 1475-01	2,542,422	2,542,422	-
City of Wetmore	No. 1405-01	398,040	398,040	-
City of White City	No. 0884-01	373,792	373,792	-
City of Williamsburg	No. 1330-01	259,561	259,561	-
City of Willowbrook	No. 1199-01	600,000	585,927	14,073

Project		Loan Agreement	Amount Loaned	Agreement Balance
City of Wilson	No. 1407-01	483,958	483,958	-
City of Winchester	No. 1361-01	259,287	259,287	-
City of Winchester	No. 1706-01	693,580	658,832	34,748
City of Windom	No. 0906-03	169,907	169,907	-
City of Winfield	No. 1272-01	7,970,091	7,970,091	-
City of West Mineral	No. 1624-01	215,671	215,671	-
City of Westmoreland	No. 1705-01	597,805	504,888	92,917
Wyandotte Co Community Housing	No. 1880-01	57,185	57,185	-
City of Yates Center	No. 1362-01	2,738,507	2,738,507	-
TOTALS		\$ 1,021,935,958	\$ 936,601,706	\$ 85,334,252

STATE OF KANSAS
REPORT OF ANNUAL LOAN REPAYMENTS
AGING OF ACCOUNTS

	DAYS			
	0-30	31-60	61-120	OVER 121
LOAN REPAYMENTS				
OUTSTANDING (6/30/11)	0	0	0	0

EXHIBIT 14

**WATER POLLUTION CONTROL REVOLVING LOAN FUND
SUPPLEMENTAL SCHEDULES
JUNE 30, 2011**

SCHEDULE OF INVESTMENTS

INCEPTION DATE	MATURITY DATE	DESCRIPTION	AMOUNT	INTEREST RATE
INVESTMENTS-LOAN RESERVE ACCOUNTS				
07/18/2008	06/01/2014	North Topeka Loan(FSA)	\$ 1,201,164	3.66%
08/29/1997	09/01/2018	Topeka West Branch Loan(MORGAN)	166,491	5.78%
08/29/1997	09/01/2018	Topeka Half Day Creek Loan(MORGAN)	111,826	5.78%
08/29/1997	09/01/2018	Kansas City Plant 8 Loan(MORGAN)	36,878	5.78%
08/29/1997	09/01/2018	Kansas City Solids Handling Loan (MORGAN)	520,541	5.78%
08/29/1997	09/01/2018	Kansas City Brenner Heights Loan(MORGAN)	171,750	5.78%
06/17/2004	06/01/2018	Topeka West Branch Loan(AIG)	173,920	5.30%
06/17/2004	06/01/2020	Topeka Oakland Loan(AIG)	292,136	5.30%
06/17/2004	11/25/2023	Topeka Oakland 2 Loan(AIG)	2,095,249	5.30%
06/17/2004	12/01/2019	Topeka Water Plant Loan(AIG)	629,560	5.30%
06/17/2004	06/01/2022	MTAA Loan(AIG)	162,774	5.30%
06/17/2004	09/01/2018	Kansas City Solids Handling Loan (AIG)	312,235	5.30%
06/17/2004	03/01/2018	Kansas City Brenner Heights Loan(AIG)	59,408	5.30%
Subtotal Investments-Loan Reserve Accounts			\$ 5,933,932	
INVESTMENTS-DEBT SERVICE RESERVE				
02/20/1997	04/15/2014	AIG MATCHED FUNDING	554,279	6.72%
02/20/1997	04/15/2017	AIG MATCHED FUNDING	2,579,557	6.76%
02/14/2000	09/01/2015	SARCO	318,984	6.85%
02/14/2000	09/01/2021	SARCO	7,411,034	6.85%
09/20/2001	10/01/2016	TRINITY PLUS FUNDING COMPANY	164,165	5.62%
09/20/2001	10/01/2021	TRINITY PLUS FUNDING COMPANY	4,248,578	5.62%
11/15/2002	10/01/2023	TRINITY PLUS FUNDING COMPANY	6,971,293	2.803%
Subtotal Investments - Debt Service Reserve			\$ 22,247,890	
TOTAL INVESTMENTS			\$ 28,181,822	

SCHEDULE OF ACCOUNTS RECEIVABLE

DATE	DESCRIPTION	AMOUNT
6/30/2011	Loan Interest	\$ 4,526,790
6/30/2011	Service Fees	419,015
6/30/2011	Investment Interest	356,902
TOTAL ACCOUNTS RECEIVABLE		\$ 5,302,707

SCHEDULE OF ACCOUNTS PAYABLE

6/30/2011	Payroll	\$ 39,210
6/30/2011	Misc Accounts Payable	7,422
6/30/2011	Loan Reserve Account Earnings	795,700
6/30/2011	Loan Reserve Accounts	9,493,244
TOTAL ACCOUNTS PAYABLE		\$ 10,335,576

EXHIBIT 15
STATE OF KANSAS
COMPLETED PROJECTS

EXHIBIT 15 PART 1: SECTION 212 PUBLICLY OWNED TREATMENT WORKS

PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	ASSISTANCE AMOUNT	BINDING COMMITMENT	CONSTRUCTION START	INITIAL OPER	TYPE (*)	INTEREST RATE (a)	DATE LOAN MATURES
LIBERTY	1779 01	144,848	06/23/09	12/09/09	07/20/10	L	2.86%	03/01/31
WELLINGTON	1722 01	13,800,000	10/28/08	12/19/08	07/22/10	L	2.84%	09/01/30
EASTON	1576 01	376,231	10/06/05	08/28/09	08/19/10	L	2.58%	03/01/29
EL DORADO	1639 01A	460,999	02/23/05	10/10/05	09/20/10	L	2.68%	03/01/27
DERBY	1789 01A	3,200,000	11/12/09	02/09/10	10/05/10	L	2.60%	03/01/32
KIRWIN	1681 01	168,590	10/01/04	04/15/09	10/20/10	L	2.83%	09/01/30
NICKERSON	1636 01	4,978,000	06/08/06	08/19/09	10/22/10	L	2.72%	09/01/27
ALMA	1646 01	2,704,200	09/23/05	10/09/09	10/26/10	L	2.57%	04/27/11
OGDEN	1711 01	2,190,131	10/13/05	06/17/09	11/01/10	L	2.58%	03/01/30
NEWTON	1747 01	9,000,000	05/06/08	06/18/08	11/11/10	L	2.85%	09/01/29
UNIFIED GOVERN OF WY CO	1596 01A	400,000	07/29/09	10/26/09	11/15/10	L	2.83%	03/01/25
PITTSBURG	1656 01	4,000,000	04/15/05	01/06/06	12/01/10	L	2.67%	09/01/27
BUCKLIN	1800 01A	666,000	10/27/09	02/10/10	12/10/10	L	2.72%	03/01/31
EDNA	1741 01	452,820	09/19/06	09/14/09	12/14/10	L	2.72%	09/01/28
HUTCHINSON	1780 01A	5,700,000	10/12/09	01/18/10	12/14/10	L	2.72%	03/01/31
PITTSBURG	1818 01A	2,394,500	09/17/09	02/12/10	01/01/11	L	2.83%	09/01/31
GARDEN PLAIN	1716 01A	2,500,000	11/03/09	03/22/10	01/31/11	L	2.60%	09/01/31
OSKALOOSA	1637 01	4,120,000	12/06/07	09/29/08	03/17/11	L	2.67%	09/01/29
COUNCIL GROVE	1784 01	509,600	09/07/10	11/10/10	03/21/11	L	2.55%	09/01/31
LEAVENWORTH CO SD #3	1785 01	1,373,821	10/26/09	09/03/10	04/26/11	L	2.72%	03/01/31
LINDSBORG	1790 01A	5,176,532	07/30/09	01/04/10	04/28/11	L	2.83%	03/01/31
Part 1 Total		64,316,272					(a) Includes .25% Service Fee	

EXHIBIT 15 PART 2: SECTION 319 NONPOINT SOURCE MANAGEMENT PROGRAMS

							(a)	
PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	ASSISTANCE AMOUNT	BINDING COMMITMENT	CONSTRUCTION START	INITIAL OPER	TYPE (*)	INTEREST RATE (a)	DATE LOAN MATURES
JOHNSON CO. COMMUNITY	1885 01A	528,500	11/12/09	01/04/10	11/12/10	L	2.72%	03/01/31
SHAWNEE	1862 01A	465,000	11/13/09	03/19/10	04/27/11	L	2.60%	03/01/31
COMM. HOUSING OF WY CO	1880 01A	57,185	10/12/09	01/04/10	05/03/11	L	2.72%	03/01/31
GLACIAL HILLS RCDC	1882 01A	268,063	11/17/09	03/10/10	05/08/11	L	2.60%	09/01/30
KANSAS STATE UNIVERSITY	1887 01A	583,507	11/20/09	03/03/10	05/26/11	L	2.60%	03/01/31
Part 2 Total		1,902,255						

EXHIBIT 15 PART 3: SECTION 320 NATIONAL ESTUARY PROGRAM

							INTEREST	DATE
PROJECT NAME COMMUNITIES SERVED	PROJECT NUMBER	ASSISTANCE AMOUNT	BINDING COMMITMENT	CONSTRUCTION START	INITIAL OPER	TYPE (*)	INTEREST RATE (a)	DATE LOAN MATURES
NONE								
Part 3 Total		0						

Grand Total **66,218,527**

* L=Loans; A=Administration

Attachment 1 (16 pages)

A final copy of the Independent Auditors Report of the KWPCRF for the Fiscal Year ended June 30, 2011, is not available at this time. The SFY '11 Auditors Report will be included with this Annual Report in the future when available, and that updated Annual Report will be posted on the KDHE website at <http://www.kdheks.gov/muni/index.htm>.

The KWPCRF is a major program, and so had been reviewed every 3 years in the Single Agency Audit. The KWPCRF was reviewed in the SFY '08 Single Agency Audit. Now with the additional ARRA funding the KWPCRF is receiving an A-133 Audit in SFY '10 and in SFY '11. The State of Kansas Single Agency Audit is available on the Kansas Legislative Division of Post Audit website located at http://www.kansas.gov/postaudit/audits_latest.shtml. The findings and recommendations of the SFY '10 Single Agency Audit and Agency responses relevant to the KWPCRF are provided here. Any findings or recommendations of the SFY '11 Single Agency Audit and Agency responses will be provided in future Annual Reports.

A "Limited Scope Administrative and Financial System Review" was also conducted by Leon Sneed & Company, and a copy of the one page "Summary of Review" dated July 14, 2011 is also included here.



Robert Moser, MD, Secretary

Department of Health & Environment

Sam Brownback, Governor

June 20, 2011

Mr. Kent E. Olson, Director
Division of Accounts and Reports
Landon State Office Building
900 SW Jackson, Room 351 S
Topeka, KS 66612

Dear Mr. Olson,

This letter is in response to the request that KDHE provide a written response regarding the HHS audit findings of the State of Kansas Single Audit for fiscal year 2010, **CIN A-07-11-15934**.

Finding 2010-2 – KDHE confirms that our previous comments and corrective action plan remain unchanged and further confirms that all KPWSLF loans executed since July 1, 2010 have included suspension and debarment requirements and the ELPS was checked to ensure the sub recipient was not listed.

Finding 2010-3 – KDHE confirms that our previous comments and corrective action plan remain unchanged.

Finding 2010-4 – KDHE confirms that our previous comments and corrective action plan remain unchanged.

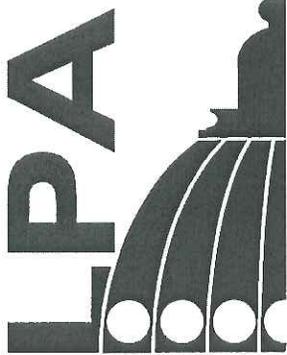
Finding 2010-5 - KDHE confirms that our previous comments and corrective action plan remain unchanged. The WIC Local Agency annual contract has been revised to include federal award information. These revised contracts were used for contracts covering FFY 2011. KDHE implemented a process to ensure all programs monitored/managed by KDHE are notified of any audit findings related to these programs. This is accomplished as follows. By contract, copies of audits of local agencies/health departments are forwarded to the Division of Management and Budget (DMB). Once received, DMB staff review to determine if there are any findings relating to any program administered by or overseen by KDHE. If findings are found, copies of the finding are sent to the KDHE Office/Section responsible for that program. Staff then follows up with the local agency/health department to ensure the finding is appropriately addressed in a timely manner.

If you have any questions, please do not hesitate to contact me at (785) 296-4875 or by email (pkuester@kdheks.gov).

Sincerely,

Pat Kuester
Chief Fiscal Officer

cc: Robert Moser, MD
John Mitchell
Linda Kenney
Karl Mueldener



OMB CIRCULAR A-133 COMPLIANCE AUDIT REPORT

State of Kansas - Fiscal Year 2010

**A Report to the Legislative Post Audit Committee
By the Joint Venture of Allen, Gibbs & Houlik, L.C. and
Berberich Trahan & Co., P.A. Under Contract with the
Legislative Division of Post Audit
State of Kansas
April 2011**

AGH
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BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

STATE OF KANSAS

REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH
OMB CIRCULAR A-133
YEAR ENDED JUNE 30, 2010

STATE OF KANSAS

REPORT ON FEDERAL AWARDS IN ACCORDANCE
WITH OMB CIRCULAR A-133

Year Ended June 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 - 2
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	3 - 5
Schedule of Expenditures of Federal Awards	6 - 28
Notes to Schedule of Expenditures of Federal Awards	29 - 31
Schedule of Findings and Questioned Costs	32 - 81
Summary Schedule of Prior Year Audit Findings - Repeated	82 - 90
Summary Schedule of Prior Year Audit Findings - Not Repeated	91 - 106



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BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

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

Legislative Post Audit Committee
Kansas State Legislature

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Kansas (the State) as of and for the year ended June 30, 2010, and, under separate cover, have issued our report thereon dated January 7, 2011. We did not audit the financial statements of the various component units of the six State universities which represent 48 percent and 34 percent, respectively, of the assets and revenues of the discretely presented component units, the Kansas Technology Enterprise Corporation (KTEC) which represents less than 1 percent of the assets and revenues of the discretely presented component units, the Lottery which represents less than 1 percent and 2 percent, respectively, of the assets and revenues of the aggregate remaining fund information, the Kansas Public Employees Retirement System (KPERs) which represents 71 percent and 19 percent, respectively, of the assets and revenues of the aggregate remaining fund information, and the College Savings Program (a State Fiduciary Fund) which represents 11 percent and 2 percent, respectively of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units of the six State universities and the KTEC in the aggregate discretely presented component units, and the Lottery, KPERs and the College Savings Program in the aggregate remaining fund information, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The audits of the various component units of the six State universities and the College Savings Program were not conducted in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State's internal control over financial reporting 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 the State's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting (2010-1). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

The State's response to the finding identified in the audit is described in the accompanying schedule of findings and questioned costs. We did not audit the State's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the State of Kansas Legislative Post Audit Committee, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Gibbs & Houlik, L.L.C.

Berberich Trahan & Co., P.A.

January 7, 2011



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Legislative Post Audit Committee
Kansas State Legislature

Compliance

We have audited the State of Kansas' (the State) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2010. The State's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit.

The State's basic financial statements include the operations of the six state universities, whose various component units received federal awards which are not included in the schedule of expenditures of federal awards during the year ended June 30, 2010. Our audit, described below, did not include the operations of various component units of the State, including the component units of the six state universities because the university component units engaged other auditors to perform audits in accordance with *OMB Circular A-133*. The schedule of expenditures of federal awards does include the federal awards received by Kansas Housing Resources Corporation and Kansas Technology Enterprise Corporation, both of which are component units of the State.

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

As described in Finding Nos. 2010-16 and 2008-14 in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding activities allowed or unallowed and allowable costs/costs principles for Finding No. 2010-16 and financial reporting for Finding No. 2008-14 that are applicable to its Energy Efficient Appliance Rebate Program (CFDA No. 81.127) and Disaster Grants - Public Assistance program (CFDA No. 97.036), respectively. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Findings Nos. 2010-2 through 2010-15, 2010-17 through 2010-33, 2008-2, 2008-3 and 2008-11.

Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding No. 2008-14 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings Nos. 2010-2 through 2010-15, 2010-17 through 2010-19, 2010-22, 2010-24 through 2010-26, 2010-28, 2010-29, 2010-33, and 2008-11 to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of and for the year ended June 30, 2010, and, under separate cover, have issued our report thereon dated January 7, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. With the exceptions of Kansas Housing Resources Corporation and Kansas Technology Enterprise Corporation, the federal awards of the State's component units are included in the single audits of those agencies and therefore the accompanying schedule of expenditures of

(Continued)

federal awards does not include these federal awards. The schedule of expenditures of federal awards does include the federal awards received by Kansas Housing Resources Corporation and Kansas Technology Enterprise Corporation, both of which are component units of the State.

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

This report is intended solely for the information and use of the State of Kansas Legislative Post Audit Committee, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Gibbs & Houlak, L.L.C.

Berberich Trahan & Co., P.A.

March 24, 2011, except for the Schedule of Expenditures of Federal Awards as to which the date is January 7, 2011.

(Continued)

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III -Findings and Questioned Costs for Federal Awards

Finding No. 2010-2 Capitalization Grants for Drinking Water State Revolving Funds (Significant Deficiency)

Federal Award – Capitalization Grants for Drinking Water State Revolving Funds, (Not Related to ARRA Portion of Award) (CFDA No. 66.468), Environmental Protection Agency (EPA), Kansas Department of Health and Environment (KDHE), Grant Award No. FS-99751609-1

Compliance Requirements – Subrecipient Monitoring and Suspension and Debarment

Condition – The Kansas Public Water Supply Loan Fund (KPWSLF) did not notify their 2009 capitalization grant's only sub-recipient of award information, including the fact that the award was subject to the Single Audit Act and OMB Circular A-133's compliance requirements such as Suspension and Debarment, at the time of award. Furthermore, the KPWSLF did not meet their own requirements related to Suspension and Debarment because they entered into the award agreement with the subrecipient without checking the *Excluded Parties List System* (EPLS), requiring a certification, or placing a clause in the agreement with the sub-recipient.

Criteria – 31 USC 7502(f)(2)(A) states, "each pass-through entity shall provide such sub-recipient...the Federal requirements which govern the use of such awards." This identification and communication should occur at the time of award to the sub-recipient. In addition, in accordance with OMB Circular A-102, the State is required to ensure that sub-recipients are not suspended or debarred prior to making a grant award.

Cause – The KPWSLF was not aware of the full impact of designating a project for compliance with the Single Audit Act and OMB Circular A-133 because they had not had Federal sub-recipients prior to the 2009 capitalization grant. The KPWSLF operates as a leveraged loan program excluding those loans that are designated as Stimulus Loans. This means all capitalization grants received prior to the ARRA grant were not directly loaned; therefore, entities receiving the loans were not considered sub-recipients as they were not receiving federal funds; however, for the 2009 grant, KPWSLF was required by the EPA to designate a project or group of projects as subject to Single Audit Act and OMB Circular A-133. The KPWSLF selected one project administered by a local government, causing that local government to become a sub-recipient of the KPWSLF during State fiscal year 2010. When KPWSLF designated the local government, they automatically fell into non-compliance because the agreement with the local government had been signed in 2006 under the assumption that the funds were not federal, the local government was not a sub-recipient and the Single Audit Act requirements that needed to be performed or conveyed at the time of award did not apply.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2010-2 Capitalization Grants for Drinking Water State Revolving Funds (Significant Deficiency) (Continued)

Effect – KPWSLF or the local government could have provided Federal funds to a suspended or debarred party. However, audit procedures, which involved checking the EPLS for the covered transactions, revealed that none of the selected covered transactions were with a suspended or debarred party.

Questioned Costs – None.

Recommendation – The KPWSLF should only designate projects as subject to Single Audit Act and OMB Circular No. A-133 that do not have signed agreements at the time of designation so that all necessary Single Audit Act requirements can be fulfilled on a timely basis.

Auditee Contact – Brenda Diegel, Program Consultant, Municipal Programs Section, Kansas Department of Health and Environment

Management's Response/Corrective Action Plan (Unaudited) – KDHE agrees that the KPWSLF loan to Olathe for Project # 2470 should not have been designated to comply with the Single Audit Act. KDHE's interpretation of EPA's requirements for choosing Single Audit Act sub recipients was to require a Single Audit for those loan recipients, not realizing the subtlety that the Single Audit Act would impose other federal requirements on those loan recipients that were not otherwise required.

In the future, KDHE will not designate loan agreements that have already been executed as needing to comply with the Single Audit Act. This determination will be made prior to loan execution. If the loan is so designated, the Single Audit Act language and suspension and debarment language requirements will be included in the loan at the time of execution.

KDHE will also check the EPLS, require a certification, or place a clause in the agreement with the sub-recipient prior to executing any KPWSLF loan agreement subject to suspension and debarment requirements, to ensure the loan recipient is not suspended or debarred. Tracking fields have been entered into the internal KPWSLF database to ensure this check has been made prior to the loan becoming available for execution.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2010-3 Capitalization Grants for Clean Water State Revolving Funds (Significant Deficiency)

Federal Award – Capitalization Grants for Clean Water State Revolving Funds, Including ARRA (CFDA No. 66.458), Environmental Protection Agency (EPA), Kansas Department of Health and Environment (KDHE), All Open Grant Awards

Compliance Requirement – Special Reporting

Condition – Our testing of “Exhibit 4: Select Binding Commitments” in the 2009 Annual Report revealed that four detail project lines and the binding commitment calculation at the end of the exhibit were incorrectly reported. The binding commitment calculations had been incorrect for several years.

Criteria – Information included in special reports submitted to the federal grantor should be accurately reported for the given time period.

Cause – The Kansas Water Pollution Control Revolving Fund (KWPCRF) has a policy implemented for a detailed review of the report prior to submitting it to the federal grantor; however, the policy has not always been followed.

Effect – The federal grantor did not receive accurate report information because an appropriate review of the annual report had not been performed prior to submission.

Questioned Costs – None. The errors in the report did not result in unallowable costs; the errors resulted in misclassifications between project lines and inaccurate binding commitment calculations.

Recommendation – We recommend the KWPCRF follow their internal policy that calls for a reviewer to compare the report draft to appropriate supporting documentation so that all information is reported accurately to the federal grantor. We also want to note that a recalculation of the exhibit with corrected amounts shows that the KWPCRF is still in compliance with Binding Commitment Requirements as of the end of State Fiscal Year 2009.

Auditee Contact – Brenda Diegel, Program Consultant, Municipal Programs Section, Kansas Department of Health and Environment

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2010-3 Capitalization Grants for Clean Water State Revolving Funds (Significant Deficiency) (Continued)

Management's Response/Corrective Action Plan (Unaudited) – Review of the “Condition” indicates the “Condition” statement is correct. Several amounts presented in the “detail project lines” for the audit year were inaccurate. These amounts have been corrected and KDHE staff are conducting a follow up review of the entire Exhibit 4, which now spans 21 years of KWPCRF activity. The “Condition” indicates the binding commitment calculations have been incorrect for several years, however as indicated in the “Recommendation” the KWPCRF is in compliance with the Binding Commitment Requirements. Federal law requires the KWPCRF program provide a 20% state match. The required binding commitment therefore is 120% of the total capitalization grants amount received for the history of the program (21 years), except the ARRA cap grant which did not require a state match. One purpose of the Exhibit 4 is to show the actual binding commitment calculation for the history of the program at the end of each Fiscal Year. The corrected Exhibit 4 for the 2009 Annual Report indicates the KWPCRF binding commitment is over 300%, far above of the 120% minimum required.

EPA Region 7 conducts annual on-site reviews of the KWPCRF program and has developed a financial review computer model to evaluate the fiscal capacity and financial security of each state's CW and DW SRF programs. EPA has utilized this financial indicators computer model to calculate the binding commitment percentage and presented this information in the Performance Evaluation Report. As a result, the calculation presented in Exhibit 4 has not been used for KWPCRF program review or decisions for many years. EPA presents the binding commitment actual percentage as the “return on investment” (ROI), which for the Kansas Clean Water SRF program is also well over 300% without considering the ARRA grant funding.

Finding No. 2010-4 Capitalization Grants for Clean Water State Revolving Funds (Significant Deficiency)

Federal Award – Capitalization Grants for Clean Water State Revolving Funds, Including ARRA (CFDA No. 66.458), Environmental Protection Agency (EPA), Kansas Department of Health and Environment (KDHE), All Open Grant Awards

Compliance Requirement – Special Tests and Provisions: Environmental Review Requirements

Condition – One out of six projects tested did not have a Finding of No Significant Impact (FONSI) and an Environmental Assessment (EA) prepared and reviewed prior to construction beginning. The FONSI and EA were prepared fifteen days after construction started. This project was funded with ARRA.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2010-4 Capitalization Grants for Clean Water State Revolving Funds (Significant Deficiency) (Continued)

Criteria – 40 CFR 35.3140(b)(3)(i) states, “The State must fully document the information, processes and premises that influence decisions to proceed with a project contained in a finding of no significant impact (FONSI) following documentation in an environmental assessment (EA).” The FONSI and EA must be completed prior to commencing construction on a project.

Cause – The Kansas Water Pollution Control Revolving Fund’s (KWPCRF) staffing was short due to additional ARRA work as well as other staffing issues.

Effect – Entities could receive and expend federal funding for unallowable construction activity if a FONSI and EA are not prepared and reviewed prior to proceeding with the project.

Questioned Costs – The project’s loan amount is budgeted at \$ 1,600,000 of which \$ 800,000 is to be funded with ARRA. It should be noted that the FONSI and EA were not prepared timely however once both were prepared, the conclusion was that the project had passed the environmental requirements and was considered allowable for the grant.

Recommendation – We recommend the KWPCRF consider using available administrative funding to ensure adequate staffing of the program; or to implement a secondary review of project files at an appropriate time prior to the commencement of construction to verify that all appropriate environmental review documentation has been prepared.

Auditee Contact – Brenda Diegel, Program Consultant, Municipal Programs Section, Kansas Department of Health and Environment

Management’s Response/Corrective Action Plan (Unaudited) – Review of the “Condition” indicates the “Condition” statement is correct. The FONSI and EA were prepared and circulated for public notice after construction started. This issue of “tardy FONSI’s” was previously presented to KDHE KWPCRF staff in the State Fiscal Year 2008 and 2009 Performance Evaluation Reports prepared by EPA Region 7. In response to the Region 7 comments KDHE staff implemented a corrective action plan to resolve all “tardy FONSI’s” and also implemented an additional “FONSI checkpoint” in the payments review process beginning February 15, 2008. This FONSI checkpoint is to prevent the re-occurrence of “tardy FONSI’s”. Please note the environmental reviews of the projects were completed and reviewed by KDHE staff and any mitigative measures were imposed through design review prior to start of construction.

**KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
TOPEKA, KANSAS**

**Limited Scope Administrative and Financial Management System
Review**

Summary of Review

Overall Conclusion

The Kansas Department of Health and Environment (KDHE) had an adequate financial management system and related procedures to effectively manage and administer the Environmental Protection Agency (EPA) assistance agreements reviewed. No questioned costs or other reportable concerns were identified during our review of selected financial transactions. However, we did identify an area that needs improvement to more fully comply with future Federal and specific grant requirements. This matter is discussed below.

Reporting Requirements

KDHE did not timely prepare and submit the required MBE/WBE Utilization Under Federal Grants, Cooperative Agreements, and Interagency Agreements (MBE/WBE), EPA Form 5700-52A, as required by Federal and grant requirements for assistance agreements 2A-97706901, 2D-97705801, 2L-97705201, 2F-97705401 and 2W-97705301. As a result, KDHE was not fully complying with Federal and assistance agreement reporting requirements.

All of the EPA assistance agreements shown above require that "The recipient agrees to complete and submit EPA Form 5700-52A beginning with the Federal fiscal year reporting period the recipient receives the award and continuing until the project is completed. The reporting period is semi-annual, with reporting periods ending March 31 and September 30. The reports must be submitted within 30 days of the end of the semi-annual reporting periods, April 30 and October 30.

Our review showed that the required semi-annual MBE/WBE report submissions had not been made as required by grant provisions. Of the 15 semi-annual reports due for assistance agreements selected for our review, no reports (10) were submitted for the reporting periods ending 4/30/10 and 10/30/10 for any of the five assistance agreements. The remaining five reports due on 4/30/11 were not submitted until 7/14/11 or 75 days late.

Randy J. Fowler
July 14, 2011

Attachment 2

The Federal Financial Reports for the Clean Water SRF Capitalization Grants are included.

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted United States Environmental Protection Agency	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) CS200010 08	Page 1	of 1 pages
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3. Recipient Organization (Name and complete address including Zip code)
Kansas Department of Health & Environment, 1000 SW Jackson, Suite 410, Topeka, KS 66612-1367

4a. DUNS Number 175941483	4b. EIN 48-6029925	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) 2647490 -7530/7490	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Final	7. Basis of Accounting X Cash <input type="checkbox"/> Accrual
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8. Project/Grant Period From: (Month, Day, Year) 6/1/2008	To: (Month, Day, Year) 5/31/2013	9. Reporting Period End Date (Month, Day, Year) 12/8/2011
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10. Transactions Cumulative

(Use lines a-c for single or multiple grant reporting)

Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	

(Use lines d-o for single grant reporting)

Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	\$6,104,200.00
e. Federal share of expenditures	\$6,104,200.00
f. Federal share of unliquidated obligations	\$0.00
g. Total Federal share (sum of lines e and f)	\$6,104,200.00
h. Unobligated balance of Federal funds (line d minus g)	\$0.00

Recipient Share:	
i. Total recipient share required	\$1,220,840.00
j. Recipient share of expenditures	\$1,220,840.00
k. Remaining recipient share to be provided (line i minus j)	\$0.00

Program Income:	
l. Total Federal program income earned	
m. Program income expended in accordance with the deduction alternative	
n. Program income expended in accordance with the addition alternative	
o. Unexpended program income (line l minus line m or line n)	

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
	Predetermined	20.20%	6/1/2008	6/30/2008	0	0	0
	Predetermined	21.4	7/1/2008	6/30/2011	0	0	0
	g. Totals:				0	0	0

12. Remarks: *Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:*

13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official Dr. Robert Moser, Secretary, Kansas Department of Health & Environment	c. Telephone (Area code, number and extension) 785-296-0461 d. Email address Grants@kdheks.gov
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year) 12/7/2011

	14. Agency use only: Federal Share Calculation Standard Form 425 OMB Approval Number: 0348-0061 Expiration Date: 10/31/2011
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Paperwork Burden Statement
 According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted United States Environmental Protection Agency	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) CS200010 09	Page 1	of 1 pages
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3. Recipient Organization (Name and complete address including Zip code)
Kansas Department of Health & Environment, 1000 SW Jackson, Suite 410, Topeka, KS 66612-1367

4a. DUNS Number 175941483	4b. EIN 48-6029925	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) 2647490 -7530/7490 & 7530/7450	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual
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8. Project/Grant Period From: (Month, Day, Year) 2/1/2009	To: (Month, Day, Year) 1/3/2014	9. Reporting Period End Date (Month, Day, Year) 6/30/2011
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10. Transactions Cumulative

(Use lines a-c for single or multiple grant reporting)

Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	

(Use lines d-o for single grant reporting)

Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	\$6,104,300.00
e. Federal share of expenditures	\$2,521,591.32
f. Federal share of unliquidated obligations	\$0.00
g. Total Federal share (sum of lines e and f)	\$2,521,591.32
h. Unobligated balance of Federal funds (line d minus g)	\$3,582,708.68

Recipient Share:	
i. Total recipient share required	\$1,526,075.00
j. Recipient share of expenditures	\$630,397.83
k. Remaining recipient share to be provided (line i minus j)	\$895,677.17

Program Income:	
l. Total Federal program income earned	
m. Program income expended in accordance with the deduction alternative	
n. Program income expended in accordance with the addition alternative	
o. Unexpended program income (line l minus line m or line n)	

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
	Predetermined	20.20%	6/1/2008	6/30/2008	0	0	0
	Predetermined	21.4	7/1/2008	6/30/2011	0	0	0
	g. Totals:				0	0	0

12. Remarks: *Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:*

13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official Dr. Robert Moser, Secretary, Kansas Department of Health & Environment	c. Telephone (Area code, number and extension) 785-296-0461
b. Signature of Authorized Certifying Official	d. Email address Grants@kdheks.gov
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Paperwork Burden Statement
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Attachment 3

The KDFB Independent Audit Report is available on the KDFB website located at <http://kdfb.org/>

Attachment 4

Environmental Benefits Matrix
(5 pages)

CBR Reports Information
(6 pages)

City/ Project	Project Number	Permit		Waterbody HUC	Receiving Stream
		Type	Number		
Argonia	C20 1782 01	NPDES	M-AR05-OO01	11060005-8	Chikaskia R
Cawker City	C20 1905 01	NPDES	F-SO08-OO01	10260015-LM018001	Waconda Lake
Cherokee Co. SD #1	C20 1745 01	NPDES	M-NE73-OO02	11070207-1	Spring R
Council Grove	C20 1784 01	NPDES	M-NE17-OO01	11070201-10	Neosho R
Glasco	C20 1912 01	KWPC	M-SO17-NO01	10260015	NA
Grinnell	C20 1908 01	KWPC	M-SH17-NO01	10260007	NA
LaCrosse	C20 1206 01	NPDES	M-UA23-OO01	11030008-3	Sand Cr
Leoti	C20 1822 01	KWPC	M-UA26-NO01	11030002	NA
Moran	C20 1909 01	NPDES	M-MC25-OO01	10290104-12	Marmaton R
Pratt	C20 1799 01	NPDES	M-AR73-OO01	11030015-4	S. Fk. Ninn. R
Shawnee Co. - Sher.	C20 1916 01	NPDES	M-KS72-OO27	10270102-40	Shunganunga Cr.
Solomon	C20 1791 01	NPDES	M-SO39-OO01	10260015-1	Solomon R
Stockton	C20 1802 01	NPDES	M-SO41-OO01	10260014-363	S.Fk.Solomon R
Troy	C20 1913 01	NPDES	M-MO22-OO01	10240011-27	Mo. R. via Peters Cr.
Viola	C20 1692 01	NPDES	M-AR90-OO01	11030016-3	Ninn.R. via Unnam. Trib.
Glacial Hills RC&D	C20 1882 01	NA	NA	10270103	Deleware R.

City/ Project	Loan Amount	Effective Date	Interest Rate	Repmt Period Yrs.	Needs Category	Poplution Served
Argonia	907,256.00	9/24/2010	2.55	20	I, IIIA	472
Cawker City	260,186.00	7/22/2010	2.61	20	I	463
Cherokee Co. SD #1	255,000.00	7/26/2010	2.61	20	IIIB	1500
Council Grove	509,600.00	9/7/2010	2.55	20	I	2274
Glasco	175,600.00	1/12/2011	2.66	20	I	488
Grinnell	570,620.00	9/22/2010	2.55	20	I	276
LaCrosse	2,678,530.00	8/31/2010	2.59	20	I	1241
Leoti	740,000.00	3/11/2011	3.06	20	IVB	1339
Moran	353,389.00	11/3/2010	2.35	20	IIIB	522
Pratt	1,642,000.00	10/2/2010	2.45	20	I	6397
Shawnee Co. - Sher.	2,000,000.00	1/3/2011	2.66	20	IVB	15000
Solomon	195,675.00	9/30/2010	2.55	20	I	1078
Stockton	4,622,300.00	5/9/2011	3.01	20	I	1402
Troy	270,800.00	3/30/2011	3.06	20	IIIB	1015
Viola	300,000.00	8/10/2010	2.59	20	I	205
Glacial Hills RC&D	670,904.00	11/10/2010	2.60	1	VII-K	670,904

City/ Project	WWTP Capacity, mgd	Water Quality Imprv. Or Maint.	Achieve or Maint. Compl.	Protect Surface or Groundwater	Project in TMDL?
Argonia	0.07	Improve	Achieve	Surface	No
Cawker City	0.085	Improve	Achieve	Surface	Yes
Cherokee Co. SD #1	0.22	Maintain	Maintain	Surface	Yes
Council Grove	0.408	Improve	Achieve	Surface	No
Glasco	0.059	Maintain	Maintain	Groundwater	No
Grinnell	0.042	Maintain	Maintain	Groundwater	No
LaCrosse	0.2	Improve	Achieve	Both	No
Leoti	0.2	Maintain	Maintain	Groundwater	No
Moran	0.098	Maintain	Maintain	Surface	Yes
Pratt	1.1	Maintain	Maintain	Surface	No
Shawnee Co. - Sher.	2.4	Maintain	Maintain	Surface	Yes
Solomon	0.11	Improve	Achieve	Both	Yes
Stockton	0.275	Improve	Achieve	Both	Yes
Troy	0.1	Maintain	Maintain	Surface	No
Viola	0.051	Improve	Achieve	Both	Yes
Glacial Hills RC&D	NA	Improve	NA	Surface	Yes

City/ Project	Other Public Health Protection?	Water Reuse?	Groundwater Protection?
Argonia	No	No	No
Cawker City	Yes	No	No
Cherokee Co. SD #1	No	No	No
Council Grove	No	No	No
Glasco	No	No	Yes
Grinnell	No	No	Yes
LaCrosse	No	Yes	No
Leoti	No	Yes	No
Moran	No	No	No
Pratt	No	No	No
Shawnee Co. - Sher.	No	No	No
Solomon	No	No	No
Stockton	No	Yes	No
Troy	No	No	No
Viola	No	No	No
Glacial Hills RC&D	Yes	No	No

included in Attachment 6. In FY 2011, EPA will provide, as needed, additional technical assistance.

D. Reporting Requirements

The conference report (H. Rpt. 111-316, at 166) for the FY 2010 Appropriation directs EPA and the States not only to track how additional subsidies are used, but also “by what types of communities.” The language of the FY 2010 conference report carries forward for FY 2011. States shall report quarterly in the CWSRF Benefits Reporting (CBR) and DWSRF Project Benefits Reporting (PBR) systems on the use of all SRF funds. This information will also need to be included in the Annual Report. Quarterly reporting shall include use of the funds for the GPR and Additional Subsidization as described in D1 below, as well as information on the environmental benefits of SRF assistance agreements, as described in D2.

1. Data Elements

For both SRFs, the CBR/PBR and the Annual Report must contain information on the progress made in meeting the GPR and Additional Subsidization requirements.

For all projects that receive additional subsidization, the following data elements must be entered quarterly into CBR/PBR and, a list containing the following information must be included in State Annual Reports. (Additional clarification on the items listed below is provided in CBR/PBR.)

- a. Assistance Recipient Name
- b. Total amount of SRF assistance provided
- c. Project name and identification number
- d. Project Location
- e. Type of additional subsidy (grant, principal forgiveness, negative interest).
- f. Amount of additional subsidy

g. Y/N – Would the recipient have been able to afford a loan without the additional subsidy (Using the States’ own criteria for making this determination, such as use of their SRF loan evaluation criteria)?

h. Characteristics of the community served by the project - population of communities (based on NIMS categories)

For projects that receive funding under the Green Project Reserve, a list of projects that includes the following information must be included in the Annual Report and entered into CBR/PBR. (Additional clarification on the items below is provided in CBR/PBR.)

a. Assistance Recipient Name

b. Total amount of SRF assistance provided

c. Project name and identification number

d. Type of project (green infrastructure, water efficiency, energy efficiency, environmentally innovative).

e. Amount of SRF funding for GPR portion of the project

f. Of the total amount of GPR funding, the amount of subsidy provided (if any)

g. A brief description of the project (i.e., rain garden, renewable energy at POTW, water efficient fixtures).

h. Population served by the project (not required for CWSRF nonpoint source projects)

2. Environmental/Public Health Benefits Reporting

In 2005, all 51 CWSRF programs agreed to use a suite of environmental indicators to show how their CWSRF projects impact water quality and public health. The CBR system was developed based on these indicators. States shall report quarterly in CBR on the environmental benefits of all assistance agreements. The specific required data elements are listed in Attachment 7.

In FY 2010, the DWSRF program identified project level data to be reported quarterly to the Drinking Water Project and Benefits Reporting System (PBR) for the base program. These data elements will be used for states' quarterly reporting in FY 2011. The data elements are identified in Attachment 8 and will be used for reporting environmental/public health benefits of DWSRF assistance agreements.

3. Annual Report/ CBR/PBR

The CBR and PBR are the best available means of comprehensively tracking project-level information on a real-time basis. The data elements identified in Section D1 have been added to the existing data elements in the CBR/PBR systems. The CBR/PBR forms must be completed quarterly, starting with the first quarter in which the assistance agreement is made.

The data elements identified in Section D1 and Attachments 7 and 8 must also be reported in the Annual Report. Summary reports, compiling the quarterly data, can be generated by CBR/PBR and may be included as an attachment to the Annual Report to meet this reporting requirement.

Attachments

Attachment 7: CWSRF Benefits Reporting Data Elements

Environmental Benefits Data Fields	Required/Optional
Borrower	required
Loan Execution Date	required
Tracking #	required
Other Tracking Number	optional
Assistance Type	required
Effective Interest Rate	required
Incremental Funding	optional
Phase #	optional
Original Tracking #	optional
CWSRF Assistance Amount	required
Repayment Period	required
Final Amount (checkbox)	required
% Funded by CWSRF	required
Same Environmental Results checkbox	optional
CWSRF Total From All Projects	required
Check if loan funds one or more NPS project(s)	required
Total NPS projects	required
CW Needs Survey Number	optional
If applicable, the number of NPS projects	required
Project Description	required
Facility Name	required
Population Served By the Project	required
Population Served By the System	required
Wastewater Volume (Design Flow) for the project	required
Wastewater Volume (Design Flow) for the system	required
Wastewater Volume (Design Flow) eliminated/conserved by this project	required
Needs Categories	required
Discharge Affected	required
NPDES Permit Number/No NPDES Permit	required
Other Permit Type	optional
Other Permit Number	optional
Waterbody Name (Primary Impacted)	required
Waterbody ID (Primary Impacted)	optional
Waterbody Name (Other Impacted)	optional
Waterbody ID (Other Impacted)	optional
Receiving Waterbody	required
State Waterbody ID	optional
Project Location (lat/long)	optional
Contributes to Water Quality...Improvement/Maintenance	required
Allows the System to... Achieve Compliance/Maintain Compliance	required
Affected Waterbody is... Impaired/Meeting Standards	required
Allows the System to Address... existing TMDL/Projected TMDL/Watershed Management Plan	required
Designated Surface Water Uses	required
Other Uses and Outcomes	optional
Project Comments	optional

Clean Water SRF Reporting Additional Subsidy for Kansas

Report Generated: 12/6/2011 -- Data Last Modified: 12/6/2011 2:04:00 PM

Tracking Number	Recipient	Initial Loan Date	Amount	Grant Amount	Negative Interest Amount	Principal Forgiveness Amount	Recipient Could Afford Project without Subsidy?	Population Served	GPR Amount
C20 1206 01	La Crosse	8/31/2010	2,678,530	0	0	1,071,412	<input type="checkbox"/>	1,274	0
C20 1692 01	Viola	12/27/2010	300,000	0	0	45,000	<input type="checkbox"/>	213	0
C20 1745 01	Cherokee County SD #1	7/26/2010	255,000	0	0	38,250	<input checked="" type="checkbox"/>	1,020	0
C20 1784 01	Council Grove	9/7/2010	509,600	0	0	76,440	<input checked="" type="checkbox"/>	2,280	0
C20 1799 01	Pratt	11/8/2010	1,642,000	0	0	656,800	<input type="checkbox"/>	6,408	1,642,000
C20 1802 01	Stockton	6/16/2011	4,622,300	0	0	1,848,920	<input type="checkbox"/>	1,439	0
C20 1822 01	Leoti	5/25/2011	740,000	0	0	296,000	<input type="checkbox"/>	1,339	0
C20 1882 01	Glacial Hills, Delaware Phase 2 NPSGPR	12/7/2010	333,000	0	0	333,000	<input type="checkbox"/>	670,904	333,000
C20 1905 01	Cawker City	7/22/2010	260,186	0	0	39,028	<input checked="" type="checkbox"/>	464	0
C20 1908 01	Grinnell	9/22/2010	570,620	0	0	85,593	<input checked="" type="checkbox"/>	295	0
C20 1916 01	Shawnee CO P.S. 55, 56, 59 FY2010	3/7/2011	2,000,000	0	0	300,000	<input checked="" type="checkbox"/>	9,500	0
Total for all 11 Agreements			13,911,236	0	0	4,790,443		695,136	1,975,000

Clean Water SRF Reporting Green Project Funding for Kansas

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Tracking Number	Recipient	Initial Loan Date	Amount	GPR Amount	Green Infrastructure	Energy Conservation	Water Efficiency	Green Innovative	Amount of add'l subsidy provided to fund this GPR
C20 1799 01	Pratt	11/8/2010	1,642,000	1,642,000	0	1,642,000	0	0	656,800
C20 1882 01	Glacial Hills, Delaware Phase 2 NPSGPR	12/7/2010	333,000	333,000	333,000	0	0	0	0
Total for all 2 Agreements			1,975,000	1,975,000	333,000	1,642,000	0	0	656,800